

CHAPTER 18

PUBLIC FINANCE

The subject of public finance is dealt with in this chapter under the two major divisions of Commonwealth Finance and State Finance. The close financial relations between the Commonwealth and States, however, particularly since the Financial Agreement has been in operation, demand also a combination of these two divisions under the heading of Commonwealth and State Finance. Under the Financial Agreement the Commonwealth assumed the liability to bondholders for the States' securities existing at the date of the Agreement and now arranges for all borrowings for and on behalf of the Commonwealth or any State and for all conversions, renewals, redemptions and consolidations of such securities. In view of this it is convenient to deal with the Commonwealth and State Government securities on issue in a separate division of this chapter (pages 576–82). The subject of income taxes is also dealt with in a separate division at the end of this chapter (pages 586–95).

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

COMMONWEALTH FINANCE

Financial provisions of the Constitution

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

Section 69 provides for the transfer from the States to the Commonwealth of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments. Sections 87 and 96 deal with the financial relations between the Commonwealth and the States. These matters have been treated in previous issues of the Year Book, and on pages 548–54 of this issue a summary is given of the present provisions for Commonwealth financial assistance to the States.

The *Audit Act* 1901–1969 lays down the procedure which must be followed in accounting for the receipt and disbursement of public funds. The general administration of Commonwealth finances is the responsibility of the Treasurer of the Commonwealth.

Commonwealth Budget

The Commonwealth Budget results include transactions of the Consolidated Revenue Fund, the Trust Fund and the Loan Fund. Ordinary revenues from taxation and other sources are paid into the Consolidated Revenue Fund, from which the main expenditures are for defence, war and repatriation services, social services, payments to the States and administration. The Trust Fund covers special transactions outside the ordinary operations of departmental expenditures, such as pension funds and moneys held for expenditure by the Commonwealth at some future time. The Loan Fund receives its funds from the sale of Commonwealth securities, and expenditures from the Fund are made in accordance with the purpose of issue of each loan. The main disbursements from the Loan Fund are to the States, either by way of distribution of the proceeds of loans raised by the Commonwealth

on their behalf or in accordance with the provisions of the Commonwealth and State Housing Agreements, and the remaining disbursements are for Commonwealth purposes such as defence or war service land settlement.

Summary of receipts and expenditure

A summary of Commonwealth Budget results for 1968-69 and the four preceding years is given in the table which follows. The transactions are recorded on a cash basis.

COMMONWEALTH BUDGET: SUMMARY OF TRANSACTIONS 1964-65 TO 1968-69 (\$ million)

	1964-65	1965-66	1966-67	1967-68	1968-69
Expenditure(a)	4,448	4,969	5,525	6,099	6,514
Receipts(a)	4,266	4,714	4,973	5,456	6,129
Deficit	183	255	552	642	385
Financing—					
United States Defence Credit (net)	..	..	91	118	55
Other overseas borrowings	-14	-23	-62	14	88
Issue of securities in Australia—					
Net loan proceeds(b)	252	298	408	297	381
Net change in Treasury notes on issue	-72	36	-26	184	-68
Borrowings from the Reserve Bank	38	-36	165	51	-127
Total securities issued in Australia	218	298	546	532	186
Funds provided for International Monetary Fund drawings of Australian currency	-22	-40	-27	-59	-5
Use of Cash Balances	-4	..	-1	..	..
Other financing transactions in Australia(c)	4	21	5	37	62
Deficit	183	255	552	642	385

(a) Comparisons between the figures for the years 1966-67 to 1968-69 and those for 1964-65 and 1965-66 are affected by accounting changes. (b) Includes State domestic raisings. (c) Includes funds obtained from coinage and bullion transactions, amounts borrowed by Commonwealth trust accounts, net amounts available from Commonwealth trust account transactions in Commonwealth Government securities, amounts available from moneys held in trust, etc.

Minus sign (-) denotes decrease.

All Commonwealth funds: summary of receipts and expenditure

The following table represents a reclassification of Commonwealth Government receipts and outlay in a National Accounts form. It includes the Commonwealth Government components (with slight re-arrangement) of tables 57 and 60 in *Australian National Accounts, National Income and Expenditure 1968-69*. However, an important conceptual difference in this table is that no adjustment is made for the difference between deliveries of, and payments for, major items of defence equipment from overseas. Advances to semi-governmental authorities are included in 'Other advances'. The table differs from that shown in Statement No. 6 attached to the Budget Speech in that the transactions of the post office are included on a commercial basis, whilst borrowing and the corresponding advances in respect of State works programmes are excluded. The treatment of certain other advances and repayments also varies slightly in this table. They are all classified on the outlay side whereas in the Budget table some are included in the deficit.

ALL COMMONWEALTH FUNDS: RECEIPTS AND EXPENDITURE, 1964-65 TO 1968-69
(\$ million)

	1964-65	1965-66	1966-67	1967-68	1968-69
EXPENDITURE					
Current expenditure on goods and services	977	1,146	1,402	1,630	1,766
Capital expenditure on new assets and stocks	264	301	334	382	435
Purchases of existing assets	4	5	5	9	15
Subsidies	74	114	128	133	205
Interest	82	75	74	89	84
Cash benefits to persons	1,078	1,154	1,243	1,292	1,405
Grants for private capital purposes	26	47	45	(a) 57	31
Overseas grants and contributions	107	127	151	154	159
Grants to States	958	1,076	1,183	1,312	1,419
Grants to semi-governmental authorities	94	105	119	125	136
Advances to States	142	173	167	200	177
Other advances	193	200	182	225	116
Total expenditure	3,998	4,522	5,034	5,607	5,948
RECEIPTS					
Taxation	3,788	4,187	4,456	4,917	5,489
Interest, rent and dividends	104	117	127	111	129
Net revenue of business undertakings	96	101	89	110	144
Fees and charges for goods and services	55	63	63	65	87
Sales of existing assets	17	13	8	11	16
Repayments of advances to States	22	28	31	31	67
Repayments of other advances	37	36	40	46	51
Net borrowing	-71	-34	137	347	-92
Reduction in—					
Cash balances	-6	2	-13	15	..
Security holdings	-121	-85	9	-140	-155
Other net receipts	77	93	87	94	212
Total receipts	3,998	4,522	5,034	5,607	5,948

(a) Includes \$21,000,000 devaluation compensation paid to marketing authorities.
Minus sign (—) denotes decrease.

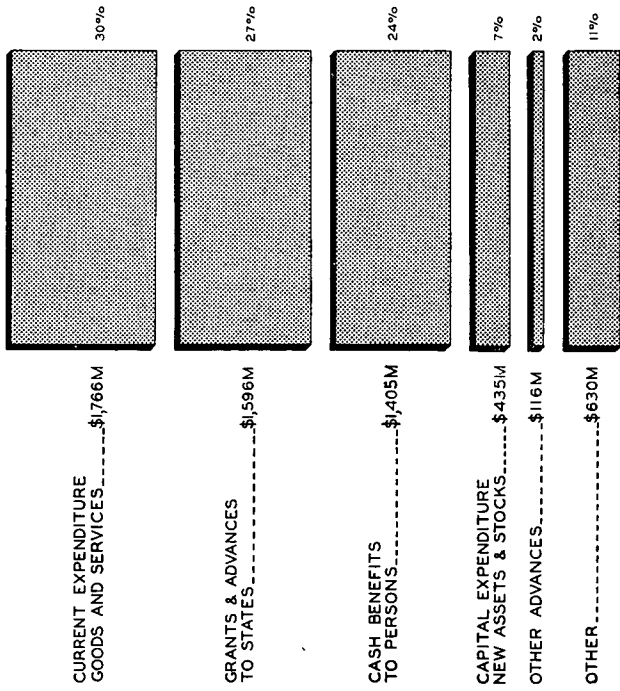
All Commonwealth funds: expenditure, economic type and function

In the following two tables particulars of expenditure for 1968-69 shown in the previous table have been reclassified to a 'net' basis by taking account of the relevant items shown as receipts in that table, e.g. fees and charges for goods and services, sales of existing assets, etc. Resulting totals have been classified by economic type and by function for 1968-69 in the table on page 541 and by function only for the years 1964-65 to 1968-69 in the table on page 542.

ALL COMMONWEALTH FUNDS

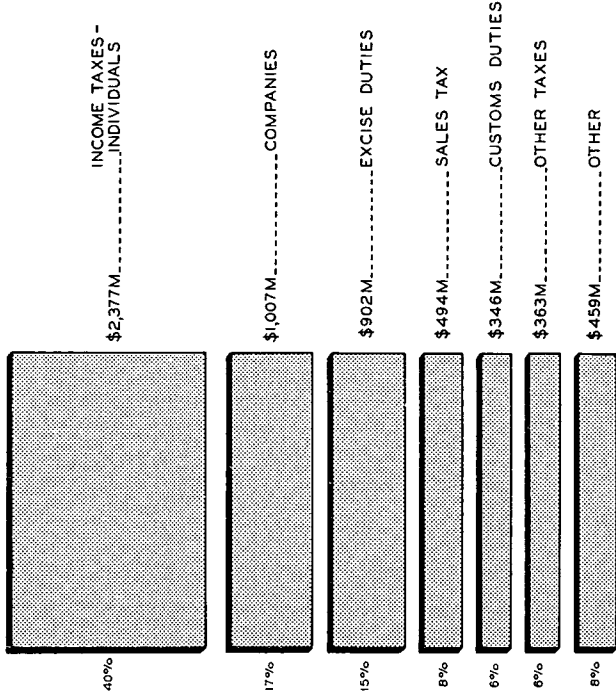
1968-69

EXPENDITURE



TOTAL EXPENDITURE - \$5,948 MILLION

RECEIPTS



TOTAL RECEIPTS - \$5,948 MILLION

ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY ECONOMIC TYPE AND FUNCTION, 1968-69

(\$ million)

NET CURRENT EXPENDITURE

	<i>Expenditure on goods and services</i>	<i>Cash benefits</i>	<i>Subsidies</i>	<i>Over-seas grants</i>	<i>Grants to States</i>	<i>Current grants to semi-government authorities</i>	<i>Grants for private capital purposes</i>	<i>Total</i>
Law, order and public safety	13	..	..	..	..	..	..	13
Education	15	33	..	1	53	19	1	121
Cultural and recreational facilities	9	..	..	1	..	..	..	10
Public health	29	292	..	1	..	..	..	323
Welfare	24	855	..	..	..	..	10	890
War and defence	1,077	..	..	16	..	..	..	1,093
Repatriation	78	219	..	..	..	..	6	303
Development of resources and assistance to industry	115	..	183	..	16	44	..	359
Transport and communication	36	..	2	6	..	..	..	44
Legislature and general administration	161	..	..	1	..	1	..	164
External affairs	25	..	..	44	..	..	..	69
Immigration	53	5	..	1	..	..	..	59
Regulation of trade and industry	12	1	19	..	..	15	..	47
Housing	5	..	..	..	..	..	13	18
Other	3	..	..	88	..	2	1	93
Not allocated to function	23	..	..	..	1,086	..	..	1,109
Total net current expenditure	1,679	1,405	205	159	1,155	81	31	4,715

NET CAPITAL EXPENDITURE

	<i>Expenditure on new assets and stocks</i>	<i>Net purchases of existing assets</i>	<i>Grants to States</i>	<i>Capital grants to semi-government authorities</i>	<i>Net advances to States</i>	<i>Other net advances</i>	<i>Total</i>
Education	3	..	55	10	..	..	68
Cultural and recreational facilities	7	..	..	..	..	..	8
Public health	2	..	6	..	..	..	8
War and defence . . . . .	..	6	..	..	..	..	6
Development of resources and assistance to industry	10	..	12	9	3	-1	33
Transport and communication—							
Post office	301	..	..	..	..	..	301
Civil aviation	37	2	..	..	..	-12	26
Roads	9	..	176	13	-1	..	198
Other	15	1	11	..	16	4	47
Power, fuel and light . . . . .	..	..	..	..	3	31	34
Housing	8	-15	..	8	119	25	145
Other	37	6	4	15	..	4	65
Not allocated to function	6	..	..	..	-31	15	-11
Total net capital outlay	435	-1	264	55	110	65	928

The following table shows net expenditure from all Commonwealth funds for the years 1964-65 to 1968-69, classified according to function and irrespective of economic type.

