

CHAPTER VIII.

PUBLIC FINANCE.

A. GENERAL.

In previous issues of the Official Year Book the plan was adopted of including in a single Chapter under the general heading of "Finance" the more important particulars available in connexion therewith. A departure has been made in this volume by dividing the subject into separate Chapters with the two broad headings of "Public Finance" and "Private Finance". While the financial transactions of Local Government Bodies and certain statutory Governmental Bodies to a certain extent come within the category of Public Finance, for the purpose of convenience these have been included in a separate Chapter.

The following subdivision has been adopted in the present Chapter :—

- Commonwealth Finance, including currency and coinage ;
- State Finance ; and
- Commonwealth and State Finance.

The last-mentioned subdivision is necessary owing to the close inter-relation between the financial activities of the Commonwealth and the States. This has become increasingly important during recent years, particularly since the passing of the *Financial Agreement Act 1928*.

Certain banking activities are conducted by both Commonwealth and State Governments, but as the services provided are essentially connected with the banking system of the Commonwealth they have been included in the section of the Private Finance Chapter relating to Banking. An exception has been made in the case of the Commonwealth Bank Note Issue Department, information concerning which is given in sub-section "Currency and Coinage" of the present Chapter.

B. 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 Chapter IV., "Finance and Trade," being sections 81 to 105 of the Constitution Act. 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, while section 51, in outlining the powers of the Federal Parliament, implies the transfer or creation of various other departments. Section 87 deals with the financial relations between the Commonwealth and the States. These matters have been treated in some detail in previous issues of the Official Year Book up to and including No. 12, and further reference to them will not be made here.

The Commonwealth Treasury issues annually a document entitled "The Treasurer's Statement of Receipts and Expenditure during the year ended 30th June," with which is incorporated the report of the Commonwealth Auditor-General for the year. This series of annual statements is the principal authority for the majority of the tables given herein.

2. **Accounts of Commonwealth Government.**—(i) *General.* The Commonwealth Government, like the State Governments, bases its accounts mainly upon three funds, the Consolidated Revenue Fund, the Trust Fund, and the Loan Fund. The last mentioned fund came into existence in the financial year 1911-12, but on the outbreak of war it became so important that it was treated in two parts—a General Loan Fund mainly for purposes of Public Works, and a War Loan Fund for purely military purposes. From the year 1923-24 inclusive, the loan expenditure on War Service Homes was debited against works loan expenditure. Previously such expenditure had been a charge on War Loans. Since the year mentioned, the transactions of the War Loan Fund consisted mainly of credits arising from repayments of expenditure during previous years.

(ii) *Revenue.* The following table shows particulars of Commonwealth Consolidated Revenue for the years 1926-27 to 1930-31 :—

COMMONWEALTH REVENUE, CONSOLIDATED REVENUE FUND.

Particulars.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
PART I.—DEPARTMENTS AND SERVICES OTHER THAN BUSINESS UNDERTAKINGS—	£	£	£	£	£
Taxation	58,994,809	56,637,858	56,303,489	58,187,775	50,420,106
Other	4,373,404	4,194,603	5,116,281	4,860,200	5,754,585
Total, Part I. .. .	63,368,213	60,832,461	61,419,770	63,047,975	56,174,691
PART II.—BUSINESS UNDERTAKINGS—					
Postmaster-General's Department (a) .. .	11,648,638	12,349,422	12,848,400	13,590,607	12,875,800
Railways	477,734	603,162	591,016	418,037	309,237
Total, Part II. .. .	12,126,372	12,952,584	13,439,416	14,008,644	13,185,037
PART III.—TERRITORIES .. .	47,175	23,182	35,613	86,771	207,191
PART IV.—PAYMENTS TO OR FOR STATES—(b)					
Interest adjustment on States Loans (paid to General Revenue) .. .	2,622	..	..	..	..
Total (b)	75,544,382	73,808,227	74,894,799	77,143,390	69,566,919

(a) Includes certain pension contributions and repayments, and differs on that account from the figures given on page 288. (b) Excludes Interest on States Debts (payable by the States).

(iii) *Expenditure.* Particulars of Commonwealth expenditure from Consolidated Revenue Fund for the past five years are given in the subjoined table. Details of the expenditure from Loan Fund are given in a separate section later.

COMMONWEALTH EXPENDITURE, CONSOLIDATED REVENUE FUND.

Particulars.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
PART I.—DEPARTMENTS AND SERVICES OTHER THAN BUSINESS UNDERTAKINGS—	£	£	£	£	£
War and Repatriation	29,309,083	29,006,212	30,097,751	30,099,806	29,506,218
Other	20,836,865	25,243,459	21,801,326	22,205,028	22,742,784
Total, Part I.	50,145,948	54,249,671	51,899,077	52,304,834	52,249,002
PART II.—BUSINESS UNDERTAKINGS—					
Postmaster-General's Department (a)	11,285,899	12,393,850	12,690,072	13,025,358	12,994,870
Railways	902,806	996,768	1,087,560	1,109,405	1,056,806
Total, Part II.	12,188,705	13,390,618	13,777,632	14,134,763	14,051,676
PART III.—TERRITORIES	411,220	532,386	540,427	685,452	911,244
PART IV.—PAYMENTS TO OR FOR STATES—(b)					
Interest adjustment on States Loans (paid from General Revenue) .. .. .	..	..	..	..	I
Other than Interest on States Debts	10,262,912	11,085,789	11,036,638	11,489,344	(c)13,112,615
Total (b)	73,008,785	79,258,464	77,253,774	78,614,393	(c)80,324,538

(a) Includes New Works and differs in some cases on that account from the figures given on page 294.
 (b) Excludes Interest on States Debts recoverable from States. (c) Excludes Interest, etc., paid on behalf of New South Wales, and not recovered at 30th June, 1931.

The receipts and expenditure on account of the Balance of "Interest on States' Debts" payable by the States to the Commonwealth under the "Financial Agreement Act" have been excluded from the foregoing and subsequent tables.

(iv) *Surplus Revenue.* Until the end of 1906-7, the balance of the Consolidated Revenue Fund was paid to the States. From 1907-8, until the abolition of the book-keeping provisions of the Constitution, the States received only three-fourths of the net Customs and Excise Revenue, and the balance of the Consolidated Revenue Fund was transferred to the Invalid and Old-age Pensions Trust Account and the Naval Defence Trust Account to provide for expenditure in subsequent years. A statement of surpluses and deficiencies for the past five years is appended hereto.

COMMONWEALTH SURPLUS REVENUE.

Year.	Surplus.	Deficiency.	Accumulated Surplus at end of Year.	Accumulated Deficit at end of Year.
	£	£.	£	£
1926-27	2,535,597	..	2,821,494	..
1927-28 .. .. .	..	5,450,237	..	2,628,743
1928-29 .. .. .	..	2,358,975	..	4,987,718
1929-30 .. .. .	..	1,471,003	..	6,458,721
1930-31 .. .. .	..	(a) 10,757,619	..	17,216,340

(a) Excludes Interest, etc., paid on behalf of New South Wales and not recovered at 30th June, 1931.

The following payments amounting to £2,820,000 were made out of the surplus of £2,821,494 available at 30th June, 1927, and brought to account as expenditure during 1927-28:—Naval Construction and Defence Reserve, £2,250,000; Science and Industry Investigation, £250,000; Civil Aviation, £200,000; Purchase of Radium, £100,000; and Geophysical Survey of Australia, £20,000. The result of the ordinary transactions of the year 1927-28, omitting these special appropriations, was therefore a deficit of £2,630,237.

§ 2. Consolidated Revenue Fund.

Division I.—Nature of Fund.

The provisions made for the formation of a Commonwealth Consolidated Revenue Fund, and the means to be adopted for operating on the fund, are contained in sections 81, 82, and 83 of the Constitution.

Division II.—Revenue.

1. **General.**—The following table furnishes details of the revenue from each source and the amount per head of population under each of the three main headings during the years 1926–27 to 1930–31:—

COMMONWEALTH CONSOLIDATED REVENUE—SOURCES.

Source.	1926–27.	1927–28.	1928–29.	1929–30.	1930–31.
Taxation (a)	£ 58,994,809	£ 56,637,858	£ 56,303,489	£ 58,187,775	£ 50,420,106
Per head of population (d) ..	£9 13 2	£9 1 10	£8 17 10	£9 1 6	£7 15 10
Business Undertakings (a)	12,084,553	12,907,304	13,404,412	13,969,124	13,148,341
Per head of population (d) ..	£1 19 7	£2 1 5	£2 2 4	£2 3 7	£2 0 7
Other Revenue—					
Interest, Discount, etc. (c) ..	2,450,842	2,490,978	3,516,051	3,456,614	3,055,630
Coinage	373,071	203,252	92,898	41,070	141,846
Defence	152,494	132,877	117,614	103,351	79,005
Quarantine	40,451	31,547	26,284	28,360	20,814
Territories (b)	34,385	23,182	35,613	86,771	207,191
Patents, Trade Marks, etc. ..	41,594	44,258	44,917	58,300	54,429
Marine	216,781	212,490	210,162	201,210	196,501
Pension Contributions	51,575	55,439	44,291	48,924	43,932
Net Profit on Australian Note Issue	852,357	846,274	694,642	703,669	449,506
Bankruptcy .. .. .	..	..	15,695	32,086	44,395
Ex-enemy properties .. .. .	..	..	..	..	1,500,000
Export charges	51,902	51,953	68,959	74,034	80,785
Miscellaneous	199,568	170,815	319,772	152,102	124,438
Total	4,465,020	4,263,065	5,186,898	4,986,491	5,998,472
Per head of population (d) ..	£0 14 7	£0 13 8	£0 16 4	£0 15 7	£0 18 6
Grand Total (c)	75,544,382	73,808,227	74,894,799	77,143,390	69,566,919
Per head of population (d) ..	£12 7 4	£11 16 11	£11 16 6	£12 0 8	£10 14 11

(a) For details, see succeeding pages. (b) Exclusive of Railways and other items which appear elsewhere under their appropriate headings. (c) Excludes Interest on States' Debts payable by States. (d) Based on mean population of each financial year.

2. **Taxation.**—(i) *Total Collections.* (a) *Amount.* Collections under each heading for the years 1926–27 to 1930–31 are given below.

TAXATION—TOTAL COLLECTIONS.

Heading of Taxation.	1926–27.	1927–28.	1928–29.	1929–30.	1930–31.
	£	£	£	£	£
Customs	31,832,600	29,848,379	29,502,755	30,157,040	18,224,227
Excise	11,719,878	11,598,351	11,555,816	11,617,351	10,070,846
Sales Tax .. .. .	..	..	..	..	3,472,854
Land Tax	2,615,900	3,027,206	2,988,885	2,840,078	2,758,598
Income Tax	11,126,278	10,165,175	9,841,496	11,120,029	13,604,374
Income Tax, Federal Officers' Salaries	..	..	..	..	34,475
Estate Duties	1,362,351	1,752,118	2,080,149	2,122,478	2,068,865
Entertainments Tax	366,159	358,865	358,697	316,121	186,661
War Time Profits Tax	Dr. 28,357	Dr. 112,236	Dr. 24,309	14,678	Dr. 794
Total Taxation	58,994,809	56,637,858	56,303,489	58,187,775	50,420,106
Percentage on Total Revenue ..	78.1	76.7	75.2	75.4	72.5

(b) *Percentages of Total Collections.* The following table shows the percentage of the collections under each class of taxation on the total collections for the last five years :—

TAXATION—PERCENTAGES ON TOTAL COLLECTIONS.

Heading of Taxation.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	%	%	%	%	%
Customs	53.9	52.7	52.4	51.8	36.1
Excise	19.9	20.5	20.5	20.0	20.0
Sales Tax .. .. .	..	..	..	..	6.9
Land Tax	4.4	5.3	5.3	4.9	5.5
Income Tax	18.9	18.0	17.5	19.1	27.0
Income Tax, Federal Officers' Salaries .. .. .	..	..	..	..	0.7
Estate Duties	2.3	3.1	3.7	3.7	4.1
Entertainments Tax	0.6	0.6	0.6	0.5	0.4
War Time Profits Tax .. .. .	..	0.2	..	..	..
Total	100.0	100.0	100.0	100.0	100.0

(ii) *Customs Revenue. (a) Classified.* Particulars for the five years 1926-27 to 1930-31 are furnished in the following table :—

COMMONWEALTH CUSTOMS REVENUE.—CLASSIFICATION.

Classes.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Stimulants	2,908,982	2,820,547	2,658,071	2,598,593	1,045,601
Narcotics	2,201,550	2,374,659	2,412,859	3,069,426	2,875,840
Sugar	20,112	16,797	11,654	11,029	674
Agricultural products	1,547,711	1,403,054	1,262,065	1,291,643	1,000,437
Apparel and textiles ..	6,233,206	5,802,848	5,362,694	5,154,257	2,069,610
Metals and machinery	5,654,629	5,284,993	4,949,249	4,758,415	1,594,769
Oils, paints, etc. .. .	2,173,367	2,594,879	3,092,522	4,137,016	3,945,960
Earthenware, etc. .. .	735,699	704,207	710,052	713,599	360,889
Drugs and chemicals ..	561,530	520,424	545,958	539,275	358,334
Wood, wicker and cane	1,384,469	1,594,825	1,583,145	1,802,580	379,328
Jewellery, etc. .. .	951,691	845,099	870,130	1,028,151	557,262
Leather, etc. .. .	1,577,765	1,124,091	743,948	526,056	256,498
Paper and stationery	751,254	760,448	762,357	878,800	732,888
Vehicles	3,340,556	2,534,738	3,193,211	2,315,739	377,688
Musical instruments ..	520,482	364,326	267,824	138,329	13,855
Miscellaneous articles	1,192,059	1,040,080	998,785	1,116,340	704,833
Primage .. .. .	..	..	..	..	1,812,624
Other receipts	77,538	62,364	78,231	77,792	137,137
Total Customs ..	31,832,600	29,848,379	29,502,755	30,157,040	18,224,227
Percentage on total value of imports of merchandise ..	19.4	20.3	20.6	23.1	30.1 (a)

(a) Based on the Sterling Value of Imports. The corresponding percentage on the Australian Currency Value of Imports was 26.5 per cent.

(b) *States.* The following table shows the Customs Duties collected in each State during the past five years :—

COMMONWEALTH CUSTOMS DUTIES—COLLECTIONS, EACH STATE.

State.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
New South Wales (a)	14,145,207	14,050,717	13,735,305	14,028,700	8,747,066
Victoria	9,920,970	8,664,279	8,776,892	8,877,033	5,554,343
Queensland ..	2,788,486	2,508,553	2,581,591	2,816,474	1,669,839
South Australia (b) ..	3,021,030	2,629,059	2,228,540	2,182,794	1,060,942
Western Australia ..	1,650,989	1,705,063	1,867,569	1,892,050	1,019,024
Tasmania	305,918	290,708	312,858	359,989	173,013
Total	31,832,600	29,848,379	29,502,755	30,157,040	18,224,227

(a) Includes Federal Capital Territory.

(b) Includes Northern Territory.

(iii) *Excise Revenue.* (a) *Classified.* Particulars concerning the amount of excise collected under each head during each of the years ending 30th June, 1927 to 1931, are given hereunder :—

COMMONWEALTH EXCISE REVENUE.—CLASSIFICATION.

Particulars.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Beer	6,103,004	6,155,661	6,190,725	6,105,443	5,200,361
Spirits	2,061,573	1,881,040	1,756,957	1,856,951	1,248,700
Concentrated Grape Must .. ..	..	..	..	..	766
Tobacco	3,533,984	3,544,602	3,597,061	3,573,198	3,283,545
Petrol .. ..	..	..	..	70,065	315,582
Starch	9,647	4,737	134	..	..
Licences	11,670	12,311	10,939	11,574	11,460
Playing Cards .. ..	..	..	..	120	10,432
Total Excise	11,719,878	11,598,351	11,555,816	11,617,351	10,070,846

(b) *States.* Excise collections in each State for the past five years were as follow :—

COMMONWEALTH EXCISE REVENUE.—COLLECTIONS, EACH STATE.

State.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
New South Wales ..	5,700,472	5,784,633	5,887,511	5,775,428	4,753,246
Victoria	3,024,945	2,936,982	2,907,806	3,051,581	2,986,267
Queensland	1,097,215	1,064,242	1,088,231	1,080,622	989,918
South Australia ..	1,136,809	989,022	843,303	819,269	569,938
Western Australia ..	665,978	713,542	715,205	763,365	651,668
Tasmania	94,459	109,930	113,760	127,086	119,809
Total	11,719,878	11,598,351	11,555,816	11,617,351	10,070,846

(iv) *Other Taxation.* (a) *Collections paid to Revenue.* The Commonwealth Government imposes other taxes as follows:—Land Tax, Estate Duty, Income Tax, War Time Profits Tax, Entertainments Tax and Sales Tax. The following statement shows particulars of the collections on account of each of the above taxes during the last ten years. Owing to certain accounting technicalities the figures herein differ slightly from those shown in subsequent sub-sections, wherein further particulars of the several taxes are given.

OTHER TAXATION COLLECTIONS, AUSTRALIA.

Year.	Land Tax.	Estate Duty.	Income Tax.	War-time Profits Tax.	Entertainments Tax.	Sales Tax.
	£	£	£	£	£	£
1921-22 ..	2,284,040	991,378	16,790,682	1,306,708	675,675	..
1922-23 ..	2,018,876	1,172,935	12,904,518	286,757	629,802	..
1923-24 ..	2,030,127	1,320,911	11,057,555	70,646	622,460	..
1924-25 ..	2,519,711	1,381,051	11,136,344	Dr. 74,783	680,586	..
1925-26 ..	2,521,910	1,411,336	10,858,046	Dr. 77,491	460,326	..
1926-27 ..	2,615,900	1,362,351	11,126,278	Dr. 28,357	366,159	..
1927-28 ..	3,027,206	1,752,118	10,165,175	Dr. 112,236	358,865	..
1928-29 ..	2,988,885	2,080,149	9,841,496	Dr. 24,309	358,697	..
1929-30 ..	2,840,078	2,122,478	11,120,029	14,678	316,121	..
1930-31 ..	2,758,598	2,068,865	13,604,374	Dr. 794	186,661	3,472,854

“Other Taxation” is assessed and collected in general by the Commissioner of Taxation. The organization comprises an office in each State, assessing tax-payers who are concerned with that State only, and a Central office assessing tax-payers whose interests are in more than one State. Taxes, however, may be paid to any office, so that the sums actually received by any office do not correspond to the assessments made by that office and frequently differ by very large amounts. Consequently the actual receipts by any State office, e.g., of income tax by the Queensland office, may include Central Office or New South Wales assessments, and, therefore, may not be a proper measure of income tax paid on account of income derived from Queensland.

The actual receipts by the various offices are the figures of necessity used by the Treasury for accounting purposes, and may be called the “Treasury” figures. These figures have been used in previous issues of the Year Book. In order to give a more significant picture of the taxation in States, these figures have been discarded, and in their place are given figures supplied by the Commissioner of Taxation, which refer strictly to the assessments made on account of the State specified. The totals of these figures do not quite agree with the total Treasury figures owing to certain technicalities of accounting, but the difference is small. The Taxation Office figures give a fair comparison between States, e.g., in taxation paid per head, but do not give the absolute measure of taxation, because of the Central Office collections, which include taxation on account of all States. These Central Office collections have not been analysed and allocated to the States. In the absence of precise information, it may be assumed as a fair rough approximation that Central Office collections may be divided among States in proportion to State office collections. It is probable, however, that a somewhat larger share is derived from the more populous States, New South Wales and Victoria.

(b) *Land Tax.* Commonwealth Land Tax was first imposed in 1910-11, when the rate of tax was 1 1-30,000d. on the first £1 increasing by 1-30,000d. for every additional £1 up to £75,000 where the increment of tax was 6d. and the average rate 3½d. The increment of tax of 6d. operated only on the excess of £75,000. The rate for an absentee is always 1d. more than for a resident, and the first £5,000 of value for an absentee bore a flat rate of 1d. per £1. In 1914-15, the rate of tax was amended by making the tax on £1, 1 1-18,750d. increasing by 1-18,750d. for each additional £1 reaching an increment of tax of 9d. at £75,000 with an average over the whole of such

field of 5d. per £1. The increment of tax applied to the excess over £75,000. Absentees correspondingly paid 1d. per £1 more than for a resident. A 20 per cent. increase which was imposed in 1918-19 was withdrawn in 1922-23 and a further reduction of 10 per cent. was granted in 1927-28. No further alteration has been made in the rates up to 1930-31.

Land Tax receipts in each State and Central Office for the years 1926-27 to 1930-31 were as follows. The particulars shown differ slightly from those in a preceding sub-section :—

LAND TAX RECEIPTS.

State, etc.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Central Office	778,824	1,008,913	995,745	983,380	942,467
New South Wales	880,111	1,001,973	1,004,751	940,107	919,494
Victoria	581,536	601,989	600,309	585,720	564,235
Queensland	60,881	64,757	64,113	46,079	62,380
South Australia	195,176	221,745	179,623	163,982	137,510
Western Australia	67,286	70,136	92,377	81,510	76,278
Tasmania	41,086	36,910	36,379	37,254	33,111
Total	2,604,900	3,006,423	2,973,297	2,838,032	2,735,475

(c) *Estate Duty.* The Commonwealth Estate Duty Act, 1914, and Estate Duty Assessment Acts impose a duty on the estates of deceased persons where the net value of the estate exceeds £1,000. The rate of tax where the value of the estate for duty does not exceed £2,000 is £1, increasing by one-fifth of £1 for each £1,000 or part thereof in excess of £2,000, the percentage being limited to £15. Where the estate passes to a widow, children or grand-children the duty is payable at two-thirds of the ordinary rate.

Particulars of the collections in each State and Central Office for the past five years are appended. Owing to certain accounting technicalities, these figures differ slightly from the Treasury returns given in a previous sub-section.

ESTATE DUTY RECEIPTS.

State, etc.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Central Office	642,089	838,296	1,234,477	1,067,046	1,227,784
New South Wales	262,308	352,148	351,676	451,528	383,212
Victoria	296,120	310,459	295,448	395,502	270,632
Queensland	58,157	58,462	66,967	86,484	81,181
South Australia	69,535	114,902	69,850	69,023	45,455
Western Australia	12,574	52,513	43,927	35,325	30,031
Tasmania	22,144	19,998	17,275	9,432	16,465
Northern Territory .. ..	..	60	..	63	18
Total	1,362,927	1,746,838	2,079,620	2,114,403	2,054,778

The average dutiable value of estates, and the average amount of duty paid in 1930-31, were £6,209 and £282 respectively.

