

CHAPTER XVII. PUBLIC FINANCE.

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

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

A. COMMONWEALTH FINANCE.

§ 1. General.

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

Section 69 provides for the transfer to the Commonwealth from the States of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments. Section 87 deals with the financial relations between the Commonwealth and the States. These matters have been treated in previous issues of the Official Year Book and on pages 619–622 of this issue a summary is given of the present provisions for Commonwealth financial assistance to the States.

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

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

§ 2. Consolidated Revenue Fund.

Division I.—Nature of Fund.

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

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

roads, science and industry investigations, prospecting for oil and precious metals, civil aviation, etc. In the later 'twenties and early 'thirties, when receipts and expenditure were each about £70 million or £80 million a year, there were annual deficiencies, which by the end of 1930-31 had 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. In 1951-52 the Fund was balanced after a special payment of £98.5 million had been made to the National Debt Sinking Fund for investment in a special loan for States' works requirements and in 1952-53 after a special payment of £13.4 million to the War Pensions Trust Account.

Receipts and expenditure increased from £95 million in 1938-39 to £377 million in 1944-45. By 1949-50 they had risen to £581 million, and then increased sharply to £842 million in 1950-51, £1,016 million in 1951-52 and £1,040 million in 1952-53.

Division 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 1948-49 to 1952-53. Taxation constitutes the main source of Commonwealth revenue e.g. 86.1 per cent. in 1952-53.

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

Source.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Taxation	74,111	490,813	518,959	777,187	934,011	895,464
Per head of population ..	£10 13 9	£62 18 8	£64 9 5	£93 10 2	£109 7 6	£102 7 5
Business Undertakings ..	17,892	34,912	42,087	48,792	64,955	70,933
Per head of population ..	£2 11 9	£4 9 6	£5 4 7	£5 17 5	£7 12 2	£8 2 2
Territories(a)	356	738	926	1,150	1,558	1,779
Per head of population ..	£0 1 0	£0 1 11	£0 2 3	£0 2 9	£0 3 8	£0 4 1
Other Revenue—						
Interest, etc.	1,144	1,532	1,889	2,756	3,795	5,415
Coinage	128	635	466	499	895	310
Defence	151	355	541	702	499	2,188
Atomic Energy Commission	..	..	..	..	..	1,174
Civil Aviation	6	1,998	2,870	3,504	3,247	3,591
Health	18	20	25	31	51	43
Patents, Trade Marks, etc. ..	68	128	124	128	143	183
Bankruptcy	31	20	22	23	27	31
Wool Committee Operations	..	..	..	..	..	..
Surplus .. .. .	..	103	..	..	..	..
Wartime Trading Profits—Wool	..	..	..	..	..	42,361
Commerce and Agriculture ..	..	22	11	22	34	121
Shipping and Transport ..	..	478	264	282	260	255
Net Profit on Australian Note	..	..	..	..	..	..
Issue	767	4,460	4,183	3,394	3,381	4,861
Surplus Balances of Trust	..	..	..	..	..	..
Accounts .. .. .	..	17,014	6,700	1,034	179	761
Other	235	1,149	1,585	2,288	3,793	10,697
Total	2,706	27,914	18,680	14,663	16,304	71,891
Per head of population ..	£0 7 9	£3 11 7	£2 6 5	£1 15 4	£1 18 2	£8 4 4
Grand Total	95,065	554,377	580,652	841,792	1,016,828	1,040,067
Per head of population ..	£13 14 3	£71 1 8	£72 2 8	£101 5 8	£119 1 6	£118 18 0

(a) Excludes Railways.

A graphical representation of the revenue and expenditure of the Commonwealth Consolidated Revenue Fund appears on page 613.

2. Taxation.—(i) *Total Collections.* (a) *Amount.* Collections under each heading for the years 1938–39 and 1948–49 to 1952–53 are shown below :—

COMMONWEALTH TAXATION : TOTAL NET COLLECTIONS.

(£'000.)

Heading.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Customs	31,160	63,465	77,726	91,921	113,936	70,720
Excise	16,472	62,735	66,157	73,083	99,981	113,104
Sales Tax	9,308	39,029	42,425	57,173	95,459	89,067
Land Tax	1,489	3,032	4,210	3,591	6,199	1,250
Pay-roll Tax .. .. .	..	19,803	22,728	28,721	37,170	40,171
Income Taxes(a)	11,883	272,347	279,654	341,957	545,179	556,960
Wool Deduction .. .. .	..	..	..	109,531	5,963	- 2,223
Estate Duty	1,916	4,740	6,054	6,401	7,778	8,393
Gift Duty .. .. .	..	582	745	1,044	1,202	1,162
Entertainments Tax .. .. .	..	5,299	4,698	5,148	6,161	6,708
Special Industry Taxes(b)	1,883	19,781	14,562	58,617	14,983	10,152
Total Taxation	74,111	490,813	518,959	777,187	934,011	895,464

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

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

(b) *Proportion of each Class on Total Collections.* The following table shows the proportion of the total collections represented by returns from each class of taxation for the years 1938–39 and 1948–49 to 1952–53 :—

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

(Per Cent.)

Heading.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Customs	42.1	12.9	15.0	11.8	12.2	7.9
Excise	22.3	12.8	12.7	9.4	10.7	12.6
Sales Tax	12.6	8.0	8.2	7.4	10.2	10.0
Land Tax	2.0	0.6	0.8	0.5	0.7	0.2
Pay-roll Tax .. .. .	..	4.0	4.4	3.7	4.0	4.5
Income Taxes(a)	16.0	55.5	53.9	44.0	58.4	62.2
Wool Deduction .. .. .	..	..	..	14.1	0.6	-0.3
Estate Duty	2.6	1.0	1.2	0.8	0.8	0.9
Gift Duty .. .. .	..	0.1	0.1	0.1	0.1	0.1
Entertainments Tax .. .. .	..	1.1	0.9	0.7	0.7	0.8
Special Industry Taxes(b)	2.4	4.0	2.8	7.5	1.6	1.1
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 1948-49 to 1952-53 are shown in the following table :—

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

Classes.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Ales, spirits and beverages ..	1,165	1,171	1,462	1,800	2,751	1,999
Tobacco and manufactures	3,256	14,612	17,657	20,830	24,996	19,199
Agricultural products and groceries ..	1,373	1,304	1,517	1,697	1,806	1,217
Textiles and attire ..	2,801	6,644	7,066	9,394	12,842	3,247
Metals and machinery ..	2,386	5,782	8,439	8,574	14,342	6,843
Oils, paints, etc. ..	9,927	17,316	19,274	23,720	25,915	25,601
Earthenware, etc. ..	510	1,089	1,274	1,467	2,188	660
Drugs and chemicals ..	310	322	397	758	941	313
Wood, wicker and cane ..	739	993	966	488	695	307
Jewellery and fancy goods ..	481	1,237	1,900	2,530	2,908	1,132
Leather and rubber ..	477	923	1,124	1,535	2,044	744
Paper and stationery ..	454	485	428	545	934	324
Vehicles ..	2,062	3,938	3,735	7,804	3,902	2,172
Miscellaneous articles ..	1,056	1,904	1,347	1,749	2,497	330
Primage ..	3,914	5,393	5,711	8,206	9,296	6,181
Other receipts ..	250	352	429	234	879	444
Total	31,161	63,465	77,726	91,921	113,936	70,720

(iii) *Excise Revenue.* Net excise receipts for the years 1938-39 and 1948-49 to 1952-53 were as follows :—

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

Particulars.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Beer ..	7,289	31,807	33,402	37,243	56,941	65,826
Spirits ..	1,604	7,023	6,926	8,129	8,890	6,680
Tobacco ..	3,868	9,622	10,229	10,759	13,845	16,036
Cigars and cigarettes ..	2,419	9,558	10,192	10,662	13,848	17,890
Cigarette papers ..	531	897	1,002	1,166	1,085	1,019
Petrol ..	582	2,238	2,678	3,065	3,419	3,823
Matches ..	82	1,201	1,201	1,213	1,053	460
Plugging cards ..	11	67	61	63	55	955
Coal ..	..	..	207	375	499	552
Miscellaneous ..	86	322	259	408	341	283
Total	16,472	62,735	66,157	73,083	99,981	113,104

(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 1935-1952. These schedules set out details of goods exempt from sales tax and those subject to special rates. The general and special rates which operated from 15th November, 1946, were,

Period.	General Rate.	Special Rates
15th November, 1946 to 7th September, 1949 ..	10 per cent. ..	25 per cent.
8th September, 1949 to 12th October, 1950 ..	8½ per cent. ..	25 per cent.
13th October, 1950 to 26th September, 1951 ..	8½ per cent. ..	10, 25 and 33½ per cent.
27th September, 1951 to 6th August, 1952 ..	12½ per cent. ..	20, 25, 33½, 50 and 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.
From 19th August, 1954 ..	12½ per cent. ..	10 and 16½ per cent.

For particulars of rates applicable since the inception of Sales Tax in August, 1939 see Official Year Book No. 37, page 617.

Particulars of the net amount of sales tax payable, and the sales of taxable and exempt goods in each State for 1952-53 are given in the following table. The figures are in respect of sales during the period 1st July to 30th June.

SALES TAX AND AMOUNT OF SALES, 1952-53.
(£'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—								
12½ per cent. ..	157,902	119,213	50,149	40,667	28,029	7,529	101	403,660
20 per cent. ..	47,567	34,534	15,996	14,127	7,414	1,764	11	121,413
25 per cent. ..	59	32	21	11	9	1	1	134
13½ per cent. ..	11,342	6,333	2,335	1,539	1,141	306	4	23,000
50 per cent. ..	3,242	2,378	542	387	241	34	..	6,794
66½ per cent. ..	153	141	35	27	11	2	..	369
Total ..	220,235	162,631	69,078	56,758	36,845	9,636	207	555,390
Sales of Exempt Goods by Registered Persons ..	517,581	392,259	175,437	130,330	88,738	36,575	1,359	1,342,279
Total Sales of Taxable and Exempt Goods ..	737,816	554,890	244,515	187,088	125,583	46,211	1,566	1,807,669
Sales Tax Payable ..	34,755	25,210	10,545	8,636	5,497	1,414	28	86,085

(a) Includes Australian Capital Territory.

Sales of taxable and exempt goods and sales tax payable for Australia as a whole for the years 1938-39 and 1948-49 to 1952-53 are shown in the following table :—

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

Year.	Net Sales on which Sales Tax was Payable.	Sales of Exempt Goods by Registered Persons.	Total Sales of Taxable and Exempt Goods.	Sales Tax Payable
1938-39	196,491	280,656	477,147	9,363
1948-49	363,164	757,381	1,120,545	38,197
1949-50	455,251	866,575	1,321,826	40,789
1950-51	552,919	1,138,887	1,691,806	54,471
1951-52	623,390	1,321,696	1,945,086	91,332
1952-53	555,390	1,342,279	1,897,669	86,085

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 1935-1952. The figures shown in the foregoing tables do not represent the total sales of all commodities, as vendors trading in exempt goods only are not required to be registered and consequently the volume of their sales is not included in the statistics above. 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, page 669. Receipts for the years 1938-39 and 1948-49 to 1952-53 were as follows:—1938-39, £1,489,000; 1948-49, £3,032,000; 1949-50, £4,210,000; 1950-51, £3,591,000; 1951-52 £6,199,000; 1952-53, £1,250,000.

(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 1948-49 to 1952-53 were, 1948-49, £19,803,000; 1949-50, £22,728,000; 1950-51, £28,721,000; 1951-52, £37,170,000; 1952-53, £40,171,000.

(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 refunds amounted to £2,223,000.

(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, page 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 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 1948-49 to 1952-53 were as follows:—1938-39, £1,915,000; 1948-49, £4,740,000; 1949-50, £6,054,000; 1950-51, £6,401,000; 1951-52, £7,778,000; 1952-53, £8,393,000.

Particulars of the number and value of estates and duty assessed, for each of the assessment years 1938-39 and 1948-49 to 1952-53, are given in the following table:—

ESTATE DUTY ASSESSMENTS.

Particulars.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Number of Estates ..	9,681	12,350	13,982	15,680	16,289	19,663
Gross Value Assessed ..	£'000 65,699	99,717	117,534	134,074	144,073	175,672
Deductions ..	£'000 12,630	16,475	19,219	22,714	22,083	27,795
Statutory Exemption ..	£'000 ..	14,402	16,271	18,715	18,672	22,566
Dutiable Value ..	£'000 53,069	68,840	82,044	93,185	103,318	125,311
Duty Payable ..	£ 2,002,283	4,902,352	5,992,799	6,933,608	7,797,967	9,248,925
Average dutiable value ..	£ 5,482	5,574	5,868	5,943	6,343	6,373
Average duty per estate ..	£ 207	397	429	442	479	470

(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 1948-49 to 1952-53 were as follows:—1948-49, £582,000; 1949-50, £745,000; 1950-51, £1,044,000; 1951-52, £1,202,000; 1952-53, £1,162,000.

(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, pages 672 and 673).

Entertainments tax receipts during the five years 1948-49 to 1952-53 were as follows:—1948-49, £5,299,000; 1949-50, £4,698,000; 1950-51, £5,148,000; 1951-52 £6,161,000; 1952-53, £6,708,000.

Numbers of admissions to taxable entertainments during 1952-53 were as follows:—theatres, 3,939,000; picture theatres, 137,861,000; racing, 11,252,000; dancing and skating, 9,436,000; sport, 7,674,000; other, 4,564,000. Total admissions were 174,726,000 of which 13,913,000 were at reduced rates and 160,813,000 at full rates.

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

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

However, with the repeal of the Wool Contributory Charge, a levy on wool produced in Australia was re-introduced from 1st July, 1952. The Wool Tax Acts (Nos. 1 and 2) of 1952 provide for the payment of a levy of four shillings per bale until 30th June, 1953, after which date the rate of tax may be varied within prescribed limits. The purpose of the tax is to provide funds for publicity and research previously provided by the Wool Contributory Charge. Collections during 1952-53 totalled £675,000.

(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, page 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 in each State during the years 1948-49 to 1952-53 were as follows:—1948-49, £1,029,000; 1949-50, £1,439,000; 1950-51, £44,844,000; 1951-52, £2,230,000; 1952-53, £28,000.

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

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

The guaranteed price for the 1947-48 season was 6s. 3d. per bushel for all fair average quality bulk wheat f.o.r. at the ports of export. It was raised to 6s. 8d. per bushel for the 1948-49 season with further rises to 7s. 1d. for the 1949-50 season, 7s. 10d. for the 1950-51 season, 10s. 0d. for the 1951-52 season and 11s. 11d. for the 1952-53 season. By an amendment passed in 1952, the Act shall not apply to wheat harvested after 30th September, 1952.

Under the Wheat Industry Stabilization Act 1946-1948 an amount equivalent to the charges collected under the Wheat Export Charge Act 1948 is paid to the Wheat Prices Stabilization Fund. Out of this fund payments shall be made to the Australian Wheat Board, when required, for the purpose of building up the average export price for any season to the guaranteed price. By reason of the favourable level of export prices, part of the funds of the Wheat Stabilization Fund were considered surplus and accordingly, the export charge collected on wheat for the 1947-48, 1948-49 and 1949-50 seasons was repaid to growers under the Wheat Industry Stabilization (Refund of Charge) Acts 1950, 1951 and 1952. These repayments amounted to £17,000,000, £12,960,000 and £15,639,000 (including interest) respectively. (See also Chapter XX.—Agricultural Production.)

Collections of wheat export charge were as follows:—1948-49, £18,086,000; 1949-50, £12,633,000; 1950-51, £13,353,000; 1951-52, £12,202,000 and 1952-53, £8,139,000.

(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 on grapes used in the manufacture of wine (Wine Grapes Charges Act 1929-1941). 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:—1948-49, £90,000; 1949-50, £89,000; 1950-51, £76,000; 1951-52, £72,000 and 1952-53, £166,000.

(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 1948-49 to 1952-53 were as follows:—1948-49, £670,000; 1949-50, £499,000; 1950-51, £420,000; 1951-52, £551,000; 1952-53, £1,144,000.

(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, page 767.

3. *Business Undertakings.*—(i) *Postmaster-General's Department.* Particulars of net receipts for each of the financial years 1938-39 and 1948-49 to 1952-53 are contained in the following table :—

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

Particulars.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Private boxes and bags ..	74	94	96	144	164	164
Commission on money orders and postal notes ..	289	408	441	472	827	859
Telegraphs ..	1,372	2,991	3,756	4,442	5,066	4,547
Telephones ..	8,040	15,055	19,168	22,667	31,059	35,177
Postage ..	6,636	12,735	13,942	16,020	20,687	21,821
Radio ..	516	1,192	(a)	(a)	(a)	(a)
Miscellaneous ..	439	832	946	1,032	1,568	1,825
Total	17,366	33,307	38,349	44,777	59,371	64,398

(a) Included under Broadcasting Services.

Further particulars of the Postmaster-General's Department's receipts to 1952-53 are given in Chapter VI.—Transport and Communication (Division I. Posts, Telegraphs, Telephones and Wireless).

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

Details of net receipts for the years 1949-50 to 1952-53 are shown in the following table :—

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

Particulars.	1949-50.	1950-51.	1951-52.	1952-53
Listeners' Licence Fees ..	1,899	1,943	2,776	3,770
Broadcasting Station Licence Fees ..	17	18	20	23
Miscellaneous ..	18	10	9	13
Total	1,934	1,971	2,805	3,806

(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 1948-49 to 1952-53 :—

COMMONWEALTH RAILWAY REVENUE.
(£'000.)

Railway.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53
Trans-Australian ..	331	888	981	1,175	1,479	1,372
Central Australia ..	138	679	776	816	1,241	1,290
North Australia ..	50	29	35	38	49	42
Aust. Cap. Territory ..	7	9	12	15	10	25
Total	526	1,605	1,804	2,044	2,779	2,729

Further particulars to 1952-53 are given in Chapter VI.—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 1952-53 amounted to £1,779,000 (Australian Capital Territory, £1,208,000; Northern Territory, £571,000). Of other sources of revenue, amounting in 1952-53 to £71,891,000, the following are noteworthy:—War-time Trading Profits—Wool, £42,361,000; Interest, £5,415,000; Civil Aviation, £3,501,000; Net Profit on Australian Note Issue, £4,861,000; and Sale of Shares in Commonwealth Oil Refineries, £2,762,000.

Division III.—Expenditure.