ALL COMMONWEALTH FUNDS: TOTAL NET EXPENDITURE, BY FUNCTION
1964-65 TO 1968-69
(\$ million)

	1964-65	1965-66	1966-67	1967-68	1968-69
NET CURRENT EXPENDITURE					
Law, order and public safety	6	7	9	12	13
Education	64	75	91	107	121
Cultural and recreational facilities	5	5	7	8	10
Public health	220	250	271	291	323
Welfare	696	721	797	826	890
War and defence	568	707	911	1,066	1,093
Repatriation	240	268	267	277	303
Development of resources and assistance to industry	176	228	263	300	359
Transport and communication	32	33	38	40	44
Legislature and general administration	102	116	144	155	164
External affairs	41	46	51	61	69
Immigration	36	38	41	44	59
Regulation of trade and industry	18	28	35	43	47
Housing	15	18	17	18	18
Other	64	85	87	84	93
Not allocated to function	781	855	912	1,007	1,109
Total net current expenditure	3,063	3,480	3,941	4,340	4,715
NET CAPITAL EXPENDITURE					
Education	42	43	51	66	68
Cultural and recreational facilities	12	11	11	11	8
Public health	7	9	8	8	8
War and defence	1	4	2	2	6
Development of resources and assistance to industry	18	28	32	64	33
Transport and communication—					
Post office	187	215	235	267	301
Civil aviation	42	42	47	81	26
Roads	147	162	170	183	198
Other	31	43	39	49	47
Power, fuel and light	45	42	47	46	34
Housing	152	163	155	143	145
Other	21	29	44	44	65
Not allocated to function	39	52	36	73	-11
Total net capital expenditure	744	842	876	1,037	928

Main components of all Commonwealth funds expenditure

The tables on pages 543-51 supply details of some of the main components of total expenditure of the Commonwealth Government.

Net expenditure on goods and services

The following table classifies by function net expenditures on goods and services derivable from the table on page 539 together with identified final expenditures on goods and services included in that table under 'grants to semi-government authorities'. It includes the Commonwealth Government component of Tables 66 and 75 in the Australian National Accounts together with net expenditure on stocks.

**ALL COMMONWEALTH FUNDS: NET EXPENDITURE ON GOODS AND SERVICES
BY FUNCTION, 1964-65 TO 1968-69
(\$ million)**

	1964-65	1965-66	1966-67	1967-68	1968-69
NET CURRENT EXPENDITURE					
Law, order and public safety	6	7	9	12	13
Education	19	21	24	29	34
Cultural and recreational facilities	5	5	7	7	9
Public health	16	20	24	26	29
Welfare	15	14	17	21	24
War and defence	558	684	876	1,040	1,077
Repatriation	56	62	68	73	78
Development of resources and assistance to industry	95	106	115	124	146
Transport and communication	27	25	30	34	36
Legislature and general administration	98	111	139	153	163
External affairs	15	17	18	23	25
Immigration	33	33	35	38	53
Regulation of trade and industry	9	9	9	13	15
Housing	4	4	5	5	5
Other	4	3	..	..	4
Not allocated to function	5	10	11	17	23
Total net current expenditure	964	1,132	1,388	1,615	1,736
NET CAPITAL EXPENDITURE—NEW ASSETS AND STOCKS					
Education	9	9	11	12	13
Cultural and recreational facilities	12	10	9	12	7
Public health	3	3	2	3	3
Development of resources and assistance to industry	13	12	22	22	19
Transport and communication— Post office	186	214	234	265	301
Civil aviation	16	22	28	29	37
Roads	9	14	12	18	22
Other	8	12	13	15	15
Housing	9	13	12	14	15
Other	23	24	36	42	52
Not allocated to function	14	10	5	3	6
Total net capital expenditure	302	342	383	435	490

In addition to showing departmental components of total net current expenditure on war and defence during the years 1964-65 to 1968-69, the following table also includes annual totals of other expenditures on war and defence classified to overseas grants and contributions and to net purchases of existing assets. Details of the expenditure on war and defence shown in the following table cover expenditure from all funds (including U.S. Defence Credit) by the services and associated departments including costs of maintaining forces in overseas posts.

ALL COMMONWEALTH FUNDS: EXPENDITURE ON WAR AND DEFENCE
(\$'000)

	1964-65	1965-66	1966-67	1967-68	1968-69
Net Current Expenditure—					
Department of Defence—					
Administrative and general expenses	4,022	5,053	6,395	7,816	8,017
Recruiting campaign	1,690	1,646	1,556	1,600	1,611
Buildings, works, etc.	285	181	931	1,507	1,797
Plant and equipment	161	1,890	906	253	1,065
Defence Aid for Malaysia and Singapore	3,376	5,034	8,036	6,096	6,243
S.E.A.T.O. Military Planning Office—Con- tribution towards cost	24	18	18	22	24
Maintenance and rent	117	202	238	198	313
	9,675	14,024	18,080	17,492	19,071
<i>Less Receipts</i> . . . . .	..	..	..	..	74
Total	9,675	14,024	18,080	17,492	18,997
Department of the Navy—					
Naval forces—Pay, administrative and gen- eral expenses	60,431	68,027	79,346	87,285	99,882
Naval construction and additions to the fleet	35,967	44,918	52,616	53,127	47,250
General stores	20,942	29,264	37,527	40,772	52,447
Ships, aircraft, etc.—					
Purchase and manufacture	1,308	6,886	7,210	8,668	4,794
Repairs and maintenance	7,315	8,608	10,867	20,050	10,485
Buildings, works, etc.	3,908	6,930	7,211	6,833	6,522
Machinery and plant for dockyards and establishments	1,013	1,326	2,108	1,900	2,577
Defence research and development	1,395	263	348	329	240
Maintenance and rent	2,631	3,159	3,692	3,705	4,793
Retirement benefits	1,172	1,229	1,392	2,097	2,453
Other	2,772	2,460	3,053	3,130	2,196
	138,854	173,070	205,369	227,896	233,639
<i>Less Receipts</i>	3,963	3,892	4,260	4,333	4,652
Total	134,891	169,179	201,109	223,563	228,987
Department of the Army—					
Military forces—Pay, administrative and general expenses	108,834	133,500	169,865	197,276	216,332
Forces overseas (other than pay)	4,566	9,773	26,440	34,048	45,836
Arms, armament and equipment	61,690	67,921	84,675	96,143	115,602
Buildings, works, etc.	13,421	35,821	56,863	38,769	16,860
Maintenance and rent	6,372	7,503	8,447	9,829	12,447
Retirement benefits	3,368	3,657	3,827	4,758	6,010
Other	276	509	468	463	..
	198,527	258,684	350,585	381,288	413,087
<i>Less Receipts</i>	4,246	2,297	2,880	2,254	4,619
Total	194,282	256,389	347,705	379,035	408,468

ALL COMMONWEALTH FUNDS: EXPENDITURE ON WAR AND DEFENCE—*continued*
(\$'000)

	1964-65	1965-66	1966-67	1967-68	1968-69
Department of Air—					
Air force—Pay, administrative and general expenses	69,543	77,541	86,630	97,067	113,391
Forces overseas (other than pay)	5,592	7,080	9,447	13,998	19,264
Aircraft—					
Purchase and manufacture	48,090	62,353	106,383	172,317	136,470
Repairs and maintenance	5,298	6,380	8,037	9,367	9,452
Equipment and stores	37,647	42,980	50,390	58,442	70,063
Buildings, works, etc.	7,459	12,938	11,587	16,559	17,212
Maintenance and rent	5,570	6,024	7,096	7,912	9,335
Retirement benefits	2,296	2,582	2,808	3,165	4,040
Other	346	738	606	606	..
	181,841	218,616	282,984	379,433	379,226
<i>Less Receipts</i>	905	4,336	1,999	1,446	3,351
Total	180,935	214,280	280,985	377,989	375,875
Department of Supply—					
Administrative and general expenses	7,169	7,944	9,491	10,642	12,458
Defence research and development	33,374	33,016	34,262	36,664	39,957
Production development	787	976	838	1,427	2,168
Government factories—Maintenance of production capacity	2,766	2,270	3,358	3,309	3,341
Transport and storage services	6,764	7,027	7,661	10,088	9,107
Reserve stocks	1,074	2,775	3,568	3,545	2,453
Munitions factories—Working capital . . . . .	..	2,004	475	869	2,379
Machinery, plant, equipment, etc.	5,811	8,001	10,032	9,355	8,330
Buildings, works, n.e.i., etc.	4,840	5,259	5,021	4,796	4,772
Maintenance and rent	4,190	4,211	4,426	4,300	4,466
Other	16,497	18,981	25,197	27,392	..
	83,272	92,464	104,329	112,387	89,431
<i>Less Receipts</i>	40,083	45,290	49,271	49,662	31,031
Total	43,190	47,174	55,058	62,725	58,400
Other—					
Civil Defence	645	724	709	734	759
Security Intelligence Organisation	1,920	1,990	2,565	2,753	2,807
Other	2,627	2,780	4,314	1,652	-926
Total	5,191	5,494	7,588	5,140	2,640
Total net current expenditure	568,165	706,539	910,526	1,065,945	1,093,367
<i>Of which—</i>					
Overseas grants and contributions	10,210	22,678	34,456	25,772	16,160
Other net current expenditure	557,955	683,861	876,070	1,040,173	1,077,207
Total net current expenditure	568,165	706,539	910,526	1,065,945	1,093,367
Net capital outlay—					
Net purchases of existing assets	813	3,598	2,409	1,653	5,968
Grand total	568,978	710,137	912,935	1,067,598	1,099,335

Subsidies

The following table shows details of Commonwealth expenditure from all funds on subsidies and bounties for the years 1964-65 to 1968-69. Other assistance to primary producers is included in, for example, tables relating to cash benefits and payments to the States and additional information is given in chapter 23, Rural Industry. Details of price stabilisation subsidies and of various forms of assistance to primary producers for earlier years are given on pages 414 and 1014-15, respectively, of Year Book No. 38.

ALL COMMONWEALTH FUNDS: EXPENDITURE ON SUBSIDIES, 1964-65 TO 1968-69
(\$'000)

<i>Type of subsidy</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>
Development of resources and assistance to industry—					
Dairy industry	27,000	27,000	27,000	27,000	27,000
Wheat prices stabilisation	1,892	18,069	16,154	15,508	42,870
Phosphate fertilisers	22,880	24,983	26,319	23,564	31,665
Oil search	8,838	11,382	9,931	11,711	12,497
Nitrogenous fertilisers . . . . .	..	..	6,665	10,308	11,044
Copper	300	1	..	..	..
Gold mining industry	1,860	2,462	3,848	4,362	1,791
Pyrites	924	854	103	..	..
Cotton	1,916	3,686	2,813	4,027	4,620
Processed milk products	864	614	899	743	638
Sulphate of ammonia	526	427	830	565	430
Vinyl resin	364	1,938	1,592	12	..
Copper and brass strip	154	43	..	..	..
Ship construction	5,911	7,828	11,692	11,644	12,551
Sulphuric acid	1,822	1,906	1,556	1,286	988
Tractor	2,754	1,902	2,221	2,480	2,249
Cellulose acetate flake	134	228	218	220	179
Poultry industry assistance . . . . .	..	5,536	9,213	10,418	10,920
Urea . . . . .	..	..	9	163	424
Devaluation compensation . . . . .	..	..	..	..	35,862
Transport and communication—					
Air services	1,000	1,200	1,306	1,901	1,780
Coastal shipping service—					
King Island and Bass Strait Islands	66	161	160	150	141
Northern Territory	14	43	44	39	24
Northern Territory—					
Air mail service	118	118	..	..	..
Railway freight	90	140	110	100	113
Superphosphate sea subsidy . . . . .	..	..	5	43	23
Transport of stud stock	40	59	83	80	175
South American shipping service	278	335	351	300	180
Regulation of trade and industry—					
Stevedoring industry	6,094	6,149	6,525	8,553	9,654
Petrol prices stabilisation . . . . .	..	9,920	15,218	16,578	17,948
Northern Territory petrol prices . . . . .	..	345	750	991	1,316
Other	326	400	399	363	68
Total	86,164	127,729	146,014	153,108	227,145

Cash benefits to persons

Total payments of cash benefits to persons during the years 1964-65 to 1968-69 are shown in the table following.