(d) *Income Tax.* The first Commonwealth Income Tax was levied during the year 1915-16. The legislation on the subject comprises the Income Tax Assessment Act No. 34 of 1915 and subsequent amending Acts. Full details as to the original Acts are given in Official Year Book No. 9. The following statement gives an index of the rate of tax up to and including the year 1930-31. The table gives an index of the rate of tax on the taxable amount of income, and does not take into account the variations in assessment due to changes in exemption and abatements and in the methods of assessment.

INCOME TAX—INDEX OF RATE.

Years in which Rates were Amended.	Index of Rate of Tax.	Years in which Rates were Amended.	Index of Rate of Tax.
1915-16	1,000	1924-25	1,380
1916-17	1,250	1925-26	1,200
1918-19	1,625	1927-28	1,080
1920-21	1,706	1929-30	1,215 (a)
1922-23	1,535	1930-31	1,352 (a) (b)

(a) Estimated.
income from property.

(b) In addition, a super tax of 1s. 6d. in the £1 was imposed on all taxable

For the years 1929-30 and 1930-31 the rates of tax were graduated according to the amount of taxable income. In 1929-30 for example, no increase was made on taxable incomes up to £200, while increases of 10 per cent., 15 per cent., and 20 per cent. were imposed on higher taxable income groups.

A consolidated scale was struck for the revenue year 1931-32, designed to incorporate all existing rates to 1930-31, and increase the previous rates by 5 per cent. At the same time the super tax on property income was increased to 2s. in the £1.

The following table shows the receipts from Income Tax in each State and Central Office for the past five years. As previously mentioned, the totals differ from figures given in an earlier sub-section of this Chapter.

INCOME TAX RECEIPTS.

State, etc.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Central Office	3,126,830	3,089,694	3,195,204	3,729,150	5,535,521
New South Wales	3,751,117	2,995,952	2,961,925	3,155,593	3,169,627
Victoria	2,285,643	2,406,399	1,924,543	2,225,040	2,656,205
Queensland	898,199	676,530	688,178	820,123	928,142
South Australia	646,561	517,912	588,127	512,076	607,411
Western Australia	345,354	306,109	317,445	466,016	467,223
Tasmania	105,926	111,996	121,969	136,818	189,588
Northern Territory	1,643	1,649	1,554	2,191	3,206
Total	11,161,273	10,106,241	9,798,945	11,046,917	13,556,923

In the above table differences in the rapidity of assessment and collection will affect the comparison from year to year. With this proviso, the State collections (excluding Central Office collections) relative to population at the beginning of the year specified may be given.

INCOME TAX RECEIPTS PER HEAD OF POPULATION.

(EXCLUDING CENTRAL OFFICE COLLECTIONS.)

State, etc.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	s. d.	s. d.	s. d.	s. d.	s. d.
New South Wales	32 5	25 3	24 5	25 8	25 6
Victoria	27 0	27 11	22 0	25 2	29 10
Queensland	20 5	15 2	15 1	17 8	19 8
South Australia	23 2	18 2	20 4	17 8	20 11
Western Australia	18 5	15 11	15 11	22 8	22 4
Tasmania	10 1	10 9	11 7	12 11	17 7
Six States	26 8	22 10	21 4	23 0	25 0

Agreements made in 1923, between the Commonwealth and all the States except Western Australia, provide that the Commonwealth tax and the State tax shall be collected by an officer acting for the Commonwealth and State, the Commonwealth appointing the State Commissioner as Deputy Commissioner for the State under the Income Tax Assessment Act of the Commonwealth. Provisions are included relating to the transfer of officers, the accounting of receipts, and the division of expenses. A joint form of income tax return is to be used in cases where the income is derived in one State only. The respective agreements are to remain in operation for a period of five years, and thereafter until the expiration of not less than six calendar months, upon notice in writing by either party to the agreement.

In Western Australia an arrangement was made previously by which the Commonwealth undertakes the collection of the State income tax.

(e) *Entertainments Tax.* The tax on admission to entertainments operated from 1st January, 1917, when the rate imposed was 1d. for admissions exceeding 6d. but not exceeding 1s. For admissions exceeding 1s. the rate was 1d. for the first 6d. and $\frac{1}{2}$ d. for each 6d. or part in excess of 1s. On 1st December, 1919, the rate of tax was amended to $\frac{1}{2}$ d. on admissions of 6d., and 1d. where admission exceeded 6d. but did not exceed 1s.; otherwise the original rate operated. A further amendment, operative from 2nd October, 1922, provided for the payment of 1d. for admissions of 1s., but did not affect the rate on admissions exceeding 1s. The rates at present in operation, which became effective on 15th October, 1925, provide for the payment of a tax of 2 $\frac{1}{2}$ d. on admissions of 2s. 6d. with an additional $\frac{1}{2}$ d. for each 6d. or part of 6d. by which the payments exceed 2s. 6d.

The amount of Entertainments Tax received in each State for the past five years is given below.

ENTERTAINMENTS TAX RECEIPTS.

State, etc.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
New South Wales (a) ..	159,197	157,105	159,288	132,392	76,597
Victoria	123,985	114,401	119,311	100,951	63,541
Queensland	34,480	32,690	32,711	35,598	23,887
South Australia (b) ..	25,760	22,708	16,295	12,231	4,991
Western Australia ..	16,993	21,755	24,935	25,550	15,068
Tasmania	3,531	4,582	3,304	4,093	1,810
Total	363,946	353,241	355,844	310,815	185,894

(a) Includes Federal Capital Territory.

(b) Includes Northern Territory.

(f) *War Time Profits Tax.* This tax which came into force in September, 1917, provides for a tax on the amount by which the profits made in war time exceed the pre-war standard of profits. Further details regarding its application are given in Official Year Book No. 22, 1929. The net collections, after allowing for refunds, for the five years ended 30th June, 1931, are shown hereunder:—

WAR TIME PROFITS TAX RECEIPTS.

State, etc.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Central Office	Dr. 35,029	Dr. 42,413	5,650	1,566	Dr. 12,659
New South Wales ..	53,432	Dr. 54,355	Dr. 28,464	3,707	16,043
Victoria	17,877	10,033	Dr. 1,304	5,255	75
Queensland	Dr. 34,927	Dr. 8,090	12,677	5,905	Dr. 1,077
South Australia ..	Dr. 10,617	Dr. 19,805	Dr. 17,446	Dr. 2,069	Dr. 3,331
Western Australia ..	Dr. 16,721	Dr. 2,327	..	183	..
Tasmania	Dr. 6,955	Dr. 3,593	Dr. 320	Dr. 1,099	..
Total	Dr. 32,940	Dr. 120,550	Dr. 29,207	13,448	Dr. 949

(g) *Sales Tax.* The Sales Tax was imposed in August, 1930, as part of the Budget proposals for the year 1930–31. The rate of tax, which was fixed at 2½ per cent., was expected to yield £6.5 millions (£5 millions for the ten remaining months of the financial year) on an estimated taxable field of sales amounting to £260 millions for the year. The actual field for ten months proved to be £138 millions—equivalent to £157 millions for a full year—and realized net collections of £3,471,837. The low total of taxable sales largely resulted from the volume of sales of exempted goods. The operation of the tax is controlled chiefly by a system of registration of taxpayers. 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 rate of tax was increased to 6 per cent. on taxable sales to operate during the year 1931–32.

Particulars of the net collections of Sales Tax and certain other details for each State for the ten months of 1930–31 are included in the statement following:—

SALES TAX AND AMOUNT OF SALES, 1930–31.(a)

State or Territory.	Gross Wholesale Sales.	Gross Taxable Sales.	Sales of Exempt Goods by Registered Persons.	Net Sales on which Tax was Payable.	Tax Collected.
	£'000.	£'000.	£'000.	£'000.	£
New South Wales	112,530	54,913	57,617	53,891	1,314,150
Victoria	104,120	48,044	56,076	45,116	1,131,305
Queensland	50,060	20,201	29,859	18,525	471,824
South Australia	24,214	11,253	12,961	10,696	265,539
Western Australia	18,690	8,377	10,313	7,765	216,266
Tasmania	6,566	2,998	3,568	2,744	71,804
Northern Territory	59	19	40	19	649
Total	316,239	145,805	170,434	138,756	3,471,837

(a) Ten months.

Of the total tax collections, £292,844 was collected by the Customs Department in respect of imported goods.

3. *Business Undertakings.*—(i) *Postal Revenue.* Particulars concerning this branch of revenue for each of the financial years from 1926–27 to 1930–31 are contained in the following table:—

COMMONWEALTH POSTAL REVENUE.

Particulars.	1926–27.	1927–28.	1928–29.	1929–30.	1930–31.
	£	£	£	£	£
Private boxes and bags	59,184	61,346	79,101	69,185	64,959
Commission—					
Money orders and postal notes	229,453	240,392	244,976	259,609	216,645
Telegraphs	1,488,156	1,422,179	1,447,256	1,390,012	1,152,918
Telephones	4,576,863	5,034,051	5,459,559	5,862,686	5,644,356
Postage	4,847,317	5,006,019	5,177,177	5,179,082	5,276,663
Radio receipts	35,815	45,030	22,177	166,847	155,672
Miscellaneous	370,031	495,125	383,150	623,666	327,891
Total	11,606,819	12,304,142	12,813,396	13,551,087	12,839,104

Further particulars of Postal Revenue are given in Chapter VII., Transport and Communication.

(ii) *Railway Revenue.* The Commonwealth Government is responsible for four lines—the Trans-Australian, the Central Australian, the North Australian and the Federal Capital Territory lines. The appended table shows the amounts paid into the credit of the Consolidated Revenue Fund on account of each of these railways for the past five years.

COMMONWEALTH RAILWAY REVENUE.

Railway.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Trans-Australian ..	299,295	333,000	344,948	274,816	190,028
Central Australian ..	105,988	191,115	185,811	104,724	86,360
North Australian ..	62,202	68,844	50,259	31,291	28,986
Federal Capital Territory ..	10,249	10,203	9,998	7,206	3,863
Total	477,734	603,162	591,016	418,037	309,237

Further particulars are given in Chapter VII., part B, Railways.

4. **Other Sources of Revenue.**—The most important investments of the Commonwealth Government from which interest is derived are—Loans to States, General Trust Funds, Loans placed in London, Fixed Deposits with the Commonwealth and other Banks, and certain advances. In 1930-31 the total included interest on Loans to States for Soldier Land Settlement and for advances for Development and Migration and for miscellaneous purposes, payable by States; Interest on General Trust Fund Investments; Interest, Nauru Island Agreement and Interest from British Government on Development and Migration. As previously mentioned, the "Balance of Interest on States' Debts" payable by States under the Financial Agreement Act has not been included in the detailed statement.

Division III.—Expenditure.

1. **Nature of Commonwealth Expenditure.**—The disbursements by the Commonwealth Government of the revenue collected by it fell naturally, under the "book-keeping" system, into three classes, viz. :—

- (a) Expenditure on transferred services.
- (b) Expenditure on new services.
- (c) Payment to States of surplus revenue.

Of these three, only the first two were actual expenditure, the last being merely a transfer, the actual expenditure being incurred by the States. In accordance with the provisions of the Constitution, the expenditure on transferred services was, under the "book-keeping" system, debited to the several States in respect of which such expenditure was incurred, while the expenditure on new services was distributed *per capita*. Surplus Commonwealth revenue was paid to the States monthly. Until the end of the year 1903-4, new works, etc., for transferred departments were treated as transferred expenditure, and were charged to the States on whose behalf the expenditure had been incurred. In subsequent years all such expenditure was regarded as expenditure on new services, and distributed amongst the States *per capita*. Under the arrangement, which superseded the "book-keeping" system, a specific subsidy of 25s. per head of population was made annually by the Commonwealth to the States, and there was no further debiting of expenditure to the several States. The States Grants Act (No. 4 of 1927) provided for the abolition of the *per capita* payments as from 30th June, 1927. From 1st July, 1928, the provisions of the temporary agreement between the Commonwealth and the several States under the *Financial Agreement Act* 1928 were operative, and on 1st July, 1929, the Commonwealth Government took over the debts of the States under this agreement which had been ratified by all Governments concerned. This agreement (except the temporary provisions) has been incorporated in Chapter I.

* For an exposition of the "book-keeping system" see Commonwealth Year Book No. 6, page 780.

The *Financial Emergency Act* (No. 10, 1931) provided for a reduction of internal interest by 2½ per cent., and of 20 per cent. on salaries and wages of Government employees and on war pensions, and of 12½ per cent. on old-age pensions. More complete details regarding the steps taken to reduce expenditure and balance the budget are given in the Appendix.

2. Details of Expenditure from Consolidated Revenue.—(i) *General*. The following table gives details of the expenditure from Consolidated Revenue exclusive of the "Balance of Interest on States' Debts" (recoverable from the States) during the last five years. Particulars for each individual Department, as constituted at 30th June, 1931, are stated hereinafter.

Administrative changes involving the amalgamation of certain departments and the transfer of some services from one department to another were effected during 1931-32. These changes will be alluded to in the next volume.

COMMONWEALTH EXPENDITURE FROM CONSOLIDATED REVENUE.

Heads of Expenditure.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Cost of Departments	32,215,254	34,720,926	34,897,077	36,779,707	37,631,261
Miscellaneous—					
New Works	224,807	229,626	274,730	245,536	74,444
War Services	29,309,083	29,006,212	30,097,751	30,099,806	29,506,218
Payments to or for the States	8,262,912	9,085,789	9,036,638	9,489,344	11,112,615
Special Defence Provision	996,729	4,215,911	947,578	..	..
Federal Aid Roads	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total (a)	73,008,785	79,258,464	77,253,774	78,614,393	80,324,538
Per head of population (b)	£11 19 2	£12 14 5	£12 4 0	£12 5 3	£12 8 2

(a) Excludes Balances paid into Trust Funds and Balance of Interest on States' Debts recoverable from States. (b) Based on mean population of each financial year.

The items included under the above general heads are referred to in some detail in the succeeding sub-sections.

(ii) *Cost of Departments*.—(a) *Governor-General*. Section 30 of the Constitution enacts that, until the Commonwealth Parliament otherwise provides, there shall be payable out of the Consolidated Revenue Fund for the salary of the Governor-General an annual sum of ten thousand pounds, and a proviso is made that the salary of the Governor-General shall not be altered during his continuance in office. The total expenditure in connexion with the Governor-General and establishment for the five years 1926-27 to 1930-31 is as follows:—

EXPENDITURE.—GOVERNOR-GENERAL AND ESTABLISHMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Salary	10,000	10,000	10,000	10,000	10,000
Governor-General's Establishment	13,950	10,152	21,576	15,329	11,064
Contingencies (a)	6,419	6,361	7,118	5,395	3,099
Interest	853	853	853	853	832
Total	31,222	27,366	39,547	31,577	24,995

(a) Represents official services outside the Governor-General's personal interests, and carried out mainly at the instance of the Government.

(b) *Parliament*. Under this head have been grouped all the items of expenditure connected with the parliamentary government of the Commonwealth for the last five years. Although the administration of the Electoral Act and the conduct of elections comes within the functions of the Department of Home Affairs, the expenditure in connexion therewith is fundamentally incurred on account of the parliamentary government system, and for that reason is included herein.

EXPENDITURE.—COMMONWEALTH PARLIAMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Salaries of Ministers	15,300	15,300	15,300	15,300	15,300
Allowances to Senators	35,635	35,251	35,541	35,746	35,504
Allowances to Members of House of Representatives	74,190	74,278	73,720	74,107	74,012
Officers, staff, contingencies, etc.	71,837	81,941	73,940	78,039	75,764
Repairs, maintenance, etc. ..	1,832	4,459	6,179	5,501	5,327
Printing	24,623	37,888	24,938	35,003	31,644
Travelling expenses of Members and others	20,897	28,074	26,725	26,699	25,006
Insurance	45	..	..	..	..
Electoral Office	87,007	88,226	86,410	90,051	92,182
Election expenses	107,051	875	118,831	106,932	1,717
Administration of Electoral Act	43,702	31,260	41,019	39,405	21,874
Miscellaneous	55,515	22,378	55,160	48,798	42,585
Total	537,634	419,930	557,763	555,701	420,915

In section 66 of the Constitution, provision is made for payment out of the Consolidated Revenue Fund of the Commonwealth, for the salaries of Ministers of State, of an annual sum which, until Parliament otherwise provides, shall not exceed £12,000. This was modified in 1915-16, when the Minister of the Navy was given separate Cabinet rank. Allowances to Senators and Members of the House of Representatives are also provided for in the Constitution, section 48 of which specifies that until Parliament otherwise provides, each such allowance shall consist of £400 a year reckoned from the day on which the member takes his seat. During the second session of the Parliament in 1907 an Act was passed raising the annual allowance from £400 to £600, such increase to date from 1st July, 1907. In 1920, the salaries of members of both Houses were further increased to £1,000 per annum. By the Income Tax Salaries Act of 1930, the salaries of Ministers or presiding officers in either House of Parliament were subjected to a tax of 15 per cent., Chairman of Committees or Leader of the Opposition in either House, 12½ per cent., and other Members of either House, 10 per cent. The salaries and allowances of members were reduced in July, 1931, by 22½ per cent., under the *Financial Emergency Act 1931*.

(c) *Prime Minister's Department.* This Department was created during the financial year 1911-12. In addition to the services indicated below, this Department administers the external Territories of New Guinea, Papua, Nauru, and Norfolk Island. For convenience, particulars of expenditure on account of these Territories are shown hereinafter under that heading. The expenditure for the last five years is shown in the following table:—

EXPENDITURE.—PRIME MINISTER'S DEPARTMENT.(a)

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Salaries, contingencies, and mis- cellaneous	238,033	164,755	153,373	160,409	240,803
Audit Office	36,512	34,877	36,817	36,871	34,984
Rent, repairs, etc.	7,201	30,202	19,539	14,458	6,982
Public Service Board's Office ..	52,628	55,946	54,864	52,851	49,877
High Commissioner's Office ..	63,220	80,820	66,133	60,684	56,777
Commissioner for Australia in United States of America ..	15,966	16,808	13,134	15,516	11,228
Interest and Sinking Fund ..	705,468	784,120	907,499	976,126	968,907
Mail Service, Pacific Islands ..	53,092	52,051	49,750	51,989	47,848
Secretariat, League of Nations ..	24,975	23,994	25,758	28,078	30,762
Scientific and Industrial Research	11,803	269,629	19,451	8,664	8,165
Oil Agreement Act	21,184	..	..	..	..
Pensions and Superannuation ..	5,038	6,072	5,434	6,178	5,398
Total	1,235,120	1,519,274	1,351,752	1,411,824	1,461,731

(a) Excluding Territories, see page 297.

(d) *Attorney-General's Department.* The extra expenditure connected with this Department of late years has been caused in a large measure by the extension of the Commonwealth Court of Conciliation and Arbitration, the creation of the Bankruptcy Administration, and increases in the items "Patents, Trade Marks, etc." and "Rent, Repairs, etc." Details for the five years 1926-27 to 1930-31 are furnished hereunder :—

EXPENDITURE.—ATTORNEY-GENERAL'S DEPARTMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Attorney-General's Office	26,801	17,337	24,390	19,691	19,709
Crown Solicitor's Office	24,465	28,626	29,392	27,983	27,144
Salaries of Justices of High Court	21,500	21,500	21,328	17,926	17,371
High Court expenses	14,994	13,511	15,218	15,441	15,609
Court of Conciliation and Arbitration	24,012	27,625	27,491	27,195	21,785
Public Service Arbitrator's Office	4,220	4,368	4,465	5,471	1,740
Rent, repairs, etc.	12,039	20,004	24,111	22,613	18,624
Patents, Trade Marks, etc.	48,119	52,671	51,477	56,301	54,136
Investigation Branch	10,189	10,769	10,951	11,896	12,175
Bankruptcy .. ..	..	3,102	20,941	24,909	32,586
Miscellaneous	12,171	32,184	16,981	16,065	12,320
Total	198,510	231,697	246,745	245,491	233,199

(e) *Treasurer's Department.* The sub-departments under the control of the Commonwealth Treasurer are the Treasury, the Pensions Department, the Taxation Office, the Supply and Tender Board, and the Superannuation Fund Management Board. Details of the expenditure of this Department for the last five years are given below.

EXPENDITURE.—TREASURER'S DEPARTMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Treasury	52,585	53,418	54,548	52,869	51,775
Taxation Office	416,889	452,738	428,765	440,102	493,793
Pensions Office	114,446	117,071	83,891	86,940	91,278
Maternity Allowance Office	16,067	15,297	16,464	15,028	15,002
Coinage	45,968	43,008	19,540	11,534	3,485
Rent, repairs, etc.	10,209	16,371	15,672	13,801	8,320
Interest .. ..	..	669	8,168	171,762	555,822
Exchange .. ..	..	..	..	98,367	147,737
Miscellaneous	42,398	78,511	89,495	48,536	47,958
Departmental Expenditure	698,562	777,083	716,543	938,939	1,415,170
Invalid and Old-age Pensions (a)	9,034,938	*9,681,837	9,991,299	10,633,979	11,549,828
Maternity Allowance	660,280	678,920	661,520	642,990	630,652
Maintenance of persons in charitable institutions	109,651	108,509	132,940	157,346	161,125
Total	10,503,431	11,246,349	11,502,302	12,373,254	13,756,775

(a) Including the following amounts spent from Trust Funds :—In 1926-27, £285,897; and in 1927-28, £1,421,493.