1. **Details of Expenditure from Consolidated Revenue.**—The following table shows details of the expenditure from the Consolidated Revenue Fund during the years 1938-39 and 1948-49 to 1952-53.

COMMONWEALTH CONSOLIDATED REVENUE FUND : EXPENDITURE.

(£'000.)

Department, etc.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Defence Services	8,061	56,304	42,774	74,045	125,586	174,267
War (1914-18 and 1939-45) and Repatriation Services ..	19,257	133,141	96,594	129,635	105,931	117,910
Subsidies and Bounties ..	236	23,108	20,683	40,537	31,341	25,332
Cost of Departments ..	8,747	41,330	47,841	60,039	70,452	74,757
National Welfare Fund .. (a)	16,428	110,058	123,288	132,680	171,709	165,511
National Debt Sinking Fund Special Payment (Surplus) ..	..	..	..	..	98,500	..
Business Undertakings—						
Postmaster-General	14,878	38,669	44,512	54,802	64,291	69,917
Broadcasting Services .. (b)	..	..	2,872	3,591	4,135	4,556
Railways	1,351	2,594	2,792	3,381	4,025	3,944
Territories	1,100	5,768	7,294	8,260	9,746	9,815
Capital Works and Services—						
Defence and War Services ..	1,349	5,624	12,500	75,125	45,113	42,304
Repatriation	141	8,664	14,848 (c)	342	27,861	28,167
Postmaster-General	3,851	14,770	19,792	34,897	28,819	28,427
Broadcasting Services .. (b)	..	(b)	157	212	251	202
Railways	142	223	482	1,461	2,637	4,746
Territories	739	2,628	3,161	5,085	5,153	4,821
Other	493	13,463	25,757	31,471	45,899	37,232
Payments to or for States ..	15,649	78,704	101,232	128,032	160,947	182,891
Self-Balancing Items .. (d)	2,015	19,329	14,073	58,197	14,432	51,868
Grand Total	94,437	554,377	580,652	841,792	1,016,828	(e) 1,026,667
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Per Head of Population ..	13 12 5	71 1 8	72 2 8	101 5 8	119 1 6	117 7 5

(a) Invalid and Age Pensions and Maternity Allowances. (b) Provided in part from Postmaster-General's Department Votes and balance from Wireless Broadcasting Trust Account. (c) In addition, £24,911,000 was provided from Loan Fund. (d) Assistance to Primary Producers. (e) Excludes surplus, £13,400,000, transferred to War Pensions 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 page 613. 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 1948-49 to 1952-53 are shown in the following table:—

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

Item.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
War (1914-18 and 1939-45) Debt(b)—						
Interest and Exchange ..	7,616	44,677	45,127	44,614	43,902	43,354
Debt Redemption ..	2,049	13,084	13,197	13,835	15,002	21,256
Other(c) ..	224	190	379	312	215	279
Total	9,889	57,951	58,703	58,761	59,119	64,889
Business Undertakings— Postmaster-General's Department—						
Interest and Exchange ..	1,758	1,302	1,281	1,454	1,437	1,349
Debt Redemption ..	1,129	1,950	2,048	2,150	2,257	2,371
Total	2,887	3,252	3,329	3,604	3,694	3,720
Railways—						
Interest and Exchange ..	455	380	375	420	415	413
Debt Redemption ..	75	122	128	134	141	148
Other(c) ..	11	1	7	1	..	1
Total	541	503	510	555	556	562
Territories—						
Interest and Exchange ..	318	262	241	230	219	218
Debt Redemption ..	58	95	99	105	110	115
Other(c) ..	4	..	..	3	..	..
Total	380	357	340	338	329	333
Works and Other Purposes—						
Interest and Exchange ..	3,226	2,805	2,812	2,794	3,259	4,149
Debt Redemption ..	613	688	640	864	791	718
Other(c) ..	37	77	75	59	46	66
Total	3,876	3,570	3,527	3,717	4,096	4,933
Total—						
Interest and Exchange ..	13,373	49,426	49,836	49,512	49,232	49,483
Debt Redemption ..	3,924	15,939	16,112	17,088	18,301	24,608
Other(c) ..	276	268	461	375	261	346
Grand Total	17,573	65,633	66,409	66,975	67,794	74,437

(a) Excludes payments to or for States under the Financial Agreement. See pages 610-622.

(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 oversea posts.

The figures represent the combined expenditures from revenue, trust and loan fund for the years 1938-39 and 1948-49 to 1952-53.

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

(£'000.)

Item.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Department of Defence	61	250	303	422	557	690
Department of the Navy—						
Naval Forces—Pay, maintenance, etc.	2,592	12,813	12,268	19,337	30,390	36,411
Naval construction and additions to the fleet	1,643	2,676	1,384	2,244	3,302	5,436
Buildings, works, etc.	433	872	1,121	1,659	2,812	2,510
Administrative and miscellaneous expenditure(a)	163	4,334	2,237	1,587	1,447	3,166
Total	4,831	20,695	17,010	24,827	37,951	47,523
Department of the Army—						
Military Forces—Pay, maintenance, etc.	2,941	13,408	12,975	16,977	28,615	58,441
Arms, armament, ammunition	1,129	983	1,894	5,387	17,926	26,174
Buildings, works, etc.	418	249	758	4,349	8,769	6,039
Administrative and miscellaneous expenditure(a)	334	675	-39	42	1,250	1,503
Total	4,822	15,315	15,588	26,755	56,560	92,157
Department of Air—						
Air Force—Pay, maintenance, etc.	1,304	9,403	8,433	12,042	20,042	23,815
Aircraft, equipment and stores	1,049	6,652	2,912	13,210	23,502	25,881
Buildings, works, etc.	489	323	692	1,592	3,883	4,521
Administrative and miscellaneous expenditure(a)	81	528	-74	1,030	1,149	1,292
Total	2,923	16,906	11,963	27,874	48,576	55,509
Department of Supply—						
Defence research and development	..	4,550	5,575	6,264	6,434	6,786
Strategic stores and equipment reserve	..	..	..	57,048	10,049	..
Buildings, works, etc.	463	317	324	264	270	372
Administrative and miscellaneous expenditure(a)	1,295	3,895	4,511	5,704	3,162	4,348
Total	1,758	8,762	10,410	69,280	19,915	11,506
Department of Defence Production(b)	..	..	..	..	7,140	9,186
Total Defence Services—						
Consolidated Revenue Fund(c)	9,410	61,928	55,274	149,170	170,699	216,571
Trust Funds	3,072	..	..	..	..	..
Loan Fund	1,913	..	..	-12	..	..
Grand Total	14,395	61,928	55,274	149,158	170,699	216,571

(a) As a dissection is not available, expenditure on War and Repatriation Services (see page 609) has been deducted from this item instead of from departmental expenditure above. (b) Included with Department of Supply prior to 1951-52. (c) 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 1948-49 to 1952-53. Expenditure on subsidies, which for the years 1948-49 to 1949-50 were paid from the War and Repatriation Votes, have been excluded from this

table and are dealt with separately in paragraph 4. Expenditure on the maintenance of forces in Korea and at other 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.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53
Public Debt Charges—						
Interest and Exchange	7,616	44,677	45,127	44,614	43,902	43,354
Debt Redemption	2,049	13,084	13,197	13,835	15,002	21,256
Other	224	190	379	312	215	279
Total Public Debt Charges(a)	9,889	57,951	58,703	58,761	59,119	64,889
War Gratuities		31,888	9,994	30,797	42	15
War and Service Pensions	8,228	20,268	22,023	27,532	33,566	36,577
Commonwealth Reconstruction Training Scheme		10,500	7,086	4,141	1,807	974
War Service Land Settlement		2,922	4,074	4,388	5,641	6,507
Re-establishment loans for agricultural purposes		1,572	1,065	296	188	140
Repatriation Department—						
Repatriation benefits	631	7,141	6,662	7,834	9,758	10,822
Other benefits	119	245	262	263	298	388
Administration and general expenses	315	2,073	2,473	3,061	3,196	3,464
Expenditure recovered(b)	-71	-1,993	-1,931	-1,777	-1,615	-1,534
Total Repatriation Department	994	7,466	7,446	9,381	11,637	13,140
War Service Homes—Salaries and general expenses	98	200	266	492	631	622
Defence Departments—Proportion of expenditure(c)			3,988	2,455		
Other Departments—Miscellaneous expenditure	48	1,784	1,155	438	1,243	1,386
International Payments		13,027	14,572	95	142	126
Other Administrations—Recoverable expenditure(d)		-2,528	-1,942	-1,849	1,071	-832
Miscellaneous Credits		-5,451	-2,371	-1,749	-2,853	(e)
Credits from the Disposals Commission		-6,454	-3,982	-1,681	-1,183	
Capital Works and Services—						
Repatriation Department	36	268	297	342	271	203
War Service Homes Act 1918-1949	105	8,396	14,551	24,911	27,590	27,964
Total Capital Works and Services	141	8,664	14,848	25,253	27,861	28,167
Total, War and Repatriation Services and Post-war Charges—						
Consolidated Revenue Fund	19,398	141,805	111,443	129,977	133,792	146,077
Loan Fund			25,483	28,773	5,120	5,684
GRAND TOTAL	19,398	141,805	136,925	158,750	138,912	151,761

(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 608) for which dissection is not available. (d) Munitions, stores, etc., supplied to the Government of United Kingdom and other administrations. Includes repayments and waiver of war-time indebtedness of other administrations. (e) 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 1948-49 to 1952-53, 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. 612, for more important items), is not included, nor are items of expenditure grouped under "Self Balancing Items" (*see* paragraph 11 following). These items of expenditure are from the proceeds of certain taxes on primary products and profits from marketing schemes, which have been paid to trust funds for the purpose of price or other stabilization schemes or for distribution to producers. Further information relating to these schemes and other assistance to primary producers is given in Chapter XX.—Agricultural Production.

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

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

Item.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Subsidies—						
Price Stabilization—						
Tea .. .. .	..	4,667	6,986	7,129	5,577	4,683
Potatoes .. .. .	..	1,065	..	..	..	..
Whole Milk .. .. .	..	564	..	..	..	..
Imports (other than Tea) .. .. .	..	7,605	572	..	..	..
Coal .. .. .	..	232	..	1,704	1,519	1,114
Other .. .. .	..	687	..	140	143	210
Total .. .. .	..	14,820	7,558	8,973	7,239	6,007
Assistance to Primary Production—						
Dairy Industry .. .. .	..	4,653	8,008	a 14,998	a 17,843	a 15,719
Superphosphate .. .. .	..	3,374	3,657	263	..	..
Nitrogenous Fertilizers .. .. .	..	164	781	599	1,521	289
Wheat Industry .. .. .	..	..	622	683	..	..
Other .. .. .	..	58	2	36	9	519
Total .. .. .	..	8,249	13,070	16,579	19,373	16,527
Total Subsidies .. .. .	..	23,069	20,628	25,552	20,612	22,534
Bounties—						
Tractor .. .. .	..	37	54	90	103	38
Wool Products .. .. .	..	..	..	14,875	2,234	1
Wheat—for Stock Feed .. .. .	..	..	..	..	2,368	2,759
Other	(b) 236	2	1	20	4	..
Total Bounties .. .. .	..	236	55	14,985	4,729	2,798
Grand Total .. .. .	..	236	23,083	40,537	31,341	25,332

(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, 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 in the one following.

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

Department.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Governor-General	2	37	37	44	64	81
Parliament—						
Cost of Parliament	279	521	647	833	1,062	1,193
Electoral Office	105	191	288	344	341	441
Total	384	712	935	1,177	1,403	1,634
Prime Minister—						
Department	62	105	119	155	210	246
Audit Office	38	192	210	272	289	(a)
Public Service Board	51	212	289	381	405	429
National Library	4	38	52	73	96	107
High Commissioner's Office—United Kingdom	81	450	485	548	621	621
Commonwealth Grants Commission	5	10	10	12	14	15
Office of Education .. .. .	..	193	226	276	200	148
Security Services .. .. .	..	13	115	208	276	331
Total	241	1,213	1,506	1,925	2,111	1,897
External Affairs—						
Department	20	238	284	380	442	427
Oversea representation .. .. .	..	689	811	965	1,160	1,301
Total	20	927	1,095	1,345	1,602	1,728

For footnotes see next page.

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

(£'000.)

Department.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Treasury—						
Department	59	241	236	329	367	468
Taxation Branch and Boards of Review	616	3,666	4,119	5,323	6,117	6,668
Bureau of Census and Statistics	61	227	274	374	461	530
Commonwealth Superannuation Board	9	28	38	52	73	78
Total	745	4,162	4,667	6,078	7,018	7,744
Attorney-General—						
Department	20	60	79	123	149	187
Crown Solicitor	28	134	140	179	205	227
High Court	34	53	58	69	78	87
Bankruptcy Administration	44	54	59	79	90	97
Court of Conciliation and Arbitration	24	118	134	139	168	175
Patents, Trade Marks and Designs	71	145	152	197	319	334
Other Branches	37	130	131	231	241	233
Total	258	694	753	1,017	1,250	1,340
Interior—						
Department	296	674	803	965	1,083	1,212
Meteorological Branch	80	195	292	399	440	438
Observatory	7	36	45	56	60	67
Forestry Branch	10	51	60	79	86	88
Total	393	956	1,200	1,499	1,669	1,805
Works	(b)	1,873	1,058	1,594	1,481	1,384
Civil Aviation	90	1,839	2,115	3,166	3,571	3,788
Trade and Customs	721	1,620	1,860	2,474	2,953	3,244
Health—						
Department	135	153	209	297	353	405
Quarantine .. .. .	..	67	80	143	161	198
Health Services .. .. .	..	190	174	287	343	479
Total	135	410	463	727	857	1,082
Commerce and Agriculture—						
Department	58	223	240	296	333	388
Inspection of goods for export	175	400	446	516	582	689
Commercial Intelligence Services Abroad	47	192	201	241	299	334
Division of Agricultural Economics and Division of Agricultural Production .. .. .	..	63	78	119	122	123
Total	280	878	965	1,172	1,336	1,534
Social Services—Department	139	945	1,249	1,686	1,974	2,300
Shipping and Transport—						
Department .. .. .	..	646	766	223	161	144
Marine Branch	208	393	435	553	748	792
Ship Construction .. .. .	..	67	71	80	85	91
Total	208	1,106	1,272	856	994	1,027
Territories—Department	(c)	74	88	127	158	193
Immigration—Department	(b)	396	820	888	1,230	1,269
Labour and National Service—Department .. .. .	..	1,222	1,525	1,845	1,773	1,785
National Development—						
Department .. .. .	..	288	299	437	452	458
Bureau of Mineral Resources .. .. .	..	118	118	282	480	688
Total .. .. .	..	406	417	719	932	1,146
Commonwealth Scientific and Industrial Research Organization—Department	195	1,757	1,930	2,477	2,895	3,260
Atomic Energy Commission .. .. .	..	..	..	..	..	6
Total All Departments	3,837	21,227	23,955	30,816	35,271	38,247

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

(b) Included with Department of the Interior.

(c) Included

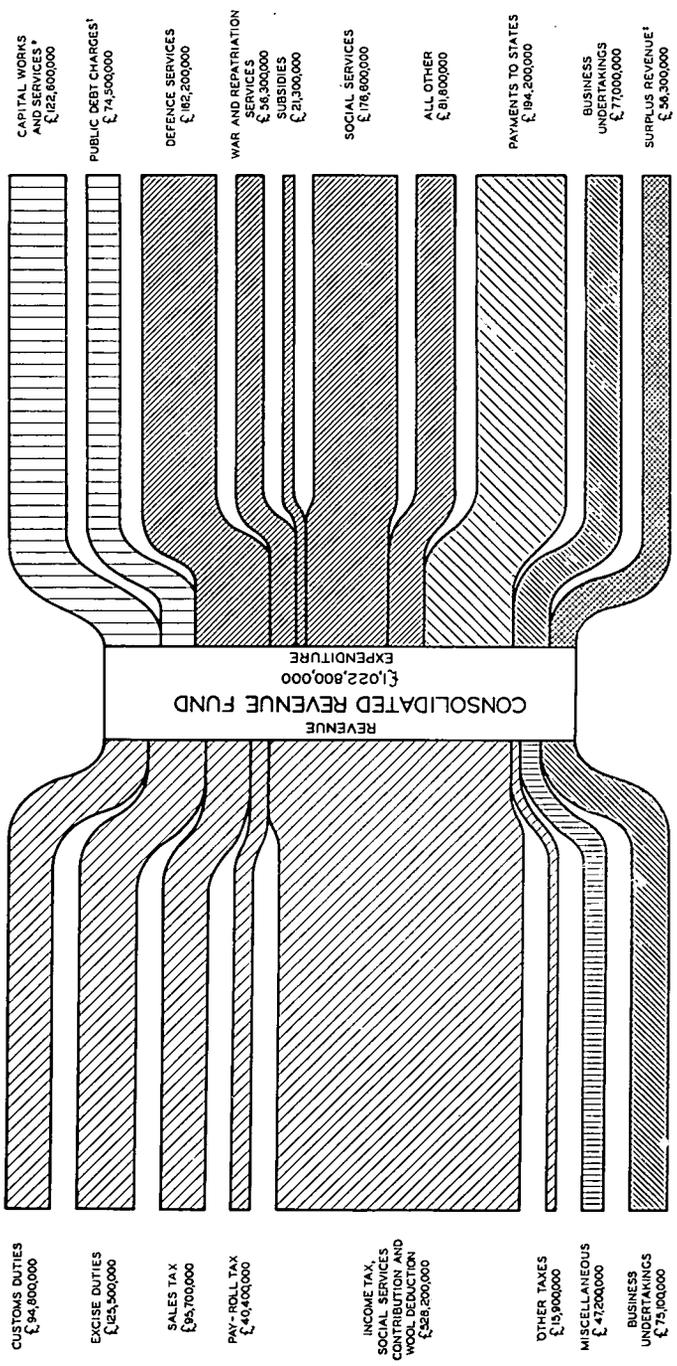
The following table gives details of miscellaneous expenditure included in the total cost of the various departments. It covers such items as interest and debt redemption allocated to the departments, repairs and maintenance of buildings, and special expenditure for which the Commonwealth is committed, such as contributions to international organizations, payment of Commonwealth scholarships, etc. The costs of social services, which are paid from the National Welfare Fund, are not included in this table (*see* p. 615 for this information).