ALL COMMONWEALTH FUNDS: CASH BENEFITS TO PERSONS
1964-65 TO 1968-69
(\$'000)

Type of benefit	1964-65	1965-66	1966-67	1967-68	1968-69
Education—					
Commonwealth scholarship scheme—					
Post-graduate	1,236	1,733	2,432	2,899	3,588
University	7,903	10,064	13,890	13,383	16,268
Advanced education . . . . .	..	198	660	754	1,001
Secondary	3,382	5,197	6,243	6,474	6,558
Technical	212	600	816	1,031	1,123
Soldiers' children education scheme	2,311	2,534	2,462	2,720	3,154
Other	573	812	816	852	903
<i>Total, education</i>	<i>15,614</i>	<i>21,140</i>	<i>27,319</i>	<i>28,113</i>	<i>32,595</i>
Health—					
Hospital benefits	25,411	24,860	25,900	26,598	29,779
Hospital benefits for pensioners	13,585	14,659	18,731	23,665	24,520
Nursing home benefits	19,796	21,223	22,767	24,486	31,643
Medical benefits	35,277	41,282	43,841	46,431	49,556
Medical benefits for pensioners	9,320	13,365	14,351	16,116	16,912
Milk for school children	8,059	8,493	9,021	9,831	10,053
Pharmaceutical benefits	60,638	67,713	72,000	73,019	81,764
Pharmaceutical benefits for pensioners	21,564	24,071	29,280	32,115	36,609
Tuberculosis campaign	10,111	13,361	10,974	11,266	11,460
Handicapped children's benefit . . . . .	..	..	..	..	76
<i>Total, health</i>	<i>203,762</i>	<i>229,028</i>	<i>246,868</i>	<i>263,529</i>	<i>292,372</i>
Welfare—					
Age and invalid pensions	426,597	442,355	481,840	513,984	558,587
Child endowment	172,830	176,432	199,282	187,920	193,263
Commonwealth rehabilitation service	1,604	1,660	1,844	1,944	2,260
Funeral benefits	866	1,050	1,334	1,338	1,571
Maternity allowances	7,294	7,159	7,294	7,349	7,960
Tuberculosis campaign—allowances	1,458	1,286	1,193	1,091	921
Unemployment benefits, sickness and special benefits	14,540	15,557	19,044	18,832	16,830
Widows' pensions	47,044	50,017	56,438	61,061	69,080
Sheltered employment allowances . . . . .	..	..	..	104	288
Deserted wives benefits . . . . .	..	..	..	201	1,149
Other	1,025	2,066	1,795	2,220	2,723
<i>Total, welfare</i>	<i>673,258</i>	<i>697,580</i>	<i>770,064</i>	<i>796,044</i>	<i>854,631</i>
Development of resources and assistance to industry—					
Wool research studentships and fellowships	58	85	158	270	360
Repatriation—					
War and service pensions and allowances	179,313	198,662	190,842	196,219	216,958
Other	1,694	1,849	1,908	1,952	1,981
<i>Total, repatriation</i>	<i>181,007</i>	<i>200,511</i>	<i>192,750</i>	<i>198,171</i>	<i>218,939</i>
Immigration—					
Maintenance of migrant families	3,752	4,380	5,240	4,803	4,933
Regulation of trade and industry—					
Coal mining industry—long service leave	1,021	893	919	918	892
Stevedoring industry	1,614	1,726	2,824	2,194	1,436
<i>Total, regulation of trade and industry</i>	<i>2,635</i>	<i>2,619</i>	<i>3,743</i>	<i>3,112</i>	<i>2,328</i>
Housing—					
Commonwealth-State Housing Agreement—					
Contribution to rental losses	130	213	142	44	60
Grand total	1,080,216	1,155,556	1,246,284	1,294,086	1,406,218

Further information concerning items in the preceding table is given in the appropriate chapters of this Year Book and in the annual bulletin *Commonwealth Finance* which shows particulars of cash benefits paid to persons in each State and Territory.

Payments to or for the States

An outline of the provisions of the Constitution providing for the Commonwealth to make payments to the States, and of the systems which followed, is given in earlier issues of the Year Book (see No. 37, pages 633 to 638). In the following summary tables, a distinction is made between (a) direct Commonwealth financial assistance to the States in the form of grants to provide revenue for general and specific purposes and (b) those forms of assistance for developmental and other specific purposes which include, in part or in total, payments made in the form of repayable advances. Some information about the more important or most recent of these forms of financial assistance is given on pages 551-4, but for greater detail on these and other forms of financial assistance see earlier issues. Further information is available also in the chapters of this issue dealing with the respective subjects.

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

ALL COMMONWEALTH FUNDS: GRANTS TO THE STATES, BY FUNCTIONS, 1968-69 (\$'000)

<i>Function</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
CURRENT							
Education	18,974	15,977	6,555	5,437	4,021	1,731	52,695
Welfare	206	26	84	7	2	1	326
Development of resources and assistance to industry	4,798	6,986	2,110	1,417	425	228	15,965
Not allocated to function—							
Financial assistance grants	333,393	250,563	155,963	112,768	123,796	41,710	1,018,193
Other	17,038	12,442	6,849	7,593	4,932	19,328	68,181
Total, current	374,409	285,994	171,561	127,222	133,176	62,998	1,155,360
CAPITAL							
Education	18,608	16,148	8,092	5,356	3,730	2,787	54,721
Public health	2,496	1,375	362	503	375	402	5,513
Welfare	581	207	1,366	343	825	25	3,347
Development of resources and assistance to industry	2,858	974	2,967	150	5,373	74	12,396
Transport and communication—							
Roads	47,319	33,113	35,648	19,433	31,988	8,500	176,001
Other	1,750	..	..	6,243	3,443	..	11,436
Other	35	..	..	..	411	..	446
Total, capital	73,647	51,817	48,435	32,028	46,145	11,788	263,860
TOTAL GRANTS							
Grand total	448,056	337,811	219,996	159,250	179,321	74,786	1,419,220

ALL COMMONWEALTH FUNDS: TOTAL GRANTS TO THE STATES, BY FUNCTION
1964-65 TO 1968-69
(\$'000)

Function	1964-65	1965-66	1966-67	1967-68	1968-69
CURRENT					
Education	28,529	32,929	38,772	48,339	52,695
Welfare	24	22	23	23	326
Development of resources and assistance to industry	1,626	11,256	25,346	30,284	15,965
Not allocated to function—					
Financial assistance grants	681,348	757,351	826,613	907,539	1,018,193
Other	63,536	74,701	74,193	70,964	68,181
Total, current	775,061	876,259	964,947	1,057,152	1,155,360
CAPITAL					
Education	32,650	32,074	40,091	53,958	54,721
Public health	3,200	5,235	5,501	5,062	5,513
Welfare . . . . .	..	..	..	..	3,347
Development of resources and assistance to industry	4,007	3,512	3,155	8,424	12,396
Transport and communication—					
Roads	134,894	145,340	155,349	165,600	176,001
Other	7,656	12,426	12,278	20,925	11,436
Other	380	750	1,954	843	446
Total, capital	182,789	199,338	218,328	254,811	263,860
TOTAL GRANTS					
Grand total	957,850	1,075,596	1,183,275	1,311,963	1,419,220

Further information concerning items included in the functional classifications of the two preceding tables is given in the annual bulletin *Commonwealth Finance* 1968-69.

Repayable advances. The following tables show functional classifications of amounts paid to the States as repayable advances.

ALL COMMONWEALTH FUNDS: ADVANCES TO THE STATES, BY FUNCTION, 1968-69
(\$'000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
GROSS							
Development of resources and assistance to industry . . .	6,960	3,500	2,859	2,264	4,329	2,438	22,350
Transport and communication—							
Railway projects . . . . .	..	..	..	2,635	4,919	..	7,554
Other . . . . .	..	..	..	11,000	..	..	11,000
Power, fuel and light . . . . .	..	..	..	..	..	3,200	3,200
Housing	45,308	36,038	12,146	19,500	12,394	7,511	132,899
Not allocated to function . . . . .	..	..	..	..	..	..	..
Total gross advances	52,268	39,538	15,005	35,399	21,642	13,149	177,003
REPAYMENTS							
Development of resources and assistance to industry . . .	1,940	142	1,084	2,722	6,491	7,102	19,482
Transport and communication—							
Railway projects	96	96	1,208	213	273	..	1,886
Other	330	..	637	..	151	..	1,118
Power, fuel and light . . . . .	..	..	..	..	..	..	..
Housing	4,699	4,257	1,288	1,532	1,186	449	13,413
Not allocated to function	9,965	10,134	2,221	4,002	2,607	2,273	31,202
Total repayments	17,030	14,629	6,437	8,469	10,708	9,824	67,099
NET							
Development of resources and assistance to industry . . .	5,020	3,358	1,775	-458	-2,162	-4,664	2,868
Transport and communication—							
Railway projects	-96	-96	-1,208	2,422	4,646	..	5,668
Other	-330	..	-637	11,000	-151	..	9,882
Power, fuel and light . . . . .	..	..	..	..	..	3,200	3,200
Housing	40,609	31,781	10,858	17,968	11,208	7,062	119,486
Not allocated to function	-9,965	-10,134	-2,221	-4,002	-2,607	-2,273	-31,202
Total net advances	35,238	24,909	8,567	26,930	10,934	3,325	109,904

Minus sign (-) denotes excess of repayment.

ALL COMMONWEALTH FUNDS: TOTAL ADVANCES TO THE STATES
BY FUNCTION, 1964-65 TO 1968-69

(\$'000)

	1964-65	1965-66	1966-67	1967-68	1968-69
GROSS					
Development of resources and assistance to industry	12,832	27,255	24,158	50,208	22,350
Transport and communication—					
Railway projects	10,388	12,410	12,647	13,989	7,554
Other	3,376	6,107	2,806	..	11,000
Power, fuel and light . . . . .	..	..	..	5,300	3,200
Housing	115,116	124,242	127,753	129,943	132,899
Not allocated to function	762	2,600	..	726	..
Total gross advances	142,474	172,615	167,363	200,166	177,003

REPAYMENTS

Development of resources and assistance to industry	11,590	16,405	17,099	15,383	19,482
Transport and communication—					
Railway projects	824	1,387	1,540	1,724	1,886
Other	230	315	494	1,113	1,118
Power, fuel and light . . . . .	..	..	..	..	..
Housing	9,248	10,237	11,240	12,297	13,413
Not allocated to function . . . . .	..	..	990	..	31,202
Total repayments	21,892	28,344	31,363	30,517	67,099

NET

Development of resources and assistance to industry	1,242	10,850	7,059	34,824	2,868
Transport and communication—					
Railway projects	9,564	11,023	11,107	12,265	5,668
Other	3,146	5,792	2,312	-1,113	9,882
Power, fuel and light . . . . .	..	..	..	5,300	3,200
Housing	105,868	114,005	116,513	117,646	119,486
Not allocated to function	762	2,600	-990	726	-31,202
Total net advances	120,582	144,271	136,000	169,649	109,904

Minus sign (-) denotes excess of repayments.