(f) *Trade and Customs Department.* Under this head have been included the expenditure of all the sub-departments under the control of the Minister for Trade and Customs, in addition to the amounts payable as bounties and the expenses in connexion therewith. Particulars for the five years 1926-27 to 1930-31 are given in the following table:—

EXPENDITURE.—TRADE AND CUSTOMS DEPARTMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Chief Office	60,423	69,029	70,814	73,855	67,708
Customs—Ordinary	534,202	563,055	569,168	565,038	545,598
Audit (proportion)	12,487	10,045	9,421	2,323	10,332
Pensions and Superannuation	33,922	34,922	37,675	40,322	39,400
Rent, Repairs, etc.	14,208	19,265	14,387	11,906	5,969
Bounties	781,346	890,574	532,564	517,582	446,344
Miscellaneous	30,938	49,068	45,086	48,333	42,672
Total	1,467,526	1,635,958	1,279,115	1,259,359	1,158,023

(g) *Defence.* The expenditure in connexion with defence for the last five years was as follows:—

EXPENDITURE.—DEPARTMENT OF DEFENCE.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Defence—Chief Office	27,109	24,182	25,821	23,483	22,809
Military	1,299,454	1,284,886	1,270,443	1,455,241	1,364,187
Audit (Proportion)	7,052	6,272	6,686	9,647	6,302
Pensions and Retiring Allowances (a)	13,568	16,551	20,353	23,899	37,336
Rent, Repairs, etc.	43,007	28,412	34,577	47,526	25,050
Interest	161,017	201,717	209,561	217,203	218,060
Exchange .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	42,933
Miscellaneous	42,102	43,409	44,800	45,886	19,146
Total	1,593,309	1,605,429	1,612,241	1,822,885	1,735,823
Navy—Chief Office	82,366	83,623	83,257	80,537	66,788
Naval	2,003,639	1,930,861	1,808,247	1,946,418	1,610,590
Audit (Proportion)	2,381	2,465	2,462	6,729	2,557
Pensions and Retiring Allowances (a)	1,653	2,544	2,451	2,807	3,283
Rent, Repairs, etc.	40,865	40,591	43,720	37,166	24,624
Interest	61,650	68,235	71,010	76,909	76,622
Exchange .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	38,698
Miscellaneous	20,163	23,898	23,296	23,967	11,611
Total	2,212,717	2,152,217	2,034,443	2,174,533	1,834,773
Air Services—					
Civil Branch—Pay, etc.	17,078	15,285	17,285	20,881	20,909
Development of Civil Aviation	57,905	49,985	50,990	75,332	108,787
R. A. F.—					
Pay, etc.	188,939	199,960	227,325	237,305	230,301
General Contingencies	80,000	74,273	79,346	82,913	69,518
General Stores and Maintenance	38,000	37,673	32,087	80,862	53,470
Rent, Repairs, etc.	11,105	14,176	13,754	16,036	15,802
Interest	15,192	18,553	22,226	25,767	26,097
Exchange .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	11,170
Miscellaneous	26,526	17,268	14,810	15,936	11,118
Total	434,805	428,173	457,823	555,132	547,172
Grand Total	4,240,831	4,185,819	4,104,507	4,552,550	4,117,768

(a) Includes Superannuation.

(h) *Postmaster-General's Department.* Details of the expenditure of this Department for the last five years are given in the table hereunder:—

EXPENDITURE.—POSTAL DEPARTMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Chief Office	66,504	77,469	80,440	87,395	93,845
Postal Department (ordinary)	9,115,787	9,811,847	9,831,131	9,847,327	9,381,512
Wireless	3,219	25,041	37,903	69,800	74,790
Audit (proportion)	10,359	11,149	11,593	12,150	12,930
Pensions and retiring allowances	110,429	102,173	110,605	110,032	110,480
Superannuation	75,563	93,431	112,546	136,095	156,822
Rents, repairs, etc.	137,096	151,109	127,855	129,145	68,989
Interest on transferred properties	203,978	290,262	290,262	290,262	290,262
Interest on Commonwealth Securities	1,084,431	1,194,453	1,403,069	1,619,995	1,648,754
Sinking Fund on Commonwealth Securities	416,161	475,009	518,060	560,125	742,569
Exchange .. ..	..	..	..	..	300,115
Miscellaneous	62,372	161,033	157,261	163,034	113,802
Total	11,285,899	12,392,976	12,680,725	13,025,360	12,994,870

(i) *Home Affairs Department.* In addition to the undermentioned services, this Department, created in the financial year 1916-17, controls the Northern Territory and the Federal Capital Territory. Expenditure in respect of these Territories is included in sub-section (ii) (a) following. The Electoral Office, which is administered by this Department, is for the purposes of this Chapter shown under sub-section (ii) (b) *ante*. Expenditure by this Department under various headings during the five years ended 1930-31 is shown in the appended table.

EXPENDITURE.—HOME AFFAIRS DEPARTMENT.(a)

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31
	£	£	£	£	£
Chief Office	48,328	51,228	50,998	49,411	48,521
Census and Statistics	27,620	29,170	30,697	31,217	29,593
Meteorological Office	36,616	36,103	35,935	36,199	36,040
Interest	2,525	2,735	2,724	2,702	2,711
Sinking Fund	455	455	455	455	320
Pensions and Retiring Allowances	5,437	5,777	6,219	7,528	9,370
Rent, repairs, etc.	12,293	16,579	24,436	19,844	7,930
Petroleum Prospecting	100,000	..	..	18,800	10,000
Miscellaneous	98,194	86,871	24,250	15,616	13,779
Total	331,468	228,918	175,714	181,772	158,264

(a) Excluding Territories, see page 297.

Contributions to the States towards losses arising out of the payment of a guaranteed price to cotton growers amounting to £76,398 in 1926-27 and £48,251 in 1927-28 are included in "Miscellaneous," and an amount of £20,000 in connexion with the Geophysical Survey of Australia is also included under the same heading in 1927-28.

(j) *Works Department.* The extension of Commonwealth works and railways led, in 1916-17, to the separation of these branches from the former Home Affairs Department and the constitution of a separate Works and Railways Department. To this Department was entrusted the administration of the railways originally under the control of the External Affairs Department, and the Lands and Survey branch, which was transferred to it from the Department of Home and Territories in 1925-26. During 1928-29 the administration of the Commonwealth Railways was transferred to the Markets and Transport Department. The expenditure for the last five years was as follows:—

EXPENDITURE.—WORKS DEPARTMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.					
	£	£	£	£	£					
Chief Office ..	} 32,752	} 24,809	} 26,363	} 24,686	} 78,327					
Lands and Survey ..										
Interest						70,179	80,889	95,887	110,170	114,295
Sinking Fund						6,735	8,158	8,990	10,521	6,680
Miscellaneous						13,274	9,034	8,899	9,487	6,937
Total	122,940	122,890	140,139	154,864	206,239					

(k) *Health Department.* This department came into existence in the financial year 1921-22. Details of expenditure for the last five years are as follows:—

EXPENDITURE.—HEALTH DEPARTMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Central Administration ..	18,488	23,769	22,791	19,216	27,498
Salaries, Contingencies, etc.	85,146	91,746	93,202	92,743	88,790
Interest	11,715	12,784	13,394	13,749	13,680
Rent and repairs	22,553	23,914	21,126	17,537	8,917
Subsidy, Cattle Tick Control	17,800	44,832	54,972	57,318	53,066
Miscellaneous	53,432	177,292	85,627	74,670	29,346
Total	209,134	374,337	291,112	275,233	221,297

During 1927-28, a sum of £100,000 expended on the purchase of radium was included in the item "Miscellaneous." Other items included in "Miscellaneous" are subsidies in connexion with the control of venereal diseases and tuberculosis, maternal and infant hygiene, Health Research Council, and grants in aid of research. etc.

(l) *Markets Department.* The Department of Markets, which was formed in the financial year 1924-25, took over various functions previously performed by other departments. In 1928-29 the Commonwealth Railways administration was placed

under this Department, the name being altered to "Markets and Transport." Subsequently, in April, 1930, the activities of the Department were separated and a new "Department of Transport" was created. Particulars of the expenditure of the Department of Markets for the last five years are as follows:—

EXPENDITURE.—MARKETS DEPARTMENT.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Markets—					
Salaries and Contingencies	58,758	66,398	67,042	74,090	70,965
Administration of Commerce Act	27,403	33,161	33,781	38,855	48,844
Dried Fruits Export Control	30,791	27,623	42,753	46,152	38,779
Dairy Produce Export Control	20,664	21,294	22,374	22,898	24,309
Assistance to Primary Production .. ..	..	..	50,000	50,000	31,000
Miscellaneous	48,615	30,164	42,062	60,668	65,514
Total	186,231	178,640	258,012	292,663	279,411

(m) *Transport Department.* The Department of Transport was created in April, 1930. In addition to the activities formerly controlled by the Department of Markets and Transport, the functions of the Marine (Lighthouse) Service and Navigation branches came under the control of the newly-created Department. For purposes of comparison the expenditure on those services within the Department is given for the last five years. It is more convenient to show details relating to railways in a separate sub-paragraph. (See (o) following.)

EXPENDITURE.—TRANSPORT DEPARTMENT.(a)

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Salaries and Contingencies—					
Administrative	74,352	72,070	69,318	46,495	22,535
Marine	275,311	280,225	270,950	263,901	237,103
Interest and Sinking Fund	215,298	286,878	346,443	406,174	391,042
Rent, Repairs, etc.	5,494	6,386	9,196	5,693	1,978
Miscellaneous	23,102	18,371	14,692	16,889	23,308
Total	593,557	663,930	710,599	739,152	675,966

(a) Excluding Railways, see (o) following.

(n) *Territories.* The following table shows the expenditure on account of territorial services for the past five years. The internal territories are administered by the Department of Home Affairs, while the Prime Minister's Department controls the external territories. The expenditure has been grouped in one table for convenience of reference:—

EXPENDITURE.—TERRITORIES.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Internal—					
North and Central Australia (a)	150,646	132,758	145,380	138,925	149,152
Federal Capital Territory (a)	141,176	286,879	251,348	365,813	650,827
External—					
Papua	72,470	58,947	57,411	49,853	52,969
New Guinea	11,785	13,490	13,346	12,911	8,054
Norfolk Island	4,339	4,000	4,000	4,000	4,000
Total	380,416	496,074	471,485	571,502	865,002

(a) Exclusive of Railways. (b) Northern Territory.

(o) *Railways.* During 1928-29 the Commonwealth Railways were transferred from the Department of Works and Railways to the Department of Markets and Transport. In April, 1930, the administration was placed under the Department of Transport. The expenditure on railways for the past five years is shown below as distinct from the expenditure of the other services controlled by the latter Department.

EXPENDITURE.—COMMONWEALTH RAILWAYS.

Details.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Trans-Australian	271,398	286,175	301,621	294,090	251,577
North Australian	57,580	67,967	54,697	56,155	55,606
Central Australian	130,122	165,306	198,213	198,108	157,076
Federal Capital Territory	6,818	9,588	10,504	8,458	6,344
Interest	366,073	407,646	462,728	490,491	500,319
Sinking Fund	40,502	47,411	50,519	52,479	37,789
Miscellaneous	18,842	12,675	9,278	9,624	9,814
Exchange .. ..	..	..	..	..	38,281
Total	891,335	996,768	1,087,560	1,109,405	1,056,806

(iii) *Miscellaneous.* (a) *New Works.* The expenditure on additions, new works, etc., during the last five years was as follows:—1926-27, £224,807; 1927-28, £229,626; 1928-29, £274,730; 1929-30, £245,536; and 1930-31, £74,444.

(b) *War Services.* Full details concerning the expenditure from Consolidated Revenue upon War and Repatriation will be found in a later sub-section.

Division IV.—Payments to or for the States.

References to the payments by the Commonwealth to or for the States under the various Acts were made in earlier issues of the Official Year Book, while particulars relating to the payments under the *Financial Agreement Act 1928*, are given on pages 20 to 32 of Chapter I. of this volume. The total payments by the Commonwealth in this connexion up to 30th June, 1931, amounted to £238,980,000, details of which are given in the table following.

PAYMENTS BY THE COMMONWEALTH TO OR FOR THE STATES.

Particulars.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	All States.
	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.	£'000.
1900-01 to 1909-10 (a) ..	27,605	19,815	8,895	6,148	8,728	2,602	73,793
1910-11 to 1926-27 (b) ..	41,634	31,341	15,184	9,926	6,892	4,367	109,344
1927-28 to 1930-31 (c) ..	13,085	9,333	4,966	3,311	2,268	1,183	34,146
Special Grants (d) ..	..	..	..	1,530	4,656	2,761	8,947
Grants for Road Construction, 1922-23 to 1930-31	3,340	2,185	2,244	1,362	2,271	598	12,000
Unemployment Relief, 1930-31	194	332	73	45	65	41	750
Total	85,858	63,006	31,362	22,322	24,880	11,552	238,980

(a) Under Section 87 of the Commonwealth Constitution. (b) Under the several Surplus Revenue Acts. (c) Under *Financial Agreement Act 1928*. (d) Under various State Grants Acts.

For the year ended 30th June, 1931, the payments made to or for each State are given below.

PAYMENTS BY THE COMMONWEALTH TO OR FOR THE STATES, 1930-31.

Particulars.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
	£	£	£	£	£	£	£
Contributions towards Interest on State Debts ..	2,917,411	2,127,159	1,096,235	703,816	473,432	266,859	7,584,912
Sinking Fund on State Debts (a)	402,441	227,692	153,352	138,978	106,166	29,074	1,057,793
Special Grants .. ..	..	..	..	1,170,000	300,000	250,000	1,720,000
Unemployment Relief ..	194,000	331,750	73,000	45,000	65,000	41,250	750,000
Total	3,513,852	2,686,601	1,322,587	2,057,794	944,598	587,183	11,112,615

(a) Paid to National Debt Sinking Fund.

In addition to the foregoing, the Commonwealth contributed £2,000,000 during the year in respect of Federal Aid Roads.

§ 3. Trust Funds.

The Trust Fund balances on 30th June, 1931, amounted to £13,372,963 as compared with £12,796,907 for the corresponding date in the year 1930.

§ 4. Commonwealth Loan Funds and Public Debt.

1. **General.**—Although it was not until 1915 that the Federal Government came into the loan market as a borrower, there had previously existed a Commonwealth Public Debt which included several items, such as the balance of the debt taken over from South Australia and the amount owing to the States for transferred properties. In view of the large expansion of the Public Debt, and its present importance in Commonwealth public finance, the different items are treated seriatim in the following sub-sections:—

2. **Loans taken over from South Australia.**—The first portions of the debt were contracted at the beginning of 1911, when the Commonwealth assumed responsibility for the payment of interest on transferred properties (further dealt with in sub-section 4) and for the administration and the liabilities of the Northern Territory and the Port Augusta—Oodnadatta Railway. At 30th June, 1911, the debt on account of the former was £3,657,836, and on account of the latter, £2,274,486—a total of £5,932,322. As the securities fall in they are redeemed by the Commonwealth Government, the money required being taken from the Loan Fund. The item is thus constantly diminishing, and on 30th June, 1931, stood at £1,283,070, of which £362,024 was on account of the Northern Territory, and £921,046 on account of the railway.

3. Loan Fund for Public Works, Redemptions, etc.—Up to the year 1911 the Commonwealth Government had met its public works expenditure out of revenue. In that year, however, in view of the heavy prospective cost of the Trans-Australian Railway and the Federal Capital Territory, it was decided to institute a Loan Fund similar to those of the States. The initiation of this fund was greatly assisted by the fact that the Treasury at that time held a large quantity of gold, principally on behalf of the Australian Notes Account. Up to 30th June, 1914, the money required for loan expenditure was obtained mainly from this source at 3½ per cent., and inscribed stock of an equivalent value was created. Since the outbreak of war, the money required for the Loan Fund has been mainly obtained by the issue of Treasury Bills and other securities issued in London and New York as well as in Australia. The details of the expenditure for the last five years and the total expenditure to 30th June, 1931, are given in the following table:—

COMMONWEALTH LOAN EXPENDITURE FOR WORKS.

Particulars.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	Total to 30th June, 1931.
	£	£	£	£	£	£
Immigration (a)	248,104	261,353	132,815	57,705	..	1,680,835
Shipbuilding Yards and Docks .. .. .	..	..	..	..	..	733,711
Ship Construction .. .. .	..	Cr.163,216	Cr. 86,784	Cr.165,000	Cr.165,000	8,394,060
Subscriptions to Capital of Commonwealth Oil Refinery .. .. .	..	..	..	..	..	343,751
Federal Capital Territory Works, Services, and Acquisition of Land	1,671,753	998,507	1,193,500	253,988	263,077	7,994,328
North Australia Commission	3,400	22,900	40,800	23,000	16,103	111,203
Drill Halls, Stores, Barracks, etc.	18,158	26,984	33,014	20,204	458	427,084
Rifles and Ammunition Reserve .. .. .	..	..	..	..	..	315,300
Other Military Services	12,978	9,831	231	1,000	..	101,959
Naval Bases, Depots, etc.	127,016	62,303	36,907	93,230	6,229	1,466,556
Fleet Construction .. .. .	..	..	..	..	..	355,397
Other Naval Services	24,000	..	..	..	..	71,300
Air Services—						
R.A.A.F.	140,364	103,227	40,530	32,740	8,766	473,010
Civil Aviation	5,516	3,916	..	..	13,596	53,773
Buildings and Works, Munitions Production	93,098	101,308	92,513	83,127	38,467	1,185,852
Other Munitions Supply Services	2	..	..	..	..	1,150
Lighthouses and Lighthouse Services	24,927	23,475	17,673	18,520	89,500	643,900
River Murray Waters Act	209,500	250,000	250,000	200,000	122,000	2,105,625
Telegraph and Telephone Construction	3,627,619	3,357,432	2,775,991	2,537,489	1,248,197	30,024,968
Post Office Buildings and Land Wireless	317,706	296,931	227,397	224,186	38,190	3,398,382
Wireless	50,462	50,564	482	10,037	1,727	356,608
Serum and Health Laboratories	4,785	4,753	10,082	3,748	..	75,220
Wire and Wire-netting	250,000	80,000	230,838	50,000	..	610,838
Railways—						
Trans-Australian	88,199	54,896	48,415	64,622	30,387	6,662,298
North Australian	398,764	425,875	79,092	20,097	910	1,597,559
Central Australian	399,885	731,388	747,894	170,911	30,185	2,477,853
Federal Capital Territory	20,500	4,424	3,291	365	175	28,755
Grafton—South Brisbane	1,000,000	1,202,000	675,000	586,000	68,000	4,371,000
Other Expenditure .. .. .	..	..	..	..	..	200,000
War Service Homes (b)	673,351	752,583	1,673,451	999,964	154,906	7,314,524
London Offices .. .. .	..	..	..	..	..	880,190
Acquisition of Properties not elsewhere included	833	655	987	769	10,653	134,544
Miscellaneous	Cr. 11,288	..	20,000	7,500	14,500	432,371
Total	9,404,632	8,662,089	8,244,119	5,294,202	1,991,026	85,023,904

(a) Exclusive of Loans to States for Immigration Purposes. (b) Prior to 1923-24, expenditure was made from War Loan Fund. The total expenditure to 30th June, 1931, was £20,359,907.

4. Properties Transferred from States.—At the time of federation, when the Commonwealth took over the control of several departments previously administered by the States, a large amount of property was handed over to the Commonwealth Government. A valuation was made, with results set out in detail in Official Year Book No. 14, page 694, and the Commonwealth paid interest at the rate of 3½ per cent. to the States on account of all transferred properties.

The terms of the financial agreement between the Commonwealth Government and the Governments of the several States provided, *inter alia*, that, as a temporary measure, the Commonwealth Government would for the period of two years from

1st July, 1927, to 30th June, 1929, pay to each State interest at the rate of 5 per cent. per annum on the agreed value of transferred properties as follows:—New South Wales, £4,788,005; Victoria, £2,302,862; Queensland, £1,560,639; South Australia, £1,035,631; Western Australia, £736,432; and Tasmania, £500,754; a total of £10,924,323.

From 1st July, 1929, the Commonwealth Government assumed all liability for so much of the Public Debt of the States maturing in London bearing interest at the rate of 5 per cent. per annum as is equivalent to the agreed value of the transferred properties shown above. The Commonwealth Government will receive the freehold or equivalent title to the transferred properties consisting of land or interests in land, and all liability of the Commonwealth to the State in respect of transferred properties is extinguished from that date.

5. **War Loan from the Imperial Government.**—On the outbreak of the European war in 1914, the Commonwealth Government obtained a loan from the Imperial Government for the purpose of financing the prospective large military expenditure. At first, the arrangement was that the Imperial Government should advance the sum of £18,000,000. Subsequently further loans totalling £31,500,000 were negotiated. In addition to this capital indebtedness of £49,500,000, a further sum of £42,696,500 was due to the British Government for the maintenance of Australian troops.

Early in 1921 an arrangement was concluded with the Imperial Government, by means of which almost the entire debt (upwards of £92,000,000) was consolidated. The Commonwealth Government undertook to extinguish the debt in about 35 years by annual payments representing 6 per cent. on the original debt, providing for interest at £4 18s. 4d. per cent., and a sinking fund of £1 1s. 8d. per cent. The Imperial Government agreed to suspend for 1931–32 and 1932–33 the repayment of principal moneys due under the Funding arrangement, and under the “Hoover Plan,” the payment of interest for the year 1931–32 was also suspended, the suspended payments under the “Hoover Plan” being liquidated by ten equal annuities running from 1st July, 1933, at a rate of interest to be determined. These annuities are additional to the usual annual payments. The adoption of these proposals represents a saving to the Commonwealth Budget of £6,145,000, including exchange, for the year 1931–32. The amount outstanding on 30th June, 1931, was £79,724,220.

6. **Flotation of War Loans in Australia.**—In addition to the advances from the Imperial Government, the Commonwealth Government raised large amounts of money in Australia. Full details of the seven War Loans are given in Official Year Book No. 14.

7. **Flotation of Loans, 1930–31.**—During the year 1930–31, the loans raised by the Commonwealth (including “Over the Counter” sales and conversions at State Treasuries) totalled £84,794,397, of which £27,978,856 was for Commonwealth purposes and £56,815,541 for the States. Details respecting these loans are given hereunder.

COMMONWEALTH LOANS FLOATED, 1930–31.

For whom Raised.	Amount Raised.			Rate of Interest.	Date of Maturity.	Price.	
	London.	Australia.	Total.				
Commonwealth .. £150,000	£	£	£	%		£	
Commonwealth .. £420,000	..	150,000	150,000	5½	7.10.45	100	
	..	420,000	420,000	6	15.11.38	100	
Conversion and Redemption—	}	25,488,200	25,488,200	6	15.12.32	} 100	
Commonwealth £18,333,612		..	4,364,230	4,364,230	5½		15.12.40
States .. £11,864,698		..	249,880	249,880	5½		12.12.50
		..	96,000	96,000	6		31.8.35
		..	2,950,000	2,950,000	5		2.8.31
States	5,000,000	..	5,000,000	4	20.9.31	(b)	
Commonwealth .. £8,900,000	}	18,320,000	18,320,000	(c)	(b)	(b)	
States .. .. .		..	5,000,000	5,000,000	5	2.8.31	(b)
Commonwealth .. £175,244		5,000,000	..	5,000,000	5	2.9.31	(b)
States .. .. .		..	222,756,087	222,756,087	(c)	(b)	100
States .. .. .		..	..	..	..	..	..
Total	12,950,000	71,844,397	84,794,397	..	..	..