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

Department.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Governor-General	5	15	8	9	15	12
Parliament—						
Cost of elections	3	3	177	210	231	244
Other	58	56	70	86	83	71
Total	61	59	247	296	314	315
Prime Minister—						
Commonwealth Scholarship Scheme and financial assistance to University students .. .. .	..	219	199	425	742	864
Australian National University .. .. .	..	102	216	280	450	600
Bush fire and flood relief, etc.	19	11	101	312	43	75
Other	873	694	712	1,012	839	1,061
Total	892	1,026	1,228	2,029	2,074	2,600
External Affairs—						
United Nations and Allied Organizations	(b) 46	580	699	701	715	597
Australian National Antarctic Research Expeditions .. .. .	..	108	84	119	145	152
International development and relief .. .. .	..	..	..	1,511	4,859	4,271
Contributions to other international agencies, etc.	4	46	94	102	94	105
Total	50	734	877	2,433	5,813	5,125
Treasury—						
Exchange and loan management expenses .. .. .	..	..	..	..	..	..
Other(c)	549	502	505	510	473	495
Total	964	1,506	1,445	1,697	2,213	3,679
Total	1,513	2,008	1,950	2,207	2,686	4,174
Attorney-General	24	51	68	79	99	98
Interior—						
Other departments in Canberra—Transport services, fuel, light and power; oversea publicity, etc. .. .. .	..	200	209	262	231	302
Other	882	883	949	966	971	1,018
Total	882	1,083	1,158	1,228	1,202	1,320
Works	(d)	125	129	148	138	131
Civil Aviation—						
Maintenance and development of civil aviation	162	667	1,441	1,767	2,526	2,671
Domestic and international air services—Mails, subsidies, etc.	56	2,112	2,444	3,041	3,274	3,968
Meteorological maintenance services and other	20	410	500	514	627	695
Total	238	3,189	4,385	5,322	6,427	7,334
Trade and Customs	117	207	292	207	250	282
Health—						
Subsidy, cattle tick control	69	53	253	53	53	53
Miscellaneous expenditure on health	93	217	241	265	295	369
Other	41	88	77	88	100	95
Total	203	358	571	406	448	517
Commerce and Agriculture—						
Dairy industry—Efficiency grant .. .. .	..	141	101	205	293	244
Wool use publicity, promotion and research	74	318	341	348	341	1,046
Wheat—Contract with New Zealand .. .. .	..	3,538	..	..	..	..
Other	630	280	293	315	360	512
Total	704	4,277	735	868	994	1,802

For footnotes see next page.

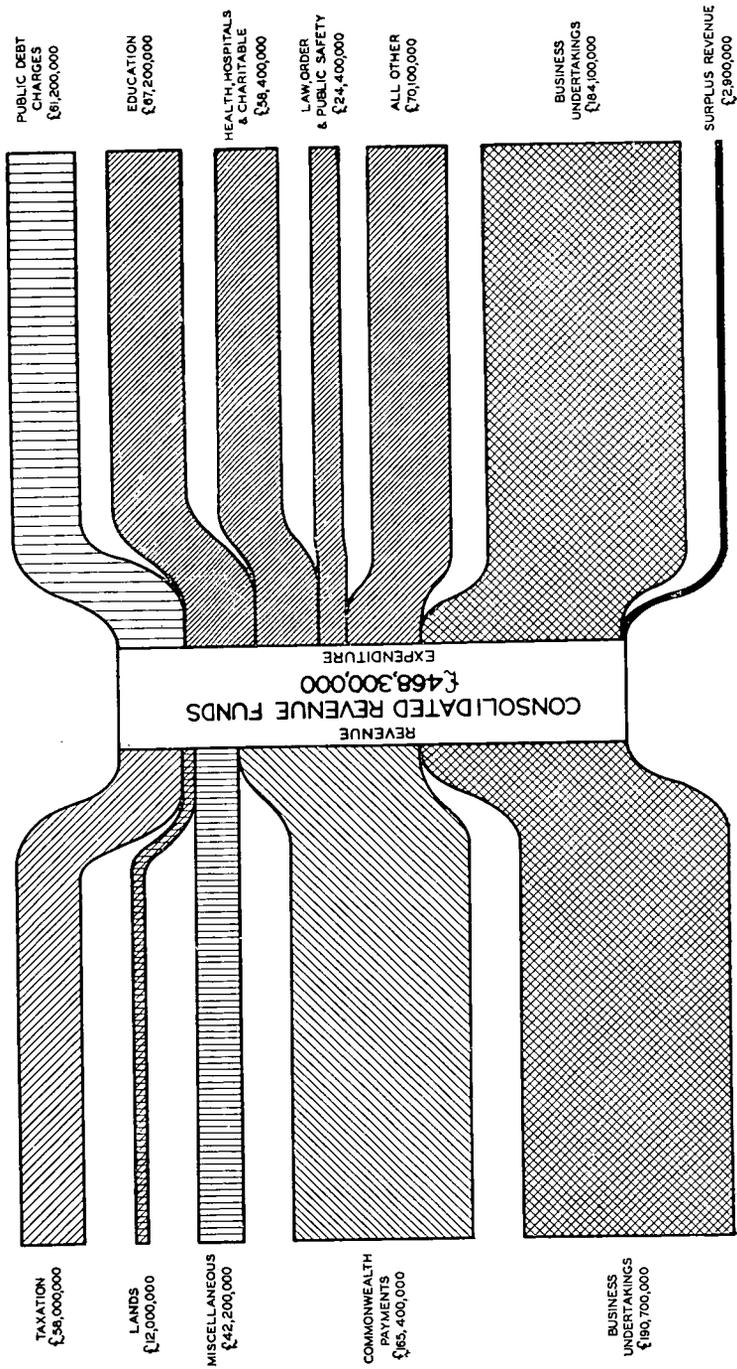
COMMONWEALTH CONSOLIDATED REVENUE FUND, YEAR ENDED 30TH JUNE, 1954



¹INCLUDES DEFENCE WORKS AND SERVICES £26,500,000

²PAID TO DEBT REDEMPTION RESERVE TRUST ACCOUNT

STATE CONSOLIDATED REVENUE FUNDS, YEAR ENDED 30TH JUNE, 1954



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

Department.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Social Services—						
Compassionate allowances, etc.	} 186	{ 53 75	54	76	87	101
Other			54	64	73	79
Total	186	128	108	140	160	181
Shipping and Transport—						
Shipping subsidies, etc. . . . .	..	1,939	626	86	185	166
Storage services . . . . .	..	572	977	285	(e)	(e)
Other	7	79	67	51	92	55
Total	7	2,590	1,670	422	277	241
Territories	(f)	1	3	2	2	2
Immigration—						
Assisted migration	(d)	2,784	6,647	3,110	8,802	6,400
Other migration activities	(d)	404	2,257	3,708	3,365	3,096
Other	(d)	5	77	264	283	277
Total	(d)	3,193	8,981	12,082	12,540	9,773
Labour and National Service—						
Stevedoring Industry Board . . . . .	..	670	499	421	551	1,144
Other . . . . .	..	106	251	147	108	102
Total . . . . .	..	776	750	568	659	1,246
National Development—						
Joint Coal Board . . . . .	..	284	724	636	716	1,031
Other . . . . .	..	31	25	52	259	194
Total . . . . .	..	315	749	688	975	1,225
Commonwealth Scientific and Industrial Research Organization—						
Miscellaneous grants to scientific bodies	28	68	65	69	83	102
Other . . . . .	..	..	12	20	25	28
Total	28	68	77	89	108	130
Total, All Departments	4,910	20,203	23,986	29,223	35,181	36,510

(a) Includes rent, repairs and maintenance, interest and redemption, pension and superannuation contributions. (b) League of Nations. (c) Principally unallocated debt charges. (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 years 1948-49 and 1949-50 an amount equivalent to the total collections of pay-roll tax and social services contribution was paid to the fund from Consolidated Revenue. During 1950-51 the social services contribution was amalgamated with the normal income tax and it became necessary to base the contributions on another formula. For the year 1950-51 the amount paid to the fund was the total of collections of pay-roll tax and social services contribution plus £30,000,000. In 1951-52 the amount paid to the fund was the amount paid in 1950-51 increased in the same proportion as collections of pay-roll tax increased over the collections of pay-roll tax in 1950-51. By an amendment to the National Welfare Fund Act 1943-1950, the amount to be paid to the fund in 1952-53

and subsequent years was changed to the amount of moneys paid out of the fund. In addition to these payments from Consolidated Revenue the fund received a small amount of interest from investments.

In the following table details are given of the income and expenditure of the National Welfare Fund and the balance in the fund at the end of each year for the years 1948-49 to 1952-53. A dissection of expenditure into the various types of benefits is given in Chapter XIV.—Welfare Services (*see* page 483).

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.		
1948-49	110,058	672	110,730	80,777	99,880
1949-50	123,288	751	124,039	92,804	131,115
1950-51	132,680	985	133,665	114,983	149,797
1951-52	171,709	1,129	172,838	137,608	185,027
1952-53	165,511	1,809	167,320	165,511	186,836

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 1948-49 to 1952-53 are given in the following table :—

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

Item.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Salaries, stores and materials, mail, engineering services, etc.	11,485	34,315	39,919	49,670	58,686	64,157
Superannuation, Pensions, etc.	392	641	665	795	1,061	1,056
Rents, repairs, etc.	114	461	599	733	850	984
Interest and Exchange	1,758	1,302	1,281	1,454	1,437	1,349
Debt Redemption	1,129	1,950	2,048	2,150	2,257	2,371
Total Working, etc., expenses	14,878	38,669	44,512	54,802	64,291	69,917
Capital Works and Services	3,851	14,770	19,792	34,897	28,819	28,427
Grand Total	18,729	53,439	64,304	89,699	93,110	98,344

Further details of expenditure for 1952-53 on account of the Postmaster-General's Department appear in Chapter VI.—Transport and Communication (Division I., Posts, Telegraphs, Telephones and Wireless).

(ii) *Broadcasting Services.* Since 1949-50 all expenditure on broadcasting services has been brought together in one section. Previously these services had been financed partly by the Postmaster-General's Department and partly from the Wireless Broadcasting Trust Account. Details of expenditure for the years 1949-50 to 1952-53 are shown in the following table.

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

Item.	1949-50.	1950-51.	1951-52.	1952-53.
Australian Broadcasting Control Board	37	59	61	56
Australian Broadcasting Commission— Salaries, general and programme expenses	1,539	2,010	2,254	2,497
Technical and other Services—Post- master-General	1,290	1,509	1,807	1,988
Repairs, maintenance, etc.	6	13	13	15
Total Working, etc., expenses ..	2,872	3,591	4,135	4,556
Capital Works and Services	157	212	251	202
Grand Total	3,029	3,803	4,386	4,758

(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 1948-49 to 1952-53 is shown below.

COMMONWEALTH RAILWAYS : EXPENDITURE.
(£'000.)

Item.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Working expenses—						
Trans-Australian	494	1,055	1,165	1,457	1,540	1,285
North Australia	55	55	74	69	91	115
Central Australia	214	657	728	867	1,178	1,297
Aust. Capital Territory	7	18	19	26	37	46
Interest and Exchange	455	380	375	420	415	413
Debt Redemption	75	122	128	135	141	148
Superannuation	14	27	28	34	43	44
Freight concessions—North Australia and Central Australia Railways .. .. .	..	204	196	297	513	531
Miscellaneous	37	(a) 76	(a) 79	76	67	(a) 65
Total Working, etc., ex- penses	1,351	2,594	2,792	3,381	4,025	3,944
Capital Works and Services ..	142	223	482	1,461	2,637	4,746
Grand Total	1,493	2,817	3,274	4,842	6,662	8,690

(a) Includes loans redemption and conversion expenses, 1948-49, £1,000; 1949-50, £7,000; 1952-53, £1,000.

Additional details of the financial operations of the Commonwealth Railways to 1952-53 are given in Chapter VI.—Transport and Communication (Division B, Government Railways).

9. *Territories.*—The following table shows the expenditure on account of Commonwealth Territories for the years 1938-39 and 1948-49 to 1952-53. The Australian Capital Territory is administered by the Department of the Interior, and the Department of Territories controls the external territories and the Northern Territory. The expenditure has been grouped in one table for convenience. Information in greater detail will be found in the *Finance Bulletins* issued by this Bureau.

COMMONWEALTH TERRITORIES : EXPENDITURE.
(£'000.)

Territory.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Administrative and Maintenance of Services—						
Australian Capital(a) ..	637	1,240	1,519	1,924	2,157	2,462
Northern (a) ..	403	1,105	1,422	1,814	2,041	2,425
Papua ..	49	3,418	4,348	4,518	5,532	4,888
New Guinea ..	6					
Norfolk Island ..	5	5	5	4	16	40
Total ..	1,100	5,768	7,294	8,260	9,746	9,815
Capital Works and Services—						
Australian Capital(a) ..	244	1,833	2,426	3,713	3,851	3,246
Northern(a) ..	495	633	707	1,361	1,281	1,206
Papua and New Guinea ..	..	162	28	11	21	369
Total ..	739	2,628	3,161	5,085	5,153	4,821

(a) Excludes Railways, see para. 7 (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 1948-49 to 1952-53 and of the aggregate to 30th June, 1953. 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.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1901-2 to 1952-53— Total.(a)
Defence and War—							
Navy ..	2,076	872	4,318	4,357	6,415	9,847	73,192
Army ..	1,547	249	1,154	7,153	18,410	20,960	115,844
Air Force ..	1,538	323	2,266	1,592	3,883	4,521	61,372
Munitions and other ..	1,173	4,205	4,762	62,011	16,405	6,976	187,811
Repatriation Services—							
War Service Homes ..	105	8,396	14,551	24,911	27,590	27,964	133,078
Other ..	..	268	297	342	271	203	2,875
Postmaster-General's Department.	3,849	14,909	19,785	34,897	28,818	28,427	234,134
Broadcasting Services ..	..	..	157	212	251	202	821
Railways—							
Commonwealth ..	142	224	481	1,460	2,634	4,742	24,461
Other ..	..	..	..	..	..	..	2,445
Territories—							
Australian Capital Territory ..	488	1,844	2,418	3,697	3,851	3,237	29,290
Northern Territory ..	244	649	708	1,361	1,281	1,206	8,755
Papua-New Guinea ..	..	162	28	11	20	369	768
Norfolk Island ..	..	..	..	..	..	..	2
Other—							
Ships, yards and docks ..	—300	388	2,000	1,462	2,413	1,786	37,617
Civil Aviation ..	419	2,607	3,805	4,845	6,424	6,096	36,069
Snowy Mountains Scheme ..	..	..	2,497	6,077	10,393	13,600	32,567
Immigration ..	..	2,744	7,304	7,168	7,243	2,279	28,440
Coal Industry Act 1946 ..	..	1,650	4,232	3,000	4,100	26	13,008
Health ..	35	16	477	679	1,224	1,709	5,083
Subscriptions to Capital(c) ..	..	1,400	527	390	13	1,062	7,287
Advances(d) ..	..	1,012	333	477	2,389	4,180	12,526
All other works, buildings, etc. ..	243	3,724	4,582	7,373	11,700	6,193	51,052
Total ..	11,559	45,642	76,682	173,475	155,728	145,185	1,098,497
Source of Funds—							
Consolidated Revenue Fund ..	6,715	45,372	76,697	148,593	155,733	145,899	(e)
Loan Fund ..	1,598	—12	—15	24,882	—5	—14	(e)
Trust Funds(f) ..	3,246	..	..	..	..	..	(e)
Disposals Commission(g) ..	..	282	..	..	..	..	(e)
Total ..	11,559	45,642	76,682	173,475	155,728	145,885	1,098,497

(a) Includes properties transferred from the States.

(b) Includes Strategic Stores and Equipment Reserve, 1950-51, £57,048,000; 1951-52, £10,049,000.

(c) Excludes Amalgamated Wireless (Asia) Ltd. and Commonwealth New Guinea Timbers Ltd. included under Postmaster-General's Department and Territories respectively.

(d) Excludes Overseas Telecommunications Commission included under Postmaster-General's Department.

(e) Not available.

(f) From excess receipts of previous years and National Defence Contributions Trust Account.

(g) Surplus buildings, equipment, etc., taken over from Disposals Commission.

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 1952-53.* 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, 1952-53.(a)
(£'000.)

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	Total.
Interest on States' Debts ..	2,918	2,127	1,096	704	473	267	7,585
Sinking Fund on States' Debts (b) ..	1,126	651	387	376	311	160	3,011
Special Grants ..				6,343	8,041	1,550	15,934
Tax Reimbursement Grants ..	13,424	26,028	17,487	9,342	8,742	3,600	108,623
Special Financial Assistance ..	10,495	7,132	4,221	2,255	2,110	933	27,146
Commonwealth Aid Roads(c) ..	4,260	2,629	2,900	1,662	2,900	756	15,107
Price Control Reimbursement ..	431	261	169	102	85	8	1,056
Western Australian Waterworks Grant ..					224		224
Coal Mining Industry—Long Service Leave ..	435	1	83		26	7	552
Imported Houses—Grants ..	(d) 113	375	135	747	160		1,530
Encouragement of Meat Production ..			298		100		398
Grants to Universities ..	(e) 394	337	128	134	86	46	1,125
Total ..	63,596	39,541	26,904	21,665	23,258	7,327	182,291

(a) Excludes relief to primary producers and other payments for medical research, etc. (b) Paid to National Debt Sinking Fund. (c) Paid to Trust Fund; excludes £600,000 for road safety practices and Commonwealth strategic roads. (d) Excludes special grant. £23,000. (e) Excludes supplementary grant to University of Technology, £135,000.

(b) 1938-39 and 1948-49 to 1952-53. 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.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Financial Agreement—						
Interest on States' Debts ..	7,585	7,585	7,585	7,585	7,585	7,585
Sinking Fund on States' Debts (b) ..	1,478	1,852	2,005	2,241	2,557	3,011
Special Grants ..	2,020	7,450	11,054	12,175	10,522	15,934
Tax Reimbursement—						
Grants ..		53,488	62,271	70,107	86,268	108,623
Additional Grants ..					5,000	
Special Financial Assistance ..				15,000	33,577	27,146
Coal Strike Emergency Grant ..			8,000			
Price Control Reimbursement ..		597	706	704	937	1,056
Grants for Road Construction, etc. (c) ..	4,266	7,101	8,767	13,543	14,647	15,107
Local Public Works—Interest and Sinking Fund ..	100					
Youth Employment ..	200					
Western Australian Waterworks ..			37	218	289	224
Coal Mining Industry—Long Service Leave ..			207	374	499	552
Imported Houses—Grants ..				170	1,788	1,530
Encouragement of Meat Production ..				315	205	398
Grants to Universities ..					1,473	1,125
Interest on Loans for Drought Relief ..		1				
Total ..	15,649	78,074	100,632	127,432	160,347	182,291

(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, 1948-49, £630,000; 1949-50 to 1952-53, £600,000.