Further information concerning items included in the functional classifications of the two preceding tables is given in the annual bulletin *Commonwealth Finance 1968-69*.

The Financial Assistance Grants. Under the provisions of the *States Grants Act 1965-1968*, the financial assistance grant paid to each State is determined by increasing the grant paid to that State for previous financial year (with the addition of \$2,000,000 to the grant paid to Queensland in each year up to 1969-70) in accordance with a formula using the percentage change of the population of the State during the year ending 31 December of the year of payment, the percentage increase in average wages for Australia as a whole for the year ended 31 March of the year of payment, and a betterment factor of 1.2 per cent. Western Australia's withdrawal from the 'special grants' system as from 1968-69 did not affect existing formula grants arrangements as, in 1968-69 and 1969-70, additional Commonwealth payments of \$15,500,000 were made to that State.

Contributions under Financial Agreement. Details of the Financial Agreement between the Commonwealth and the States are given in Year Book No. 37, pages 685-90. Under this Agreement the Commonwealth undertook to contribute \$15,169,824 per annum towards interest payable on the State loan securities for a period of 58 years from 1 July 1927. This amount is distributed among the States as follows: New South Wales, \$5,834,822; Victoria, \$4,254,318; Queensland, \$2,192,470; South Australia, \$1,407,632; Western Australia, \$946,864; Tasmania, \$533,718. In addition, under the Financial Agreement the Commonwealth agreed to make certain contributions to the National Debt Sinking Fund for redemption of State loan securities. Details of these are given on page 585 of this chapter.

Special grants. The Commonwealth Grants Commission inquires into and reports upon claims made by any State for a special grant and any matters relevant thereto. The recommendations of the Commission in respect of the years 1965-66 to 1969-70 for Tasmania, and in respect of Western Australia for the years 1965-66 to 1968-69, are shown in their two parts in the following table. One part is the Commission's estimate of the indispensable need of the claimant State for the year in which the payment is to be made after allowing a sufficient margin for safety. The other part is an adjustment of this estimate for an earlier year after an examination of the audited accounts for that year. Thus the grants for 1969-70 include an estimate of the indispensable need of the claimant State for 1969-70 and an adjustment to the estimated grant for 1967-68.

COMMONWEALTH GRANTS COMMISSION: GRANTS RECOMMENDED, 1965-66 TO 1969-70
((\$'000))

	1965-66	1966-67	1967-68	1968-69	1969-70
Western Australia—					
Advance payment	21,000	14,700	15,500	..	..
Completion payment(a)	3,038	4,706	18	582	..
<i>Total</i>	24,038	19,406	15,518	582	..
Tasmania—					
Advance payment	16,400	19,500	19,000	18,000	22,000
Completion payment(a)	1,332	1,166	889	-1,190	-100
<i>Total</i>	17,732	20,666	19,889	16,810	21,900
Grand total	41,770	40,072	35,407	17,392	21,900

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

Natural disasters. Under the States Grants (Drought Assistance) Acts, New South Wales, Victoria, Queensland, South Australia and Tasmania have been given Commonwealth financial assistance to relieve the effects of drought. In addition, the Commonwealth is assisting States to meet budgetary problems arising from the effects of drought on their revenues.

The Commonwealth has provided financial assistance to Tasmania for the rehabilitation and restoration of damage caused by bushfires in February 1967 and to Western Australia for earthquake relief in the Meckering area of that State following the disaster in October 1968. Bushfire relief grants of \$100,000 to New South Wales and of \$200,000 to Victoria were made in 1968-69 and 1969-70 respectively.

The *Commonwealth Aid Roads Act* 1969 provided for principal and supplementary grants totalling \$1,252,050,000 to be paid to the States over the five-year period commencing on 1 July 1969. Supplementary grants totalling \$52,050,000 are to be made to South Australia, Western Australia and Tasmania to assist in the transition from arrangements under the 1964 Act and the principal grant of \$1,200,000,000 is to be allocated specifically as follows: Urban-arterial and sub-arterial roads \$600,690,000; Rural-arterial roads \$186,760,000 and other rural roads \$394,550,000 and planning and research \$18,000,000. Total grants of \$1,252,050,000 payable in the five-year period from 1969-70 to 1973-74 are to be allocated on the following basis: New South Wales \$380,400,000; Victoria, \$254,400,000; Queensland, \$231,600,000; South Australia, \$129,000,000; Western Australia, \$200,400,000 and Tasmania \$56,250,000. For details of previous legislation see earlier yearbooks.

Beef cattle roads. The *States Grants (Beef Cattle Roads) Act* 1968 provided for grants of \$39,500,000, \$9,500,000, and \$1,000,000 for Queensland, Western Australia, and South Australia respectively for a further programme of beef cattle road construction over a period of seven years commencing from 1 July 1967.

Health reimbursement under Tuberculosis Act 1948. The *Tuberculosis Act 1948* provided for the reimbursement by the Commonwealth of capital and maintenance expenditure incurred by the States in the provision of facilities for the diagnosis, treatment and control of tuberculosis.

The *States Grants (Mental Health Institutions) Act 1964-1967* authorised assistance to the States amounting to one-third of their total expenditure on building and equipping approved mental health institutions during the six years ending 30 June 1970.

Education

Payments to the States for universities were first introduced in 1951-52, and details of the States Grants (Universities) Acts under which they were continued are given in earlier issues of the Year Book (see No. 51 page 923 and No. 52 page 770). The *Universities (Financial Assistance) Act 1966-1968* authorised grants totalling approximately \$182,500,000 for the Commonwealth share of the agreed programme of development of State Universities for the years 1967 to 1969. (See also Chapter 20, Education, Cultural Activities, and Research.)

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

The *States Grants (Science Laboratories) Act 1968* extended for the three years ending 30 June 1971 the operation of the scheme outlined in Official Year Book No. 54 page 745. A total payment of \$37.7m is provided for and not more than one-third may be authorised for payment before 30 June 1969 and two-thirds before 30 June 1970.

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

Under the *States Grants (Teachers Colleges) Act 1967* the Commonwealth provided for a maximum 1967-1969 triennium \$9,000,000 to support selected research projects.

Under the *States Grants (Teachers College) Act 1967* the Commonwealth provided for a maximum amount of \$24,000,000 over the three years ending 30 June 1970 for the construction and equipping of teachers colleges.

Under the *States Grants (Secondary School Libraries) Act 1968* grants totalling \$27m are to be made to the States over the three years commencing 1 January 1969 to finance buildings and associated capital facilities for libraries in government and non-government secondary schools.

The *States Grants (Pre-school Teachers Colleges) Act 1968* provided for capital grants totalling \$2.5m over the three financial years commencing 1968-69 for the purpose of increasing the physical capacity of approved pre-school teachers colleges.

Railway projects

The *Railway Agreement (New South Wales) Act 1968* provided for a contribution of \$10m towards the cost of improving the existing railway from Parkes to Broken Hill as a work necessary to provide a uniform gauge railway across Australia.

Other railway projects. The Commonwealth is also continuing to provide financial assistance to South Australia and Western Australia under its railway standardisation agreements with those two States.

Water resources

Investigation and measurement of water resources. The *States Grants (Water Resources Measurement) Act 1967* authorised payments to the States of up to \$4,500,000 during the three years ending 30 June 1970 to assist State programmes of water measurement and investigation of underground water resources.

Chowilla and Dartmouth Reservoirs. Investigations into and considerations of the feasibility and cost of alternative storage and hydro-electric facilities are being continued by contracting Governments under the River Murray Waters Agreement.

Fairbairn Dam. The *Queensland Grant (Maraboon Dam) Act 1968* provided for grants to Queensland of up to \$20,000,000 for the construction of a dam on the Nogoia River near Emerald.

Copeton Dam. Commonwealth grants up to \$20,000,000 will be made to New South Wales under the *New South Wales Grant (Gwydir River Dam) Act 1969* for the construction of a dam on the Gwydir River near Copeton.

King River Dam. Under the *Victoria Grant (King River Dam) Act 1969* the Commonwealth is providing grants of up to \$4,000,000 to Victoria for the construction of a dam on the King River south of Cheshunt.

Tailem Bend to Keith Pipeline. The construction of a pipeline and certain associated works to carry water from Tailem Bend to Keith in South Australia is being assisted financially by provision of grants up to \$6,000,000 under the *South Australia Grant (Tailem Bend to Keith Pipeline) Act 1969*.

Ord River Irrigation Project. The *Western Australia (Ord River Irrigation) Act 1968* provided for financial assistance to Western Australia on the basis of grants for dam construction and interest-bearing loans in respect of the irrigation works.

River Murray Salinity reduction. The *Victoria Grant (River Murray Salinity) Act 1968* provides for grants to Victoria of up to \$3,600,000 for two salinity reduction projects on the River Murray.

Flood mitigation, New South Wales. Commonwealth payments under the *New South Wales Grant (Flood Mitigation) Act 1964-1968* are limited to \$8,000,000 in respect of flood mitigation works on the Macleay, Clarence, Richmond, Tweed, Shoalhaven, and Hunter Rivers. The Commonwealth grants will match State expenditure which, in turn, will be in a prescribed ratio to local authority expenditure on flood mitigation works.

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

Under the *Western Australia (South-west Region Water Supplies) Agreement Act 1965*, the Commonwealth is providing financial assistance of up to \$10,500,000 by way of interest-bearing loans to Western Australia to accelerate works undertaken by the State to extend the comprehensive water supply scheme in the south-west portion of the state.

Other specific purpose payments

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

Development of Exmouth township, Western Australia. The Commonwealth has assisted the Western Australian Government in financing the cost of developing a township at Exmouth in connection with the United States Naval Communications Station established at North West Cape.

Weipa development, Queensland. Under the *Weipa Development Agreement Act 1965* the Commonwealth provided financial assistance of \$3,270,000 during 1965-66 and 1966-67 to Queensland by way of interest-bearing advances to finance harbour works carried out at Weipa on Cape York Peninsula.

Natural gas pipeline, South Australia. Under the *Natural Gas Pipeline (South Australia) Agreement Act 1967* the Commonwealth is providing a maximum of \$15,000,000 by way of interest-bearing loans to help finance the construction of a pipeline to transport gas from natural gas fields at Gidgealpa and Moomba.

Softwood forestry. The *Softwood Forestry Agreement Act 1967* authorised the Commonwealth to provide assistance during the five years ending 30 June 1971 for increased planting of softwood forests. Total assistance of the order of \$20,000,000 is in the form of interest-bearing loans repayable over twenty-five years.

The *Tasmania Agreement (Hydro-Electric Power Development) Act 1968* provided for interest-bearing loans with an overall limit of \$47m to Tasmania for the financing of a five-year programme of accelerated hydro-electric development based on the commencement of development of the Gordon River area in the south west of the State.

Aboriginal Advancement. The *States Grants (Aboriginal Advancement) Act 1968* provided for the payment to the States of grants totalling \$3,650,000 in 1968-69 and \$5 320,000 in 1969-70 for Aboriginal advancement particularly in the fields of housing, education and health. A loan of \$350,000 is to assist in the development of an irrigation project at Bamaga in the far north of Cape York for the benefit of the Aborigines living in the area.

Home care programme and nursing homes. Information on the range of services which are provided mainly for aged persons and which are financed by the Commonwealth in association with the States is given in the chapters on Welfare Services and Public Health.

All Commonwealth funds: receipts

Commonwealth taxation

Taxation constitutes the main sources of Commonwealth revenue, accounting for 87.7 per cent in 1968-69. The following tables on pages 555-7 show details of taxation receipts from each source during the years 1964-65 to 1968-69 and summarised information on their proportions of the totals. For detailed information on taxes on income *See* separate section at end of this chapter, pages 586-95.