(a) “Over the Counter” Sales and Conversions at State Treasuries.
Bills.

(c) Various.

(b) Short-dated Treasury

8. Public Debt for Commonwealth Purposes.—(i) *Total Debt.* Separate consideration has already been given to the items composing the Public Debt. The table appended shows the debt of the Commonwealth (excluding that of the States) at 30th June, 1931.

PUBLIC DEBT FOR COMMONWEALTH PURPOSES AT 30th JUNE, 1931.

Particulars.	Payable in London.	Payable in New York.	Payable in Australia.	Total.
	£	£	£	£
War Debt (a)—				
Stock, Bonds, etc.	11,020,160	..	221,730,257	232,750,417
Indebtedness to United Kingdom Government	79,724,220	..	..	79,724,220
Total	90,744,380	..	221,730,257	312,474,637
Deduct advances to States for Soldier Land Settlement, etc. . . . .	..	..	—34,694,412	—34,694,412
Total War Debt	90,744,380	..	187,035,845	277,780,225
Works and other Purposes—				
Treasury Bills and Debentures.	8,820,044	..	14,197,000	23,017,044
Stock, Bonds, etc.	56,636,596	17,155,718	12,734,767	86,527,081
Balance of Loans taken over from South Australia—				
Northern Territory	329,100	..	32,924	362,024
Port Augusta Railway	908,686	..	12,360	921,046
Properties transferred from New South Wales . . . . .	..	..	111,125	111,125
Total Works and other Purposes	66,694,426	17,155,718	27,088,176	110,938,320
Total Commonwealth Purposes	157,438,806	17,155,718	214,124,021	388,718,545

PER HEAD OF POPULATION. (b)

	£ s. d.	£ s. d.	£ s. d.	£ s. d.
War	13 19 2	..	28 15 5	42 14 7
Works and other Purposes	10 5 3	2 12 9	4 3 4	17 1 4
Total Commonwealth Purposes	24 4 5	2 12 9	32 18 9	59 15 11

(a) Less sinking fund contributions and accumulations. (b) Based on population at 30th June, 1931.

(ii) *Loans to States for Soldier Land Settlement.* In regard to the item "Advances to States for Soldier Land Settlement", the Commonwealth Government has agreed to make remissions to the States in connexion with the losses sustained in respect of Soldier Land Settlement. Upon the ratification of the proposals by all Governments concerned, the Commonwealth Government will, as from 1st October, 1925, assume responsibility for £5,000,000 of States' debts maturing in Australia, and an additional amount of £2,597,783 from 1st July, 1927. Further reference is made to this matter in Chapter XV., Defence, § 10.4.

(iii) *Place of Flotation.* The loans taken over from South Australia, which constituted the first portion of the Federal Public Debt, included both London and Australian securities. The presence in the Treasury of a large holding of gold, and the

moderate rate of interest ruling on gilt-edged securities, made the conditions in 1911 and for some little time afterwards very favourable for the flotation of local loans. London securities were redeemed as they fell due, and replaced by the 3½ per cent. stock of the Loan Fund. Consequently, up to 1914 the amount of the securities repayable in London fell steadily, and the amount repayable in Australia rose rapidly. In 1915 the military loan from the Imperial Government caused a sharp rise in the amount of the securities repayable in London, which was maintained in the two following years. This was, however, more than offset by the flotation of the local war loans. In 1925-26 a loan of £15,411,487, of which £10,402,754 was for Commonwealth purposes and £5,008,733 for the States, was raised in New York. The appended table gives particulars of Commonwealth loans outstanding in each of the last five years which had been floated overseas and in Australia respectively.

PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—PLACE OF FLOTATION.

Place of Flotation, etc.	At 30th June—				
	1927.	1928.	1929.	1930.	1931.
	£	£	£	£	£
War Debt—					
London	95,572,848	96,822,659	93,810,641	92,314,742	90,744,380
Total Overseas	95,572,848	96,822,659	93,810,641	92,314,742	90,744,380
Australia	201,332,522	196,597,448	194,007,104	190,075,790	187,035,845
Total War Debt	296,905,370	293,420,107	287,817,745	282,390,532	277,780,225
Works and other purposes—					
London	36,596,850	39,393,188	48,819,932	58,431,407	66,694,426
New York	10,383,252	17,291,277	17,155,718	17,155,718	17,155,718
Total Overseas	46,980,102	56,684,465	65,975,650	75,587,125	83,850,144
Australia	22,726,033	22,679,517	23,828,177	14,979,705	27,088,176
Total Debt for Works, etc.	69,706,135	79,363,982	89,803,827	90,566,830	110,938,320
Total Debt—					
London	132,169,698	136,215,847	142,630,573	150,746,149	157,438,806
New York	10,383,252	17,291,277	17,155,718	17,155,718	17,155,718
Total Overseas	142,552,950	153,507,124	159,786,291	167,901,867	174,594,524
Australia	224,058,555	219,276,965	217,835,281	205,055,495	214,124,021
Grand Total	366,611,505	372,784,089	377,621,572	372,957,362	388,718,545

(iv) *Amount of Debt at Various Rates of Interest.*—When the first debt was taken over from South Australia, it consisted mainly of securities bearing interest varying from 3 per cent. to 4 per cent., the average rate of interest for the first year being £3 12s. 4d. For the first three years the increase in the debt was due almost entirely to the

expansion of the $3\frac{1}{2}$ per cent. stock of the Loan Fund, consequently the average rate of interest fell steadily, until on 30th June, 1914, it stood at £3 11s.10d. Then came the loans for military and repatriation purposes, and the fall in the average rate was ultimately converted into a rise which was steadily maintained until at 30th June, 1931, the average rate stood at £5 5s. 2d.

The accompanying table gives particulars of rates on interest of the debt for Commonwealth purposes for the financial years ended 30th June, 1930 and 1931.

PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—RATES OF INTEREST.

Rates of Interest.	At 30th June, 1930.	At 30th June, 1931—Debt Maturing in—			
		London.	New York.	Australia.	Total.
%	£	£	£	£	£
3	33,262	1,000,027	..	5,330,235	6,330,262
£3/2/0	..	175,244	..	..	175,244
3½	4,416,798	8,176,608	..	3,884,990	12,061,598
3¾	802,173	49,173	..	2,900	52,073
4	4,453,778	656,778	..	..	656,778
4½	4,335,436	..	4,335,436	..	4,335,436
4¾	6,000,000	6,000,000	..	..	6,000,000
£4/18/4	81,294,582	79,724,220	..	..	79,724,220
5	69,710,978	46,656,756	12,820,282	9,595,621	69,072,659
5½	92,252,340	..	..	90,913,580	90,913,580
5¾	67,056,390	..	..	67,085,856	67,085,856
5¾	..	..	..	2,710,005	2,710,005
6	77,645,889	15,000,000	..	69,179,817	84,179,817
£6/2/8	175,244	..	..	..	..
Overdue	128,560	..	..	115,429	115,429
Deduct loans to States for Soldier Land Settlement, etc.—	-35,348,068	..	..	-34,694,412	-34,694,412
Total	372,957,362	157,438,806	17,155,718	214,124,021	388,718,545
Total Interest Payable	19,327,613	7,787,344	836,109	11,810,353	20,433,806
Average rate of interest	£5 3 8	£4 8 11	£4 17 6	£5 10 4	£5 5 2

(v) *Amount of Interest Payable.* A table is appended showing the interest payable in Australia and overseas on the Commonwealth Public Debt (excluding amounts raised on behalf of the several States and debts of the States taken over) at 30th June in the years 1927 to 1931 inclusive.

PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—INTEREST PAYABLE.

Interest on and where payable.		At 30th June—				
		1927.	1928.	1929.	1930.	1931.
		£	£	£	£	£
War Debt—						
London		4,791,410	4,854,202	4,721,540	4,647,992	4,571,307
Australia		10,542,922	10,567,548	10,454,458	10,235,359	10,485,647
Total War Debt		15,334,332	15,421,750	15,175,998	14,883,351	15,056,954
Works and other Purposes—						
London		1,835,199	1,984,735	2,460,837	2,943,397	3,216,561
New York		519,162	842,858	836,109	836,109	836,109
Total Overseas		2,354,361	2,827,593	3,296,946	3,779,506	4,052,670
Australia		1,042,470	1,038,433	1,098,733	664,756	1,324,706
Total Debt for Works, etc... .. .		3,396,831	3,866,026	4,395,679	4,444,262	5,377,376
Total Debt—						
London		6,626,609	6,838,937	7,182,377	7,591,389	7,787,868
New York		519,162	842,858	836,109	836,109	836,109
Total Overseas		7,145,771	7,681,795	8,018,486	8,427,498	8,623,977
Australia		11,585,392	11,605,981	11,553,191	10,900,115	11,810,353
Grand Total		18,731,163	19,287,776	19,571,677	19,327,613	20,434,330

The Premiers' Plan provided for the reduction in interest of 22½ per cent. by the conversion of the internal Government debt. This conversion loan was effected during July and August, 1931. Further particulars relating to the conversion are given in the Appendix to this volume.

(vi) *Dates of Maturity.* The dates of maturity of the several portions of the Commonwealth debt are shown hereunder according to years ending 30th June. On that account the figures given are not directly comparable with those published prior to 1929-30. The Commonwealth Government has refrained from issuing interminable stock, but, in respect of a small proportion of the debt, no definite date of maturity had been assigned on 30th June, 1931. While the actual dates of maturity extend from 1931-32 to 1975-76, or a period of 44 years, the average period till maturity of the gross debt is only 10.9 years.

PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—DUE DATES OF AMOUNTS OUTSTANDING ON 30th JUNE, 1931.(a)

Due Dates (year ended June).	Due in—			Total.
	London.	New York.	Australia.	
	£	£	£	£
1931-32	8,820,044	..	41,173,104	49,993,148
1932-33 .. .. .	..	..	55,414,195	55,414,195
1933-34	39,387	..	3,829,059	3,868,446
1934-35	83,051	..	1,765,260	1,848,311
1935-36	573,727	..	19,140,711	19,714,438
1936-37	372,145	..	50,885,333	51,257,478
1937-38	1,246	..	9,934,190	9,935,436
1938-39	168,149	..	2,634,510	2,802,659
1939-40	54	..	903,538	903,592

PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—DUE DATES OF AMOUNTS
OUTSTANDING ON 30th JUNE, 1931(a)—*continued.*

Due Dates (year ended June).	Due in—			Total.
	London.	New York.	Australia.	
	£	£	£	£
1940-41	15,000,000	..	2,710,005	17,710,005
1941-42 .. ..	..	..	28,270,060	28,270,060
1942-43 .. ..	..	..	18,249,320	18,249,320
1944-45	17,354,817	..	..	17,354,817
1948-49 .. ..	..	..	9,311,680	9,311,680
1950-51 .. ..	..	..	139,748	139,748
1956-57 .. ..	..	14,566,855	..	14,566,855
1957-58 .. ..	..	2,588,863	..	2,588,863
1960-61	6,000,000	..	..	6,000,000
1965-66 .. ..	..	..	149,274	149,274
1971-72 .. ..	..	..	3,764,716	3,764,716
1975-76	29,301,939	..	..	29,301,939
Overdue .. ..	..	..	115,429	115,429
Indefinite .. ..	..	27	317,176	317,203
Annual Repayments ..	79,724,220	..	..	79,724,220
Transferred Properties (b)	..	..	111,125	111,125
Deduct loans to States for Soldier Land Settlement, etc. .. ..	..	..	-34,694,412	-34,694,412
Total	157,438,806	17,155,718	214,124,021	388,718,545
Average period to maturity —years	24.0	25.6	5.8	10.9

(a) Loans of which the Government has the option of redemption during a specified period have been in each case classified according to the latest date of maturity. (b) From New South Wales. See §4.4 hereinafter.

9. Sinking Funds.—Particulars relating to the creation of sinking funds are included in previous issues.

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 from the year 1927-28 are as follows:—

PUBLIC DEBT FOR COMMONWEALTH PURPOSES.—SINKING FUND.

Items.	1927-28.	1928-29.	1929-30.	1930-31.	Total, 1922-23 to 1930-31.
	£	£	£	£	£
Cr. Brought forward	1,324,897	955,726	746,737	573,276	..
Balance transferred to Fund on 11th August, 1923 .. ..	..	..	..	..	2,262,982
From Consolidated Revenue	2,276,092	2,469,272	2,668,133	889,170	17,658,137
Repayments of Sundry Loans	9,931	260,028	261,855	2,967	1,115,664
Purchase Money and Repayments under War Service Homes Act	787,897	799,508	702,244	491,887	5,778,832
Half Net Profit Commonwealth Bank Reparation Moneys	320,563	349,204	362,825	391,013	2,078,211
Interest on Investments	651,779	876,404	877,832	1,264,319	5,571,721
Contributions by States	54,246	30,312	28,573	24,544	523,576
	8,927	21,013	24,945	9,898	66,001
Total	5,434,332	5,761,467	5,673,144	3,647,274	35,055,124
Dr. Redemptions	4,478,606	5,014,730	5,099,868	3,134,330	34,542,180
Carried Forward	955,726	746,737	573,276	512,944	512,944
Total	5,434,332	5,761,467	5,673,144	3,647,274	35,055,124

The Imperial Government loan comes in a different category from the others, since it is being liquidated by the funding arrangement described on a previous page.

Information regarding the transactions of the States' Account of the National Debt Sinking Fund is published in Finance Bulletin No. 22 issued by this Bureau.

§ 5. Cost of War and Repatriation.

In view of the importance of the subject, a further reference is here made to the cost of the war. The general policy of the Commonwealth Government has been to pay from Consolidated Revenue all recurring charges for interest, sinking fund, pensions, and other charges consequent upon the war, and part of the expense of repatriation. On the other hand, the whole direct cost of the war and the larger proportion of the cost of repatriation have been paid from loans. The total cost from both sources to the 30th June, 1931, is set out in the following table:—

COST OF WAR SERVICES.

Year.	War and Repatriation Services, including War Pensions. (From Consolidated Revenue.)	War Loan Expenditure. (b)	Total.	Interest and Sinking Fund. (From Consolidated Revenue.)
	£	£	£	£
1914-15	896,190	14,100,000	14,996,190	115,145
1915-16	1,718,887	37,423,568	39,142,455	2,059,491
1916-17	2,439,271	53,114,237	55,553,508	5,988,058
1917-18	4,049,955	55,028,180	59,078,135	7,813,296
1918-19	9,966,927	59,547,080	69,514,007	11,288,174
1919-20	8,976,793	43,294,764	52,271,557	15,774,938
1920-21	10,242,345	24,148,501	34,390,846	23,043,888
1921-22	10,261,471	7,576,977	17,838,448	21,075,693
1922-23	9,298,560	1,762,694	11,061,254	20,801,912
1923-24	8,161,230	691,247	8,852,477	20,608,876
1924-25	8,232,656	Cr. 32,051	8,200,605	20,250,105
1925-26	8,473,717	Cr. 7,613	8,466,104	20,698,133
1926-27	8,814,001	23,938	8,837,939	20,495,082
1927-28	8,788,037	Cr. 23,741	8,764,296	20,218,175
1928-29	9,026,749	Cr. 12,972	9,013,777	21,071,002
1929-30	9,520,750	Cr. 2,669	9,518,081	20,579,056
1930-31	10,468,748	Cr. 2,206	10,466,542	19,037,470
Discounts and Flotation Expenses on Loans .. .. .	..	5,948,874	5,948,874	..
Indebtedness to the Government of the United Kingdom for payments made, services rendered, and goods supplied during the war (a) .. .. .	..	43,398,098	43,398,098	..
War Gratuities paid in cash	452,295	27,040,253	27,492,548	..
Total to 30th June, 1931	129,788,582	373,017,159	502,805,741	270,918,494

(a) The total indebtedness to the Government of the United Kingdom involved in the *Funding Arrangements Act 1921* was £92,480,157. At 30th June, 1931, the amount outstanding had been reduced to £79,724,220. (b) Excluding expenditure on War Service Homes from 1923-24. (See page 299.)

§ 6. Old-age and Invalid Pensions.

1. **General.**—In previous issues of this work an account was given of the introduction of the old-age pension system in Australia, together with a detailed description of the Commonwealth Invalid and Old-age Pensions Act of 1908, which became operative on 1st July, 1909. (See Year Books, Nos. 3 to 8.) The following statement shows particulars of the rates of pension originally payable and in accordance with the several amendments to the Act:—

RATES OF PENSION PAYABLE.

Date from which Operative.	Pension Payable (Annual Rate.)	Pensioner's Annual Income including pension not to exceed—
	£ s. d.	£ s. d.
1st July, 1909	26 0 0	52 0 0
12th October, 1916	32 10 0	58 10 0
1st January, 1920	39 0 0	65 0 0
13th September, 1923	45 10 0	78 0 0
8th October, 1925	52 0 0	84 0 0
23rd July, 1931	45 10 0	78 0 0

In 1916 an old-age pension of 2s. per week was first paid to pensioners who became inmates of Benevolent Asylums. This amount was increased to 3s. per week in 1923 and extended to pensioners entering hospitals. Further increments to these pensioners were granted in 1925 and 1928 raising the pension to 4s. and 5s. 6d. per week respectively. In 1931 the amount was reduced to 5s. per week.

Asiatics are ineligible for the old-age pension except Indians born in British India, whose disqualification was removed by an amending act operative from 7th October, 1926.

Invalid pensions were granted from 15th December, 1910. In regard to invalid pensions, the applicant must satisfy the Department that her or his disability is both total and permanent and became so in Australia.

In 1920 special provision was made for a permanently blind person, by which the amount of pension may be at such a rate (not exceeding £52—reduced to £45 10s. from 23rd July, 1931) per annum, as will make his income plus that of his wife together with the pension, equal to an amount not exceeding £221 per annum or such other amount as is declared to be a basic wage.

The *Financial Emergency Act*, 1931, reduced old-age and invalid pensions to £45 10s. per annum and the permissible income to £78 per annum. A reduction to 5s. per week was also made in the cases of pensioners in Benevolent Asylums and Hospitals.

§ 2. **Old-age Pensions.**—(i) *Number in force.* At 30th June, 1930, there were 155,196 old-age pensions in force. During 1930–31, 28,844 pension claims were granted, cancellations and deaths amounted to 11,863, giving a net increase of 16,981 pensions for the year and bringing the total pensions in existence at 30th June, 1931, to 172,177.

(ii) *Sexes of Pensioners.* Of the pensioners at 30th June, 1931, 72,857 (or 42 per cent.) were males, and 99,320 (or 58 per cent.) were females. Details for the several States are as follow:—

OLD-AGE PENSIONS.—SEXES OF PENSIONERS, 1930–31.

State.	Males.	Females.	Total.	(a) Masculinity.
New South Wales	28,003	37,029	65,032	75.6
Victoria	20,182	29,817	49,999	67.7
Queensland	10,091	12,285	22,376	82.1
South Australia	6,255	9,893	16,148	63.2
Western Australia	4,847	5,614	10,461	86.3
Tasmania	3,479	4,682	8,161	74.3
Total	72,857	99,320	172,177	73.4

(a) Number of males to each 100 females.

(iii) *Ages and Conjugal Condition of Pensioners.* The recorded ages of the 28,844 persons, 14,416 males and 14,428 females, to whom pensions were granted during the year 1930-31 varied considerably, ranging from 4,281 at age 60 to 1 at age 97. The conjugal condition of these pensioners was as follows:—Males—single, 3,090; married, 8,721; and widowed, 2,605. Females—single, 1,582; married, 8,223; and widowed, 4,623.

3. *Invalid Pensions.*—(i) *Number in force, 1931.* During the year 1930-31, the number of invalid pensioners increased from 63,304 to 68,343, an increase of 5,039 pensions. Altogether 10,006 claims were allowed and 4,967 pensions were cancelled.

(ii) *Sexes of Pensioners.* Of the 68,343 persons in receipt of invalid pensions on 30th June, 1931, 30,172, or 44 per cent., were males, and 38,171, or 56 per cent., were females. Details for the several States are as follows:—

INVALID PENSIONS.—SEXES OF PENSIONERS, 1930-31.

State.	Males.	Females.	Total.	(a) Masculinity.
New South Wales	12,148	15,948	28,096	76.2
Victoria	8,841	11,084	19,925	79.8
Queensland	4,665	5,042	9,707	92.5
South Australia	1,703	2,751	4,454	61.9
Western Australia	1,673	1,881	3,554	88.9
Tasmania	1,142	1,465	2,607	78.0
Total	30,172	38,171	68,343	79.0

(a) Number of males to each 100 females.

(iii) *Ages and Conjugal Conditions of Pensioners, 1931.* The recorded ages of the 10,006 persons (5,000 males and 5,006 females) to whom invalid pensions were granted during the period under review varied from 16 to 88.

The conjugal condition of persons to whom invalid pensions were granted during the year was as follows:—Males—single, 2,168; married, 2,583; and widowed, 249. Females—single, 1,943; married, 1,991; and widowed, 1,072.

4. *Cost of Administration.*—Under State control the cost of administration differed considerably in the several States, and for 1908-9 represented in New South Wales 4.17 per cent. of the amount actually paid in pensions. In Victoria for the same year the corresponding percentage was 0.70. During the year 1930-31, the total cost to the Commonwealth of administering the Old-age and Invalid Pensions Department was £93,077, or about 0.79 per cent. of the amount actually paid in pensions.

The actual sum disbursed in old-age and invalid pensions in the financial year 1930-31, apart from the cost of administration and inclusive of the amount paid to asylums for the maintenance of pensioners, was £11,710,953.

5. *Summary.*—The following table gives details concerning the working of the Act for the last five years:—

OLD-AGE AND INVALID PENSIONS.—SUMMARY, AUSTRALIA.