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

(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 part D of this Chapter (§ 2, page 639).

(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 which may be found in previous 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 during each year from 1933 and the recommendations of the Commission in respect of the years 1938–39 and 1949–50 to 1953–54 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 1953–54 include an estimate of the indispensable need of the claimant State for 1953–54 and an adjustment to the estimated grant for 1951–52.

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

Particulars.	1938–39.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.
South Australia—						
Estimated grant	1,040	3,850	4,570	4,250	6,600	6,300
Adjustment(a) .. .. .	..	324	762	308	–257	–200
Net grant recommended ..	1,040	4,174	5,332	4,558	6,343	6,100
Western Australia—						
Estimated grant	570	4,850	4,750	5,000	8,200	7,350
Adjustment(a) .. .. .	..	768	1,089	88	–159	450
Net grant recommended ..	570	5,618	5,839	5,088	8,041	7,800
Tasmania—						
Estimated grant	410	1,000	1,100	750	1,550	1,650
Adjustment(a) .. .. .	..	262	–96	126	..	–150
Net grant recommended ..	410	1,262	1,004	876	1,550	1,500
Grand Total	2,020	11,054	12,175	10,522	15,934	15,400

(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 are given in previous 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) *Additional Financial Assistance, 1948-49 to 1952-53.*—(a) *Coal Strike Emergency Grant.* During 1949-50 State business undertakings suffered considerable losses as a result of the coal strike. Towards meeting these losses the Commonwealth made grants totalling £8,000,000 to the States. The amounts paid to each State were:—New South Wales, £3,261,000; Victoria, £1,830,000; Queensland, £1,309,000; South Australia, £687,000; Western Australia, £661,000; and Tasmania, £252,000.

(b) *Special Financial Assistance Grants.* During the years 1950-51 to 1952-53 there were heavy additions to the financial needs of the States and special assistance grants amounting to £15,000,000, £33,577,000 and £27,146,000 respectively were made. For details of amounts paid to each State during 1952-53 *see* page 619 and for payments during 1950-51 and 1951-52 *see* Official Year Book No. 39, page 791 and No. 40, page 698.

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

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

(a) Sixty-five per cent. of the amount, less £600,000, per annum, for expenditure on roads, and

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

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

(viii) *Other Payments.* (a) *Price Control Reimbursement.* These grants were made from 1948-49 to 1952-53 to reimburse the States for expenditure incurred in administering prices, rents and land sales controls.

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

(c) *Coal Mining Industry—Long Service Leave.* To provide funds for the payment for long service leave in the coal mining industry the Commonwealth imposed an excise

duty of 6d. per ton on coal produced from 1st. November, 1949. The rate of duty was raised to 7½d. per ton from 26th August, 1951 and to 8d. per ton from 30th May, 1952. The proceeds of this excise duty are paid to a trust fund out of which the States are reimbursed for expenditure incurred in granting long service leave to employees in the coal mining industry.

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

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

(f) *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. This Act was superseded by the States Grants (Universities) Act 1953 which came into operation on 1st January, 1953, and which increased the assistance payable during 1952-53 and 1953-54.

12. *Self-balancing Items.*—Expenditure under this item represents the proceeds of certain taxes on primary products or profits from marketing schemes which have been paid to trust funds for the purpose of price stabilization and other assistance schemes, or for distribution to producers. Details of expenditure from the trust funds are given in § 3. Commonwealth Trust Funds. Information relating to the taxes levied is given in Division II.—Revenue of this section (see pages 602, 603 and 604) and details of the price stabilization and other assistance schemes may be found in Chapter XX.—Agricultural Production. From 1952-53 advance payments in respect of sales of uranium paid to the Atomic Energy Commission have been included as a self-balancing item. Details of expenditure from the Consolidated Revenue Fund during the last five years are given in the following table.

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

Receipts from—	Expenditure on—	1948-49.	1949-50.	1950-51.	1951-52.	1952-53
Flour Tax	Wheat Industry—Assistance (a)		I	..	..	..
Wheat Export Charge and Wheat Tax	Wheat Industry Stabilization (b)	18,086	12,634	13,353	12,202	8,139
Wool Contributory Charge	Wool Use Promotion and Disposals Plan	1,029	1,439	1,654	486	} 28
Wool Committee Operations Surplus	Wool Reserve Prices Fund	103	..	43,190	1,744	
Eggs—War-time Control Surplus Funds	Wool Industry Assistance .. ..	..	..	..	..	..
Export Charges	Eggs—War-time Control—Distribution of surplus	110	..	..	..	..
Wool Disposals Profit ..	Export Control Boards(c) .. ..	..	..	..	..	166
Advance Payments—Sales of Uranium	Wool Industry—Distribution of War-time Trading Profits .. ..	..	..	..	..	42,561
	Atomic Energy Commission .. ..	..	..	..	..	1,174
Total .. ..	.. ..	19,329	14,073	58,197	14,432	51,868

(a) Paid to Wheat Industry Stabilization Fund. (b) Paid to Wheat Prices Stabilization Fund.
(c) 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.

§ 3. Commonwealth Trust Funds.

1. Receipts, Expenditure and Balances, 1952-53.—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, 1953.

COMMONWEALTH TRUST FUNDS: RECEIPTS, EXPENDITURE AND BALANCES, 1952-53. (£'000.)

Fund.	Balance at 30th June, 1952.	Year ended 30th June, 1953.		Balance at 30th June, 1953.
		Receipts.	Expenditure.	
Aluminium Production	74	2,330	2,404	..
Australian New Guinea Production ..	1,424	45	28	1,441
Coal Mining Industry Long Service Leave	958	588	532	1,014
Coinage	3,891	2,037	2,037	3,891
Commonwealth Aid Roads	1,519	15,707	15,622	1,604
Defence Forces Retirement Benefits ..	4,111	1,708	721	5,098
Enemy Subjects	1,174	140	291	1,023
Insurance Deposits	3,197	829	70	3,956
International Development and Relief International Post-war Relief and Rehabilitation	987	4,518	4,919	586
.. .. .	219	..	158	61
Lend-Lease Settlement	1,791	23	216	1,598
Liquid Fuel Equalization	930	..	..	930
National Debt Sinking	135,258	61,484	28,960	167,782
National Welfare	185,027	167,320	165,511	186,836
Parliamentary Retiring Allowances ..	82	43	14	141
Public Trustee and Custodian	2,141	180	3	2,318
Strategic Stores and Equipment Reserve Superannuation	50,192	..	1,321	48,871
.. .. .	25,737	6,937	2,936	29,738
Temple Society	721	81	175	627
War Gratuity	4,545	..	194	4,351
War Service Homes .. .. .	..	28,598	28,598	..
War Service Homes—Insurance	533	85	58	560
Wheat Industry Stabilization	304	..	6	298
Wheat Prices Stabilization	27,924	8,292	15,639	20,577
Wool Contributory Charge	4,152	42	1,368	2,826
Wool Disposals Profit .. .. .	..	43,574	17,008	26,566
Wool Industry	7,488	217	324	7,381
Wool Research	732	411	455	688
Wool (Reserve Prices)	114	(a) —7	106	1
Other	24,504	(b) 364,791	343,457	45,838
Total	489,729	709,973	633,131	566,571

(a) Represents transfer of £6,000 to Wool Contributory Charge Fund and £1,000 to self-balancing items.

(b) Includes surplus balances transferred to Consolidated Revenue Fund, £373,000. These items have been treated as reductions of receipts.

2. Summary, 1938-39 and 1948-49 to 1952-53.—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.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Balance brought forward	25,609	196,478	245,194	278,647	363,051	489,729
Receipts	84,167	370,294	410,174	422,135	725,282	709,773
Expenditure	85,550	330,578	376,721	538,031	598,604	683,191
Balance carried forward	24,226	245,194	278,647	363,051	489,729	566,571

§ 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 1948-49 to 1952-53 and of the aggregate expenditure to 30th June, 1953. The figures shown represent "net" loan expenditure, i.e., after adjustments have been made on account of amounts expended in earlier years.

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

Particulars.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	Total to 30th June, 1953.
War Loans—							
Defence and War (1914-18, 1939-45) Services .. .. .	..	a 18,733	25,483	b 28,773	b 5,120	b 5,684	1,997,480
Other Loans—							
Capital Works and Services—							
Defence(c)	1,912	..	..	-12	..	..	8,682
Repatriation Services(c)—							
War Service Homes(c) .. .. .	..	..	..	..	..	..	7,329
Other .. .. .	..	..	..	..	..	..	47
Postmaster-General's Department	-1	-1	-8	-1	-1	-1	40,424
Broadcasting Services .. .. .	..	..	..	..	..	..	104
Railways .. .. .	..	-1	-1	-1	-3	-4	13,751
Territories(d)	-7	-6	-7	-16	-1	-9	8,736
Other—							
Ships, Yards and Docks	-305	-4	..	..	..	..	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 .. .. .	..	14,492	17,215	21,640	26,547	30,000	141,009
Other	-4	..	..	..	..	..	5,976
Wheat Bounty .. .. .	..	..	..	..	..	..	3,430
Total Capital Works and Services and Other Purposes	3,594	14,480	17,199	21,610	26,542	29,986	251,266
International Bank Dollar Loan(e) .. .. .	..	..	..	4,044	23,831	17,935	45,810
GRAND TOTAL	3,594	-4,253	42,682	54,427	55,493	53,605	2,294,556

(a) Repayment of surplus balances of Defence Trust Accounts. (b) 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. (c) Excludes amounts charged to War Loan Fund. (d) Includes administration and other public buildings, Australian Capital Territory. (e) Payment to National Debt Sinking Fund. *See* pages 652 and 653.

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

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

B. STATE FINANCE.

§ 1. General.

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

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

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

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

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

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

3. **Inter-relation of Commonwealth and State Finances.**—A statement in some detail, covering the inter-relation of Commonwealth and State Finances during the period from the inception of Federation to the passing of the Financial Agreement Act 1928, was published in Official Year Book No. 22, pages 379–80. Changes in the financial relations between the Commonwealth and States since the passing of the Financial Agreement Act have been described in issues of the Official Year Book from year to year (*see also* pages 639–41).

§ 2. State Consolidated Revenue Funds.

Division I.—Revenue.

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

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

Of these sources, that yielding the largest revenue for the States as a whole is the group of business undertakings, the principal contributors being the government railways and tramways. Next in magnitude are Commonwealth payments under the Tax Reimbursement Acts, followed in order by taxation receipts, Commonwealth special financial assistance and special grants, and lands receipts. Since the introduction in 1942–43 of the uniform tax scheme, Commonwealth payments under the Income and Entertainments Tax Reimbursement Acts and, from 1946–47, under the Tax Reimbursement Act, have replaced revenue previously received from income and entertainment taxes.

2. Revenue Received.—The following table shows particulars of the total amounts and the amounts per head of consolidated revenue received by the several States during the years 1938-39 and 1948-49 to 1952-53.

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
1948-49 ..	96,082	46,842	32,979	21,845	20,561	5,740	224,049
1949-50 ..	106,504	55,557	37,119	26,360	26,018	7,077	258,035
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
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
1948-49 ..	31 7 2	22 3 4	29 1 4	32 16 10	39 7 6	21 8 0	28 16 11
1949-50 ..	33 11 6	25 12 0	31 18 3	38 7 7	47 13 5	25 10 3	32 5 4
1950-51 ..	39 3 9	28 8 2	37 9 10	43 14 0	50 14 3	27 3 9	36 15 11
1951-52 ..	49 15 10	35 9 7	45 13 2	51 10 9	57 8 9	35 1 3	45 9 8
1952-53 ..	52 17 11	41 1 2	50 11 8	59 0 10	63 4 0	39 0 10	50 2 3

(a) See § 1 para. 2, page 625.

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 1952-53 are as follows.—

STATE CONSOLIDATED REVENUE: SOURCES, 1952-53.

Source of Revenue.	N.S.W.(a)	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
TOTAL REVENUE. (£'000.)							
Taxation (b) ..	17,801	14,364	7,451	4,992	2,693	3,088	50,389
Business Under- takings ..	86,223	36,845	24,868	15,366	11,475	4	174,784
Lands ..	5,158	2,663	3,429	302	756	351	12,659
Interest (n.e.l.) ..	900	2,641	1,332	2,253	1,041	1,472	9,639
Commonwealth Pay- ments— Tax Reimburse- ments ..	43,424	26,028	17,487	9,342	8,742	3,600	108,623
Other (c) ..	13,844	9,520	5,493	9,404	10,709	2,750	51,720
Miscellaneous ..	13,558	4,934	3,111	2,592	3,309	796	28,300
Total ..	180,908	96,995	63,171	44,251	38,725	12,061	436,111
PER HEAD OF POPULATION (£ s. d.)							
Taxation (b) ..	5 4 1	6 1 7	5 19 4	6 13 3	4 7 11	5 19 11	5 15 10
Business Under- takings ..	25 4 3	15 11 11	19 18 3	20 10 0	18 14 7	0 0 3	20 1 8
Lands ..	1 10 2	1 2 7	2 14 11	0 8 1	1 4 8	1 2 9	1 9 1
Interest (n.e.l.) ..	0 5 3	1 2 4	1 1 4	3 0 1	1 14 0	4 15 4	1 2 2
Commonwealth Pay- ments— Tax Reimburse- ments ..	12 13 11	11 0 4	14 0 0	12 9 4	14 5 4	11 13 1	12 9 8
Other (c) ..	4 1 0	4 0 7	4 8 0	12 10 11	17 9 7	8 18 0	5 18 10
Miscellaneous ..	3 19 3	2 1 10	2 0 10	3 9 21	5 7 11	2 11 6	3 5 0
Total ..	52 17 11	41 1 2	50 11 8	59 0 10	63 4 0	39 0 10	50 2 3

(a) See § 1 para. 2, page 625. (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, Entree Control Reimbursements, Grants and Special Financial Assistance.

(ii) *Revenue from Taxation.* (a) *General.* The following table shows, for the year 1952-53, particulars of all State taxation collections irrespective of whether such moneys have been paid into the Consolidated Revenue Funds or not. For this reason the particulars hereunder differ from those shown in the tables relating to the Consolidated Revenue Funds and represent a comprehensive statement of all taxation collections by the Government in each State. In this and the succeeding statements of taxation, the collections have been grouped according to the nature of the tax rather than the method of collection. For example, stamp duties on betting tickets and bookmakers' licences have been included under "Entertainments Tax" instead of under "Stamp Duties" and "Licences" respectively. Commonwealth payments under the State Grants (Tax Reimbursement) Act are not included.

STATE REVENUE FROM TAXATION : TOTAL NET COLLECTIONS(a) 1952-53.

(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor Taxes--							
Registration Fees and Taxes ..	7,580	3,890	3,524	1,502	1,018	169	17,983
Drivers', etc., Licences ..	675	319	37	129	63	32	1,255
Other ..	1,622	1,246	863	96	116	140	4,083
Total Motor ..	9,877	5,455	4,424	1,727	1,197	341	23,311
Probate and Succession Duties ..	3,406	4,833	2,302	1,002	843	370	17,756
Other Stamp Duties ..	4,844	3,206	2,084	899	945	319	12,297
Land ..	2	1,370	1,035	574	209	166	3,416
Income (Arrears) ..	67	57	4		3	1	132
Liquor ..	1,803	1,761	424	52	230	153	4,429
Lotteries ..			280			1,476	1,756
Entertainments(b) ..	2,593	2,234	293	998	322	165	6,625
Licences (n.e.l.) ..	86	221		45	25	5	
Other ..			757	44	72		1,255
GRAND TOTAL ..	27,678	19,157	11,603	5,341	3,912	3,296	70,987

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

(b) Mainly racing.

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

STATE REVENUE FROM TAXATION : PAYMENTS INTO SPECIAL FUNDS, 1952-53.

(£'000.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor ..	9,877	4,560	3,524		1,147	208	19,316
Other Stamp Duties ..		122					122
Liquor ..		111	62				173
Racing ..				349			349
Other ..			566		72		638
Total ..	9,877	4,793	4,152	349	1,219	208	20,598

The table hereunder shows, for the year 1952-53, the proportions of collections under individual classes of tax to the total taxation revenue :—

STATE REVENUE FROM TAXATION : PROPORTIONS OF INDIVIDUAL TAXES TO TOTAL, 1952-53.

(Per Cent.)

Tax.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Motor	35.69	28.48	38.13	32.33	30.60	19.45	32.85
Probate and Succession Duties	30.37	25.23	19.84	18.76	21.55	11.23	25.02
Other Stamp Duties	17.50	16.74	17.96	16.83	24.16	9.68	17.32
Land	..	7.15	8.92	10.75	6.88	5.04	4.81
Income (Arrears)	0.24	0.30	0.03	..	0.07	0.03	0.19
Liquor	6.52	9.19	3.65	0.98	6.03	4.64	6.24
Lotteries	..	..	2.41	..	..	44.78	2.47
Entertainments	9.37	11.76	2.53	18.69	8.23	5.00	9.33
Licences (n.e.l.)	0.31	1.15	..	0.84	0.64	0.15	..
Other	..	..	6.53	0.82	1.84	..	1.77
GRAND TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(b) 1938-39 and 1948-49 to 1952-53. Prior to federation, customs and excise duties constituted the principal source of revenue from taxation. Thereafter, until the introduction of the uniform income tax scheme in 1942-43, the most productive State taxes were the various income taxes which, in 1941-42, included unemployment relief, State development and hospital taxes. Since 1941-42 the States have been reimbursed by the Commonwealth for the revenue lost by the discontinuance of these taxes. Details of the reimbursement grants are given on pp. 620 and 626. Information relating to the State income taxes which were levied prior to 1942-43 may be found in earlier issues of the Year Book.

The total amounts and the amounts per head raised from all sources of taxation by the several State Governments, including amounts not paid into the Consolidated Revenue Fund, during the years 1938-39 and 1948-49 to 1952-53, 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.
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TOTAL NET COLLECTIONS.
(£'000.)