ALL COMMONWEALTH FUNDS: TAXATION RECEIPTS, 1964-65 TO 1968-69
(\$'000)

<i>Source of receipts</i>	1964-65	1965-66	1966-67	1967-68	1968-69
Income tax—					
Individuals	1,569,483	1,729,440	1,920,603	2,175,249	2,377,406
Companies	709,044	801,105	784,544	836,664	1,006,543
Dividend (withholding)	16,039	17,247	22,708	21,716	28,303
Interest (withholding) . . . . .	..	..	..	910	4,456
Customs	268,400	270,871	274,873	312,220	346,264
Excise	631,212	751,927	806,448	855,168	902,307
Sales tax	362,825	370,005	380,657	416,626	494,090
Pay-roll tax	150,078	161,943	172,232	184,416	205,568
Estate duty	41,531	36,124	41,534	54,717	60,726
Gift duty	7,308	6,195	7,658	8,543	9,376
Primary production taxes and charges	19,515	28,836	30,524	31,348	33,408
Stevedoring industry charge	10,411	9,531	9,758	14,259	14,480
Broadcasting stations' licence fees	226	218	209	299	310
Television stations' licence fees	28	1,620	963	1,144	1,392
Other	2,214	2,340	3,149	3,302	4,200
Total	3,788,314	4,187,402	4,455,861	4,916,582	5,488,829

COMMONWEALTH TAXATION: PROPORTION OF EACH CLASS TO
TOTAL NET COLLECTIONS, 1964-65 TO 1968-69
(Per cent)

<i>Type of tax</i>	1964-65	1965-66	1966-67	1967-68	1968-69
Income taxes	60.5	60.8	61.2	61.7	62.2
Customs	7.1	6.5	6.2	6.4	6.3
Excise	16.6	18.0	18.1	17.4	16.4
Sales tax	9.6	8.8	8.5	8.5	9.0
Pay-roll tax	4.0	3.9	3.9	3.8	3.7
Estate duty	1.1	0.9	0.9	1.1	1.0
Gift duty	0.2	0.1	0.2	0.2	0.2
Primary production taxes and charges	0.5	0.7	0.7	0.6	0.6
Stevedoring industry charge	0.3	0.2	0.2	0.3	0.3
Other	0.1	0.1	0.1	0.1	0.1
Total taxation	100.0	100.0	100.0	100.0	100.0

Customs and excise receipts

CUSTOMS DUTIES ACCORDING TO BRUSSELS TARIFF DIVISIONS, 1965-66 TO 1968-69
(\$'000)

<i>Brussels Tariff Division</i>	<i>Source of receipts</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>
1	Live animals; animal products	1,155	1,040	911	1,164
2	Vegetable products	1,755	1,797	1,268	1,831
3	Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes	1,923	2,440	1,578	1,191
4	Prepared foodstuffs; beverages, spirits and vinegar; tobacco	43,656	47,149	51,278	53,742
5	Mineral products	19,394	9,488	5,688	5,606
6	Products of the chemical industry and allied industries	10,420	12,340	11,438	12,995
7	Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubbers, factice and articles thereof	11,781	12,278	15,457	16,838
8	Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers; articles of gut (other than silk-worm gut)	1,962	2,409	2,688	2,906
9	Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto and of other plaiting materials; basketware and wickerwork	6,627	6,902	8,111	7,941
10	Paper-making material; paper and paper-board and articles thereof	6,838	7,545	8,437	9,778
11	Textiles and textile articles	34,952	38,019	44,447	46,865
12	Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair; fans	3,193	4,362	5,760	6,658
13	Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware	7,272	7,346	8,343	9,418
14	Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin	1,187	1,200	1,375	1,344
15	Base metals and articles of base metal	18,606	18,321	21,303	24,659
16	Machinery and mechanical appliances; electrical equipment; parts thereof	47,052	44,813	55,172	65,506
17	Vehicles, aircraft, and parts thereof; vessels and certain associated transport equipment	25,575	29,280	39,212	46,270
18	Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; clocks and watches, musical instruments; sound recorders and reproducers; television image and sound recorders and reproducers, magnetic; parts thereof	8,880	9,054	11,141	12,246
19	Arms and ammunition; parts thereof	466	473	327	334
20	Miscellaneous manufactured articles	8,537	8,422	8,684	9,438
21	Works of art, collector's pieces and antiques	-5	5	3	13
	Miscellaneous	4,366	4,613	3,970	4,195
	Primage	5,420	5,799	5,668	5,341
	<i>Total, customs duties and primage</i>	<i>271,610</i>	<i>275,095</i>	<i>312,258</i>	<i>346,281</i>
	<i>Less Remission of duty under special circumstances</i>	<i>139</i>	<i>222</i>	<i>38</i>	<i>17</i>
	Total	270,871	274,873	312,220	346,264

COMMONWEALTH EXCISE REVENUE: CLASSIFICATION OF NET RECEIPTS
1964-65 TO 1968-69
(\$'000)

<i>Source of revenue</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>
Beer	260,214	302,104	320,832	338,614	355,001
Potable spirits	19,207	22,871	24,872	26,783	24,440
Tobacco	17,795	18,070	17,028	16,460	15,711
Cigars and cigarettes	171,073	199,740	200,901	214,315	225,262
Cigarette papers	901	858	824	836	833
Petrol	148,194	190,670	220,617	234,142	253,007
Diesel fuel	9,099	13,597	15,480	18,256	21,520
Matches	2,276	2,267	2,167	2,227	2,384
Playing cards	106	114	112	121	127
Coal	599	621	634	642	820
Cathode ray tubes	605	..	..	..	..
Canned fruit	1,092	1,097	1,263	1,738	1,698
Miscellaneous	1	-73	1,692	1,121	1,625
<i>All items</i>	<i>631,162</i>	<i>751,936</i>	<i>806,423</i>	<i>855,255</i>	<i>902,428</i>
Diesel fuel taxation	309	265	362	304	274
Less rebates	229	241	298	356	352
	<i>80</i>	<i>24</i>	<i>64</i>	<i>-52</i>	<i>-78</i>
Other rebates	-30	-33	-39	-34	-43
Total	631,212	751,927	806,448	855,168	902,307

In addition to these details of collections of customs and excise duties, further information is given in Chapter 11, Overseas Transactions.

Primary production taxes and charges

The following section shows current rates of charges, and receipts from, primary production and other charges during the years 1964-65 to 1968-69. Further information relating to primary production charges is given in Chapter 23, Rural Industry.

Wool tax. The present rate of wool tax is 1 per cent of the sale value of the wool and this rate has operated since 1 August 1970.

Wheat export charge and wheat tax. The *Wheat Export Charge Act* 1968 provided for an export charge on wheat and wheat products for the seasons 1968-69 to 1972-73 inclusive. The charge which may be levied is the excess of the export price over the sum of the guaranteed price and five cents per bushel, the maximum charge being 15 cents per bushel. Under the *Wheat Industry Stabilization Act* 1968, to which the *Wheat Export Charge Act* is complementary, the Commonwealth Government guaranteed a return to wheatgrowers of 145 cents per bushel for the 1968-69 Pool and 145.9 cents for the 1969-70 Pool for fair average quality bulk wheat, free on board vessel, on up to 200 million bushels of wheat harvested each season exported from Australia. Collections from the wheat export charge are paid into the Wheat Prices Stabilization Fund, out of which payments are made to the Australian Wheat Board, when required, for the purpose of building up the average export price for any season to the guaranteed price in respect of exports up to 200 million bushels. When the fund is exhausted (as it was at 30 June 1968) payments will be made as necessary from the Consolidated Revenue Fund. As the return from exports has been below the guaranteed price, there have been no collections of the wheat export charge since the 1956-57 (No. 20) Pool, when \$3,178,000 was collected. The *Wheat Tax Act* 1957-1966 imposes a tax of three-tenths of a penny (0.25 cents) for each bushel of wheat delivered to the Wheat Board on or after 1 October 1965. (See also Chapter 23, Rural Industry.)

Miscellaneous export charges. These consist of charges levied on exports of apples and pears (*Apple and Pear Export Charges Act 1938–1968*), canned fruits (*Canned Fruits Export Charges Act 1926–1966*), dried fruits (*Dried Fruits Export Charges Act 1924–1965*), and eggs (*Eggs Export Charges Act 1947–1965*).

Stevedoring Industry Charge. The rates in operation since 27 November 1967 have been as follows:

Class of Waterside Worker		Rate
		\$
A	.. ..	16.85 per man-week
B	.. ..	0.80 per man-hour
C	.. ..	0.55 per man-hour

Class A waterside workers are regular waterside workers on weekly hire in permanent and non-permanent continuous ports. Class B are regular casual workers in non-permanent continuous ports and Class C are regular casual workers in non-continuous and seasonal ports and irregular workers in all ports.

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

(a) in respect of leaf sold to a manufacturer:

(i) one half cent per pound of leaf, payable by the grower or other persons who own the leaf immediately before sale, and

(ii) one cent per pound of leaf, payable by the manufacturer;

(b) in respect of leaf grown and used by grower-manufacturers:

(i) where the manufacturer grows nine-tenths of the leaf used by him—one half cent per pound of leaf.

(ii) in other cases—one cent per pound of leaf.

(See also the chapter, Rural Industry.)

Dairy produce and butterfat levies. The *Butter Fat Levy Act 1965–1966*, and the *Dairy Produce Export Charge Act 1924–1962* provide for a maximum rate of \$0.60 per hundredweight of butterfat content of specified dairy produce and for the apportionment of the proceeds between overseas marketing (40 per cent), local promotion (40 per cent), and research (20 per cent). (See also Chapter 23, Rural Industry).

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

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

Livestock slaughter levy. The present operative rate of levy for cattle is 33 cents per head of which 20 cents is for beef research, 1 cent for research into the meat processing industry and 12 cents to finance the operations of the Australian Meat Board. For sheep and lambs the levy is 3.1 cents per head and the components are 1.75 cents for sheep meat research, 0.1 cents for research into the meat processing industry and 1.25 cents for the Australian Meat Board.

Dried Vine Fruits Contributory Charge. This charge was discontinued after it was levied in respect of 1968 season fruits.

Poultry industry levy. The rates of levy for each hen kept for commercial purposes (the first twenty hens being exempt) were 4.0 cents per fortnight from 1 July 1969 to 9 June 1970, 2.0 cents per fortnight from 10 June 1970 to 30 June 1970 and 4.0 cents per fortnight from 1 July 1970.

Meat chicken levy. The rate of levy is 10 cents per hundred meat chickens hatched, payable by any hatchery with 20,000 chickens or more.

**COMMONWEALTH PRIMARY PRODUCTION TAXES AND CHARGES
RECEIPTS, 1964-65 TO 1968-69
(\$'000)**

<i>Source of revenue</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>
Apple and pear export charge	213	272	207	211	280
Butter fat levy . . . . .	..	1,812	2,120	1,936	1,956
Canned fruit export charge	176	223	224	326	330
Canning fruit charge	102	120	116	123	164
Cattle slaughter levy	298	..	..	..	..
Dairy produce export charge	674	5	..	..	..
Dairy produce levy	817	31	..	..	..
Dried fruits export charge	155	193	159	143	139
Dried vine fruits contributory charge—					
Currants . . . . .	..	72	52	..	25
Raisins . . . . .	..	165	..	42	..
Sultanas . . . . .	..	1,530	..	139	..
Egg export charge	82	20	5	4	4
Honey levy	104	101	92	96	106
Livestock slaughter levy—					
Cattle	1,157	1,441	1,315	1,314	1,351
Sheep and lambs	299	399	809	1,063	1,027
Meat export charge	103	..	..	..	..
Poultry industry levy . . . . .	..	6,000	8,859	10,840	10,785
Tobacco charge	354	369	239	427	313
Wheat tax	720	591	1,081	633	1,276
Wine export charge	274	288	380	357	379
Wool tax	13,987	15,201	14,869	13,694	15,272
Total	19,515	28,836	30,524	31,348	33,408

Other Commonwealth taxation

Taxes other than customs and excise duties, the various export charges and some taxes on particular commodities are assessed and collected by the Commissioner of Taxation. The Commissioner's organisation comprises a head office in Canberra and an office in each State.