Year ended 30th June.	Number of Pensioners.				Amount Paid in Pensions.	Total Payment to Pensioners and to Asylums for Maintenance of Pensioners.	Cost of Administration.	Cost of Administration per £100 paid to Pensioners and Asylums.	Average Fortnightly Pension on last day of Financial Year.				
	Old-age.		Invalid.	Total.					£	£	£	s. d.	s. d.
	No.	Est. No. per 1,000 of persons eligible on age qualification. (a)												No.	No.	£	s. d.
1927	133,234	310	52,399	185,633	9,034,938	9,144,589	116,008	1	5	4	38	6	
1928	139,367	310	55,517	194,884	9,681,837	9,790,346	118,641	1	4	3	38	5	
1929	145,393	312	59,148	204,541	9,991,299	10,124,239	86,605	0	17	1	38	5	
1930	155,196	321	63,304	218,500	10,633,979	10,791,325	89,201	0	16	6	38	5	
1931	172,177	345	68,343	240,520	11,549,828	11,710,953	93,077	0	15	11	38	4	

(a) Estimated number of old-age pensioners per 1,000 of the aggregate of males aged 65 and over and females aged 60 and over.

§ 7. Maternity Allowance.

1. *General.*—During the session of 1912 the Federal Parliament passed an Act (assented to on 10th October, 1912) providing for the payment of maternity allowances. The scope and main provisions of the Act are given in Year Book No. 14, p. 1047. The most important conditions in the original Act were that the sum of five pounds was payable in the case of each confinement resulting in the birth of a viable child whether such child was born alive or dead. The mother must be a native of the Commonwealth, or intend to settle permanently therein. No payment is made in the case of an aboriginal or an Asiatic. The *Financial Emergency Act* 1931 reduced the allowance payable to £4 and limited the application of the original Act to those cases where the combined income of husband and wife did not exceed £260 in the previous 12 months.

The following table gives a summary in connexion with the working of the Maternity Allowance Act for the years 1927 to 1931 :—

MATERNITY ALLOWANCE.—SUMMARY.

Year.	Claims Paid.	Claims Rejected.	Amount Paid.	Cost of Administration.	Cost per £100 of allowance paid.
	No.	No.	£	£	£ s. d.
1926-27 ..	132,056	1,122	660,280	16,181	2 9 0
1927-28 ..	135,784	1,261	678,920	15,489	2 5 8
1928-29 ..	132,304	901	661,520	16,626	2 10 3
1929-30 ..	128,598	821	642,990	15,157	2 7 2
1930-31 ..	126,149	770	630,652a	15,322	2 8 7
Aggregate— 1912-13 to 1930-31 ..	2,475,475	12,308	12,377,280	265,326	2 2 7

(a) Excluding £93 refunded.

2. *Claims paid in each State.*—The following table shows the number of maternity allowance claims (each for £5) paid in each State during the last five years :—

MATERNITY ALLOWANCE.—CLAIMS PAID IN EACH STATE.

Year ended 30th June.	N.S.W.	Vic.	Q'land.	S.A.	W.A.	Tas.	N.T.	Total.
1927	53,064	35,202	19,300	11,336	8,200	4,917	37	132,056
1928	55,072	35,656	19,790	11,716	8,598	4,898	54	135,784
1929	54,275	34,132	19,040	11,148	8,888	4,777	44	132,304
1930	52,335	33,381	18,490	10,361	9,030	4,959	42	128,598
1931	51,660	32,241	18,790	9,720	8,909	4,778	51	126,149
Total, 1910 to 1930-31 ..	987,815	649,756	364,862	215,758	155,373	101,143	768	2,475,475

§ 8. War Pensions.

1. *General.*—An Act for the provision of war pensions was passed in 1914 and amended in 1915 and 1916. Its scope can be determined by the following extract from Section 3. " Upon the death or incapacity of any member of the forces whose death or incapacity results, or has resulted, from his employment in connexion with warlike operations in which His Majesty is, or has since the commencement of the present state

of war been engaged, the Commonwealth shall, subject to this Act, be liable to pay to the member or his dependants or both, as the case may be, pensions in accordance with this Act." The general reduction of expenditure provided by the *Financial Emergency Act 1931* applied also to War Pensions. No reductions, however, were made in the rate of pension payment to incapacitated soldiers, the necessary economies being effected in payments to other war pensioners.

Prior to 1st July, 1932, the Commonwealth Government bore the cost of exchange in connexion with the payment of pensions to Australian soldiers domiciled overseas.

2. Number of Pensioners and Expenditure on War Pensions.—The following table shows the number of pensioners at 30th June, 1931, and the places where payments were made during 1930-31 :—

WAR PENSIONS.—NUMBER OF PENSIONERS, 1931.

Where Paid.	Incapacitated Members of the Forces.	Dependants of—		Total.	Expenditure.
		Deceased Members.	Incapacitated Members.		
					£
New South Wales ..	25,355	9,971	54,792	90,118	2,736,872
Victoria ..	25,066	10,994	60,142	96,202	2,367,707
Queensland ..	8,195	3,486	17,681	29,362	877,044
South Australia ..	4,164	3,084	9,405	16,653	496,704
Western Australia ..	7,507	2,922	17,634	28,063	787,319
Tasmania ..	3,044	1,263	8,424	12,731	356,801
Total, Australia ..	73,331	31,720	168,078	273,129	7,622,447
London ..	1,667	3,674	3,868	9,209	} 373,733
South Africa ..	57	31	80	168	
New Zealand ..	239	186	337	762	
Other Overseas ..	22	6	26	54	
Total ..	75,316	35,617	172,389	283,322	7,996,180
Payments made in Australia in respect of other countries less amounts received from other countries	..	..	..	..	Cr. 9,142
Total, War Pensions Trust Fund Account	..	..	..	..	7,987,038

3. Cost of Administration.—The cost of administration in 1930-31, after allowing for the amount recoverable from the Government of the United Kingdom on account of administrative cost of British pensions was £179,325, or 2.2 per cent. on the total amount paid in pensions.

§ 9. Commonwealth Public Service Superannuation Fund.

This Fund, which was inaugurated on the 20th November, 1922, is maintained by contributions of officers of Parliament, of employees of the Commonwealth Public Service and the Defence Department, and by payments from the Consolidated Revenue—the latter being made when the officers retire on pension. Full particulars as to the benefits, etc., will be found in Official Year Book No. 18, page 383.

The number of contributors to the fund at 30th June, 1931, was 32,133, viz., 28,592 males and 3,541 females, and the average pension contributed for was £119 9s. per annum.

During 1930–31, the receipts of the fund amounted to £1,043,015 (including Treasury advance, £420,000), of which officers' contributions represented £440,400. The expenditure from the fund for the year was £1,023,662 (including repayment of Treasurer's advance, £483,600), of which £420,967 was invested, bringing the total funds invested to £3,385,751 (at cost). The average rate of interest earned on investments at 30th June, 1931, was 5.508 per cent.

Pensions in force on the 30th June, 1931, numbered 3,643, with an annual liability of £305,650, of which £246,829 represents the share payable from the Consolidated Revenue Fund.

Contributions from the Commonwealth Consolidated Revenue to the fund were reduced by 20 per cent. from July, 1931, upon the *Financial Emergency Act 1931*, coming into operation. As the Government contribution in respect of any officer does not commence until he is superannuated, the reduced contribution affects all pensioners including those already in receipt of pensions. The relief to the fund on this account is offset by the reduced interest earning capacity of the fund's investments, which are entirely in Government securities and subject to the interest reduction of 22½ per cent. as part of the "Premiers' Plan".

§ 10. Currency and Coinage.

1. *Australian Mints.*—Soon after the discovery of gold in Australia, steps were taken for the establishment of a branch of the Royal Mint in Sydney. The formal opening took place on the 14th May, 1855. The Melbourne branch was opened on the 12th June, 1872, and the Perth branch on the 20th June, 1899. The States of New South Wales, Victoria, and Western Australia provided an annual endowment in return for which the mint receipts were paid into the respective State Treasuries, and it might be said until recently that, apart from expenditure on buildings, new machinery, etc., the accounts paid into the Treasuries fairly balanced the mint subsidies. Early in 1923, however, it was announced that owing to losses incurred in the operations of recent years, the New South Wales Government had decided to close the Sydney branch at the end of 1923. This decision was, however, not carried out at that time, but the mint was closed at the end of 1926.

2. *Standard Weight and Fineness of Coinage.*—In addition to coins minted at Melbourne and Perth mints, Imperial silver coins legally current in England and which were minted prior to 31st March, 1920, when the fineness was reduced from .925 to .500 are also legal tender in Australia. Sovereigns coined at the Royal Mint, London, or at any of its branches throughout the Empire are legal tender in Australia. The provisions as to legal tender are—gold coins, legal tender to any amount, silver for an amount not exceeding forty shillings, and bronze up to one shilling. The standard weights of the sovereign and half-sovereign are respectively 123.27447 grains and 61.63723 grains, but these coins will pass current if they do not fall below 122.5 grains and 61.125 grains respectively.

3. *Gold Receipts and Issues.* (i) *Receipts.* The receipts of gold during 1931 and the aggregate at each mint to the end of 1931 were as follows:—

AUSTRALIAN MINTS.—RECEIPTS OF GOLD, 1931, AND TOTAL.

Mint.	Deposits during 1931.	Total to end of 1931.		
		Quantity.		Value.
		Gross.	Fine.	
	ozs. Gross.	ozs.	ozs.	£
Sydney	(a) 42,082,928	(a) 36,907,045	(a) 156,771,141
Melbourne	217,405	38,494,501	163,514,138
Perth	606,278	27,733,322	117,803,588
Total	823,683	103,134,868	438,088,867

(a) To end of 1926.

In cases of deposits containing over a certain minimum of silver, the excess is paid for at the rate fixed from time to time by the Deputy-Master of the branch mint concerned.

(ii) *Issues*.—The Australian mints, besides issuing gold coin in the shape of sovereigns and half-sovereigns, also issue gold bullion, partly for the use of local manufacturers (jewellers and dentists), and partly for export, India taking a considerable quantity of gold cast into 10-oz. bars. During recent years the export was subject to regulation by the Commonwealth Government. The issues during 1931, and the total to the end of that year, are shown in the table below :—

AUSTRALIAN MINTS.—ISSUES OF GOLD.

Mint.	Coin.			Bullion.	Total.
	Sovereigns.	Half-sovereigns.	Total.		
	£	£	£	£	£
1931—					
Melbourne ..	57,779	..	57,779	637,785	695,564
Perth ..	1,173,568	..	1,173,568	981,219	2,154,787
Total, 1931	1,231,347	..	1,231,347	1,619,004	2,850,351
Aggregate—					
Sydney ..	144,435,550	4,781,000	149,216,550	7,574,408	156,790,958
Melbourne ..	147,283,131	946,780	148,229,911	15,277,086	163,506,997
Perth ..	106,384,197	367,338	106,751,535	11,046,410	117,797,945
Total to end of 1931 ..	398,102,878	6,095,118	404,197,996	33,897,904	438,095,900

(iii) *Withdrawals of Worn Coin*.—The mints receive light and worn coin for recoinage. The total withdrawals of worn gold coin were as follows :—Sydney (to 1926), £1,110,867; Melbourne, £882,303 (since and including 1890); and Perth, £1,401.

4. *Price of Gold*.—In consequence of Great Britain's departure from the gold standard on 21st September, 1931, the market value of gold immediately rose by about 17½ per cent. from £4 4s. 11d. to £4 19s. 7d. per ounce fine. Considerable fluctuations have since taken place, and the average monthly value of gold based on the London open market price per ounce fine adjusted to the telegraphic transfer exchange rate (Australia on London) less a small percentage for shipping charges is given in the appended table in £ sterling and £ Australian from January, 1931, to July, 1932. Particulars are also shown for the value of the sovereign.

PRICE OF GOLD.—LONDON AND AUSTRALIA, 1931-32.

Month.	London.				Australia.				
	Average price per ounce, fine.		Average value of Sovereign.		Average price per ounce, fine.		Average value of Sovereign.		Equivalent to a premium of— %
	£s	s. d.	£s	s. d.	£A	s. d.	£A	s. d.	
1931—									
January to									
August ..	4	4 11	1	0 0	5	8 0	1	5 5	28.4
September ..	4	11 3	1	1 6	5	17 2	1	7 7	37.9
October ..	5	6 3	1	5 0	6	16 5	1	12 1	60.6
November ..	5	10 9	1	6 1	7	2 2	1	13 6	67.3
December ..	6	2 6	1	8 10	7	11 9	1	15 9	78.5
1932—									
January ..	6	0 5	1	8 4	7	8 8	1	15 0	74.9
February ..	5	19 8	1	8 2	7	7 9	1	14 9	73.9
March ..	5	14 1	1	6 10	7	0 1	1	13 2	65.8
April ..	5	10 3	1	6 0	6	16 2	1	12 1	60.2
May ..	5	12 10	1	6 7	6	19 3	1	12 9	64.0
June ..	5	13 4	1	6 8	6	19 11	1	12 11	64.7
July ..	5	16 0	1	7 4	7	3 2	1	13 8	68.5

NOTE.—“£s” represents £ sterling while Australian £s are indicated by “£A.”

5. *Silver and Bronze Coinage.*—(i) *Prices of Silver.* The value of silver has greatly decreased since its demonetization and restricted coinage in almost the whole of Europe. A noticeable increase, however, took place for some years after 1915, the price of silver following the general trend of world prices. Its average price in the London market in recent years is shown in the table in Chapter XVIII., Mineral Industry.

(ii) *Profits on Coinage of Silver.* As sixty-six shillings are coined out of one pound troy of standard silver (.925 fine), the silver required to produce £3 6s. of coin cost, at the average 1931 London market price of 1s. 2.6d. per ounce, approximately 14s. 7d. The difference nearly represents, therefore, the gross profit or seigniorage made on the coinage of every £3 6s. Negotiations for the coinage of silver and bronze coin in Australia took place for a number of years between the Imperial authorities and the Governments of New South Wales and Victoria, but no decision was arrived at. As section 51 of the Commonwealth Constitution makes legislation concerning “currency, coinage, and legal tender” a Federal matter, the question remained in abeyance until 1907, when the matter was discussed at the Colonial Conference, London, with the result that in the latter part of 1908 the Commonwealth Treasurer announced his intention of initiating the coinage. Since 1916 silver and bronze coins have been minted in Australia on behalf of the Commonwealth Treasury.

(iii) *Silver and Bronze Issues.* The total issues of silver and bronze coinage on account of the Commonwealth since 1910, as obtained from returns furnished by the Treasury, are set out in the following table:—

AUSTRALIAN MINTS.—SILVER AND BRONZE ISSUES BY TREASURY.

Year.	Silver.					Bronze.		
	2/-.	1/-.	6d.	3d.	Total.	1d.	½d.	Total.
	£	£	£	£	£	£	£	£
1910-1926 ..	2,849,600	1,600,900	670,800	641,925	5,763,225	275,243	91,410	366,653
1926-27 ..	381,000	99,400	87,900	74,575	642,875	11,810	8,865	20,675
1927-28 ..	123,400	50,600	64,400	66,800	305,200	18,460	3,620	22,080
1928-29 ..	71,000	12,400	20,000	24,600	128,000	13,030	5,510	18,540
1929-30 ..	30,000	10,000	11,200	10,000	61,200	3,020	2,310	5,330
1930-31 ..	192,000	45,000	..	..	237,000	..	..	..
Total ..	3,647,000	1,818,300	854,300	817,900	7,137,500	321,563	111,715	433,278

(iv) *Withdrawals of Worn Silver Coin.* An examination of the wear on silver coins made by the London Mint Authorities in 1909 revealed that the average life of silver coins (then .925 fine) was:—2s. pieces, 45 years; 1s., 41 years; 6d., 28 years; and 3d., 32 years. The value of worn silver coins received during 1931 was as follows:—Melbourne, £67; Perth, nil. The total withdrawals of worn silver coin to 1931 were:—Melbourne, £1,747,362; Perth, £129,738; Sydney (to 1926), £1,248,672.

6. *Australian Note Issue.*—(i) *General.* Information in some detail regarding Australian Notes has been given in earlier issues of this work. In December, 1920, the Australian Note Issue passed to the control of the Commonwealth Bank, the notes, however, remaining Treasury Notes. The Note Issue Department is administered by the Board of Directors of the Commonwealth Bank.

(ii) *Reserve against Note Issue.* Prior to 19th June, 1931, the reserve held in gold against the note issue was fixed at 25 per cent. of the total notes in circulation. To permit further shipments of gold to meet short-term obligations in London, an Amending Act reduced the statutory gold reserve by graduations to 15 per cent. with provision for the restoration to 25 per cent. within a period not exceeding five years. A further Amending Act provided that portion of the note issue reserve may be held in British sterling, which was defined as follows:—(a) Balances standing to the credit of the Bank at the Bank of England or at any other of its bankers in London; (b) Bills of Exchange or advances secured thereby which will mature in not more than three months and which are payable in the United Kingdom in currency which is legal tender therein; and (c) Treasury Bills or other securities of the United Kingdom which will mature in not more than three months.

(iii) *Notes in Circulation.* Particulars of the average notes in circulation and of the gold reserve for the years 1914 and 1928 to 1931 are given in the table hereunder.

COMMONWEALTH NOTE ISSUE.—PARTICULARS.

Particulars.	Average of twelve monthly statements for year—				
	1914.	1928.	1929.	1930.	1931.
Notes held by—	£	£	£	£	£
Banks ..	(a)	19,769,048	18,199,104	21,322,892	24,939,874
Public ..	(a)	25,620,845	25,162,705	23,446,192	25,221,885
Total ..	11,944,848	45,389,893	43,361,809	44,769,084	50,161,759
Gold Reserve ..	5,368,822	22,154,038	22,014,414	18,143,823	13,144,494
Percentage of Reserve on Total Issue ..	%	%	%	%	%
	44.9	48.8	50.8	40.5	20.5

(a) Not available.

Details of the average value of each of the several denominations of Australian Notes outstanding in 1914 and from 1927 to 1931 are given in Finance Bulletin No. 22 issued by this Bureau.

7. *Legal Tender Extant.*—Accurate information regarding the amount of token money in circulation is not available, but the following table gives an estimate of the amount of of legal tender extant about the middle of the years 1930 and 1931.

ESTIMATED LEGAL TENDER EXTANT.—AUSTRALIA.

Particulars.	1930.	1931.
Australian Note Issue (a)—	£,000.	£,000
Held by Banks	22,342	25,351
Held by Public	22,572	25,302
Notes of Trading Banks outstanding (b)	199	198
Coin—Gold—Held by Banks (c)	1,091	312
Held by Public .. .. .	..	..
Silver—Held by Banks	2,577	2,026
Held by Public	4,163	5,031
Bronze—Held by Banks	145	133
Held by Public	288	300
Total	53,377	58,653

(a) Last Monday in June.

(b) Average for June quarter.

(c) At 30th June.

The figures given above for silver coin represent the total issues of Australian silver coin less the excess of exports of Australian coins to New Zealand and the Pacific Islands over the re-imports of Australian coins. The amount of English coin in circulation in Australia is negligible, and as it is not possible to ascertain accurately its volume, no allowance has been made therefor. The figures given for bronze coins refer to the total issues of Australian coin, the small amount of British coin in circulation being disregarded.

C. STATE FINANCE.

§ 1. General.

1. **Functions of State Governments.**—In comparing the financial returns of the States allowance must be made for the various functions discharged by the respective Governments, and for local conditions in each case. Direct comparisons of expenditure are difficult, owing to the fact that functions which in one State are assumed by the Central Government are in another relegated to local governing bodies, and that costly developmental work may, under certain conditions, be not only economically justifiable but may be essential to progress, while parsimonious expenditure may be an economic blunder. A large expenditure may, therefore, be an indication either of gross extravagance and bad economy on the one hand, or of healthy progress and good economy on the other. Similarly, as regards revenue, imposts which in some States are levied by the Central Government, are in others dealt with by local or quasi-governmental bodies. Care, therefore, is needed in instituting comparisons, and the particulars contained in this chapter should be read in connexion with those contained in the chapter dealing with 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 for instance 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 Funds,” the “Trust Funds,” and the “Loan Funds.” All revenue (except certain taxation items paid into special funds) collected by the State is placed to the credit of 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. From 1st July, 1928, the accounts of the Railway and Tramway services, Sydney Harbour Trust, and certain water supply services were separated from the Consolidated Revenue Fund of New South Wales. To preserve the comparability of the State finance statistics, information in respect of the above services has been included in the tabular statements in this section. The Trust Funds comprise all moneys held in trust by the Government, and include such items as savings banks funds, sinking funds, insurance companies’ deposits, etc. The Loan Funds are 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.*—In regard to the inter-relation of Commonwealth and State Finances, a statement in some detail, covering 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.

§ 2. Consolidated Revenue Funds.

Division I.—Revenue.

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

- (a) Taxation; (b) The public works and services controlled by the State Governments; (c) Sale of and rental from Crown lands; (d) Payments by Commonwealth Government under the *Financial Agreement and Special Grants Acts*; and (e) Miscellaneous sources, comprising fines, fees, interest, etc.

In regard to item (b) attention is directed to the statement (see C. § 1 (2) *ante*) appertaining to the New South Wales accounts. In connexion with the Railway Accounts for that State the Consolidated Revenue Fund contributes to the Railways Commissioners a sum not exceeding £800,000 in respect of losses on country developmental railways. To avoid duplication in determining the aggregate receipts and expenditure for each of the past three years, this amount has not been included in the railways receipts or Consolidated Revenue Expenditure. During 1929-30, a refund of £327,129 was made to the Railways Commissioners from the Consolidated Revenue Surplus of 1928-29 in respect of Sinking Fund Contribution paid by the Railways Commissioners in 1928-29. This amount also has not been included in revenue for the year 1929-30.

Of these sources, that yielding the largest revenue for the States as a whole is the group of Public Works and Services, the principal contributor being the Government Railways and Tramways. Next in magnitude comes Taxation, followed in order by the Commonwealth Payments and Land Revenue.

2. *Revenue Received.*—The following table furnishes particulars of the total amounts and the amounts per head, of consolidated revenue received by the several States during the last five years :—

STATE CONSOLIDATED REVENUE.