1938-39(b)	20,263	12,023	8,657	4,199	3,597	1,779	50,518
1948-49 ..	14,412	9,463	5,435	3,038	2,099	2,052	36,499
1949-50 ..	16,584	10,814	6,172	3,475	2,518	2,323	41,886
1950-51 ..	20,850	13,226	7,755	4,347	2,977	2,644	51,799
1951-52 ..	24,840	10,943	9,672	5,151	3,455	2,949	63,010
1952-53 ..	27,678	19,157	11,603	5,341	3,912	3,296	70,987

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
1948-49 ..	4 14 1	4 9 7	4 15 10	4 11 4	4 0 5	7 13 0	4 14 0
1949-50 ..	5 4 7	4 19 8	5 6 2	5 1 2	4 12 3	8 7 6	5 4 6
1950-51 ..	6 7 4	5 18 3	6 10 1	6 2 3	5 4 2	9 3 10	6 5 2
1951-52 ..	7 8 0	7 7 3	7 18 5	7 1 3	5 16 10	9 17 6	7 8 3
1952-53 ..	8 1 10	8 2 2	9 5 10	7 2 6	6 7 8	10 13 5	8 3 1

(a) Excluding Commonwealth Tax Reimbursements.

(b) Includes Income Taxes.

The following table shows, for the years 1938-39 and 1948-49 to 1952-53, 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.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Motor	6,961	10,256	12,038	15,579	20,523	23,321
Probate and Succession Duties	5,000	10,091	10,600	13,004	15,394	17,756
Other Stamp Duties	3,466	6,829	9,431	11,961	12,228	12,297
Land	1,408	1,257	1,201	1,362	2,511	3,416
Income Taxes	29,796	(b) 257	(b) 267	(b) 291	(b) 155	(b) 132
Liquor	1,045	2,267	2,432	2,726	3,681	4,429
Lotteries	532	1,184	1,353	1,502	1,642	1,756
Entertainments(c)	1,884	3,566	3,741	4,430	5,852	6,625
Licences and all other	426	792	823	944	1,024	1,255
Total	50,518	36,499	41,886	51,799	63,010	70,987

(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. (c) Mainly racing.

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.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Unemployment Relief	1,119	..	..	..	..	..
Hospital	264	..	..	..	..	..
Motor	5,858	8,428	10,037	13,309	16,934	19,316
Other Stamp Duties .. .. .	..	85	106	125	137	122
Liquor	92	124	136	137	149	173
Racing	83	160	371	450	448	349
Other	173	371	176	294	357	638
Total	7,589	9,168	10,826	14,315	18,025	20,598

(iii) *Business Undertakings.* (a) 1952-53. A very large proportion of State gross revenues is made up of receipts from business undertakings under the control of the Governments. The principal of these are railways and tramways, harbour works, water supply and sewerage and electricity supply and, in addition, State batteries for the treatment of auriferous ores in Western Australia and various minor revenue-producing services rendered by the Governments of all States are included. For the year 1952-53 the revenue from these sources was £174,781,000 or 40.1 per cent. of the revenue from all sources. Details of revenue are as follows :—

STATE REVENUE FROM BUSINESS UNDERTAKINGS, 1952-53.
(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.(a)	Total.
Railways (b)	72,676	(c) 31,666	24,868	11,616	7,934	..	148,760
Tramways and Omnibuses	11,526	(d) 147	..	..	1,046	..	12,719
Harbours, Rivers, Lights	2,021	(e) 325	..	1,284	428	..	4,058
Water Supply, Sewerage, Irrigation and Drainage .. .. .	..	2,196	..	2,236	1,710	..	6,142
Electricity Supply .. .. .	..	1,369	..	..	60	4	1,442
Other .. .. .	..	1,142	..	230	288	..	1,660
Total	86,223	36,845	24,868	15,366	11,475	4	174,781

(a) Tasmanian transport services are under the separate control of the Transport Commission. (b) The following contributions to Railways revenue from Consolidated Revenue Fund are excluded—New South Wales, £800,000; Victoria, £1,798,000; South Australia, £4,850,000. (c) Includes electric tramways operated by the Railways Department. (d) Tramway contribution to Consolidated Revenue. (e) Includes Harbour Trust Fund contribution, £207,000.

(b) 1938-39 and 1948-49 to 1952-53. 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
1948-49 ..	40,974	20,457	14,909	8,389	7,728	6	101,463
1949-50 ..	50,879	23,834	15,460	9,133	8,822	4	108,132
1950-51 ..	61,675	22,646	18,876	10,120	9,782	4	123,103
1951-52 ..	82,454	29,180	22,391	12,938	12,430	4	159,397
1952-53 ..	86,223	36,845	24,868	15,366	11,475	4	174,781

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
1948-49 ..	16 6 3	9 13 7	13 2 9	12 12 3	14 16 0	0 0 6	13 1 3
1949-50 ..	16 0 10	10 19 8	13 5 10	13 6 0	16 3 4	0 0 4	13 9 10
1950-51 ..	18 16 9	10 2 6	15 16 5	14 4 8	17 2 5	0 0 4	14 17 7
1951-52 ..	24 11 5	12 13 7	18 6 9	17 14 9	21 0 6	0 0 3	18 15 2
1952-53 ..	25 4 3	15 11 11	19 18 3	20 10 0	18 14 7	0 0 3	20 1 8

(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 1948-49 to 1952-53 :—

STATE REVENUE FROM BUSINESS UNDERTAKINGS.

(£'000.)

Source.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Railways, Tramways and Omnibuses ..	48,154	92,321	98,289	112,396	146,720	161,479
Harbour Services ..	2,357	3,257	3,627	3,939	4,569	4,058
Water Supply, Sewerage, Irrigation and Drainage ..	2,543	3,950	4,338	4,745	5,568	6,142
Other ..	2,014	1,935	1,878	2,023	2,540	3,102
Total ..	55,068	101,463	108,132	123,103	159,397	174,781

(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 1952-53.

STATE LAND REVENUE, 1952-53.
(£'000.)

Source.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Sales ..	94	145	..	37	36	} 13	765
Conditional Purchases	328	..	..	4	108		
Rentals(a) ..	3,527	227	2,014	261	161	87	6,277
Forestry ..	1,161	2,183	1,345	..	451	247	5,387
Other ..	48	108	70	..	..	4	230
Total ..	5,158	2,663	3,429	302	756	351	12,659

(a) Includes mining royalties, rents, etc.

The total land revenue for all States for the years 1938-39 and 1948-49 to 1952-53 respectively was :-£4,144,000, £6,476,000, £7,004,000, £7,917,000, £11,792,000, and £12,659,000.

(v) *Commonwealth Payments.* Commonwealth payments to the States represent a considerable proportion of the States' Revenue. In 1952-53 the total amount (excluding sundry minor items) paid to the Consolidated Revenue Funds of the States was £160,343,000 (36.8 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, £15,934,000, prices control reimbursement, £1,055,000, special financial assistance, £27,146,000 and tax reimbursement grants, £108,623,000.

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 (£3,011,000 in 1952-53) paid to the National Debt Sinking Fund and grants for Commonwealth Aid Roads (£15,107,000 in 1952-53) paid to State trust funds.

More detailed information concerning Commonwealth payments to the States is given under part A of this Chapter (§ 2, para. 11, page 619).

(vi) *Interest and Miscellaneous.* In addition to the foregoing, there are in each State several miscellaneous sources of revenue, including such items as interest, fines, fees, etc. In 1952-53 interest, mainly from loans to local governing bodies, on public account balances and for soldier land settlement amounted to £9,639,000, whilst "Miscellaneous" revenue, which includes fines of the courts and fees for services, amounted to £28,300,000.

Division II.—Expenditure.

I. *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 1952-53 the working expenses of the railways, tramways and omnibuses were 38.0 per cent. of the total expenditure from the State Consolidated Revenue Funds; next in importance were education, 14.2 per cent.; charitable, public health and hospitals, 12.5 per cent.; public debt charges, 12.5 per cent.; and law, order and public safety, 5.3 per cent.

2. **Total Expenditure.**—The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1938-39 and 1948-49 to 1952-53 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
1948-49 ..	95,918	48,225	32,929	22,130	21,378	5,845	226,425
1949-50 ..	107,681	55,816	37,090	26,550	25,994	7,344	260,475
1950-51 ..	128,265	63,889	44,625	30,842	28,814	8,066	304,501
1951-52 ..	166,997	84,067	55,708	37,499	34,547	10,871	389,689
1952-53 ..	180,811	97,360	62,980	44,226	39,233	11,763	436,373
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
1948-49 ..	31 6 1	22 16 5	29 0 5	33 5 5	40 18 9	21 15 9	29 3 0
1949-50 ..	33 18 11	25 14 5	31 17 9	38 13 1	47 12 7	26 9 6	32 9 11
1950-51 ..	39 3 6	28 11 3	37 8 2	43 7 7	50 8 8	28 0 11	36 16 1
1951-52 ..	49 15 2	36 10 6	45 12 5	51 8 3	58 8 10	36 8 3	45 17 2
1952-53 ..	52 17 4	41 4 3	50 8 8	59 0 2	64 0 7	38 1 6	50 2 10

(a) See § 1, para. 2, page 625.

3. **Details of Expenditure.**—(i) 1952-53. The following table shows the total expenditure and expenditure per head for each of the principal items :—

STATE EXPENDITURE : DETAILS, 1952-53.

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.)	18,622	12,298	8,077	7,043	5,728	2,681	54,449
Railways	63,232	33,122	27,171	14,562	12,803	..	150,890
Tramways and Omnibuses	13,818	..	..	..	1,155	..	14,973
Harbours and Rivers, etc.	1,468	304	..	1,076	307	..	3,155
Water Supply, Sewerage, Irrigation and Drainage .. ..	..	2,519	..	1,902	1,730	..	6,151
Other Business and Industrial Undertakings .. ..	..	1,202	..	206	1,096	901	3,405
Education	25,610	15,987	7,221	5,316	5,063	2,561	61,758
Health and Charitable	21,323	14,012	8,641	4,246	4,224	2,195	54,641
Justice	2,037	1,280	654	276	317	167	4,731
Police	5,621	3,792	2,640	1,147	1,142	495	14,837
Penal establishments	1,403	466	195	224	160	89	2,537
Public safety	307	198	256	49	86	34	930
Adjustment of surplus of previous years .. ..	..	..	..	..	(c) - 159	..	(c) - 159
All other expenditure	27,370	12,180	8,125	8,179	5,581	2,640	64,075
Total	180,811	97,360	62,980	44,226	39,233	11,763	436,373

(a) See § 1, para. 2, page 625.

(b) Tasmanian transport services are under the separate control of the Transport Commission. (c) Balance of Special Grant, 1950-51. The Special Grant for 1952-53 was brought into the Western Australian Consolidated Revenue Fund as £8,200,000 although the payment by the Commonwealth was £8,041,000.

STATE EXPENDITURE: DETAILS, 1952-53—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.) ..	5 8 10	5 4 1	6 9 4	9 7 11	9 7 0	8 13 7	6 5 2
Railways ..	18 9 10	14 0 6	21 15 2	19 8 7	20 17 11	..	17 6 9
Tramways and Omnibuses ..	4 0 10	..	..	..	1 17 8	..	1 14 5
Harbours and Rivers, etc. ..	0 8 7	0 2 7	..	1 8 8	0 10 0	..	0 7 3
Water Supply, Sewerage, Irrigation and Drainage ..	..	1 1 4	..	2 10 9	2 16 6	..	0 14 2
Other Business and Industrial Undertakings ..	..	0 10 2	..	0 5 8	1 15 9	2 18 4	0 7 10
Education ..	7 9 9	6 15 4	5 15 8	7 1 10	8 5 3	8 5 10	7 1 11
Health and Charitable ..	6 4 8	5 18 8	6 18 5	5 13 4	6 17 10	7 2 0	6 5 7
Justice ..	0 11 11	0 10 10	0 10 6	0 7 4	0 10 4	0 10 10	0 10 10
Police ..	1 12 10	1 12 1	2 2 3	1 10 7	1 17 3	1 12 1	1 14 1
Penal establishments ..	0 8 2	0 3 11	0 3 1	0 5 11	0 5 3	0 5 9	0 5 10
Public safety ..	0 1 10	0 1 8	0 4 1	0 1 4	0 2 10	0 2 2	0 2 2
Adjustment of surplus of previous years ..	..	..	..	..	-0 5 2	..	-0 0 5
All other expenditure ..	8 0 1	5 3 1	6 10 2	10 18 3	9 2 2	8 10 11	7 7 3
Total ..	52 17 4	41 4 3	50 8 8	59 0 2	64 0 7	38 1 6	50 2 10

(ii) 1938-39 and 1948-49 to 1952-53. Expenditure by the several States for these years on principal items is shown in the following table :—

STATE EXPENDITURE.
(£'000.)

Particulars.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Public Debt (interest, exchange, debt redemption, etc.) ..	40,158	41,915	43,999	46,231	50,545	54,449
Railways, Tramways and Omnibuses (working expenses) ..	38,138	87,907	99,230	115,366	151,710	165,863
Harbours and Rivers, etc. ..	680	1,609	1,789	2,155	3,067	3,155
Water Supply, Sewerage, Irrigation and Drainage ..	1,076	2,814	3,363	4,137	5,233	6,151
Other Business and Industrial Undertakings ..	1,035	2,318	2,340	2,319	2,809	3,405
Education ..	12,639	27,778	32,786	39,973	51,025	61,758
Health and Charitable ..	15,307	22,262	27,739	34,817	48,396	54,641
Justice ..	1,323	2,536	2,851	3,376	4,240	4,731
Police ..	3,733	6,906	8,257	9,831	12,575	14,837
Penal establishments ..	646	1,281	1,490	1,731	2,338	2,537
Public safety ..	297	644	657	711	962	930
Reduction of previous deficits or adjustment of surpluses ..	..	..	1,012	1,196	126	-159
All other expenditure ..	13,127	28,455	34,962	42,658	56,663	64,075
Total ..	128,159	226,425	260,475	304,501	389,689	436,373

Division III.—Surplus Revenue.

The following table shows for each of the years 1938-39 and 1948-49 to 1952-53 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
1948-49 ..	164	- 1,383	50	-285	-817	-105	-2,376
1949-50 ..	-1,177	- 259	29	-190	24	-267	-1,840
1950-51 ..	33	- 343	98	230	160	-247	- 69
1951-52 ..	98	-2,406	45	89	-592	-402	-3,168
1952-53 ..	97	- 305	191	25	-508	298	- 262
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
1948-49 ..	0 1 1	-0 13 1	0 0 11	-0 8 7	-1 11 3	-0 7 10	-0 6 1
1949-50 ..	-0 7 5	-0 2 5	0 0 6	-0 5 6	0 0 10	-0 19 3	-0 4 7
1950-51 ..	0 0 3	-0 3 1	0 1 8	0 6 5	0 5 7	-0 17 2	-0 0 2
1951-52 ..	0 0 8	-1 0 11	0 0 9	0 2 6	-1 0 1	-1 7 0	-0 7 6
1952-53 ..	0 0 7	-0 3 1	0 3 0	0 0 8	-0 16 7	0 19 4	-0 0 7

(a) See § 1, para. 2, page 625.

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 1949 to 1953 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
1949	29,559	16,449	29,924	2,689	9,381	609	88,611
1950	32,922	16,468	30,382	3,162	10,929	390	94,253
1951	43,169	18,725	33,907	6,184	12,090	360	114,435
1952	39,419	20,084	35,097	1,896	10,537	625	107,658
1953	53,240	22,456	38,652	2,573	11,646	1,320	129,887

(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. 44, 1952-53. Such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made. See also page 636.

2. Gross Loan Expenditure.—(i) 1952-53. Particulars of gross loan expenditure on works, services, etc., are shown in the following table:—

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC., 1952-53.
(£'000.)

Head of Expenditure.	N.S.W.	Vic.(a)	Q'land.	S. Aust.	W. Aust.	Tas.	Total
Public Works and Services—							
Railways	18,250	7,100	7,786	3,025	7,344	1,907	45,412
Tramways and Omnibuses	2,040	..	..	400	296	..	2,736
Roads	..	1,219	735	360	..	..	2,167
Bridges	150	..	..	..	..	..	..
Harbours and Rivers	1,254	320	305	900	1,416	508	7,167
Lights and Lighthouses	..	..	..	..	..	..	..
Water Supply	..	6,920	2,017	3,243	1,799	480	16,719
Sewerage	1,205	80	..	616	359	..	..
Electricity Supply	14,683	7,000	..	4,150	90	1,344	39,363
Public Buildings	8,446	7,863	1,264	2,160	2,790	1,060	23,583
Loans and Grants to Local Bodies	165	389	4,448	..	..	..	5,002
Unemployment Relief Works	..	..	..	..	..	..	..
Housing(b)	251	1,222	1,356	4,744	2,095	1,280	10,948
Other Public Works, etc.	368	333	..	103	200	354	1,356
Primary Production—							
Soldier Settlement	2,391	1,650	765	4	..	201	8,011
Land for Settlement	..	..	142	102	11	9	264
Advances to Settlers	..	..	..	177	..	91	268
Water Conservation	..	..	..	141	217	..	..
Irrigation and Drainage	3,974	..	759	463	125	..	5,679
Rabbit-proof Fencing	..	32	..	(c)	..	..	32
Agriculture	..	..	..	..	71	..	493
Agricultural Bank	422	..	1,029	..	..	..	1,029
Forestry	148	787	814	1,075	104	217	3,145
Mines and Mineral Resources	591	16	434	2,934	398	..	4,373
Other	213	87	..	8	10	1	319
Other Purposes	..	(d) 3,557	..	788	1,637	282	6,314
Total Public Works, Services, etc.	54,551	41,575	21,854	25,393	19,012	19,830	182,215
Per Head of Population	£15 19 0	£17 12 0	£17 10 0	£33 17 7	£31 0 7	£64 3 9	£20 18 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) Included with Advances to Settlers. (d) Includes Gas and Fuel Corporation advances and share capital, £2,455,000, and Rural Finance Corporation, for advances to rural industries, £900,000.