Details of the purposes and rates applicable to the main forms of Commonwealth taxation, excluding customs and excise, currently imposed and of current legislation are given in the following pages. Historical information is given in Year Book No. 51, pages 905-10, and in earlier issues. Taxes on income are treated separately on pages 586-95 and customs and excise duties are dealt with in Chapter 11, Overseas Transactions. For detailed statistics relating to Commonwealth income taxes, estate duty, gift duty, and sales tax see the annual bulletin *Commonwealth Taxation Assessments*.

Sales tax. The general rate of tax levied on all goods other than those specified in the schedules to the *Sales Tax (Exemptions and Classifications) Act* 1935-1968 was raised from 12½ per cent to 15 per cent from 14 August 1968 and goods subject to special rates are taxed at either 2½ per cent or 25 per cent.

Particulars of the net amount of sales tax payable and the sales of taxable and exempt goods in each State for 1968-69 are given in the following table. The figures relate to sales during the period 1 July to 30 June. The figures for sales tax payable differ from those for net collections shown on page 555 because the latter include some adjustments in respect of earlier tax years and relate to tax payable on returns lodged during the year, which in general cover sales for the period June to May.

**COMMONWEALTH SALES TAX AND AMOUNT OF SALES: STATES AND TERRITORIES
1968-69
(\$'000)**

	<i>N.S.W. (including A.C.T.)</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>Aust.</i>
Net sales on which sales tax was payable at—								
2½ per cent	285,416	245,404	82,054	56,262	50,172	14,591	717	734,616
12½ per cent	91,734	64,304	27,130	16,109	17,659	4,143	577	221,656
15 per cent	634,117	423,968	182,090	116,646	117,484	26,104	3,838	1,504,247
25 per cent	375,171	262,882	102,385	74,143	72,110	18,690	1,178	906,559
<i>Total net sales</i>	<i>1,386,437</i>	<i>996,557</i>	<i>393,659</i>	<i>263,160</i>	<i>257,425</i>	<i>63,528</i>	<i>6,310</i>	<i>3,367,078</i>
Sales of exempt goods by registered persons	3,778,948	2,453,787	1,144,885	675,206	619,587	232,511	27,791	8,932,715
Total sales of taxable and exempt goods	5,165,385	3,450,344	1,538,544	938,366	877,012	296,039	34,101	12,299,791
Sales tax payable	207,512	143,489	58,352	39,453	39,112	9,471	960	498,349

Sales of taxable and exempt goods and sales tax payable for Australia are shown in the following table for the years 1964-65 to 1968-69.

**COMMONWEALTH SALES TAX AND AMOUNT OF SALES
AUSTRALIA, 1964-65 TO 1968-69
(\$ million)**

<i>Year of sale</i>	<i>Net sales on which sales tax was payable</i>	<i>Sales of exempt goods by registered persons</i>	<i>Total sales of taxable and exempt goods</i>	<i>Sales tax payable</i>
1964-65	2,589	6,819	9,408	365
1965-66	2,645	7,112	9,757	367
1966-67	2,838	7,802	10,640	386
1967-68	3,095	8,394	11,489	424
1968-69	3,367	8,933	12,300	498

In the foregoing tables sales include goods transferred to stock for sale by retail, goods imported by persons other than registered taxpayers, and goods used in the business of the taxpayer. Exempt sales relate to goods exempted from sales tax under the *Sales Tax (Exemptions and Classifications) Act 1935-1968*. The figures shown do not represent the total sales of all commodities, as vendors trading only in exempt goods are not required to be registered, and consequently the volume of their sales is not included in the statistics above. In addition, non-taxable sales (i.e. goods sold by one registered taxpayer to another registered taxpayer) are excluded.

Pay-roll tax came into operation on 2 May 1941 and provided for the imposition of a tax on wages accruing after 30 June 1941. The relevant laws are *Pay-roll Tax Assessment Act 1941-1969*, *Pay-roll Tax Act 1941-1966*, and *Pay-roll Tax Regulations*. From 1 September 1957 pay-roll tax of 2½ per cent (rate unchanged since its inception) was payable by employers on all wages and salaries in excess of \$400 a week or \$20,800 per annum. Collections of pay-roll tax amounted to \$184,416,000 in 1967-68 and \$205,568,000 in 1968-69.

The *Payroll Tax Assessment Act 1968* continues for five years until 30 June 1973, with some important modifications, the operation of the payroll tax rebate which was introduced in 1961 as an export incentive and which expired on 30 June 1968.

A rebate of payroll tax is available in certain circumstances to employers who increased the level of their annual export sales above their average annual export sales in a base period. For export sales up to 30 June 1968 the base period was the two years ended 30 June 1960. From 1 July 1968 the base period is represented by the first three years of the eight year period preceding the rebate

year. A special formula applies in the case of a new exporter by which a person who did not export in any of the three years ended on 30 June 1961 progressively reaches the same position as an established exporter. The rebate is equivalent to 10.5 per cent of the increase in exports for the rebate year over the average annual exports in the base period.

Estate duty. Under the *Estate Duty Assessment Act 1914-1967* estate duty is assessed on the net value of the estate less a statutory exemption determined in accordance with the following formula: (a) where the whole of the estate passes to the widow or widower, children (including adopted children, step-children and ex-nuptial children), or grand-children of the deceased, \$20,000 decreasing by \$2 for every \$8 by which the value exceeds \$20,000; (b) where no part of the estate passes to the widow or widower, children or grand-children, \$10,000 decreasing by \$2 for every \$8 by which the value exceeds \$10,000; and (c) where only part of the estate passes to the widow or widower, children or grand-children, an amount calculated proportionately under (a) and (b). Special exemptions are also allowed in respect of estates of defence personnel who die on active service or within three years of termination of their active service from injuries received or diseases contracted while on active service, and prescribed personal property held in Australia by certain United States personnel who are in Australia solely for purposes connected with projects of the United States Government. A rebate of duty may be allowable if the deceased was a beneficiary in an estate (upon which duty is payable or has been paid) of a person who predeceased him by not more than five years.

The rates of duty levied under the *Estate Duty Act 1914-1966* increase as the value of the estate for duty increases, as follows: does not exceed \$20,000, 3 per cent; \$20,001 to \$40,000, 3 per cent to 6 per cent; \$40,001 to \$240,000, 6 per cent to 26 per cent; \$240,001 to \$1,000,000, 26 per cent to 27.9 per cent; \$1,000,000 or more, 27.9 per cent.

Particulars of the number and value of estates and duty assessed, for each of the assessment years 1964-65 to 1968-69, are given in the following table.

COMMONWEALTH ESTATE DUTY ASSESSMENTS, 1964-65 TO 1968-69

		1964-65	1965-66	1966-67	1967-68	1968-69
Estates	No.	12,423	10,948	12,056	14,489	14,105
Gross value as assessed	\$'000	602,216	587,488	664,034	840,226	841,462
Deductions(a)	"	116,821	117,304	131,930	168,106	162,834
Statutory exemption	"	92,641	109,468	127,602	155,800	152,206
Dutiable value	"	392,754	360,715	404,502	516,320	526,422
Net duty assessed	"	40,935	38,410	43,817	57,711	64,045
Average dutiable value	\$	31,615	32,948	33,552	35,635	37,322
Average duty assessed per estate	\$	3,295	3,508	3,634	3,983	4,541

(a) Debts, Exempt Estate and State Probate Succession Duties.

Gift duty. The *Gift Duty Act 1941-1966* and the *Gift Duty Assessment Act 1941-1967* impose a gift duty on gifts which are defined as dispositions of property made otherwise than by will, without adequate consideration in money or money's worth. There is a liability on both the donor and the donee to furnish a return, and both are jointly and severally liable for payment of the duty. However, if a return is furnished by the donor, the donee is relieved of this obligation.

Certain exemptions from duty are provided, the more important being: payments to an employees' superannuation or like fund; retiring allowances or gratuities granted to employees; gifts to non-profit institutions or organisations; gifts to the Commonwealth or a State; and small gifts not exceeding \$100.

The rate of gift duty applicable to any particular gift is fixed by reference to the total value of all gifts made by the same donor within the period of eighteen months before and eighteen months after the time of making that gift. Where the total value of all gifts as defined does not exceed \$4,000 no duty is payable; The present rates of duty are (a) \$4,001 to \$20,000, 3 per cent provided that the gift duty payable shall not exceed one half of the amount by which the gift exceeds \$4,000 or a proportionate amount where more than one gift is involved; (b) \$20,001 to \$40,000, 3 per cent to 6 per cent; (c) \$40,001 to \$240,000, 6 per cent to 26 per cent; (d) \$240,001 to \$1,000,000 and over, 26 per cent to 27.9 per cent.

Particulars of the number of gift duty assessments, value of gifts as assessed and duty assessed for each of the assessment years 1964-65 to 1968-69 are given in the following table.

COMMONWEALTH GIFT DUTY ASSESSMENTS, 1964-65 TO 1968-69

	1964-65	1965-66	1966-67	1967-68	1968-69
Assessments No.	8,306	7,516	8,946	9,293	10,053
Value as assessed . . . \$'000	124,709	111,658	130,771	150,322	163,476
Duty assessed "	6,870	5,911	7,633	8,701	9,501

Australian Capital Territory Stamp Duty and Tax.

Stamp Duty and Tax on a range of instruments and transactions connected with the Australian Capital Territory, including Jervis Bay, came into operation on 1 July 1969.

The Australian Capital Territory Taxation (Administration) Act 1969 provides for the administrative procedures necessary for assessment and collection of duty and tax.

Six additional Acts specify the range of dutiable instruments or transactions subject to duty or tax which are as under:

Cheques and Other Bills of Exchange and Promissory Notes: Five cents on each.

Hire Purchase Agreements: 1½ per cent of the purchase price (if over \$100) after excluding any deposit and any terms or insurance charges.

Insurance Business: Five per cent of premiums other than for life assurance, third party motor vehicle insurance or workers' compensation insurance.

Sales and Purchases of Marketable Securities: 40 cents in each \$100 or part thereof. Where the value is less than \$100 the rate is 10 cents in each \$25 or part thereof.

Conveyances, grants and assignments of leases of land: \$1 for each \$100 or part thereof of the value of the interest transferred where a lease is granted by a person other than the Commonwealth, in addition duty is payable at 30 cents for each \$100 or part thereof of the total rent payable for the specified period for which a lease is given.

A general exemption is provided from all duties for public hospitals, public benevolent institutions, religious institutions, public educational institutions, visiting diplomatic personnel and their families. The total amount collected as Australian Capital Territory Stamp Duty and Tax for the year 1969-70 was \$1,969,000.

STATE FINANCE

Functions of State Governments

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

Accounts of State Governments

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

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

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

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

Inter-relation of Commonwealth and State finances

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

State Consolidated Revenue Fund: expenditure

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

In 1968-69 education constituted 26.0 per cent of the total expenditure from the State Consolidated Revenue Funds; the working expenses of railways, tramways, and omnibuses, 19.2 per cent; debt charges, 16.9 per cent; charitable, public health and hospitals, 13.8 per cent; and law, order and public safety, 6.1 per cent.

Total expenditure

The total expenditure from the Consolidated Revenue Funds of the several States and the expenditure per head of population during each of the years 1964-65 to 1968-69 are shown in the following table.