Year.	N.S.W. (a)	Victoria. (a)	Q'land.	S. Aust.	W. Aust. (b)	Tasmania.	All States.
TOTAL COLLECTIONS.							
	£	£	£	£	£	£	£
1926-27	47,060,753	27,128,700	16,147,787	10,784,897	9,750,833	3,040,220	113,913,190
1927-28	47,997,372	27,357,917	16,718,070	11,346,903	9,807,949	2,962,687	116,190,898
1928-29	50,447,100	28,156,034	16,725,682	10,840,914	9,947,951	2,766,434	118,884,115
1929-30	46,904,889	27,323,842	15,997,870	10,551,016	9,750,515	2,956,272	113,484,404
1930-31	40,920,872	25,575,504	15,072,652	10,725,811	8,686,756	2,609,290	103,590,885
PER HEAD OF POPULATION.(c)							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1926-27	20 1 2	15 17 0	18 5 3	19 1 4	25 14 2	14 9 0	18 13 8
1927-28	20 0 1	15 14 3	18 11 3	19 14 9	25 0 2	14 1 1	18 13 8
1928-29	20 12 6	15 19 11	18 4 8	18 14 7	24 10 4	13 0 2	18 16 2
1929-30	18 18 10	15 7 5	17 3 2	18 3 11	23 8 11	13 14 11	17 14 9
1930-31	16 7 6	14 5 7	15 17 7	18 8 7	20 13 8	11 19 2	16 0 9

(a) Includes certain moneys not paid into Consolidated Revenue Fund, such as receipts from Railways, Tramways, Sydney Harbour Trust, certain Water Supply and Sewerage Services and motor taxation in New South Wales and motor tax in Victoria. (b) Excludes motor taxation. (c) Based on mean population of each financial year.

There was a marked increase in the collections per head in all the States up to the year 1928-29, but in 1929-30 there was a decline of about 22s. per head in the total. A further fall of £1 14s. per head was recorded in 1930-31 when the revenue per head of £16 os. 9d. was the lowest since 1922-23. Taxation revenue was buoyant up to 1929-30, but decreased by slightly over £1,000,000 in 1930-31. Revenue from Business Undertakings receded by about £5 millions in 1929-30 and by £8.7 millions in 1930-31.

3. Sources of Revenue.—(i) *General.* Classifying the revenue of the several States in the manner indicated in *I ante*, particulars for the year 1930-31 are as follows:—

STATE CONSOLIDATED REVENUE.—SOURCES, 1930-31.

Particulars.	N.S.W. (a)	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL REVENUE.							
	£	£	£	£	£	£	£
Taxation (c) ..	11,248,871	8,056,615	9,272,566	3,339,766	9,134,385	1,071,263	29,123,466
Business Under- takings ..	2,352,314	12,242,787	6,654,596	4,377,581	4,782,031	501,473	52,083,782
Territorial ..	1,578,088	279,205	1,232,463	152,809	338,759	51,720	3,633,044
Commonwealth pay- ments ..	2,917,411	2,127,159	1,096,235	1,873,816	677,432	651,659	9,304,912
Interest ..	587,303	1,908,322	1,062,181	918,879	(e)	447,739	4,923,424
Miscellaneous ..	1,063,885	961,416	754,611	62,960	1,658,149	20,236	4,521,725
Total ..	40,920,872	25,575,504	15,072,652	10,725,811	8,686,756	2,609,290	103,590,885
PER HEAD OF POPULATION.(h)							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Taxation (c) ..	4 10 0	4 10 0	4 10 0	5 14 9	2 14 0	4 18 3	4 10 2
Business Under- takings ..	9 8 3	6 16 8	7 0 2	7 10 5	11 7 9	2 6 0	8 1 3
Territorial ..	0 12 8	0 3 1	1 6 0	0 5 3	0 16 2	0 4 9	0 11 3
Commonwealth pay- ments ..	1 3 4	1 3 9	1 3 1	3 4 5	1 16 10	2 7 5	1 8 10
Interest ..	0 4 9	1 1 4	1 2 5	1 11 7	(e)	2 1 1	0 15 3
Miscellaneous ..	0 8 6	0 10 9	0 15 11	0 2 2	3 18 11	0 1 10	0 14 0
Total ..	16 7 6	14 5 7	15 17 7	18 8 7	20 13 8	11 19 2	16 0 9

(a) Includes certain moneys not paid into Consolidated Revenue Fund. See note (a) to table immediately preceding. (b) Including special grant. (c) In some States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (d) Excludes £800,000 paid to Railways Commissioners from Consolidated Revenue in respect of losses on country developmental railways. (e) Included with Miscellaneous. (f) Excludes Western Australia. (g) Excludes Motor Tax. (h) Based on mean population of the financial year.

In connexion with the item Business Undertakings, it should be borne in mind that services performed by the Government in one State may, in another, be carried out by a Board or Trust. For instance, in New South Wales and Western Australia the tramway systems are controlled by the Government, while in the other States ownership is largely vested in Trusts or private companies. Harbour and river services and water supply and sewerage are also controlled in some cases by the State and in others by Trusts.

The magnitude of the revenue per head from Business Undertakings in the case of Western Australia is mainly due to the fact that the number of miles of railway in that State is large compared with the population, while the revenue earning power of the railways is high. In New South Wales and Western Australia the revenue from tramways is also included.

Prior to Federation, duties of Customs and Excise constituted the principal source of revenue from taxation. At present, the most productive State tax is the income tax, imposed in all the States, and representing for 1930-31, 39 per cent. of the total taxation revenue. For 1930-31, unemployment relief tax (17 per cent.) occupied second place. In addition to these, a State land tax and licence fees of various kinds are collected in all the States, while a dividend tax is levied in Western Australia and a family endowment tax is imposed in New South Wales.

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 five years ended 1930-31 are given in the following table :—

STATE REVENUE FROM TAXATION.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1926-27	12,698,642	6,440,192	4,759,829	2,885,753	1,485,536	1,229,823	29,499,775
1927-28	13,217,001	7,213,597	5,362,964	3,736,223	1,587,920	1,134,528	32,252,143
1928-29	13,604,187	7,192,115	5,128,170	3,767,994	1,721,833	1,111,533	32,525,832
1929-30	15,148,398	7,426,295	4,795,240	3,487,815	1,846,333	1,119,722	33,823,803
1930-31	16,650,630	8,104,229	5,468,777	3,399,942	1,524,846	1,071,263	36,219,687

PER HEAD OF POPULATION.(a)

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1926-27	5 8 3	3 15 3	5 7 8	5 2 0	3 18 4	5 16 11	4 16 9
1927-28	5 10 2	4 2 10	5 19 1	6 10 0	4 1 0	5 7 8	5 3 9
1928-29	5 11 3	4 1 9	5 11 10	6 10 2	4 4 10	5 4 6	5 2 11
1929-30	6 2 4	4 3 7	5 2 10	6 0 3	4 8 9	5 4 2	5 5 9
1930-31	6 13 3	4 10 6	5 15 3	5 16 10	3 12 7	4 18 3	5 12 2

(a) Based on mean population of each financial year.

During the period between 30th June, 1927, and 30th June, 1931, State revenue from taxation increased by about 23 per cent., the increase varying considerably in the different States and in the different sources of taxation.

Taking the States as a whole, taxation increased by 15s. 5d. per head during the same period, the most marked increase, £1 5s. od., occurring in the case of New South Wales, due to the introduction of the Family Endowment Tax in 1927-28, and Unemployment Relief Tax in 1930-31. Increases were recorded in all States except Western Australia and Tasmania, where the decreases per head of population represented 5s. 9d. and 18s. 8d. respectively.

(b) *Probate and Succession Duties.* Probate duties have been levied for many years in all the States, but the provisions of the Acts governing the payment of duty differ widely both in regard to the ordinary rates and those which apply to special beneficiaries. A table showing the values of the estates in which probates and letters of administration were granted is given later. (See Chapter IX., Private Finance, Section F.)

The duties collected for the last five financial years are as follows :—

STATE PROBATE AND SUCCESSION DUTIES.—COLLECTIONS.

State.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
New South Wales	1,223,979	1,596,804	1,816,927	1,860,052	1,496,641
Victoria	1,111,876	1,117,164	1,079,840	1,133,422	1,131,603
Queensland	402,173	556,456	524,135	491,892	528,129
South Australia	242,187	327,940	329,924	395,082	254,264
Western Australia	66,366	81,452	82,469	75,707	72,093
Tasmania	151,200	99,640	74,812	65,991	78,275
Total	3,197,781	3,779,456	3,908,107	4,022,146	3,561,005

(c) *Other Stamp Duties.* The revenue derived from stamp duties (exclusive of probate and succession duties and stamp duties on betting tickets) for the past five years is shown in the accompanying table :—

STATE STAMP DUTIES.—COLLECTIONS.

State.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
New South Wales	1,626,318	1,552,117	1,586,776	1,362,147	931,308
Victoria	1,061,219	1,005,957	1,017,908	985,088	704,958
Queensland	558,063	558,970	575,809	555,391	442,149
South Australia	420,932	445,517	469,861	379,546	285,915
Western Australia	246,089	263,871	291,400	255,725	170,949
Tasmania	62,700	62,267	62,623	64,929	114,401
Total	3,975,321	3,888,699	4,004,377	3,602,826	2,649,680

(d) *Land Tax.* All the States impose a land tax, although Queensland, the last State to fall into line, collected its first levy in 1915-16. In the other States the impost is of long standing. In New South Wales the State land tax is levied on the unincorporated portion of the western division of the State only.

The following table shows the amount collected by means of such taxes during the financial years 1926-27 to 1930-31 :—

STATE LAND TAX.—COLLECTIONS.

State.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
New South Wales	2,870	2,744	2,870	2,588	2,486
Victoria	517,229	560,013	560,765	531,426	506,025
Queensland	481,937	531,940	569,551	556,532	503,656
South Australia	367,318	458,222	452,994	440,265	486,505
Western Australia	147,415	162,906	196,301	219,066	168,579
Tasmania	114,322	97,494	99,384	99,453	97,963
Total	1,631,091	1,813,319	1,881,865	1,849,330	1,765,214

(e) *Income Tax.* A tax on the incomes of persons, whether derived from personal exertion or from property, is also imposed in all the States. As might be expected, the rates, exemptions, etc., are widely divergent, but the general principles of the several Acts are similar. The Dividend Duties Act of Western Australia supplied to a certain extent the place of an income tax in that State in former years, but, with the increasing demands upon the Treasury, the levying of a direct income tax was found necessary.

The following table shows the total amount collected in the several States during the years 1926-27 to 1930-31. In the case of Western Australia the amount of dividend duty collected is included. The tax levied on prizes in lotteries although coming within the Income Tax class has been excluded from the amounts given below.

STATE INCOME AND DIVIDEND TAXES.—COLLECTIONS.

State.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
New South Wales ..	7,739,627	6,382,467	7,343,049	7,084,465	6,183,481
Victoria ..	2,382,991	3,035,014	2,881,917	2,981,050	2,659,585
Queensland ..	2,784,967	3,041,302	2,714,764	2,405,810	2,522,300
South Australia ..	1,359,437	1,803,829	1,735,922	1,507,375	1,802,176
Western Australia ..	619,140	648,537	644,836	751,116	562,695
Tasmania ..	303,112	280,377	309,165	322,098	302,925
Total ..	15,189,274	15,191,526	15,629,653	15,051,914	14,033,162

(f) *Unemployment Relief Tax.* During 1930-31 a special unemployment relief tax was levied in New South Wales, Victoria and Queensland. In South Australia portion of the moneys for expenditure on unemployment relief was raised by an increment in the rate of income tax. In Western Australia and Tasmania no special tax for this purpose was raised. Further references to this matter are included in Chapter XXVI., Labour, Wages and Prices.

(g) *Motor Taxation.* Motor taxation comprises tax and registration fees on motor vehicles; licences of motor dealers, motor drivers and motor cycle riders, and public vehicles except when controlled by local government authorities. The following table shows the collections for the past five years:—

MOTOR TAXATION.—COLLECTIONS.

State.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
New South Wales ..	1,247,915	1,478,986	1,710,453	1,807,376	1,669,969
Victoria ..	833,159	957,945	1,103,718	1,196,831	1,118,170
Queensland ..	275,362	403,956	477,310	523,881	519,108
South Australia ..	a 368,698	a 539,481	a 623,587	a 620,627	461,955
Western Australia ..	221,107	215,567	265,059	314,300	286,140
Tasmania ..	58,729	68,916	80,296	89,791	95,370
Total ..	3,004,970	3,664,851	4,260,423	4,552,806	4,150,712

(a) Includes motor spirit tax.

In all the States except South Australia and Tasmania, the proceeds of Motor Tax and Motor Registration Fees, which latter are included herein, are now paid into a special roads fund and the amounts do not appear in the Consolidated Revenue Fund. In New South Wales a proportion of the collections is however retained and paid to Consolidated Revenue as an offset against administrative charges.

(iii) *Business Undertakings*—(a) 1930-31. A very large proportion of State revenues is made up of receipts from public works and services under the control of the Governments. The principal of these are railways and tramways, harbour works, and water supply and sewerage, while, in addition, State batteries for the treatment of auriferous ores exist in Western Australia, and various minor revenue-producing services are rendered by the Governments of all States. For the year 1930-31 the revenue from these sources was £52,033,782, or 50 per cent. of the revenue from all sources. Details of revenue are as follows:—

STATE REVENUE FROM BUSINESS UNDERTAKINGS, 1930-31.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Railways and tramways	c 18,264,212	a 9,816,353	a 6,426,965	a 2,604,455	3,425,220	a 406,212	40,943,417
Harbour services ..	c 840,078	53,307	75,314	478,087	296,121	..	1,742,907
Water supply and sewerage ..	d 3,020,159	b 579,616	..	819,259	589,521	..	5,008,555
Other ..	1,400,865	1,793,511	152,317	475,780	471,169	e 95,261	4,388,903
Total ..	23,525,314	12,242,787	6,654,596	4,377,581	4,782,031	501,473	52,083,782

(a) Railways only. (b) Water supply only. (c) Not paid into Consolidated Revenue. See C. § 1 (2). (d) Portion only of this amount is paid to Consolidated Revenue Fund. (e) Excludes electricity supply.

As mentioned in the footnote to the table on page 317 the particulars shown above for New South Wales railways and tramways do not include a sum of £800,000, recouped to Railways Commissioners from Consolidated Revenue in respect of losses on operating country developmental railways.

(b) 1926-27 to 1930-31. Particulars of the revenue from Business Undertakings for the past five years are given below.

STATE REVENUE FROM BUSINESS UNDERTAKINGS.(a)

Particulars.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.
	£	£	£	£	£
Railways and Tramways ..	52,208,705	52,778,799	52,764,377	48,606,108	40,943,417
Harbour Services ..	2,667,353	2,639,429	2,277,611	2,120,023	1,742,907
Water Supply and Sewerage	4,223,036	4,079,036	5,188,584	5,185,780	5,008,555
Other	4,505,898	5,172,386	5,493,876	4,868,376	4,388,903
Total	63,604,992	64,669,650	65,724,448	60,780,287	52,083,782

(a) See notes to previous table.

During the quinquennium the total revenue from Business Undertakings decreased by 18.1 per cent., Railways and Tramways showing a decrease of 21.6 per cent. and Harbour Services 34.6 per cent. Revenue from Water Supply and Sewerage Services increased by 18.6 per cent.

(iv) *Territorial.* 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. Where the rentals received are for lands held for pastoral or residential purposes such application of the revenue would appear justifiable. On the other hand, where the rentals are for mineral and timber lands, and in all cases of sales of lands, the proceeding is essentially a disposal of capital to defray current expenses, and is, therefore, open to criticism. The following table gives the revenue from sales and rentals of Crown lands for the year 1930-31 :—

STATE TERRITORIAL REVENUE, 1930-31.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Sales ..	44,193	19,374	..	17,896	107,046	14,035	202,544
Rentals ..	1,490,684	194,545	1,139,513	134,913	145,952	27,303	3,132,910
Forestry ..	43,211	65,286	92,950	..	85,761	10,382	297,590
Total	1,578,088	279,205	1,232,463	152,809	338,759	51,720	3,633,044

(v) *Commonwealth Payments.* The payments to the States (inclusive of special grants but excluding the contributions in respect of sinking fund on States' Debts and Federal Aid Roads grants) represent in each instance a considerable proportion of the States' revenue, and for the year 1930-31 aggregated £9,304,912, or 9 per cent. of the total revenue of the States.

(vi) *Miscellaneous.* In addition to the foregoing, there are in each State several miscellaneous sources of revenue, including such items as interest, fines, fees, etc., which for the year 1930-31 aggregated £9,445,671. Of this amount, interest was responsible for £4,924,424.

Division II.—Expenditure.

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

- (a) Interest and sinking funds in connexion with public debt ;
- (b) Working expenses of railways and tramways ;
- (c) Justice ;
- (d) Police ;
- (e) Penal establishments ;
- (f) Education ;
- (g) Medical and charitable expenditure ;
- and (h) All other expenditure.

Generally, the working expenses of Railways and Tramways were the most important item in Governmental expenditure. For four years prior to 1930-31 expenditure on these services represented about 35 per cent. of the total. In 1930-31 the decreased revenue necessitated considerable curtailment of services, which, together with staff reductions and other economies, reduced the expenditure as compared with the previous year by £7,476,395 to £34.3 millions or 29 per cent. of the total expenditure. For 1930-31 Public Debt charges represented 35 per cent. of the total expenditure; next in importance was Education, 9 per cent ; Law and Order, 5 per cent ; Charitable, 5 per cent ; and Public Health and Hospitals, 3 per cent.

2. Total Expenditure.—The total expenditure from Consolidated Revenue Funds in the several States, and the expenditure per head of population during each of the past five years are given in the table hereunder —

STATE EXPENDITURE.—CONSOLIDATED REVENUE FUNDS.

Year.	N.S.W. (a)	Victoria. (a)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1926-27	45,481,416	27,744,903	16,490,954	11,834,947	9,722,588	2,855,077	114,129,885
1927-28	48,857,763	27,521,270	16,707,564	11,621,834	9,834,415	2,867,605	117,410,451
1928-29	50,470,660	28,104,947	16,902,145	11,771,772	10,223,919	2,855,977	120,329,420
1929-30	52,167,117	28,496,712	16,721,055	12,176,840	10,268,519	2,981,992	122,812,235
1930-31	48,916,654	28,029,702	15,914,696	12,539,668	10,107,295	2,854,394	118,362,409
PER HEAD OF POPULATION.(b)							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1926-27	.. 19 7 8	16 4 2	18 13 0	20 18 5	25 12 8	13 11 5	18 14 4
1927-28	.. 20 7 3	15 16 2	18 11 1	20 4 4	25 1 7	13 12 1	18 17 7
1928-29	.. 20 12 8	15 19 4	18 8 6	20 6 9	25 4 0	13 8 7	19 0 9
1929-30	.. 21 1 4	16 0 8	17 18 8	21 0 0	24 13 10	13 17 4	19 3 11
1930-31	.. 19 11 6	15 13 0	16 15 4	21 10 11	24 1 4	13 1 8	18 6 6

(a) Includes expenditure of certain moneys not paid into Consolidated Revenue, such as receipts from Railways, Tramways, Sydney Harbour Trust, certain Water Supply and Sewerage Services, and motor taxation in New South Wales and motor tax in Victoria. (b) Based on mean population of each financial year.

Details of the expenditure for the year 1930-31 are given in the next table.

3. Details of Expenditure for 1930-31.—The following table shows the total expenditure and expenditure per head under each of the principal items:—

STATE EXPENDITURE.—DETAILS, 1930-31.

Particulars.	N.S.W. (c)	Victoria. (c)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
Public debt (interest, sinking fund, etc.)	£ 115,660,323	£ 9,076,379	£ 6,162,054	£ 5,582,886	£ 3,961,593	£ 1,254,894	£ 41,698,129
Railways and Tramways (working expenses) ..	116,005,871	47,349,989	65,004,605	62,712,098	2,765,710	6465,184	34,303,457
Water Supply and Sewerage (f) ..	993,900	249,038	114,946	337,828	279,457	..	1,820,169
Justice ..	581,968	252,293	165,469	67,906	93,840	34,749	1,196,225
Police ..	1,811,469	850,372	550,473	323,541	237,996	93,732	3,867,583
Penal establishments	355,783	112,451	33,649	48,507	31,468	12,341	594,199
Education ..	4,573,027	2,821,612	1,592,015	967,361	711,977	307,930	10,973,922
Medical and charitable	2,957,223	2,578,524	1,087,190	1,252,269	813,909	228,717	8,917,832
All other expenditure	6,032,090	4,739,044	1,304,295	1,247,272	1,211,345	456,847	14,990,893
Total ..	48,916,654	28,029,702	15,914,696	12,539,668	10,107,295	2,854,394	118,362,409

PER HEAD OF POPULATION.(h)

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Public debt (interest, sinking fund, etc.)	6 5 4	5 1 4	6 9 10	9 11 10	9 8 8	5 15 0	6 9 1
Railways and Tramways (working expenses) ..	6 8 1	4 2 1	5 5 5	4 13 3	6 11 8	2 2 8	5 6 3
Water Supply and Sewerage ..	0 7 6	0 2 10	0 0 4	0 11 7	0 13 4	..	0 5 8
Justice ..	0 4 8	0 2 10	0 3 6	0 2 4	0 4 5	0 3 2	0 3 8
Police ..	0 14 6	0 9 6	0 11 7	0 11 1	0 11 4	0 8 7	0 12 0
Penal establishments	0 2 10	0 1 3	0 0 8	0 1 8	0 1 6	0 1 2	0 1 10
Education ..	1 16 7	1 11 6	1 13 6	1 13 3	1 13 11	1 8 3	1 14 0
Medical and charitable	1 3 8	1 8 9	1 2 11	2 3 0	1 18 9	1 1 0	1 7 7
All other expenditure	2 8 4	2 12 11	1 7 7	2 2 11	2 17 9	2 1 10	2 6 5
Total ..	19 11 6	15 13 0	16 15 4	21 10 11	24 1 4	13 1 8	18 6 6

(a) Including 9.79 miles of electric tramways operated by the Victorian Railways. (b) Railways only. (c) Includes expenditure of certain moneys not paid into Consolidated Revenue, see note (a) to previous table. (d) Excludes £800,000 paid from Consolidated Revenue Fund on account of losses on country developmental railways. (e) Water Supply and Irrigation Commission only. (f) Includes Water Conservation and Irrigation—New South Wales, £118,089 and South Australia, £85,902. (g) Portion only from Consolidated Revenue Fund. (h) Based on mean population of the financial year. (i) Excluding interest paid by Commonwealth on behalf of New South Wales which will be included in New South Wales expenditure for 1931-32.

Division III.—Surplus Revenue.