(ii) 1938-39 and 1948-49 to 1952-53. 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
1948-49	22,960	12,727	7,118	7,149	3,819	4,393	58,166
1949-50	27,219	20,325	9,035	12,122	8,351	5,783	82,835
1950-51	41,168	35,309	17,698	20,601	11,404	15,200	141,380
1951-52	65,354	55,084	23,662	31,198	18,758	16,882	210,938
1952-53	54,551	41,575	21,854	25,393	19,012	19,830	182,215

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
1948-49 ..	7	9	10	6	0	5	6	5	6	10	15	0	7	6	3	16	7	7	7	9	0
1949-50 ..	8	11	7	9	7	4	7	15	4	17	13	0	15	6	0	20	17	0	10	6	8
1950-51 ..	12	11	6	15	15	9	14	16	9	28	19	6	19	19	2	52	17	1	17	1	9
1951-52 ..	19	9	6	23	18	8	19	7	7	42	15	6	31	14	7	56	10	11	24	16	6
1952-53 ..	15	19	0	17	12	0	17	10	0	33	17	7	31	0	7	64	3	9	20	18	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 1950-51 to 1952-53 are shown in paragraph 3 following.

3. Total Loan Expenditure, 1950-51 to 1952-53.—The following table shows particulars, in summary form, of the total loan expenditure in each State during each of these years.

STATE LOAN EXPENDITURE : SUMMARY.

(£'000.)

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1950-51.							
Works and Services—							
Gross Expenditure ..	41,168	35,309	17,698	20,601	11,404	15,200	141,380
Net Expenditure ..	38,149	32,024	16,031	18,285	10,327	13,531	128,347
Repayments ..	3,019	3,285	1,667	2,316	1,077	1,669	13,033
Other than Works, etc.(a)—							
Gross Expenditure ..	2,745	47	150	22	29	201	3,194
Net Expenditure ..	2,745	47	150	22	20	201	3,185
Repayments ..	..	..	..	..	(b) 9	..	9
Total Loan Expenditure—							
Gross	43,913	35,356	17,848	20,623	11,433	15,401	144,574
Net	40,894	32,071	16,181	18,307	10,347	13,732	131,532
Repayments ..	3,019	3,285	1,667	2,316	1,086	1,669	13,042

For footnotes see next page.

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

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
1951-52.							
Works and Services—							
Gross Expenditure ..	65,354	55,084	23,662	31,198	18,758	16,882	210,938
Net Expenditure ..	63,433	51,573	22,070	27,795	17,758	15,008	197,637
Repayments ..	1,921	3,511	1,592	3,403	1,000	1,874	13,301
Other than Works, etc.(a)—							
Gross Expenditure ..	188	2,183	150	7	20	142	2,690
Net Expenditure ..	188	2,183	150	7	13	141	2,682
Repayments ..	..	..	..	..	(b) 7	1	8
Total Loan Expenditure—							
Gross ..	65,542	57,267	23,812	31,205	18,778	17,024	213,628
Net ..	63,621	53,756	22,220	27,802	17,771	15,149	200,319
Repayments ..	1,921	3,511	1,592	3,403	1,007	1,875	13,309
1952-53.							
Works and Services—							
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
Other than Works, etc.(a)—							
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

(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 part D. Commonwealth and State Public Debt (page 639).

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 1948-49 to 1952-53. In these tables the combined Commonwealth and State totals have been adjusted to exclude major duplications, but the separate Commonwealth and State figures are as shown in other sections of this Chapter. The items excluded from the 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	95,064	124,283	209 6	94,437	128,159	212 8
1949	554,377	224,049	706 6	554,377	226,425	709 0
1950	580,652	258,635	746 6	580,652	260,475	748 4
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

(ii) *Loan Expenditure.* The aggregate gross loan expenditures of the Commonwealth and States on works and services for the years 1938-39 and 1948-49 to 1952-53 are shown in the following table:—

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

Gross Loan Expenditure.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Commonwealth(b)	3,913	14,492	42,698	50,413	31,667	35,684
State	21,399	58,166	82,835	141,380	210,938	182,215
Total	25,312	72,658	125,533	191,793	242,605	217,899

(a) Excludes expenditure on loan flotations, funding deficits, etc. (b) Includes expenditure on Defence, War (1939-45) and Repatriation Services. Excludes payments to National Debt Sinking Fund from proceeds of loan from International Bank of Reconstruction and Development (see page 653).

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 1948-49 to 1952-53. 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.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
NET COLLECTIONS. (£'000.)						
Customs and Excise Duties	47,632	126,200	143,883	165,004	213,917	183,824
Sales Tax	9,308	39,029	42,425	57,173	95,459	89,067
Land Tax	2,897	4,289	5,441	4,953	8,710	4,666
Pay-roll Tax .. .. .	.. .. .	19,803	23,728	28,721	37,170	40,171
Income Taxes	679	272,604	279,921	342,248	545,334	557,092
Wool Deduction .. .. .	.. .. .	.. .. .	.. .. .	109,531	59,663	— 2,223
Probate and Succession Duties	6,916	14,831	16,654	19,405	23,172	26,149
Stamp Duties n.e.i.	3,456	6,829	9,431	11,961	12,228	12,297
Motor Taxes	6,961	10,256	12,038	15,579	20,523	23,321
Liquor Taxes	1,045	2,267	2,432	2,726	3,681	4,429
Entertainments Tax	1,884	8,865	8,439	9,578	12,013	13,333
Licences n.e.i. and other Taxes	2,841	22,339	17,483	62,107	13,851	13,325
Total	124,629	527,312	560,845	828,986	997,021	966,451

PER HEAD OF POPULATION.
(£ s. d.)

Customs and Excise Duties	6 17 5	16 3 8	17 17 5	19 17 0	25 1 0	21 0 4
Sales Tax	1 6 10	5 0 1	5 5 5	6 17 7	11 3 7	10 3 8
Land Tax	0 8 4	0 11 0	0 13 5	0 11 11	1 0 4	0 10 8
Pay-roll Tax .. .. .	.. .. .	2 10 9	2 16 6	3 9 1	4 7 1	4 11 10
Income Taxes	6 10 3	34 19 1	34 15 6	41 3 7	63 17 2	63 13 9
Wool Deduction .. .. .	.. .. .	.. .. .	.. .. .	13 3 7	0 14 0	— 0 5 1
Probate and Succession Duties	0 19 11	1 13 0	2 1 5	2 6 8	2 14 3	2 19 10
Stamp Duties n.e.i.	0 10 0	0 17 6	1 3 5	1 8 10	1 8 8	1 8 1
Motor Taxes	1 0 1	1 6 4	1 9 11	1 17 6	2 8 1	2 13 4
Liquor Taxes	0 3 0	0 5 10	0 6 7	0 6 7	0 8 7	0 10 3
Entertainments Tax	0 5 6	1 2 9	1 0 11	1 3 1	1 8 2	1 10 6
Licences n.e.i. and other Taxes	0 8 1	2 17 3	2 3 6	7 9 5	2 4 2	1 12 9
Total	17 19 5	67 12 3	69 13 6	99 14 10	116 15 1	110 9 9

(a) For separate details of Commonwealth and State taxation collections, see pages 599 and 627.

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, with the exception referred to below, are:—Debt in Australia—£ Australian; Debt in London—£ Sterling; Debt in New York—£ (converted from dollars at the rate of \$4.8665 to £1).

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

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

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

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

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

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

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

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

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

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

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

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

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

5. **Transferred Properties.**—In relation to State properties transferred to the Commonwealth under Section 85 of the Constitution, the States, as from 1st July, 1929, were discharged from any liability in respect of principal, interest or 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, pages 688 and 689.

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

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

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

8. **Borrowing by Semi-Governmental Authorities.**—It was realized at the inception of the Loan Council that, in the interests of co-ordinated borrowing, the Council should be advised of borrowing of large amounts by semi-governmental authorities. In May, 1936, all resolutions passed by the Loan Council in connexion with semi-governmental borrowings were consolidated into one set of rules, which superseded all previous resolutions. This set of rules 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, 1953.**—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, 1953.

COMMONWEALTH AND STATE PUBLIC DEBT AND ANNUAL INTEREST PAYABLE AT 30th JUNE, 1953.

Particulars.	Maturing in—			Total.
	Australia.	London.	New York.	
DEBT.				
Commonwealth Debt—	£A.'000.	£ Stg.'000.	£'000.	£'000.
War (1914-18) Debt (a)—				
Stock and Bonds	144,679	7,534	..	152,213
Other Debt(b)	120	..	..	120
Total War (1914-18) Debt	144,799	7,534	..	152,333
War (1939-45) Debt—				
Stock and Bonds	1,036,557	5,775	..	1,042,332
Treasury Bills, Internal	165,390	..	..	165,390
Treasury Bills, Public	225,000	..	..	225,000
Other Debt(c)	40,055	..	..	40,055
Total War (1939-45) Debt	1,467,002	5,775	..	1,472,777
Works and Other Purposes—				
Stock and Bonds	166,032	49,351	15,096	230,479
Treasury Bills and Debentures .. .. .	..	720	..	720
Treasury Bills, Internal	10,810	..	..	10,810
International Bank Dollar Loan .. .. .	..	..	21,096	21,096
Total Works and Other Purposes	176,842	50,071	36,192	263,105
Total Commonwealth Debt	1,788,643	63,380	36,192	1,888,215
State Debt—				
Stock and Bonds	1,192,033	259,129	23,751	1,474,913
Debentures	38,371	..	..	38,371
Treasury Bills and Debentures—Short-term .. .. .	..	22,868	..	22,868
Balance of Debts of States taken over by Commonwealth and still represented by State Securities .. .. .	..	7,496	..	7,496
Total State Debt	1,230,404	289,493	23,751	1,543,648
Grand Total Commonwealth and State Debt	3,019,047	352,873	59,943	3,431,863

(a) Excludes War (1914-18) Debt due to United Kingdom Government (£79,724,220). Repayment of this debt and interest thereon (£3,919,774) was suspended in 1931. (b) War and Peace Savings Certificates and Stamps and War Gratuity Bonds. (c) 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, 1953—*continued.*

Particulars.	Maturing in—			Total.
	Australia.	London.	New York.	
DEBT PER HEAD OF POPULATION.				
	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.
Commonwealth Debt—				
War (1914-18) Debt (a)	16 8 0	0 17 1	..	17 5 1
War (1939-45) Debt	166 3 0	0 13 1	..	166 16 1
Works and Other Purposes	20 0 7	5 13 5	4 2 0	29 16 0
Total Commonwealth Debt	202 11 7	7 3 7	4 2 0	213 17 2
Total State Debt	140 1 10	32 19 3	2 14 1	175 15 2
Grand Total Commonwealth and State Debt	341 18 7	39 19 4	6 15 9	388 13 8

ANNUAL INTEREST PAYABLE.				
	£A.'000.	£ Stg.'000.	£'000.	£'000.
Commonwealth Debt—				
War (1914-18) Debt (a)	4,656	228	..	4,884
War (1939-45) Debt	38,022	231	..	38,853
Works and Other Purposes	5,270	1,665	1,572	8,507
Total Commonwealth Debt	48,548	2,124	1,572	52,244
Total State Debt	38,028	9,231	881	48,140
Grand Total Commonwealth and State Debt	86,576	11,355	2,453	100,384

ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION.				
	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.
Commonwealth Debt—				
War (1914-18) Debt (a)	0 10 7	0 0 6	..	0 11 1
War (1939-45) Debt	4 7 6	0 0 6	..	4 8 0
Works and Other Purposes	0 11 11	0 3 9	0 3 7	0 19 3
Total Commonwealth Debt	5 10 0	0 4 9	0 3 7	5 18 4
Total State Debt	4 6 7	1 1 0	0 2 0	5 9 7
Grand Total Commonwealth and State Debt	9 16 1	1 5 9	0 5 7	11 7 5

AVERAGE RATE OF INTEREST PAYABLE (PER £100 PER ANNUM).				
	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.
Commonwealth Debt—				
War (1914-18) Debt (a)	13 4 4	3 0 5	..	3 4 2
War (1939-45) Debt	2 12 8	4 0 0	..	2 12 9
Works and Other Purposes	2 19 7	3 6 6	4 6 11	3 4 8
Total Commonwealth Debt	2 14 4	3 7 0	4 6 11	2 15 4
Total State Debt	3 1 10	3 3 9	3 14 2	3 2 4
Grand Total Commonwealth and State Debt	2 17 4	3 4 4	4 1 10	2 18 6

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

2. Public Debt and Annual Interest Payable, 1939 and 1949 to 1953.—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 1949 to 1953. A dissection of debt for these years into debt payable in Australia, London and New York may be found in the *Finance Bulletins* issued by this Bureau.

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

Particulars.	1939.	1949.	1950.	1951.	1952.	1953.
DEBT. (£'000.)						
Commonwealth Debt—						
War (1914-18) Debt ..	186,214	164,545	165,063	157,360	156,095	152,333
War (1939-45) Debt ..	1,491,652	1,497,251	1,497,251	1,505,176	1,484,915	1,472,777
Works and Other Purposes ..	131,313	160,972	168,313	189,613	227,809	263,105
Total Commonwealth Debt	317,527	1,817,169	1,830,627	1,852,149	1,868,819	1,888,215
State Debt	897,772	1,008,884	1,078,800	1,208,338	1,395,676	1,543,648
Grand Total, Commonwealth and State Debt	1,215,299	2,826,053	2,909,436	3,060,487	3,264,495	3,431,863

ANNUAL INTEREST PAYABLE.
(£'000.)

Commonwealth Debt—						
War (1914-18) Debt ..	7,376	5,995	6,001	5,043	5,022	4,884
War (1939-45) Debt ..	39,898	39,898	40,004	38,284	37,509	38,853
Works and Other Purposes	5,150	5,162	5,391	6,017	7,159	8,507
Total Commonwealth Debt	12,526	51,055	51,396	49,344	49,690	52,244
State Debt	33,644	32,291	34,181	37,100	41,631	48,140
Grand Total Commonwealth and State Debt	46,170	83,346	85,577	86,444	91,321	100,384

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

Commonwealth Debt—						
War (1914-18) Debt ..	3 19 3	3 12 11	3 12 9	3 4 5	3 4 5	3 4 2
War (1939-45) Debt ..	..	2 13 8	2 13 6	2 10 11	2 10 7	2 12 9
Works and Other Purposes ..	3 18 5	3 4 2	3 4 1	3 3 6	3 2 11	3 4 8
Total Commonwealth Debt	3 18 11	2 16 4	2 16 2	2 13 4	2 13 3	2 15 4
State Debt	3 14 11	3 4 0	3 3 4	3 1 5	2 19 8	3 2 4
Grand Total Commonwealth and State Debt	3 16 0	2 19 1	2 18 10	2 16 6	2 16 0	2 18 6

3. State Public Debt and Annual Interest Payable at 30th June, 1953.—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, 1953, 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, 1953.

State.	Maturing in Australia.	Maturing Oversea.			Grand Total.
		London.	New York.	Total Oversea.	
DEBT.					
	£A.'000.	£ Stg. '000.	£'000.	£'000.	£'000.
New South Wales ..	435,578	122,658	10,687	133,345	568,923
Victoria ..	290,072	45,024	4,424	49,448	339,520
Queensland ..	155,451	44,117	4,687	48,804	204,255
South Australia ..	157,333	34,697	1,720	36,417	193,750
Western Australia ..	115,093	35,970	2,009	37,979	153,072
Tasmania ..	76,877	7,027	224	7,251	84,128
Total ..	1,230,404	289,493	23,751	313,244	1,543,648

DEBT PER HEAD OF POPULATION.

	£ s. d. (Aust.)	£ s. d. (Stg.)	£ s. d.	£ s. d.	£ s. d.
New South Wales ..	126 10 8	35 12 7	3 2 1	38 14 8	165 5 4
Victoria ..	121 13 2	18 17 8	1 17 1	20 14 9	142 7 11
Queensland ..	122 16 7	34 17 2	3 14 1	38 11 3	161 7 10
South Australia ..	207 15 8	45 16 6	2 5 5	48 1 11	255 17 7
Western Australia ..	184 19 6	57 16 3	3 4 7	61 0 10	246 0 4
Tasmania ..	247 2 11	22 11 10	0 14 5	23 6 3	270 9 2
Total ..	140 1 10	32 19 3	2 14 1	35 13 4	175 15 2

ANNUAL INTEREST PAYABLE.

	£A.'000.	£Stg.'000.	£'000.	£'000.	£'000.
New South Wales ..	13,277	3,905	360	4,265	17,542
Victoria ..	9,060	1,456	180	1,636	10,696
Queensland ..	4,880	1,464	171	1,635	6,515
South Australia ..	4,844	1,078	70	1,148	5,992
Western Australia ..	3,559	1,105	92	1,197	4,756
Tasmania ..	2,408	223	8	231	2,639
Total ..	38,028	9,231	881	10,112	48,140

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

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

4. State Public Debt, 1939 and 1949 to 1953.—In the following table the debt of each State and the amounts outstanding per head of population at 30th June, 1939 and 1949 to 1953 are shown.

STATE PUBLIC DEBT.

30th June—	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
DEBT. (£'000.)							
1939	359,044	179,098	127,503	108,887	95,473	26,367	897,772
1949	396,493	202,883	144,125	124,720	102,916	37,747	1,008,884
1950	425,289	217,413	150,662	133,174	109,550	42,721	1,078,809
1951	462,241	250,933	166,157	148,388	123,186	57,433	1,208,338
1952	522,491	302,499	187,310	173,436	138,288	71,652	1,395,676
1953	568,923	339,520	204,255	193,750	153,072	84,128	1,543,648
DEBT PER HEAD OF POPULATION. (£ s. d.)							
1939	130 18 7	95 13 3	125 4 11	182 10 6	203 2 4	111 1 2	129 3 11
1949	127 6 10	94 16 11	125 4 10	185 6 0	193 4 2	140 2 5	128 1 1
1950	131 17 3	98 13 11	127 5 5	190 3 7	196 7 1	152 18 3	132 7 7
1951	139 6 11	110 11 7	137 3 7	206 1 8	211 17 0	197 9 6	144 0 5
1952	154 4 0	129 10 6	151 5 0	234 10 3	229 19 11	237 3 5	162 3 9
1953	165 5 4	142 7 11	161 7 10	255 17 7	246 0 4	270 9 2	175 15 2

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 648 figures showing the aggregate debts of the States, including these local and semi-governmental authorities, are shown for the years 1938-39 and 1948-49 to 1952-53.

5. **Public Debt and Interest Payable in Australian Currency.**—In the foregoing tables relating to Commonwealth and State public debt the debt outstanding in London is expressed in sterling, and debt outstanding in New York is expressed in pounds converted from dollars at the rate of \$4.8665 to £1. This method of showing the debt gives no indication of the amount that the Australian Governments would have to find to repay the debt. In the following tables the public debt and the interest payable are shown in terms of Australian currency throughout. Debt in London and in New York has been converted to Australian currency at the selling rate of exchange on 30th June, 1953.

**COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE
AT 30th JUNE, 1953 : AUSTRALIAN CURRENCY.**
(£A.'000.)

Particulars.	Maturing in—			Total.
	Australia.	London. (a)	New York. (b)	
DEBT.				
Commonwealth Debt—				
War (1914-18) Debt	144,799	9,455	..	154,254
War (1939-45) Debt	1,467,002	7,247	..	1,474,249
Works and Other Purposes	176,842	62,840	78,647	318,329
Total Commonwealth Debt	1,788,643	79,542	78,647	1,946,832
State Debt—				
New South Wales	435,578	153,936	23,222	612,736
Victoria	290,072	56,504	9,613	356,189
Queensland	155,451	55,367	10,184	221,002
South Australia	157,333	43,545	3,738	204,616
Western Australia	115,093	45,143	4,365	164,601
Tasmania	76,877	8,819	488	86,184
Total State Debt	1,230,404	363,314	51,610	1,645,328
Commonwealth and State Debt—				
Short-term Debt	401,200	29,603	..	430,803
Other Debt	2,617,847	413,253	130,257	3,161,357
Grand Total Commonwealth and State Debt	3,019,047	442,856	130,257	3,592,160

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

(b) Converted at rate of \$2.2395 = £A. 1.

COMMONWEALTH AND STATE PUBLIC DEBT AND INTEREST PAYABLE
AT 30th JUNE, 1953: AUSTRALIAN CURRENCY—*continued*.
(£A.'000.)

Particulars.	Maturing in—			Total.
	Australia.	London.	New York.	
	(a)	(b)	(b)	
ANNUAL INTEREST PAYABLE.				
Commonwealth Debt—				
War (1914-18) Debt	4,656	286	..	4,942
War (1939-45) Debt	38,622	290	..	38,912
Works and Other Purposes	5,270	2,090	3,416	10,776
Total Commonwealth Debt	48,548	2,666	3,416	54,630
State Debt—				
New South Wales	13,277	4,900	782	18,959
Victoria	9,060	1,828	390	11,278
Queensland	4,880	1,838	373	7,091
South Australia	4,844	1,353	152	6,349
Western Australia	3,559	1,386	200	5,145
Tasmania	2,408	280	17	2,705
Total State Debt	38,028	11,585	1,914	51,527
Grand Total Commonwealth and State Debt	86,576	14,251	5,330	106,157

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

(b) Converted at rate of \$2.2395 = £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, 1953, at each rate of interest:—

COMMONWEALTH AND STATE PUBLIC DEBT AT 30TH JUNE, 1953: AMOUNTS
AT EACH RATE OF INTEREST.

Rate of Interest.	Maturing in—						Total.	
	Australia.		London.		New York.		Com- mon- wealth.	State.
	Com- mon- wealth.	State.	Com- mon- wealth. (a)	State.	Com- mon- wealth.	State.		
Per cent.	£A.'000.	£A.'000.	£stg.'000.	£stg.'000.	£'000.	£'000.	£'000.	£'000.
5.0 .. ..	..	..	..	1	9,515	4,793	9,515	4,794
4.75 .. ..	..	..	..	..	2,304	..	2,304	..
4.5	34,004	118,012	..	11,790	..	..	34,004	129,802
4.25 .. ..	..	..	..	..	18,792	..	18,792	..
4.0 .. ..	..	579	5,775	11,546	..	..	5,775	12,125
3.875	31,476	57,165	..	..	..	..	31,476	57,165
3.75	19,543	73,020	6,951	..	..	..	26,494	73,020
3.625 .. ..	..	107	..	..	..	..	..	107
3.5 .. ..	..	1,146	5,952	60,574	1,131	7,296	7,083	69,016
3.4875 .. ..	..	474	..	..	..	..	..	474
3.375	139	..	..	..	3,316	5,309	3,455	5,309
3.25	872,187	155,498	34,187	57,602	1,134	6,353	907,508	219,453
3.2391	23,393	..	..	..	..	..	23,393	..
3.125	282,513	487,659	..	..	..	..	282,513	487,659
3.1 .. ..	..	3,953	..	..	..	..	..	3,953
3.0	40,595	100,249	9,795	90,720	..	..	50,390	190,960
2.8347	12,208	..	..	..	..	..	12,208	..
2.75 .. ..	..	..	470	37,326	..	..	470	37,326
2.7125 .. ..	..	418	..	..	..	..	..	418
2.5 .. ..	..	1	250	19,932	..	..	250	19,933
2.325 .. ..	..	1,730	..	..	..	..	..	1,730
2.0	70,702	188,301	..	..	..	..	70,702	188,301
1.5 .. ..	..	3,720	..	..	..	..	..	3,720
1.0	401,200	38,371	..	..	..	..	401,200	38,371
Miscellaneous (b)	683	1	..	2	..	..	683	3
Total Debt	1,788,642	1,230,404	63,380	289,493	36,192	23,751	1,888,215	1,543,645

(a) Excludes War (1914-18) Debt due to United Kingdom Government, £79,724,000 (rate of interest 4.91667 per cent.). (b) 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, 1953 is classified according to the earliest and the latest years of maturity.

COMMONWEALTH PUBLIC DEBT AT 30th JUNE, 1953(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.	London.	New York.		Aus- tralia.	London.	New York.	
£A.'000.	£Stg. '000.	£'000.	£'000.	£A.'000.	£ Stg. '000.	£'000.	£'000.	
Before 30th June, 1953	781,252	6,951	9,515	797,718	..	..	..
1953-54(b)	418,440	720	..	419,160	416,722	720	417,442	
1954-55	55,179	..	1,134	56,313	89,749	..	89,749	
1955-56	160,526	16,166	..	176,692	36,738	9,515	46,253	
1956-57	81,942	..	4,447	86,389	43,129	6,951	51,214	
1957-58	10,851	..	..	10,851	43,738	..	43,738
1958-59	..	..	..	..	239,980	..	239,980
1959-60	..	..	..	..	243,195	..	243,195
1960-61	80,389	5,775	..	86,164	235,517	16,166	251,683	
1961-62	78,785	5,952	..	84,737	165,882	..	169,198	
1962-63	80,486	..	..	80,486	65,797	..	65,797
1963-64	..	..	..	..	80,389	5,775	86,164
1964-65	..	294	..	294	74,325	..	74,325	
1965-66 and later	..	27,522	..	27,522	14,689	33,768	49,588	
Miscellaneous (c)	40,793	..	(d)21,096	61,889	40,793	..	(d)21,096	
Total	1,788,643	63,380	30,192	1,888,215	1,788,643	63,380	36,192	

(a) See note (a) to previous table. (b) Includes Short-term Debt. (c) 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. (d) International Bank Dollar Loans to be repaid in half-yearly instalments from 1st September, 1955 to 1st September, 1975 and from 1st June, 1957 to 1st September, 1972.

(ii) *States.* Particulars of State Public Debt at 30th June, 1953 have been classified in the following table according to the earliest and the latest years of maturity.

STATE PUBLIC DEBT AT 30th JUNE, 1953 : CLASSIFIED ACCORDING TO EARLIEST AND LATEST YEARS OF MATURITY.

Year of Maturity.	Earliest Year.				Latest Year.			
	Maturing in—			Total.	Maturing in—			Total.
	Aus- tralia.	London.	New York.		Aus- tralia.	London.	New York.	
£A.'000.	£Stg. '000.	£'000.	£'000.	£A.'000.	£ Stg. '000.	£'000.	£'000.	
Before 30th June, 1953	180,606	15,892	4,793	201,291	..	..	..
1953-54	55,793	(a)43,676	..	99,469	34,104	(a)33,664	67,768	
1954-55	157,160	20,091	6,353	183,604	198,018	3,205	201,223	
1955-56	66,590	16,040	..	82,639	77,645	4,793	82,438	
1956-57	64,590	..	12,605	77,195	18,657	..	25,010	
1957-58	39,191	..	..	39,191	37,189	20,091	57,280
1958-59	1,668	13,935	..	15,603	36,091	20,809	56,900	
1959-60	2,732	..	..	2,732	76,830	..	76,830
1960-61	110,695	11,790	..	122,485	65,215	18,438	83,653	
1961-62	199,324	23,874	..	223,198	48,869	..	54,178	
1962-63	268,764	12,871	..	281,635	160,078	11,790	171,868	
1963-64	3,604	10,000	..	13,604	110,020	..	110,020	
1964-65	1,564	12,974	..	14,538	180,879	12,870	193,749	
1965-66	1,084	54,975	..	56,059	109,770	10,000	119,770	
1966-67	2,450	..	..	2,450	23,874	7,296	33,620
1967-68	2,202	15,949	..	18,151	2,202	14,850	17,052	
1968-69	2,455	..	..	2,455	..	..	2,455
1969-70	3,242	18,441	..	21,683	3,242	42,016	45,258	
1970-71	2,369	..	..	2,369	2,369	11,546	13,915
1971-72	2,177	12,225	..	14,402	2,177	15,949	18,126	
1972-73	2,711	..	..	2,711	2,711	..	2,711
1973-74	3,336	..	..	3,336	3,336	12,225	15,561
1974-75	4,378	..	..	4,378	4,378	31,415	35,793
1975-76 and later	29,813	4,351	..	34,164	29,813	4,351	34,164	
Miscellaneous (b)	21,906	2,400	..	24,306	21,906	2,400	24,306	
Total	1,230,404	289,493	23,751	1,543,648	1,230,404	289,493	23,751	

(a) Includes short-term debt, £22,868,000. (b) 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, 1949 to 30th June, 1953 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
.. .. 1949 ..	123,280	..	123,280	1,720	22,868	24,588
.. .. 1950 ..	108,280	..	108,280	1,470	22,868	24,338
.. .. 1951 ..	108,280	2,400	110,680	1,220	22,868	24,088
.. .. 1952 ..	153,280	..	153,280	970	22,868	23,838
30th September, 1952	178,280	5,163	183,443	970	22,868	23,838
31st December, 1952 ..	263,280	8,378	271,658	720	22,868	23,588
31st March, 1953 ..	305,000	8,078	313,078	720	22,868	23,588
30th June, 1953 ..	225,000	..	225,000	720	22,868	23,588

(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.; 1948–49 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 645 direct comparisons of the debts of the several States should be made with caution. The table following shows, for 1938–39 and 1948–49 to 1951–52, particulars of the debts of the States and the debts due to the public by municipal and semi-governmental authorities in each State.

STATE AND MUNICIPAL AND SEMI-GOVERNMENTAL AUTHORITY PUBLIC DEBT.

State.	State.	Municipal. (a)	Semi-Governmental. (a)	Total.	
DEBT. (£'000.) 1951–52.					
New South Wales	522,491	44,217	123,064	689,772	
Victoria	302,499	17,205	160,468	480,172	
Queensland	187,310	41,561	17,659	246,530	
South Australia	173,436	911	12,859	187,206	
Western Australia	138,288	2,950	432	141,670	
Tasmania	71,652	5,332	1,709	78,693	
Total	1951–52 ..	1,395,676	112,176	316,191	1,824,043
	1950–51 ..	1,208,338	98,201	257,887	1,564,426
	1949–50 ..	1,078,809	84,445	206,622	1,369,876
	1948–49 ..	1,008,884	74,201	176,561	1,259,646
	1938–39 ..	897,772	78,126	120,512	1,096,410

For footnotes see following page.

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

State.	State.	Municipal. (a)	Semi-Gov- ernmental. (a)	Total.	
DEBT PER HEAD OF POPULATION. (£.)					
1951-52.					
New South Wales	154.2	13.0	36.3	203.5	
Victoria	129.5	7.4	68.7	205.6	
Queensland	151.3	33.6	14.3	199.2	
South Australia	234.5	1.2	17.4	253.1	
Western Australia	230.0	4.9	0.7	235.6	
Tasmania	237.2	17.6	5.7	260.5	
Total	1951-52	162.2	13.0	36.7	211.9
	1950-51	144.0	11.7	30.8	186.5
	1949-50	132.4	10.4	25.3	168.1
	1948-49	128.1	9.4	22.4	159.9
	1938-39	129.2	11.2	17.4	157.8

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

§ 4. Commonwealth Loan Raisings.

1. New Loans Raised, 1950-51 to 1952-53.—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 1950-51 to 1952-53. 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 Subscribed.	Rate of Interest per annum.	Year of Maturity.	Price of Issue per £100.	Allocation of Proceeds.		
						Commonwealth.		States.
						War (1939-45) etc.	Other Purposes.	
	£'000.	£'000.	%		£	£'000.	£'000.	£'000.
1950-51—								
August (Tenth Security Loan)	12,897	6,531	2	1953	100	1,301	..	47,000
November (Eleventh Security Loan)	21,253	41,770	3½	1961-64				
		1,976	2	1953	100	..	..	30,000
		28,024	3½	1961-64				
May (Twelfth Security Loan)	40,000	3,275	2	1954	100	328	..	48,938
		45,991	3½	1962-65				
1951-52—								
August (Thirteenth Security Loan)	40,000	8,911	2	1954	100	..	3,840	28,660
November (Fourteenth Security Loan)	13,233	23,589	3½	1962-65				
		2,794	2	1954	100	..	1,470	12,076
March (Fifteenth Security Loan)	30,533	10,752	3½	1962-65				
		5,277	2	1955	100	..	1,787	15,862
June(b)	160,000	12,282	3½	1962-65				
1952-53—								
November (Sixteenth Security Loan)	20,000	160,000	2	1955	100	7,135	16,367	136,498
March (Seventeenth Security Loan)	29,789	20,269	4½	1961	100	..	2,459	17,810
		13,981	3	1955	99 108.	..	3,595	28,331
		18,037	4½	1962				
June(b)	123,000	35,000	3	1955	99 108.	..	15,327	107,673
		88,000	4½	1962				

(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 £160,000,000 and £123,000,000 issued in June, 1952 and 1953 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 £225,287,000 in 1951-52 and £190,182,000 in 1952-53. Subscriptions to these special loans came from the following sources :—

	1951-52.	1952-53.
National Debt Commission—	£	£
Investment of surplus received from Commonwealth Revenue	98,500,000	..
Investment of Australian currency proceeds of International Bank Loan	27,000,000	18,500,000
Commonwealth Trust Moneys—Investment	34,500,000	104,500,000
Total ..	160,000,000	123,000,000

Finance of the approved Loan Council programmes in 1951-52 and 1952-53 was therefore provided from the following sources—

	1951-52.	1952-53.
	£	£
Public Loans, domestic raisings, etc.	72,422,000	67,357,000
Special Commonwealth Loan	152,865,000	122,825,000
Total ..	225,287,000	190,182,000

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 1952-53, viz. :—Savings Certificates and War Saving Certificates (Five and Seven Years' Series), decrease of £6,208,000 ; War Savings and Savings Stamps, decrease of £2,000 ; National Savings Bonds and Stamps, decrease of £1,767,000 ; " Over the Counter Sales " (small amounts borrowed by virtue of certain statutory rights), Commonwealth, £15,000,000 and States, £1,517,000. Advance loan subscriptions in hand increased from £1,417,000 at the end of 1951-52 to £4,280,000 at the end of 1952-53.

2. Conversion and Redemption Loans, 1950-51 to 1952-53.—(i) *Australia*. Particulars of conversion loans raised in Australia during the three years 1950-51 to 1952-53 are given in the following table :—

COMMONWEALTH CONVERSION AND REDEMPTION LOANS RAISED IN AUSTRALIA.

Month of Raising.	Old Loan.		New Loan.				Reduction in Annual Liability for Interest.
	Amount.	Rate of Interest per annum.	Amount.	Rate of Interest per annum.	Price of Issue per £100.	Year of Maturity.	
	£A.'000.	%	£A.'000.	%	£		£A.'000.
1950-51—							
August ..	{ 9,285	3½	{ 9,716	2	100	1953	} 400
	{ 27,818	4	{ 27,387	3½	100	1961-64	
November ..	{ 116,828	4	{ 14,698	2	100	1953	} 1,187
			{ 102,130	3½	100	1961-64	
1951-52—							
November ..	{ 26,767	3½	{ 5,077	2	100	1954	} 89
			{ 21,690	3½	100	1962-65	
March ..	{ 44,467	2	{ 33,744	2	100	1955	} -189
			{ 10,723	3½	100	1962-65	
1952-53—							
March ..	{ 47,211	2	{ 30,196	3	99.108.	1955	} -727
			{ 17,015	4½	100	1962	

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

(ii) *London.* The following table shows particulars of loans raised in Australia and London during the years 1950-51 and 1952-53 for the purpose of redeeming and converting London loans. There were no loans raised for this purpose in 1951-52.

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

Month of Raising.	Old Loan.		New Loan.				Reduction in Annual Liability for Interest and Exchange. (a)	
	Amount.	Rate of Interest per annum.	Amount raised in—		Rate of Interest per annum.	Price of Issue per £100.		Year of Maturity.
			Australia.	London.				
	£ Stg. '000.	%	£A. '000.	£ Stg. '000.	%	£	£A. '000.	
1950-51—								
July ..	9,400	3½	11,785	..	3½	100	1964	
1952-53—								
July ..	11,790	3½	..	11,790	4½	98	1960-62	

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

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

(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 have been raised in New York for this purpose since that year.

3. *International Bank for Reconstruction and Development Loan.*—To provide dollar funds for the purchase of certain types of capital equipment and plant which were indispensable to the furtherance of development in Australia and which could 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. Up to 30th June, 1953, \$91,452,531 had been drawn on the loan.

In July, 1952, a further loan of \$50,000,000 was arranged. This loan is for a term of 20 years with interest at 4½ per cent. per annum on the amount of the loan withdrawn and outstanding from time to time. There is also a commitment charge of ¾ per cent. per annum similar to that of the previous loan. Repayment of the loan is to be made in half-yearly instalments from 1st June, 1957 to 1st December, 1972. Up to 30th June, 1953, \$11,209,743 had been drawn on the loan.

In March, 1954 a third loan of \$54,000,000 was arranged. The 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.

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 in November, 1953 arranged for the issue in Switzerland of a public loan of 60,000,000 Swiss francs. The loan was underwritten by a Swiss Banking group headed by the Swiss Bank Corporation and the Crédit Suisse. The loan is 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 is 4 per cent. and the issue price was £99. Certain Swiss taxes connected with the issue and servicing of the loan are payable on an agreed basis by the Australian Government.