STATE CONSOLIDATED REVENUE FUND EXPENDITURE, 1964-65 TO 1968-69

Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
EXPENDITURE (\$'000)							
1964-65	734,160	480,668	271,215	216,803	184,840	77,447	1,965,133
1965-66	776,314	516,689	298,022	235,650	206,665	86,917	2,120,259
1966-67	833,832	559,595	323,523	250,717	228,174	94,414	2,290,254
1967-68	887,618	604,122	356,249	267,404	249,909	103,302	2,468,603
1968-69	970,330	666,645	388,777	286,895	276,137	110,350	2,699,134
PER HEAD OF POPULATION (\$)							
1964-65	177.22	153.26	166.70	206.07	226.20	211.39	176.38
1965-66	184.41	161.77	179.52	217.82	246.83	235.17	186.76
1966-67	195.15	172.19	191.65	227.10	264.66	252.50	198.28
1967-68	204.18	182.93	207.38	239.13	280.00	272.30	209.96
1968-69	219.02	198.65	221.97	252.64	297.27	286.10	225.16

(a) See page 562 for transactions included.

Details of expenditure

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

STATE CONSOLIDATED REVENUE FUND EXPENDITURE: DETAILS, 1968-69

	<i>N.S.W.</i> (a)	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i> (b)	<i>Total</i>
EXPENDITURE (\$'000)							
Debt (interest, exchange, debt redemption, etc.)	123,286	119,514	63,062	69,907	47,343	32,912	456,115
Railways	191,748	104,360	98,455	32,764	51,766	3,576	482,669
Tramways and omnibuses	32,315	..	..	..	935	1,030	34,280
Harbours and rivers, etc.	17,582	1,580	..	3,684	2,801	41	25,688
Water supply, sewerage, irrigation and drainage . . . . .	..	10,838	..	12,806	11,469	850	35,963
Other business and industrial undertakings . . . . .	..	693	56	919	4,425	93	6,186
Education	254,459	202,499	87,956	69,792	58,403	29,812	702,921
Health and charitable	128,344	93,732	56,425	36,991	41,176	15,706	372,374
Justice	17,117	6,014	5,419	2,219	2,225	1,132	34,126
Police	38,344	26,486	16,320	9,133	7,927	3,734	101,944
Penal establishments	9,983	3,997	2,294	2,403	3,160	961	22,798
Public safety	2,683	144	1,810	452	616	567	6,272
All other expenditure	154,470	96,787	56,980	45,826	43,802	19,936	417,802
Total	970,330	666,645	388,777	286,895	276,137	110,350	2,699,134
PER HEAD OF POPULATION (\$)							
Debt (interest, exchange, debt redemption, etc.)	27.82	35.61	36.00	61.56	51.06	85.33	38.05
Railways	43.28	31.10	56.21	28.85	55.73	9.27	40.26
Tramways and omnibuses	7.29	..	..	..	1.01	2.67	2.86
Harbours and rivers, etc.	3.97	0.47	..	3.24	3.02	0.11	2.14
Water supply, sewerage, irrigation and drainage . . . . .	..	3.23	..	11.28	12.35	2.20	3.00
Other business and industrial undertakings . . . . .	..	0.21	0.03	0.81	4.76	0.24	0.52
Education	57.44	60.34	50.22	61.46	62.87	77.29	58.64
Health and charitable	28.97	27.93	32.22	32.57	44.33	40.72	31.06
Justice	3.86	1.79	3.09	1.95	2.40	2.93	2.85
Police	8.66	7.89	9.32	8.04	8.53	9.70	8.50
Penal establishments	2.25	1.19	1.31	2.12	3.40	2.49	1.90
Public safety	0.61	0.04	1.03	0.40	0.66	1.47	0.52
All other expenditure	34.87	28.84	32.53	40.35	47.15	51.69	34.85
Total	219.02	198.65	221.97	252.64	297.27	286.10	225.16

(a) See page 562 for transactions included. (b) Tasmanian transport services are under the separate control of semi-government authorities. Figures shown for relevant items represent payments to the authorities.

TOTAL STATE CONSOLIDATED REVENUE FUND EXPENDITURE: DETAILS
1964-65 TO 1968-69

	1964-65	1965-66	1966-67	1967-68	1968-69
Debt (interest, exchange, debt redemption, etc.)	343,990	370,551	397,077	425,108	456,115
Railways, tramways and omnibuses (working expenses)	443,947	451,226	467,200	489,570	516,949
Harbours and rivers, etc.	20,652	19,445	20,580	23,629	25,688
Water supply, sewerage, irrigation and drainage	24,840	27,301	29,269	32,967	35,963
Other business and industrial undertakings	6,260	5,235	5,183	5,965	6,186
Education	457,333	499,733	552,836	620,987	702,921
Health and charitable	260,508	285,587	309,569	330,947	372,374
Justice	24,187	26,286	29,029	32,277	34,126
Police	72,981	77,102	87,616	94,448	101,944
Penal establishments	14,204	15,258	17,436	19,924	22,798
Public safety	4,038	4,400	4,644	5,143	6,272
All other expenditure	292,194	338,135	369,814	387,639	417,802
Total	1,965,133	2,120,259	2,290,254	2,468,603	2,699,134

State Consolidated Revenue Fund: receipts

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

Of these sources, that yielding the largest revenue to the Consolidated Revenue Funds for the States as a whole in the year 1968-69 was Commonwealth payments under financial assistance and other grants (40.6 per cent of the total revenue). Next in magnitude was the group of business undertakings (23.7 per cent), the principal contributors being the Government railways and tramways, followed by taxation receipts (20.6 per cent). More than one-quarter of the total State taxation collections are not paid into Consolidated Revenue Funds, however, but into trust and other funds (see pages 568-9). Of the remaining sources of revenue, interest (n.e.i.) constituted 4.1 per cent, land revenue 2.5 per cent, and National Welfare Fund payments 1.1 per cent.

Total receipts

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

STATE CONSOLIDATED REVENUE FUND RECEIPTS, 1964-65 TO 1968-69

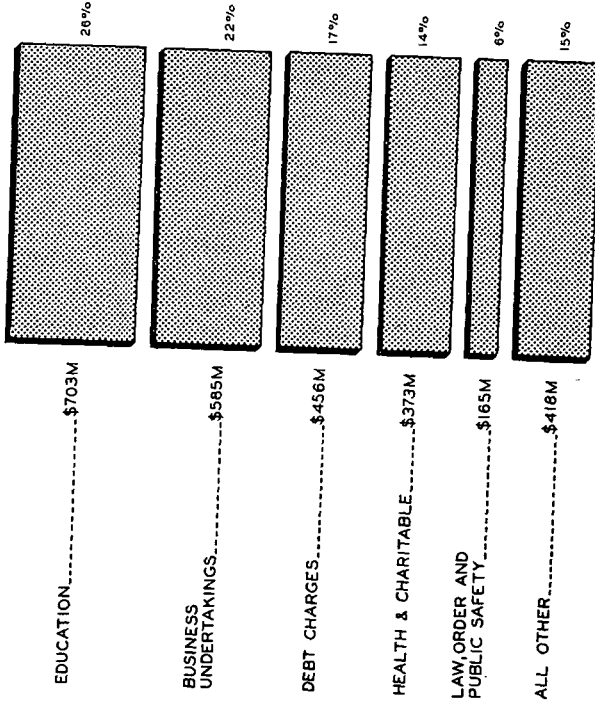
Year	N.S.W.(a)	Vic.	Qld	S.A.	W.A.	Tas.	Total
RECEIPTS (\$'000)							
1964-65	729,091	480,668	267,139	214,181	180,143	75,828	1,947,050
1965-66	771,627	508,554	294,502	228,816	206,655	84,896	2,095,051
1966-67	830,685	559,595	323,781	250,823	228,146	93,842	2,286,873
1967-68	888,077	601,328	357,219	264,544	250,738	101,452	2,463,357
1968-69	966,743	664,183	387,866	287,355	275,081	106,656	2,687,884
PER HEAD OF POPULATION (\$)							
1964-65	176.00	153.26	164.20	203.58	220.45	206.97	174.76
1965-66	183.30	159.22	177.40	211.50	246.81	229.70	184.54
1966-67	194.42	172.19	191.80	227.20	264.63	250.97	197.98
1967-68	204.29	182.09	207.95	236.57	280.93	267.42	209.51
1968-69	218.22	197.92	221.45	253.04	296.13	276.53	224.22

(a) See page 562 for transactions included.

STATE CONSOLIDATED REVENUE FUNDS

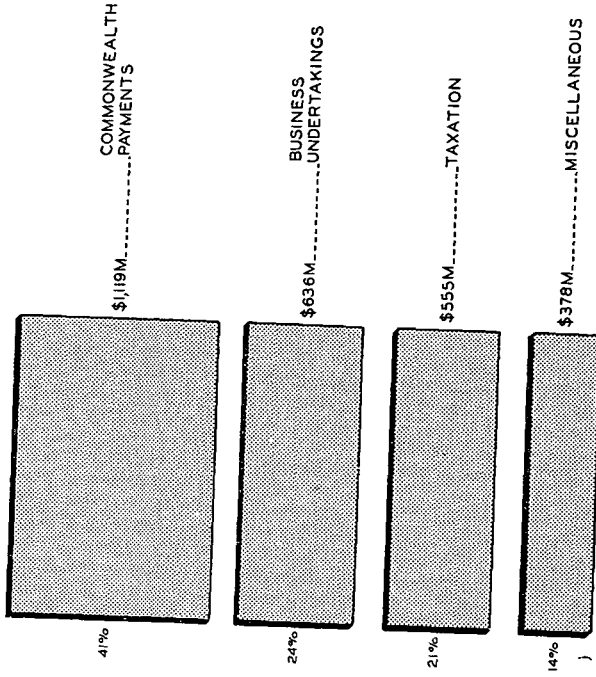
1968-69

EXPENDITURE



TOTAL EXPENDITURE - \$2,699 MILLION

RECEIPTS



TOTAL RECEIPTS - \$2,688 MILLION

Sources of revenue

Classifying the revenue of the several States in the manner indicated on page 565, particulars for the year 1968-69 were as follows.

STATE CONSOLIDATED REVENUE FUND RECEIPTS, BY SOURCE, 1968-69

Source of revenue	N.S.W. (a)	Vic.	Qld	S.A.	W.A.	Tas. (b)	Total
RECEIPTS (\$'000)							
Taxation(c)	197,858	182,574	64,671	49,872	42,772	17,149	554,896
Business undertakings	282,148	132,802	99,558	62,120	58,999	270	635,897
Lands	22,402	9,147	14,127	2,437	17,301	1,930	67,344
Interest, n.e.i.	9,948	26,493	18,917	22,566	14,176	18,172	110,272
Commonwealth grants(d)—							
Financial assistance	333,393	250,563	155,963	112,768	123,796	41,710	1,018,193
Other(e)	20,365	10,602	10,272	10,487	2,825	18,065	72,616
Commonwealth National Welfare							
Fund payments(f)	15,647	4,263	3,756	3,445	161	1,358	28,630
Miscellaneous	84,982	47,740	20,601	23,660	15,050	8,002	200,035
Total	966,743	664,183	387,866	287,355	275,081	106,656	2,687,884

PER HEAD OF POPULATION

	(\$)						
Taxation(c)	44.66	54.41	36.92	43.92	46.05	44.46	46.29
Business undertakings	63.69	39.57	56.84	54.70	63.51	0.70	53.05
Lands	5.06	2.73	8.07	2.15	18.63	5.00	5.62
Interest, n.e.i.	2.25	7.89	10.80	19.87	15.26	47.11	9.20
Commonwealth grants(d)—							
Financial assistance	75.25	74.67	89.05	99.30	133.27	108.14	84.94
Other(e)	4.60	3.16	5.86	9.23	3.04	46.84	6.06
Commonwealth National Welfare							
Fund payments(f)	3.53	1.27	2.14	3.03	0.17	3.52	2.39
Miscellaneous	19.18	14.23	11.76	20.83	16.20	20.75	16.69
Total	218.22	197.92	221.45	253.04	296.13	276.53	224.22

(a) See page 562 for transactions included. (b) Tasmanian transport services are under the separate control of semi-government authorities. (c) In all States certain taxation collections are not paid into Consolidated Revenue Fund. For total collections see next page. (d) Excludes Commonwealth payments paid to trust funds. (e) Includes payments under Financial Agreement, special grants, additional financial assistance, grants to universities, etc. (f) Consolidated Revenue Fund receipts only. Excludes payments to Trust Funds.