The following table shows for each of the years 1926-27 to 1930-31 the amount and amount per head of the surplus or deficit of each State.

STATE SURPLUS REVENUE.

Year.	N.S.W.(a)	Victoria.(a)	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
	£	£	£	£	£	£	£
1926-27 ..	1,579,337	-6,161,203	-343,167	-1,050,050	28,245	185,143	-216,695
1927-28 ..	-860,391	-103,353	10,506	-274,931	-26,466	95,082	-1,219,553
1928-29 ..	-23,560	51,087	-176,463	-930,858	-275,968	-89,543	-1,445,305
1929-30 ..	-5,262,228	-1,172,870	-723,185	-1,625,824	-518,004	-25,720	-9,327,831
1930-31 ..	b-7,995,782	-2,454,198	-842,044	-1,813,857	-1,420,539	-245,104	-14,771,524

STATE SURPLUS REVENUE—*continued.*

PER HEAD OF POPULATION.(c)

Year.	N.S.W.(a)		Victoria.(a)		Q'land.		S. Aust.		W. Aust.		Tasmania.		All States.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
1926-27 ..	0	13 6	-0	7 2	-0	7 9	-1	17 1	0	1 6	0	17 7	-0	0 8
1927-28 ..	-0	7 2	-0	1 11	0	0 2	-0	9 7	-0	1 5	0	9 0	-0	3 11
1928-29 ..	-0	0 2	0	0 7	-0	3 10	-1	12 2	-0	13 8	-0	8 5	-0	4 7
1929-30 ..	-2	2 6	-0	13 3	-0	15 6	-2	16 1	-1	4 11	-0	2 5	-1	9 2
1930-31 ..	-3	4 0	-1	7 5	-0	17 9	-3	2 4	-3	7 8	-1	2 6	-2	5 9

NOTE.—Minus sign (-) indicates deficit.

(a) After allowing for payments into and expenditure from certain special funds. (b) Excludes £1,672,222 Interest, etc., paid by Commonwealth Government on behalf of New South Wales and which will be included in New South Wales expenditure for 1931-32. (c) Based on mean population of each financial year.

§ 3. State Trust Funds.

1. *Nature.*—In addition to the moneys received as revenue and paid to the credit of their respective Consolidated Revenue Funds, considerable sums are held by the State Governments in trust for various purposes. Municipal sinking funds placed in the hands of the Governments are paid to the credit of the appropriate Trust Fund. In all the States except New South Wales where the practice is confined to those companies transacting workers' compensation insurance, life assurance companies operating are required to deposit a substantial sum in cash or approved securities with the Government, and these deposits help to swell the trust funds. Various other deposit accounts, superannuation funds, suspense accounts, etc., also find a place. The trust funds have at various times enabled the several State Treasurers to tide over awkward financial positions, but the propriety of allowing deficits to be liquidated in this manner is open to question.

2. *Extent.*—The amount of trust funds held on the 30th June, 1931, was as follows:—

STATE TRUST FUNDS, 30th JUNE, 1931.

Particulars.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tas.	All States.
	£	£	£	£	£	£	£
Amount of trust funds	23,698,304	5,472,501	1,581,780	1,581,610	14,166,282	634,362	47,134,839

§ 4. State Loan Funds.

Division I.—Loan Expenditure.

1. *General.*—So far back as the year 1842, revenue collections were supplemented with borrowed moneys, the earliest loan being 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 4¼ 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, but loan moneys have largely been used for improvements to harbours and rivers, and the construction of 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 purposes of defence, or in the prosecution of war. 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.

2. Loan Expenditure, 1930-31.—For the year ended 30th June, 1931, State net expenditure from loan funds (inclusive of revenue deficits charged to loan and Treasury Bills retired) was £15,490,611. Details for the year for each State are given in the following table:—

STATE NET LOAN EXPENDITURE, 1930-31.

Heads of Expenditure.	N.S.W. (a)	Victoria.	Q'land. (c)	S. Aust.	W. Aust.	Tasmania. (b)	Total.
	£	£	£	£	£	£	£
Railways	2,312,557	455,293	434,350	Cr. 55,467	454,395	44,725	3,595,256
Tramways	Cr. 5,810	..	..	Cr. 54,337	9,550		
Water Supply	360,174	766,902	Cr. 12,311 (d)	6,091	197,238	..	2,050,981
Sewerage	240,453							23,057	70,071	42,102
Water Conservation, &c.	321,119	..	..	36,085	(f)	..	..
Harbours, Rivers, and Lighthouses	143,274	..	Cr. 1,384	8,063	133,706	..	283,659
Roads and Bridges ..	1,592,919	216,784	44,469	Cr. 16,446	..	85,616	1,923,342
Public Buildings (other than State Schools)	131,470	29,042	83,257	40,897	..	10,391	295,057
State Schools	118,221	59,519	..	5,545	..	1,903	176,188
Immigration	1,484	..	..	..	1,063	..	2,547
Development of Mines and Mineral Re- sources .. ..	..	..	Cr. 3,568	..	29,077	..	25,509
Agricultural Bank ..	..	..	Cr. 29,741	..	298,734	..	268,993
Advances to Settlers	596,411	314,364	Cr. 40,596	521,136	536,684	7,534	2,473,827
Land Purchased for Settlement	59,688	494,212						Cr. 15,606
Soldier Settlement ..	..	214,967	Cr. 23,547	Cr. 44,544	39,369	Cr. 51,137	135,108
Loans to Local Bodies	..	..	327,754	Cr. 12,582	3,619	Cr. 12,523	306,268
Rabbit-proof Fencing	Cr. 768	21,877	Cr. 17,686	Cr. 3,528	..	..	Cr. 105
Electricity Supply ..	39,814	959,898	..	..	11,289	87,353	1,098,354
Other Public Works and Purposes	40,482	28,909	Cr. 56,737	Cr. 20,837	2,437	35,275	29,529
Total	5,951,488	3,552,767	(c) 727,317	464,541	1,759,263	(b) 209,137	12,664,513
Revenue Deficit .. ..	..	..	..	2,826,098	..	..	2,826,098
Grand Total	5,951,488	3,552,767	(c) 727,317	3,290,639	1,759,263	(b) 209,137	15,490,611

(a) Expenditure charged to Loan Fund. (b) Excludes £616,352 Soldier Settlement and other losses funded. (c) In addition, £1,074,945 was charged to loan to cover debit balances on certain industrial undertakings, expenditure on which was made from Trust Funds in previous years, and £100,000, portion of repayments, was transferred to Consolidated Revenue and applied to Sinking Fund Contributions. (d) Includes Loans to Local Bodies for Water Supply and Sewerage. (e) Loans to Local Bodies for Tramways. (f) Included with Water Supply.

3. Loan Expenditure, 1926-27 to 1930-31.—The following table gives the loan expenditure during each of the years 1926-27 to 1930-31:—

STATE NET LOAN EXPENDITURE.

Year.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
	£	£	£	£	£	£	£
1926-27	10,422,270	8,781,353	3,598,957	6,074,387	4,113,054	329,698	33,319,719
1927-28	14,407,619	9,016,208	3,198,506	3,882,268	4,680,260	377,777	35,562,638
1928-29	14,249,082	7,225,704	2,141,653	3,536,422	4,372,269	348,818	31,873,948
1929-30	10,878,627	6,467,067	1,295,866	2,493,287	3,693,052	146,853	24,974,752
1930-31	5,951,488	3,552,767	727,317	464,541	1,759,263	209,137	12,664,513

PER HEAD OF POPULATION.

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1926-27	4 8 10	5 4 9	4 1 5	10 14 9	10 16 11	1 11 4	5 9 11
1927-28	6 0 0	4 17 5	3 11 0	6 15 1	11 18 3	1 15 10	5 12 8
1928-29	5 16 6	4 1 0	2 6 8	6 2 2	10 15 6	1 12 10	5 0 5
1929-30	4 7 10	3 7 11	1 7 10	4 6 0	8 17 7	0 13 8	3 16 9
1930-31	2 7 8	2 5 2	0 15 4	0 16 0	4 3 9	0 19 2	2 0 9

STATE PUBLIC DEBTS.

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The loan expenditure per head of population varies in the different States and in different years, reaching its highest point for the five years under review in Western Australia in 1927-28 with £11 18s. 3d. per head, and its lowest in Tasmania in 1930-31 with 13s. 8d. per head.

4. Total Loan Expenditure to 30th June, 1931.—The total loan expenditure inclusive of revenue deficits, etc. of the States from the initiation of borrowing to the 30th June, 1931, amounted to £785,037,195. The purposes for which this sum was expended are shown in the following table:—

TOTAL STATE LOAN EXPENDITURE TO 30th JUNE, 1931.

Heads of Expenditure.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Total.
	£	£	£	£	£	£	£
Railways	137,359,159	73,765,858	61,630,689	32,169,667	23,723,485	7,044,239	352,585,361
Tramways	12,286,299	..	..	63,515,303	1,090,662	..	..
Telegraphs and Tele- phones	1,762,095	..	524,387	991,772	332,293	142,410	3,752,957
Water Supply	23,344,236	..	5,013,736	12,798,959	7,566,313	..	..
Sewerage	13,609,049	27,605,180	..	2,490,645	1,987,192	..	118,316,265
Water Conservation ..	14,017,167	..	2,208,358	7,075,430	..	..	..
Harbours, Rivers, and Lighthouses	22,421,928	1,327,364	2,416,524	7,609,247	5,796,815	6,770,708	80,355,648
Roads and Bridges ..	14,932,682	11,628,803	2,289,773	3,186,007	1,975,797	..	..
Defence	1,457,536	149,323	..	291,615	..	128,224	2,026,698
Public Buildings (ex- cluding State Schools)	..	1,070,736	3,361,485	1,331,954	1,565,337	1,141,889	28,097,894
State Schools	12,166,590	5,056,642	..	1,747,101	..	656,100	28,097,894
Immigration	764,309	20,000	2,763,071	..	503,062	235,714	4,286,156
Development of Mines and Mineral Resources	..	520,421	1,876,712	..	2,491,058	..	4,888,191
Agricultural Bank ..	..	..	2,427,538	..	4,883,023	..	7,310,566
Advances to Settlers ..	1,935,933	2,459,872	..	2,442,506	..	739,667	..
Land Purchased for Settlement	8,707,755	11,685,227	2,258,841	1,679,025	14,504,580	..	46,413,406
Soldier Settlement ..	..	26,889,957	1,799,245	8,710,138	7,954,302	2,640,605	47,994,247
Loans to Local Bodies ..	..	1,129,414	6,261,937	342,136	98,013	1,224,701	9,056,201
Rabbit-proof Fencing ..	383,323	669,714	333,733	253,804	328,703	..	1,960,277
Electricity Supply ..	1,174,822	17,252,890	..	..	1,182,181	3,893,756	23,503,649
Other Public Works and Purposes	49,162,521	2,556,930	9,951,985	10,305,385	3,450,291	1,581,478	37,008,590
Total	275,485,404	183,779,331	105,118,014	97,540,754	79,433,112	26,199,491	767,556,106
Treasury Bills Retired	..	..	..	..	..	..	..
Revenue Deficits .. ..	..	3,875,682	4,185,338	3,863,089	..	496,272	12,420,381
Deficits on Loans .. ..	..	..	5,060,708	..	..	..	5,060,708
Grand Total	275,485,404	187,655,013	114,364,060	101,403,843	79,433,112	26,695,763	785,037,195

(a) Includes Industrial Undertakings, Grain Elevators, &c.

(b) Loans to Local Bodies for Tramways.

(c) Includes advances to Closer Settlement Account, £1,256,300.

The figures in the table show the amounts actually spent, and differ from those given later in the statements relating to the public debt, which represent the amount of loans still unpaid. The statement above includes all expenditure, whether the loans have been repaid or are still in existence. In the public debt statement, however, loans repaid are not included, and in the case of loans still outstanding, each is shown according to the amount repayable at maturity, and not according to the amount originally available for expenditure.

Division II.—State Public Debts.

1. General.—The first government loan raised in Australia was obtained by New South Wales in 1842. This and nine other loans prior to 1855 were all procured locally. In the last-mentioned year, Australia approached the London market, the occasion being the placing of the first instalment of the New South Wales 5 per cent. loan for £683,300. Victoria first appeared as a borrower in 1854, and made its first appearance on the London market in 1859. In the other States the first public loans were raised in the following years:—Queensland 1861, South Australia 1856, Western Australia 1845, and Tasmania 1867.

2. *State Debts, 1927 to 1931.*—The table hereunder shows the State public debts and the amounts owing per head of population at the 30th June in each year from 1927 to 1931 inclusive. The totals include sums advanced by the Commonwealth to the States for settling returned soldiers on the land, and for this reason they differ in some cases from those given in previous issues. On the transfer of the Queensland State Savings Bank business to the Commonwealth Bank in 1920, Queensland Government securities were handed to the latter for the Savings Bank current account credit balance and for amounts owing on account of Advances to Settlers and Workers' Dwellings. This transaction added a total of £5,936,916 to the Public Debt without involving any additional borrowing. Repayments reduced this amount at 30th June, 1931, to £3,000,139.

As provided in the *Financial Agreement Act 1928* (particulars of which are given in Chapter I., pages 20 to 32), the Commonwealth Government on 1st July, 1929, assumed, as between Commonwealth and States, the liabilities of the States to bondholders in respect of the debts of the States existing at 1st July, 1929, and taken over by the Commonwealth. Reference is made in Chap. XIV. of this volume to certain remissions which the Commonwealth Government has agreed to make to the States on account of losses sustained by the States in connexion with soldier land settlement. These remissions will, when legally ratified, reduce the States' debts at 30th June, 1926, by £5,000,000, and from 30th June, 1927, and onwards, by £7,597,783.

STATE PUBLIC DEBTS.

Date.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	All States.
TOTAL.							
30th June, 1927	£ 240,725,935	£ 146,353,163	£ 105,711,107	£ 88,112,110	£ 71,455,083	£ 24,512,321	£ 676,869,719
" 1928	258,474,898	157,283,470	112,138,970	92,223,165	77,071,749	24,826,560	722,018,812
" 1929	269,975,883	155,989,652	113,355,041	94,256,162	70,132,660	22,697,092	726,406,490
" 1930	270,630,848	155,719,888	112,623,979	93,986,118	71,990,141	22,688,862	727,639,836
" 1931	287,831,556	165,958,684	112,706,189	100,094,447	77,360,885	23,365,812	767,317,573

PER HEAD OF POPULATION.(a)

	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
30th June, 1927	101 10 11	84 15 5	118 3 9	154 6 9	185 11 6	117 14 11	109 19 2
" 1928	106 13 6	89 18 1	122 19 11	159 12 5	192 16 6	117 19 2	115 2 4
" 1929	109 12 9	88 5 1	122 5 5	162 13 6	170 6 9	106 16 1	114 4 0
" 1930	108 17 11	87 6 7	119 10 6	161 17 5	171 19 3	105 5 4	113 4 11
" 1931	114 16 2	92 6 7	117 9 1	171 10 4	183 18 5	106 12 7	118 5 7

(a) Based on population at 30th June in each year.

The greatest increase in indebtedness was experienced in New South Wales, which added £47,105,621 during the period under review. The public debt of the whole of the States increased during the same period by £90,447,854, or at the rate of over £22,600,000 per annum. The debt per head of population rose during the quinquennium from about £110 to £118 5s. 7d. per head—an increase of slightly over 7½ per cent. The greatest advance was shown by South Australia, where the rate per head rose by over £17, followed by New South Wales with an increase of over £13, and Victoria with over £7. Queensland and Western Australia showed slight decreases, while the greatest decrease occurred in Tasmania, with a fall of over £11 per head during the period.

3. *Place of Flotation of Loans.*—As pointed out previously, the yearly loans, usually for comparatively small amounts, were raised locally, but, with the increasing demand for loan funds and the more favourable terms offering in the London market, the practice of raising loans in London came into vogue, and for many years local flotations, except for short terms or small amounts, were comparatively infrequent. In more recent years, however, the accumulating stocks of money in Australia seeking investment have led to the placing of various redemption and other loans locally, with very satisfactory results. Moreover, certain loans have been placed in New York on

account of all States. The following table gives particulars of loans outstanding on the 30th June, 1931, which had been floated abroad and in Australia respectively:—

STATE PUBLIC DEBTS, 30th JUNE, 1931.—PLACE OF FLOTATION OF LOANS.

State	Floated Abroad.			Floated in Australia.	Grand Total.
	London.	New York.	Total.		
	£	£	£	£	£
New South Wales	164,361,244	13,825,624	178,186,868	109,644,688	287,831,556
Victoria ..	63,260,573	4,658,461	67,919,034	98,039,650	165,958,684
Queensland ..	63,329,246	7,825,460	71,154,706	41,551,483	112,706,189
South Australia ..	43,378,386	1,789,767	45,168,153	54,926,294	100,094,447
Western Australia	46,143,092	2,100,051	48,243,143	29,117,742	77,360,885
Tasmania ..	13,633,275	236,309	13,869,584	9,496,228	23,365,812
Total ..	394,105,816	30,435,672	424,541,488	342,776,085	767,317,573

Particulars of the aggregate debts of the States maturing overseas and in Australia for the past five years will be found on page 334.

4. Rates of Interest.—(i) At 30th June, 1931. As mentioned previously, the highest rate of interest paid for the earliest State loans was 5¼d. per £100 per diem, or, approximately, 8 per cent. per annum. At present the rates vary from 7 per cent. to 3 per cent., eighteen separate rates being involved. The average rate payable on the aggregate indebtedness is £4 18s. 4d. per cent. For the separate States the average varies considerably, being lowest in the case of Tasmania and highest in that of South Australia, the difference between these two average rates being about one quarter of one per cent. The table hereunder gives particulars of the rates of interest payable at the 30th June, 1931:—

STATE PUBLIC DEBTS.—RATES OF INTEREST PAYABLE AT 30th JUNE, 1931.

Rate of Interest.	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Total.
	£	£	£	£	£	£	£
7 .. .. .	.. .. .	.. .. .	2,334,532	.. .. .	.. .. .	.. .. .	2,334,532
6½	6,430,500	.. .. .	2,900,820	2,990,500	250,000	2,349,567	14,921,387
6 .. .. .	.. .. .	.. .. .	386,000	.. .. .	.. .. .	.. .. .	386,000
6	38,596,505	19,919,533	6,687,188	20,251,369	13,763,767	2,513,520	101,731,882
5½	19,480,108	4,081,145	79,695	382,970	1,090,873	36,470	25,151,261
5 .. .. .	.. .. .	175,000	.. .. .	.. .. .	.. .. .	.. .. .	175,000
5	23,954,668	11,672,391	6,207,600	4,517,891	997,709	351,500	47,701,759
5 .. .. .	.. .. .	197,000	.. .. .	.. .. .	.. .. .	.. .. .	197,000
5	54,018,183	25,753,080	10,104,330	22,465,094	4,507,496	3,140,826	119,989,009
5	67,913,831	70,853,854	45,945,130	27,728,334	28,962,062	5,153,069	246,556,280
4½ .. .. .	.. .. .	6,180,730	.. .. .	500,000	.. .. .	.. .. .	6,680,730
4½	14,983,822	906,734	7,660,490	78,050	4,902,145	223,853	28,755,094
4½ .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	140,750	140,750
4	23,668,690	5,126,005	12,460,065	6,332,583	9,173,401	4,047,579	60,808,323
3½	1,911,650	220,000	2,019,900	1,632,102	888,608	.. .. .	6,672,260
3½	18,336,380	10,980,463	10,431,056	6,478,727	9,262,586	4,467,678	59,956,890
£3 2s. od. ..	1,928,054	1,432,212	.. .. .	734,756	729,734	.. .. .	4,824,756
3	16,596,415	8,460,537	5,489,383	6,001,771	2,832,504	941,000	40,321,610
Overdue	12,750	.. .. .	.. .. .	300	.. .. .	.. .. .	13,050
Total { London ..	164,361,244	63,260,573	63,329,246	43,378,386	46,143,092	13,633,275	394,105,816
New York	13,825,624	4,658,461	7,825,460	1,789,767	2,100,051	236,309	30,435,672
Australia	109,644,688	98,039,650	41,551,483	54,926,294	29,117,742	9,496,228	342,776,085
Interest payable—	287,831,556	165,958,684	112,706,189	100,094,447	77,360,885	23,365,812	767,317,573
London (a) ..	7,784,334	2,878,533	2,944,890	2,001,703	2,043,358	591,463	18,244,281
New York ..	671,666	228,729	452,895	89,488	105,003	11,816	1,559,597
Australia ..	5,839,171	5,109,930	2,001,193	2,925,967	1,548,704	506,787	17,931,752
Total ..	14,295,171	8,217,192	5,398,978	5,017,158	3,697,065	1,110,066	37,735,630
Average rate ..	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	4 19 4	4 19 1	4 15 10	5 0 3	4 15 7	4 15 0	4 18 4

(a) Includes contributions payable by Commonwealth and British Governments towards interest on Migration Loans.

The average rate of interest payable shows a very slight increase, having risen from £4 18s. 2d. per cent. in 1926-27 to £4 18s. 4d. in 1930-31.

(ii) *Variations from 1901 to 1931.*—The variations in the rates of interest payable on the public debts of the States are shown in the following table which gives the percentages of the total debts in various interest groups during the years specified, and the average rate of interest in each year :—

STATE PUBLIC DEBTS.—PERCENTAGES, ETC., IN VARIOUS INTEREST GROUPS.

Interest Rates.	Percentage of Total Debt at 30th June.			
	1901.	1911.	1921.	1931.
	%	%	%	%
3 per cent.	18.0	17.5	10.2	5.3
Exceeding 3 per cent. but not exceeding 4 per cent.	78.5	82.3	45.4	17.2
Exceeding 4 per cent. but not exceeding 5 per cent.	3.1	0.1	15.6	36.8
Exceeding 5 per cent. but not exceeding 6 per cent.	0.4	0.1	23.5	38.4
Exceeding 6 per cent. .. .. .	..	..	5.3	2.3
Total	100.0	100.0	100.0	100.0
Average Rate	3.7	3.6	4.4	4.9

5. *Dates of Maturity.*—Securities like the British Consols are interminable, but Australian debts have in most cases a fixed date for repayment, there being a few exceptions which are included in the following table under the headings “interminable,” “terminable at Government option,” and “date not fixed.” Those “terminable at Government option” include amounts which are payable by the respective Governments after giving a specified notice, and those “date not fixed” consist of certain amounts owing to the Commonwealth Government. In most cases, at date of maturity renewal is effected in respect of the greater portion of the loan. In order to avoid application to the market at an unfavourable time, several States adopted the practice of specifying a period prior to the date of maturity within which the Government, on giving twelve, or in some cases six months’ notice, has the option of redeeming the loan. The Government can, therefore, take advantage of opportunities that may offer during the period for favourable renewals. Particulars concerning the due dates of the State loans outstanding on the 30th June, 1931, are given in the following table, the various maturities being grouped according to years ending 30th June.