The loan was 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 loan proceeds were transferred from Loan Fund to this account to be used later in assisting the Loan Council borrowing programmes for the 1953-54 financial year. The Swiss Loan Trust Account will also be used as a sinking fund for the loan 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 loan.

5. **Summary of Loan Transactions, 1948-49 to 1952-53.**—The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the five years 1948-49 to 1952-53.

COMMONWEALTH LOAN TRANSACTIONS : SUMMARY.

Year ended 30th June—	New Loans.			Net Increase in Short- term Debt in—				Loans Raised for Conversion or Redemption of Existing Debt Maturing in—		
	New Loans (a) Raised in—		Miscellaneous Debt in Aus- tralia.(b)	Australia.		Lon- don.	Aus- tralia.	London.		New York.
	Aus- tralia.	New York.		Public.	In- ternal.			Aus- tralia.	Lon- don.	
	£A.'000.	\$'000.	£A.'000	£A.'000.	£A.'000.	£ Stg. '000.	£A.'000.	£A.'000.	£ Stg. '000.	\$'000.
1949 ..	76,876	..	20,196	- 85,000	41,400	- 250	161,799	23,111	52,986	..
1950 ..	105,845	..	13,928	- 15,000	19,000	- 250	93,213	7,000	..	..
1951 ..	127,567	(e)9,059	-16,443	2,400	87,000	- 250	153,928	11,785	..	..
1952 ..	d223,695	c 53,380	7,402	42,600	- 37,000	- 250	71,234	..	..	..
1953 ..	e175,287	c 40,223	24,510	71,720	- 75,610	- 250	47,211	..	11,790	..

(a) Includes loans raised for redemption of Treasury Bills. No new loans were raised in London during this period. (b) "Over the Counter Sales", Instalment Stock, National Savings Bonds, War Savings and Savings Certificates and net increase in debt on account of War Savings and Savings Stamps, National Savings Stamps and advance loan subscriptions. (c) Amounts drawn of \$100,000,000 and \$50,000,000 loans from International Bank for Reconstruction and Development. (d) Includes special loan of £160,000,000 raised from Commonwealth Trust Funds. (e) Includes special loan of £123,000,000 raised from Commonwealth Trust Funds.

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

§ 5. National Debt Sinking Fund.

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

The old sinking funds were merged in the National Debt Sinking Fund on 11th August, 1923. Particulars of receipts and expenditure of the Commonwealth Account for the years 1938-39 and 1948-49 to 1952-53 were as follows:—

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

Items.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52	1952-53.
Receipts—						
From Consolidated Revenue	3,918	16,083	16,146	17,225	(a)116,928	18,471
Loans and Advances Repaid	17	766	580	4,381	2,094	2,508
War Service Homes Money Repaid	629	1,357	2,156	3,147	4,046	4,050
Half Net Profit Commonwealth Bank	321	1,082	1,116	1,140	1,336	1,704
Reparation Moneys	..	..	500	..	..	..
Interest on Investments	32	42	104	70	76	(b) 2,144
Loan (International Bank for Reconstruction and Development) Act	..	..	..	4,044	23,831	17,935
Other Contributions	14	12	12	12	12	10
Total Receipts	4,931	19,342	20,614	30,019	148,323	46,882
Expenditure—						
Securities Repurchased and Redeemed in—						
Australia	4,230	3,917	26,916	28,762	25,382	16,011
London	608	314	610	1,688	411	436
New York	214	78	118	449	448	455
Total Expenditure	5,052	4,309	27,644	30,899	26,241	16,902
Balance at 30th June	1,131	17,907	10,877	9,997	132,079	162,059
Face Value of Securities Repurchased and Redeemed in—						
Australia	4,199	3,900	26,872	28,828	26,882	16,860
London	498	250	496	1,409	335	363
New York	167	57	68	210	211	212
Total Face Value	4,864	4,207	27,436	30,447	27,428	17,435

(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.

2. State Public Debt.—(i) States, 1952-53. 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 640. Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1952-53 are shown below.

NATIONAL DEBT SINKING FUND: STATE ACCOUNT, 1952-53.
(£'000.)

Items.	N.S.W.	Vic.	Q'land.	S. Aust.	W. Aust.	Tas.	Total.
Receipts—							
Contributions under Financial Agreement—							
Commonwealth	1,126	651	387	376	311	160	3,011
States	4,228	2,552	1,551	1,449	1,115	467	11,362
Interest from States on cancelled Securities	20	13	5	6	3	2	49
Special Contributions by States	111	35	..	2	1	6	155
Interest on Investments, etc.	10	4	4	3	3	1	25
Total Receipts	5,495	3,255	1,947	1,836	1,432	637	14,602
Expenditure—							
Securities Repurchased and Redeemed in—							
Australia	4,034	2,197	1,345	1,387	788	551	10,602
London	551	230	157	15	18	2	973
New York	269	64	105	26	13	6	483
Total Expenditure	4,854	2,791	1,607	1,428	819	559	12,058
Balance at 30th June, 1953	2,022	1,038	834	720	931	178	5,723
Face Value of Securities Repurchased and Redeemed in—							
Australia	4,080	2,783	1,422	1,521	837	601	11,644
London	463	201	141	14	17	2	838
New York	134	32	53	13	6	3	241
Total Face Value	5,077	3,016	1,616	1,548	860	606	12,723

(ii) *All States, 1938-39 and 1948-49 to 1952-53.* The following table is a summary of the transactions of the National Debt Sinking Fund (State Account) for the years 1938-39 and 1948-49 to 1952-53 :—

NATIONAL DEBT SINKING FUND : STATE ACCOUNT.

(£'000.)

Items.	1938-39.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.
Receipts—						
Contributions under Financial Agreement—						
Commonwealth ..	1,478	1,851	2,006	2,241	2,557	3,011
States ..	4,327	8,109	8,747	9,418	10,325	11,362
Interest from States on cancelled Securities ..	15	29	27	25	41	49
Commonwealth Contributions under Federal Aid Roads and Works Act ..	69	20	..	..	..	..
Special Contributions by States ..	61	174	142	147	151	155
Interest on Investments, etc.	56	11	6	8	4	25
Total Receipts ..	6,066	10,194	10,928	11,839	13,078	14,602
Expenditure—						
Securities Repurchased and Redeemed in—						
Australia ..	4,068	8,337	6,509	8,877	9,280	10,602
London ..	1,722	2,393	1,449	5,307	474	973
New York ..	347	256	393	462	430	483
Total Expenditure ..	6,137	10,986	8,351	14,646	10,184	12,058
Balance at 30th June ..	1,885	515	3,092	285	3,179	5,723
Face Value of Securities Repurchased and Redeemed in—						
Australia ..	3,996	8,292	6,480	8,859	9,661	11,644
London ..	1,561	1,909	1,182	4,345	420	838
New York ..	285	185	223	229	220	241
Total Face Value ..	5,842	10,386	7,885	13,433	10,301	12,723

E. TAXES ON INCOME.

NOTE.—The following section contains details of taxes on individuals and companies for the 1953-54 and 1954-55 financial years. .

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 1936-1954 and the Income Tax and Social Services Contribution Act 1954. 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 1954-55 is levied on the income of individuals in 1954-55 and on the income of companies in 1953-54.

2. **Present Taxes.**—For individuals, a single tax known as the Income Tax and Social Services Contribution was levied for both years. All companies were liable for primary income tax and in addition, private companies were 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 1947-1954 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, £120 and Zone B, £20.

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

4. **Concessional Deductions.**—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, parent or a housekeeper employed by the taxpayer for the financial years 1953-54 and 1954-55 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 both the 1953-54 and 1954-55 financial years, medical expenses paid by a taxpayer who is a resident, in respect of himself, a dependant, or other child under 21 years of age, up to £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 £200, (ii) funeral expenses of a dependant not exceeding £30 and (iii) expenditure incurred for the full-time education of dependants who are less than 21 years of age (maximum £75 per dependant).

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

5. **Effective Exemptions from Tax.**—For the financial years 1953-54 and 1954-55 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. For comparison, the effect of concessions for dependants for the years 1950-51 to 1952-53 are also shown.

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 and 1954-55.
No dependants	..	..	..	..	104	104
Wife	..	..	..	..	208	234
„ and one child	..	..	..	..	286	312
„ „ two children	..	..	..	..	338	364
„ „ three children	..	..	..	..	390	416
„ „ four children	..	..	..	..	442	468

For both the 1953-54 and 1954-55 financial years 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 £375. A married couple both of whom qualify by age for the concession, are exempt from tax if their combined net incomes do not exceed £750.

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 and 1954-55.

INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—INDIVIDUALS: RATES OF INCOME TAX AND SOCIAL SERVICES CONTRIBUTION—1953-54 AND 1954-55.

Total Taxable Income.		1953-54.		1954-55.	
Column 1.	Column 2.	Tax and Contribution on Amount in Column 1.		Tax and Contribution on each £1 of Balance of Income.	
Exceeding—	Not Exceeding—				
£	£	£	s. d.	£	s. 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 a current year is determined by the average of the taxable income 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 1954-55 :—

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 Financial Year.
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 Financial Year.
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 more than £100 income 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 1953-54 and 1954-55 financial years, 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 Books No. 39, p. 846 and No. 40, p. 743.

RATES OF TAX : COMPANIES, 1953-54 AND 1954-55 FINANCIAL YEARS.
(Pence per £.)

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

(a) Non-profit companies with taxable incomes not exceeding £104 were exempted from tax and if the taxable income does not exceed £208 the tax may not exceed one-half of the amount by which the taxable income exceeds £104. (b) The rate of 72d. 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 taxable income are taxed at 60 pence per £1. (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 1953-54 and 1954-55 financial years, the retention allowance is the following proportion of the reduced distributable income:—

Financial Years 1953-54 and 1954-55—

- 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 and 1954-55, the reduced distributable income was calculated by deducting from the taxable income the primary tax payable and the amount of all property income included in taxable income.

For the financial years 1953-54 and 1954-55 the additional tax imposed on undistributed income has been imposed at a flat rate of 10s. in the £1 on the undistributed amount.

12. Yield of Income Taxes.—(i) *Collections from all Income Taxes.* The following table shows the collections of taxes of all types imposed on income for the years 1938-39 and 1949-50 to 1953-54 :—

INCOME TAX COLLECTIONS.

(£'000.)

Year.	Total.		
	Commonwealth.	State.	Total.
1938-39	11,883	29,796	41,679
1949-50(a)	279,654	267	279,921
1950-51(a)	341,957	291	342,248
1951-52(a)	545,179	155	545,334
1952-53(a)	556,960	132	557,092
1953-54(a)	528,420	92	528,512

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

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

COMMONWEALTH INCOME TAXES ASSESSED.

(£'000.)

Tax.	1939-40.	1948-49.	1949-50.	1950-51.	1951-52.(a)	1952-53.
Individuals—						
Income Tax	7,423	687,383	78,982	80,712	} 332,956	340,175
Social Services Contribution .. .. .	..	679,538	86,214	92,588		
Companies—						
Income Tax	8,041	55,863	63,467	74,770	156,163	151,246
Super Tax .. .. .	..	4,910	5,943	7,040	..	..
Undistributed Income Taxes (c)						
Private Companies	688	7,120	7,098	8,253	11,219	5,824
Non-Private Companies .. .. .	..	3,301	4,308	4,847	..	..
Total	16,152	238,115	246,012	268,210	500,338	497,245

(a) Income Tax and Social Services Contribution were consolidated in 1951-52. (b) Includes assessments issued to 30th June, 1952. (c) Approximate.

(iii) *Commonwealth Income Tax and Social Services Contribution, 1952-53 Assessment Year.* The following table shows, for the 1952-53 assessment year, particulars for individual taxpayers, income, and tax assessed, according to grade of actual income and State, etc., of assessment.

COMMONWEALTH INCOME TAX AND SOCIAL SERVICES CONTRIBUTION: 1952-53 ASSESSMENT(a)—NUMBER OF TAXPAYERS, TAXABLE INCOME AND NET INCOME TAX AND SOCIAL SERVICES CONTRIBUTION ASSESSED—INDIVIDUALS.

(Incomes derived in year 1951-52.)

Grade of Actual Income(b) and State or Territory of Assessment.		Number of Taxpayers.			Actual Income.	Taxable Income.				Net Income Tax and Social Services Contribution Assessed.
		Males.	Fe-males.	Total.		Personal Exertion.		Prop-erty.	Total.	
						Salary and Wages.	Total.			
£	£	No.	No.	No.	£'000	£'000	£'000	£'000	£'000	£'000
105-	200	74,996	125,715	200,711	31,339	25,560	27,939	2,311	30,250	434
201-	300	108,276	162,453	270,729	68,353	53,771	59,742	4,272	64,014	1,985
301-	400	139,454	177,626	307,080	107,868	83,926	94,167	4,696	98,803	4,860
401-	500	157,641	205,630	363,271	163,773	127,350	142,189	4,758	146,947	9,569
501-	600	256,928	114,533	371,461	205,107	149,616	168,635	4,862	173,497	13,350
601-	700	438,231	48,157	486,388	316,838	227,839	249,831	4,667	254,498	24,031
701-	800	411,876	22,835	434,711	325,333	230,110	252,791	4,587	257,378	24,955
801-	900	294,025	12,181	306,206	259,316	177,614	199,524	4,186	203,710	21,846
901-	1,000	189,731	7,141	196,872	186,337	121,016	141,905	3,809	145,714	17,093
1,001-	1,250	204,510	9,063	214,482	236,337	133,861	179,946	7,611	187,557	25,233
1,251-	1,500	74,479	5,827	80,306	109,244	44,879	84,177	6,002	90,179	14,657
1,501-	2,000	95,747	6,788	72,535	124,324	34,218	97,327	8,920	106,247	21,019
2,001-	3,000	50,575	5,885	56,460	136,363	20,727	109,575	11,542	121,117	31,511
3,001-	4,000	21,366	2,482	23,868	82,102	8,842	67,115	7,582	74,697	24,598
4,001-	5,000	10,824	1,194	12,018	53,446	5,220	43,971	5,235	49,206	10,168
5,001-	10,000	13,438	1,648	15,086	99,302	8,817	80,026	12,328	92,354	47,391
10,001-	15,000	2,017	337	2,354	28,209	2,147	22,002	4,390	26,392	17,027
15,001 and over		1,115	208	1,323	33,083	1,810	22,973	7,234	30,207	22,233
Total Residents..		2,505,258	910,603	3,415,861	2,566,764	1,457,323	2,043,775	108,972	2,152,747	338,930
Central Office ..		7,832	4,537	12,369	37,401	5,063	22,733	10,734	33,467	16,781
New South Wales ..		944,702	358,806	1,303,508	968,486	593,650	775,995	36,120	812,124	119,930
Victoria ..		707,261	282,125	991,386	740,334	426,302	593,316	33,280	626,596	93,973
Queensland ..		342,281	105,498	447,779	305,679	166,113	239,050	9,728	248,778	37,373
South Australia ..		234,598	76,516	311,114	245,625	125,065	196,670	10,472	207,142	33,852
Western Australia ..		172,774	52,149	224,923	181,317	88,916	146,549	5,881	152,430	27,579
Tasmania ..		82,256	24,967	107,223	73,576	42,557	58,171	2,526	60,697	7,770
Northern Territory		3,787	867	4,654	3,735	2,408	2,875	35	2,910	384
Aust. Cap. Terr. ..		9,767	3,138	12,905	10,211	7,249	8,416	187	8,603	1,288
Total Residents ..		2,505,258	910,603	3,415,861	2,566,764	1,457,323	2,043,775	108,972	2,152,747	338,930
Total Non-residents		2,387	2,017	4,404	4,364	336	944	3,157	4,101	1,245
Grand Total ..		2,507,645	912,620	3,420,265	2,571,128	1,457,659	2,044,719	112,129	2,156,848	340,175

(a) Assessment in respect of 1951-52 income issued to 30th September, 1953. Assessments issued after that date have been excluded. (b) Actual income is the total income (less any expenses of earning the income) and includes any exempt income and any concessional deductions or expenses of a capital nature which are allowed as a deduction for the purpose of assessing taxable income.

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

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

Grade of Actual Income.(b)	1939-40.		1949-50.(a)		1950-51.(a)		1951-52.(a)		1952-53.(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.	£'000.	£'000.	£'000.	£'000.
105- 200	..	..	376 141	1.488	345,054	1,081	266,134	517	200,711	434
201- 300	(c) 47,732	27	476,233	5,222	455,284	3,655	351,062	2,282	270,729	1,985
301- 400	104,210	126	494,925	9,479	459,219	6,449	412,396	5,778	307,080	4,860
401- 500	68,168	182	608,272	16,434	613,437	12,176	440,555	9,176	363,271	9,569
501- 600	38,939	197	361,222	13,754	475,486	13,298	553,803	15,008	371,461	13,350
601- 700	} d 29,912	294	176,272	9,483	248,498	9,770	427,288	15,406	486,388	22,031
701- 800			89,140	6,462	130,579	6,935	262,954	12,398	434,711	24,955
801- 900	} e 23,070	460	51,707	4,853	72,272	5,012	145,231	8,721	306,206	21,846
901- 1,000			33,547	3,937	45,399	3,960	83,028	6,340	196,872	17,093
1,001- 1,250	10,922	372	49,846	7,924	62,573	7,511	101,209	10,921	214,482	25,203
1,251- 1,500	6,281	306	27,473	6,378	33,790	5,982	48,123	7,823	80,300	14,657
1,501- 2,000	7,987	601	31,981	10,781	38,430	10,390	49,840	12,618	72,535	21,019
2,001- 3,000	4,549	686	28,878	16,855	34,940	17,176	47,681	22,152	56,460	31,511
3,001- 4,000	2,045	615	11,785	11,671	14,277	12,393	24,374	19,662	23,868	24,598
4,001- 5,000	984	484	5,714	8,441	6,981	9,134	14,102	17,761	12,018	19,168
5,001-10,000	1,298	1,321	6,248	17,958	9,494	22,991	23,366	66,729	15,086	47,391
10,001-15,000	205	504	984	5,829	1,752	9,461	4,917	33,056	2,354	17,027
15,001-30,000	(f) 92	393	442	4,770	954	10,060	3,124	38,841	1,091	14,357
30,001-50,000	(g) 39	316	84	1,712	155	3,385	612	15,255	164	4,196
50,001 and over	8	141	24	1,016	39	1,773	216	11,263	68	3,680
Total ..	346,441	7,115	2,831,418	164,452	3,048,613	172,592	3,260,015	331,707	3,415,861	338,930

(a) Includes Social Services Contribution.

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

(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.