Where the Government has the option of redemption during a specified period the loan is classified according to the latest date of maturity.

While the latest dates of maturity of the various loans extend over the period 1931-32 to 1975-76, the average period to maturity for the States as a whole is about 14½ years.

STATE PUBLIC DEBTS.—LATEST DATE OF MATURITY OF AMOUNT
OUTSTANDING ON 30th JUNE, 1931.

Year of Maturity (ending 30th June).	N.S.W.	Victoria.	Q'land.	S. Aust.	W. Aust.	Tasmania.	Total.
	£	£	£	£	£	£	£
1932	23,083,181	14,992,425	622,220	8,671,506	6,025,328	782,335	54,176,995
1933	39,452,858	12,522,439	1,653,939	7,015,896	5,145,687	1,166,214	58,257,033
1934	16,142,347	19,244,845	3,004,340	6,246,353	2,594,106	402,728	47,634,719
1935	23,339,134	15,874,520	489,770	9,552,388	7,476,944	624,065	57,356,821
1936	16,809,447	9,017,587	3,450,820	4,141,739	1,993,627	602,880	36,016,100
1937	4,581,702	4,857,117	5,809,164	9,103,482	1,641,809	226,010	26,219,284
1938	304,798	520,000	390,700	1,312,959	1,939,250	31,737	4,499,444
1939	3,652,350	3,657,995	2,335,597	5,052,792	2,293,353	1,769,872	18,761,959
1940	5,707,250	3,132,872	1,581,320	2,344,273	836,069	6,348,630	19,950,474
1941	17,949,190	5,505,295	2,079,695	6,352,470	3,832,133	2,239,692	37,958,475
1942	14,130,135	1,815,270	3,763,787	2,049,021	292,680	60,841	22,111,734
1943	8,956,454	15,514,540	1,178,200	10,051,727	652,297	1,291,697	37,644,915
1944	918,537	..	..	64,650	756,100	15,281	1,754,568
1945	6,400	807,475	7,435,750	798,811	5,654,390	200,000	14,902,826
1946	10,985,800	1,065,268	..	..	10,500	..	12,061,568
1947 .. ..	..	..	6,553,558	..	1,453,600	250,000	8,257,158
1948	8,100	..	..	..	250,000	..	258,100
1949	3,300	5,467,314	995,500	..	..	..	6,466,114
1950	6,200	6,231,957	946,600	..	..	42,000	7,226,757
1951	12,117,570	190,203	7,003,710	25,700	2,500	2,801,500	22,141,183
1952 .. ..	..	..	125,400	..	..	..	125,400
1953	8,000	239,500	2,137,609	..	..	..	2,385,109
1954	3,300	478,874	..	..	..	143,000	625,174
1955	2,700	..	..	..	3,345,804	..	3,348,504
1956	25,579,922	2,751,094	1,884,825	762,560	1,531,655	..	32,510,056
1957	4,946,984	..	..	..	..	..	4,946,984
1958	22,826,217	1,907,367	1,551,238	1,027,207	568,396	236,309	28,116,734
1959 .. ..	..	..	..	..	..	..	..
1960 .. ..	..	2,970,700	..	..	888,608	..	3,859,308
1961 .. ..	..	6,000,000	20,228,799	2,989,617	..	..	29,218,416
1962 .. ..	..	..	..	..	4,964,083	..	4,964,083
1963	10,500,000	..	..	..	..	..	10,500,000
1964 .. ..	..	..	..	..	1,566,000	..	1,566,000
1965 .. ..	..	..	..	..	..	..	..
1966	14,130,000	..	..	..	2,661,664	..	16,791,664
1967-1969 ..	..	..	..	..	..	..	..
1970 .. ..	..	..	2,000,000	..	..	..	2,000,000
1971-1975 ..	..	..	..	..	..	..	..
1976	2,966,285	14,510,529	19,716,763	14,058,787	13,343,100	1,248,025	65,843,489
Overdue ..	12,750	..	..	300	..	..	13,050
Interminable ..	534,889	..	..	98,383	..	..	631,272
Terminable at Government option ..	7,361,771	..	..	5,001,771	..	..	12,363,542
Half-yearly ..	..	..	13,066,302	..	..	663,432	13,729,734
Date not fixed ..	9,805,985	16,683,498	2,700,583	3,372,055	5,431,202	2,129,564	40,122,887
Total ..	287,831,556	165,958,684	112,706,189	100,094,447	77,360,885	23,365,812	767,317,573
Average period to maturity in years ..	12.9	11.8	22.3	12.7	17.9	11.6	14.5

6. Sinking Funds.—Prior to the passing of the *Financial Agreement Act 1928*, the practice of providing sinking funds by the States had been consistently adopted in the case of Western Australia only. This State had established, in connexion with each of its loans, sinking funds varying from 1 per cent. to 3 per cent. per annum of the nominal amount of the loan. The funds were placed with trustees in London, by whom they are invested in securities, and applied from time to time to the redemption

of loans falling due. In the other States the sinking fund provision varied, consisting in certain instances of the revenues from specified sources, in others of the Consolidated Revenue Fund surplus, and in others again of fixed annual amounts. The *Financial Agreement Act 1928* contains provisions for the establishment of a sinking fund on States' debts, and details are included in Part III., Section 3 of the *Financial Agreement between the Commonwealth and States* which is reprinted in Chapter I., pages 20 to 32, of this volume. Details of the transactions of the National Debt Sinking Fund (States' Account) are given in *Finance Bulletin No. 22*, issued by this Bureau. The following table gives the sinking funds and net indebtedness of each State at the 30th June, 1931:—

STATE SINKING FUNDS AND NET INDEBTEDNESS, 30th JUNE, 1931.

State.	Gross. Indebtedness.	Sinking Fund.	Net Indebtedness.	Net Indebtedness- per Head.
	£	£	£	£ s. d.
New South Wales ..	287,831,556	174,703	287,656,853	114 14 9
Victoria	165,958,684	Dr. 3,922	165,962,606	92 6 8
Queensland ..	112,706,189	777,443	111,928,746	116 12 11
South Australia ..	100,094,447	28,804	100,065,643	171 9 4
Western Australia ..	77,360,885	1,265,703	76,095,182	180 18 3
Tasmania	23,365,812	19,985	23,345,827	106 10 9
Total	767,317,573	2,262,716	765,054,857	117 18 7

D. COMMONWEALTH AND STATE FINANCE.

1. Revenue and Expenditure.—The appended statements show the aggregate revenue and expenditure of the Commonwealth and States for each of the last five years to 1930-31, allowance having been made in cases of duplication.

COMMONWEALTH AND STATES.—REVENUE.

Year ended 30th June—	Revenue collected by Commonwealth Government.(a)	Revenue collected by State Governments.(b)	Total.
	£	£	£
1927	73,760,988	105,298,063	179,059,051
1928	71,817,299	107,779,249	179,596,548
1929	72,782,640	110,929,407	183,712,047
1930	75,137,160	104,989,492	180,126,652
1931	67,882,839	94,285,973	162,168,812

(a) Excluding Interest on Loans to States for Soldier Land Settlement, Miscellaneous Loans, and Balance of Interest on States' Debts.

(b) Excluding Payments by Commonwealth Government under "Surplus Revenue", "Special Grants", "Financial Agreement", and "Federal Aid Roads" Acts.

COMMONWEALTH AND STATES.—EXPENDITURE.

Year ended 30th June—	Expenditure by Commonwealth Government.(a)	Expenditure by State Governments.	Total.
	£	£	£
1927	62,610,265	114,129,885	176,740,150
1928	68,855,887	117,410,451	186,266,338
1929	67,186,907	120,329,420	187,516,327
1930	68,113,253	122,812,235	190,925,488
1931	69,335,546	118,362,409	187,697,955

(a) Excluding Payments to States and Interest on States' Debts, etc.

2. Taxation.—In the table hereunder showing the combined Commonwealth and State taxation for each of the years 1926–27 to 1930–31, as well as the amount per head of population, certain taxation collections by the State Governments which are not paid into the Consolidated Revenue Fund have been included:—

TOTAL COMMONWEALTH AND STATE TAXATION.

Particulars.	1926–27.	1927–28.	1928–29.	1929–30.	1930–31.
	£	£	£	£	£
Commonwealth—					
Customs and Excise ..	43,552,478	41,446,730	41,058,571	41,774,391	28,295,073
Other	15,442,331	15,191,128	15,244,918	16,413,384	22,125,033
Total	58,994,809	56,637,858	56,303,489	58,187,775	50,420,106
State	29,499,775	32,252,143	32,525,832	33,823,803	36,219,687
Grand Total	88,494,584	88,890,001	88,829,321	92,011,578	86,639,793
Taxation per head(b)—					
Commonwealth—					
Customs and Excise ..	£7/2/7	£6/13/1	£6/9/8	£6/10/4	£4/7/5
Other	£2/10/7	£2/8/9	£2/8/2	£2/11/2	£3/8/5
Total	£9/13/2	£9/1/10	£8/17/10	£9/1/6	£7/15/10
State	£4/16/9	£5/3/9	£5/2/11	£5/5/9	£5/12/2
Grand Total	£14/9/8	£14/5/3	£14/0/5	£14/6/11	£13/7/9

(a) Includes Sales Tax, £3,472,854 (10s. 9d. per head). (b) Based on mean population of each financial year; that for States, on the aggregate mean population of the six States.

3. Public Debt.—(i) *General.* The table hereunder shows the public debt of the Commonwealth and of the States at the 30th June in each of the years 1927 to 1931. In this table all moneys borrowed by the Commonwealth on behalf of the States have been included with State debts only, and similarly, the debts taken over by the Commonwealth from South Australia on account of the Northern Territory and of the Port Augusta-Oodnadatta Railway have now been included with the Commonwealth Debt.

COMMONWEALTH AND STATES' PUBLIC DEBTS.

Particulars.	Redeemable.	At 30th June—				
		1927.	1928.	1929.	1930.	1931.
		£	£	£	£	£
Commonwealth— War Debt ..	Overseas	95,572,848	96,822,659	93,810,641	92,314,742	90,744,380
	Australia	201,332,522	196,597,448	194,007,104	190,075,790	187,035,845
	Total	296,905,370	293,420,107	287,817,745	282,390,532	277,780,225
Works and Other Purposes ..	Overseas	46,980,102	56,684,465	65,975,650	75,587,125	83,850,144
	Australia	22,726,033	22,679,517	23,828,177	14,979,705	27,088,176
	Total	69,706,135	79,363,982	89,803,827	90,566,830	110,938,320
	Overseas	142,552,950	153,507,124	159,786,291	167,901,867	174,594,524
	Australia	224,058,555	219,276,965	217,835,281	205,055,495	214,124,021
	Grand Total	366,611,505	372,784,089	377,621,572	372,957,362	388,718,545
States ..	Overseas	373,360,219	416,660,672	412,496,612	405,726,668	424,541,488
	Australia	303,509,500	305,358,140	313,909,878	321,913,168	342,776,085
	Total	676,869,719	722,018,812	726,406,490	727,639,836	767,317,573
Grand Total Public Debt Commonwealth and States	Overseas	515,913,169	570,167,796	572,282,903	573,628,535	599,136,012
	Australia	527,568,055	524,635,105	531,745,159	526,968,663	556,900,106
	Grand Total	1,043,481,224	1,094,802,901	1,104,028,062	1,100,597,198	1,156,036,118

(ii) *Dates of Maturity.* The particulars given in the appended table show separately as at 30th June, 1931, the amounts of Commonwealth and States securities maturing in Australia and overseas according to year of maturity, together with the amount of interest payable yearly thereon. It should be noted that the year of maturity is given for fiscal years ended 30th June and for that reason the information is not directly comparable with statements published in previous years. Debts with optional dates of maturity, representing about 75 per cent. of the total overseas obligations, have been grouped according to the latest year of maturity.

COMMONWEALTH AND STATES' PUBLIC DEBTS, 30th JUNE, 1931.—
DATES OF MATURITY.

Year of Maturity.	Commonwealth and States' Debts.			Annual Interest Payable at 30th June, 1931. In respect of Commonwealth and States' Debts Maturing in the Years stated.		
	Maturing in Australia.	Maturing Overseas.	Total.	Interest Payable.		
				In Australia.	Overseas.	Total.
	£	£	£	£	£	£
1931-32	71,095,142	33,075,001	104,170,143	3,825,032	1,194,422	5,019,454
1932-33	100,747,077	12,924,152	113,671,229	5,551,051	743,139	6,294,190
1933-34	37,863,179	13,639,986	51,503,165	2,009,934	590,207	2,600,141
1934-35	43,641,922	15,563,210	59,205,132	2,406,958	714,234	3,121,192
1935-36	40,994,610	14,735,928	55,730,538	2,191,922	466,636	2,658,558
1936-37	70,729,084	6,747,678	77,476,762	4,142,654	308,816	4,451,470
1937-38	14,433,634	1,246	14,434,880	744,083	47	744,130
1938-39	19,038,193	2,526,425	21,564,618	1,125,664	88,447	1,214,111
1939-40	15,247,452	5,606,554	20,854,006	795,328	198,979	994,307
1940-41	7,063,230	48,605,250	55,668,480	395,850	2,951,200	3,347,050
1941-42	48,047,262	2,334,532	50,381,794	2,588,307	163,417	2,751,724
1942-43	31,255,485	24,638,750	55,894,235	1,639,948	1,231,938	2,871,886
1943-44	1,754,568	..	1,754,568	98,379	..	98,379
1944-45	2,114,780	30,142,863	32,257,643	74,722	1,447,143	1,521,865
1945-46	27,000	12,034,568	12,061,568	1,109	546,804	547,913
1946-47	484,480	7,772,678	8,257,158	23,534	302,044	325,578
1947-48	258,100	..	258,100	16,614	..	16,614
1948-49	10,575,648	5,202,146	15,777,794	526,004	156,064	682,068
1949-50	1,107,062	6,119,695	7,226,757	34,711	214,189	248,900
1950-51	1,413,503	20,867,428	22,280,931	56,907	774,361	831,268
1951-52	125,400	..	125,400	4,389	..	4,389
1952-53	2,385,109	..	2,385,109	92,251	..	92,251
1953-54	625,174	..	625,174	29,481	..	29,481
1954-55	2,700	3,345,804	3,348,504	121	117,103	117,224
1955-56 .. ..	..	32,510,057	32,510,057	..	1,596,077	1,596,077
1956-57 .. ..	..	19,513,839	19,513,839	..	954,015	954,015
1957-58 .. ..	..	30,705,597	30,705,597	..	1,579,956	1,579,956
1958-59 .. ..	..	..	..	..	..	..
1959-60	8,584	3,850,724	3,859,308	343	151,808	152,151
1960-61	4,582	35,213,834	35,218,416	190	1,675,834	1,676,024
1961-62 .. ..	..	4,964,083	4,964,083	..	198,563	198,563
1962-63	107,604	10,392,396	10,500,000	4,304	415,696	420,000
1963-64	1,566,000	..	1,566,000	62,640	..	62,640
1964-65 .. ..	..	..	..	..	..	..
1965-66	149,274	16,791,664	16,940,938	8,210	826,276	834,486
1966-67 .. ..	..	..	..	..	..	..
1967-68 .. ..	..	..	..	..	..	..
1968-69 .. ..	..	..	..	..	..	..
1969-70 .. ..	..	2,000,000	2,000,000	..	70,000	70,000
1970-71 .. ..	..	..	..	..	..	..
1971-72	3,764,716	..	3,764,716	131,765	..	131,765
1972-73 .. ..	..	..	..	..	..	..
1973-74 .. ..	..	..	..	..	..	..
1974-75 .. ..	..	..	..	..	..	..
1975-76	5,000	95,140,428	95,145,428	250	4,757,075	4,757,325
Overdue	117,929	10,550	128,479	..	..	..
Interminable	630,072	1,200	631,272	25,218	60	25,278
Treasurers' Option	9,930,943	2,433,499	12,363,442	317,952	73,005	390,957
Indefinite	5,745,649	27	5,745,676	216,140	1	216,141
Half-yearly Drawings .. ..	..	..	13,729,734	596,251	..	596,251
Annual Repayments	13,729,734	79,724,220	79,724,220	..	3,920,299	3,920,299
Transferred Properties	111,125	..	111,125	3,889	..	3,889
Total	556,900,106	599,136,012	1,156,036,118	29,742,105	28,427,855	58,169,960

(iii) Rates of Interest, 30th June, 1931. The amount of Commonwealth and States Public Debt at each rate of interest (internal and external debt shown separately), is given in the following table.

COMMONWEALTH AND STATES' PUBLIC DEBTS, 30th JUNE, 1931.—AMOUNT AT EACH RATE OF INTEREST.

Rate of Interest.	Commonwealth and States' Debt maturing—		
	In Australia.	Overseas.	Total.
	£	£	£
3%	16,548,370	30,103,502	46,651,872
£3 2s.	..	5,000,000	5,000,000
3½%	13,405,220	58,613,268	72,018,488
3¾%	2,997,152	3,727,181	6,724,333
4%	11,005,306	50,459,795	61,465,101
4½%	3,000	137,750	140,750
4¾%	9,223,678	23,866,852	33,090,530
4¾%	681,730	11,999,000	12,680,730
£4 18s. 4d.	..	79,724,220	79,724,220
5%	78,568,526	237,060,413	315,628,939
5½%	193,032,089	17,870,500	210,902,589
5¾%	197,000	..	197,000
5¾%	101,137,866	13,649,749	114,787,615
5¾%	175,000	..	175,000
5¾%	8,983,888	18,877,378	27,861,266
6%	151,620,342	34,291,357	185,911,699
£6 18s. 3d.	386,000	..	386,000
6½%	3,511,422	11,409,965	14,921,387
7%	..	2,334,532	2,334,532
Overdue ..	117,929	10,550	128,479
Deduct Loans to States for Soldier Land Settlement ..	—34,694,412	..	—34,694,412
Total ..	556,900,106	599,136,012	1,156,036,118
Average Rate of Interest ..	5.34	4.75	5.03

(iv) *Interest Payable.* The table hereunder shows the interest payable on the public debt of the Commonwealth and of the States at the 30th June in each of the years 1927 to 1931.

COMMONWEALTH AND STATES' PUBLIC DEBTS, INTEREST PAYABLE.

Particulars.	Where Payable.	At 30th June—				
		1927.	1928.	1929.	1930.	1931.
		£	£	£	£	£
Commonwealth— War Debt ..	Overseas ..	4,791,410	4,854,202	4,721,540	4,647,992	4,571,307
	Australia ..	10,542,922	10,567,548	10,454,458	10,235,359	10,485,647
	Total ..	15,334,332	15,421,750	15,175,998	14,883,351	15,056,954
Works and Other Purposes ..	Overseas ..	2,354,361	2,827,593	3,296,946	3,779,506	4,052,670
	Australia ..	1,042,470	1,038,433	1,098,733	664,756	1,324,706
	Total ..	3,396,831	3,866,026	4,395,679	4,444,262	5,377,376
Total, Commonwealth	Overseas ..	7,145,771	7,681,795	8,018,486	8,427,498	8,623,977
	Australia ..	11,585,392	11,605,981	11,553,191	10,900,115	11,810,353
	Grand Total ..	18,731,163	19,287,776	19,571,677	19,327,613	20,434,330
States ..	Overseas ..	17,510,151	19,611,441	19,512,507	19,169,300	19,803,878
	Australia ..	15,853,382	15,954,987	16,415,301	16,869,207	17,931,752
	Total ..	33,363,533	35,566,428	35,927,808	36,038,507	37,735,630
Grand Total Public Debt Commonwealth and States ..	Overseas ..	24,655,922	27,293,236	27,530,993	27,596,798	28,427,855
	Average Rate per cent. ..	4.78	4.79	4.81	4.81	4.75
	Australia ..	27,438,774	27,560,968	27,968,492	27,769,322	29,742,105
Grand Total Public Debt Commonwealth and States ..	Average Rate per cent. ..	5.20	5.25	5.26	5.27	5.34
	Grand Total ..	52,094,696	54,854,204	55,499,485	55,366,120	58,169,960
	Average Rate per cent. ..	4.99	5.01	5.02	5.03	5.03

4. **The Australian Loan Council.**—The Australian Loan Council, consisting of the Treasurers of the Commonwealth and of the States, was created during 1923-24 as the result of representations made by the Commonwealth Government, and has for its object the prevention of undue competition and clashing in the raising of loans.

Until July, 1925, the Council consisted of the Treasurers of the Commonwealth and of each of the States; in August of that year the Treasurer of New South Wales withdrew from the Council, but rejoined at the end of 1927.

Prior to the passing of the *Financial Agreement Validation Act (No. 4, 1929)*, assented to on 18th March, 1929, the Australian Loan Council functioned on a purely voluntary basis. The Act referred to, in which is embodied the agreement between the Commonwealth and States Governments, invested the Loan Council with full constitutional authority. Details of the constitution of the Loan Council are included in Part I., section 3 of the *Financial Agreement* and may be found in Chapter I., pp. 22-26 of this volume.

At its first meeting, held on 1st February, 1924, the Loan Council recognized the necessity for co-operation in the raising of loans. The terms to be offered by the several governments for loans in Australia up to 30th June, 1924, were agreed to, and arrangements were made to prevent unnecessary clashing during the period required by the Commonwealth for the flotation of its War Gratuity Redemption and Conversion Loan.

Up to June, 1925, the Commonwealth and States issued their own loans in London and elsewhere outside Australia, but the amounts were limited to sums agreed upon at the Loan Council by the several Treasurers. About the middle of 1925, however, the Loan Council decided that there should be no competition for loans in the American market, and that borrowing in America, and borrowing simultaneously in America and London, on behalf of the Commonwealth and of the States, should be conducted solely by the Commonwealth. The successful flotation in July, 1925, of a loan of £20,000,000 in London and New York was regarded as proof of the soundness of the Council's new policy.