State receipts from taxation

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

Net taxation collections

The following tables show, for the year 1968-69, details of the collections by each State from the various types of tax in operation, irrespective of whether such moneys have been paid into the Consolidated Revenue Funds or not. For this reason the particulars hereunder differ from those shown in the tables relating to the Consolidated Revenue Funds and present a comprehensive statement of all taxation collections in each State. For local government taxation collections, see chapter 19.

STATE GOVERNMENT RECEIPTS FROM TAXATION: NET COLLECTIONS, BY TYPE OF TAX
1968-69
(\$'000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas</i>	<i>Total</i>
Probate and succession duties	52,156	46,801	19,969	9,131	6,297	3,029	134,383
Land tax	33,802	21,839	4,746	7,644	4,746	2,352	75,129
Liquor taxes	16,056	10,632	5,186	2,633	2,848	1,072	38,427
Lottery taxes . . . . .	..	5,990	842	..	..	..	6,832
Poker machines tax	26,294	..	..	..	..	..	26,294
Racing taxes	18,366	17,373	6,096	2,773	3,802	199	48,609
Vehicle registration fees and taxes	44,276	46,062	21,984	12,625	6,987	4,890	136,824
Drivers', etc., licences and fees	8,102	3,493	1,440	1,067	1,479	515	16,096
Stamp duty (vehicle registration)	3,783	5,976	2,803	2,134	1,670	342	16,707
Road transport taxes	4,630	1,813	6,701	35	863	331	14,373
Road maintenance contributions	14,799	7,842	4,297	2,557	3,210	..	32,705
Third party insurance surcharges and duties . . . . .	..	2,605	..	400	755	291	4,051
Fire Brigades contributions	600	..	4,124	..	..	..	4,724
Stamp duties, n.e.i.	74,768	73,619	20,212	12,713	21,267	3,996	206,575
Licence and registration fees, n.e.i.	1,366	1,958	601	517	583	60	5,085
Other taxes	376	8,991	3,669	..	2,582	73	15,691
Total	299,376	254,992	99,669	54,228	57,089	17,149	782,503
<i>of which—</i>							
Paid to Consolidated Revenue Fund	197,858	182,574	64,671	49,872	42,772	17,149	554,896
Paid to Trust and other funds	101,518	72,418	34,998	4,356	14,316	..	227,606

In addition to the collections detailed above, the taxes in the following table were collected by other State authorities.

OTHER STATE AUTHORITIES TAXATION: NET COLLECTIONS, BY TYPE OF TAX 1968-69
(\$'000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
Taxes paid to other government authorities—							
Fire Brigades contributions	8,193	6,231	..	931	1,504	661	17,520
Sugar cane assessment . . . . .	..	..	784	..	..	..	784
Metropolitan improvement rate . . . . .	..	5,686	..	..	..	..	5,686
Racing taxes . . . . .	..	..	..	..	..	1,121	1,121
Vehicle registration fees and drivers' licences . . . . .	..	..	..	..	..	-35	-35
Road transport taxes . . . . .	..	..	..	..	..	77	77
Profits of State Lotteries	17,247	..	3,351	1,734	1,528	..	23,860
Total	25,440	11,917	4,135	2,665	3,032	1,824	49,013

The table hereunder shows, for the year 1968-69, the proportions of collections under individual classes of tax to total State taxation revenue.

ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: PROPORTIONS OF INDIVIDUAL TAXES TO TOTAL, 1968-69

(Per cent)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
Probate and succession duties	16.06	17.53	16.35	16.05	10.47	15.96	16.16
Land tax	10.41	8.18	4.57	13.44	7.89	12.40	9.04
Liquor taxes	4.94	3.98	5.00	4.63	4.74	5.65	4.62
Lottery(a), poker machines, racing taxes	19.06	8.75	9.91	7.92	8.87	6.96	12.83
Vehicle registration fees and taxes	13.63	17.26	21.18	22.19	11.62	28.30	18.39
Drivers', etc., licences and fees	2.49	1.31	1.39	1.87	2.46		
Stamp duty (vehicle registration)	1.17	2.24	2.70	3.75	2.78	1.80	2.01
Road transport taxes and road maintenance contributions	5.98	3.62	10.59	4.56	6.77	2.15	5.67
Third party insurance surcharges and duties . . . . .	..	0.98	..	0.70	1.26	1.53	0.49
Stamp duties, n.e.i.	23.02	27.58	19.47	22.35	35.37	21.06	24.84
Other taxes, etc.	3.24	8.57	8.84	2.54	7.77	4.19	5.95
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(a) Includes profits of State Lotteries.

The total amounts and the amounts per head raised from all sources of State taxation during the years 1964-65 to 1968-69 are shown in the following tables.

ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: NET COLLECTIONS, 1964-65 TO 1968-69

<i>Year</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
NET COLLECTIONS							
(\$'000)							
1964-65	224,349	159,626	68,861	37,706	28,207	12,066	530,815
1965-66	237,931	178,603	72,164	40,151	33,236	13,377	575,462
1966-67	258,324	199,247	83,434	46,050	41,798	14,784	643,637
1967-68	288,196	224,593	97,502	51,243	50,671	16,953	729,158
1968-69	324,816	266,909	103,804	56,893	60,121	18,974	831,517
PER HEAD OF POPULATION							
(\$)							
1964-65	54.16	50.90	42.33	35.84	34.52	32.93	47.64
1965-66	56.52	55.92	43.47	37.11	39.69	36.19	50.69
1966-67	60.46	61.31	49.42	41.71	48.48	39.54	55.72
1967-68	66.30	68.02	56.76	45.83	56.77	44.68	62.02
1968-69	73.32	79.54	59.27	50.10	64.72	49.19	69.36

**ALL STATE AUTHORITIES RECEIPTS FROM TAXATION: TOTAL NET COLLECTIONS
BY TYPE OF TAX, 1964-65 TO 1968-69
(\$'000)**

	1964-65	1965-66	1966-67	1967-68	1968-69
Probate and succession duties	91,693	94,753	106,559	119,151	134,383
Land tax	62,702	69,497	72,736	76,103	75,129
Liquor tax	26,211	27,403	31,226	34,299	38,427
Lottery(a), poker machines, racing taxes	68,895	75,091	85,731	97,039	106,716
Vehicle registration fees and taxes	95,084	106,872	115,282	124,409	136,790
Drivers', etc., licences and fees	11,548	13,607	14,377	14,865	16,096
Stamp duty (vehicle registration)	7,895	10,525	11,576	14,768	16,707
Road transport taxes and road main- tenance contributions	31,879	33,936	38,401	42,580	47,153
Third party insurance surcharges and duties	2,815	3,132	3,314	3,472	4,051
Stamp duties, n.e.i.	104,108	109,663	124,965	157,943	206,575
Other taxes	27,983	30,984	39,470	44,529	49,490
Total	530,815	575,462	643,637	729,158	831,517

(a) Includes profits of State Lotteries.

Taxation collections paid to trust and other funds

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

**STATE GOVERNMENT RECEIPTS FROM TAXATION: TOTAL PAYMENTS INTO TRUST
AND OTHER FUNDS, 1964-65 TO 1968-69
(\$'000)**

	1964-65	1965-66	1966-67	1967-68	1968-69
Liquor tax	7,706	8,236	9,120	9,849	10,779
Racing tax	1,647	2,105	2,739	3,613	4,807
Poker machines tax	13,666	15,761	19,650	23,063	26,294
Motor vehicle registration	81,318	92,384	99,782	107,924	119,032
Drivers', etc. licences	8,830	9,708	9,729	10,131	10,881
Road transport taxes	5,789	5,863	6,175	6,911	7,306
Road maintenance contributions	20,625	22,851	26,339	28,929	32,705
Third party insurance surcharges and duties . . . . .	..	..	..	..	400
Fire brigades contributions	2,840	3,320	3,842	4,213	4,724
Stamp duties, n.e.i.	1,152	1,203	1,146	1,170	1,225
Licences, n.e.i.	587	616	681	712	832
Other taxes, etc.	5,434	5,410	5,974	7,735	8,622
Total	149,593	167,455	185,177	204,248	227,606

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

A considerable proportion of State gross revenue is made up of receipts from business undertakings under the control of the Governments. The most important of these are railways and tramways, harbour works, water supply and sewerage, and electricity supply. In addition, State batteries for the treatment of auriferous ores in Western Australia and various minor revenue-producing services rendered by the Governments of all States are included. For the year 1968-69 the receipts from these sources was \$635,897,000 or 23.7 per cent of the receipts from all sources.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1968-69**
(\$'000)

<i>Source</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.(a)</i>	<i>Total</i>
Railways(b)	228,560	100,329	99,290	29,350	49,163	..	506,691
Tramways and omnibuses	30,629	..	..	..	..	..	30,629
Harbours, rivers, lights	22,959	(c)3,576	..	6,547	3,301	..	36,382
Water supply, sewerage, irrigation and drainage	..	14,479	..	24,831	4,538	70	43,919
Electricity supply	..	13,897	268	..	..	..	14,165
Other	..	520	..	1,393	1,997	200	4,110
Total	282,148	132,802	99,558	62,120	58,999	270	635,897

(a) Tasmanian transport services are under the separate control of semi-government authorities. (b) The following contributions to railways revenue from Consolidated Revenue Fund are excluded—New South Wales, \$1,600,000; South Australia, \$11,000,000. (c) Includes Harbour Trust Fund contribution, \$1,500,000.

**STATE CONSOLIDATED REVENUE FUND: RECEIPTS FROM BUSINESS UNDERTAKINGS
1964-65 TO 1968-69**

<i>Year</i>	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.(a)</i>	<i>Total</i>
RECEIPTS (\$'000)							
1964-65	255,024	127,416	79,813	57,256	42,631	348	562,487
1965-66	236,989	126,773	81,717	58,597	49,267	602	553,946
1966-67	257,872	140,627	85,384	61,996	56,525	246	602,650
1967-68	272,570	129,827	91,647	60,256	60,883	248	615,431
1968-69	282,148	132,802	99,558	62,120	58,999	270	635,897

PER HEAD OF POPULATION
(\$)

1964-65	61.56	40.63	49.06	54.42	52.17	0.95	50.49
1965-66	56.30	39.69	49.22	54.16	58.84	1.63	48.79
1966-67	60.35	43.27	50.58	56.16	65.56	0.66	52.17
1967-68	62.70	39.31	53.35	53.89	68.21	0.65	52.34
1968-69	63.69	39.57	56.84	54.70	63.51	0.70	53.05

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

**STATE CONSOLIDATED REVENUE FUND: TOTAL RECEIPTS FROM BUSINESS
UNDERTAKINGS, BY SOURCE, 1964-65 TO 1968-69**
(\$'000)

<i>Source</i>	<i>1964-65</i>	<i>1965-66</i>	<i>1966-67</i>	<i>1967-68</i>	<i>1968-69</i>
Railways, tramways and omnibuses	485,800	473,483	508,846	522,259	537,320
Harbour services	27,371	27,142	30,010	33,348	36,382
Water supply, sewerage, irrigation and drainage	33,424	37,370	41,206	41,790	43,919
Other	15,892	15,951	22,588	18,035	18,275
Total	562,487	553,946	602,650	615,431	635,897

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

State Loan Funds

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

Statements relating to 'gross' loan expenditure are shown below and on page 573. Gross expenditure represents the amounts disbursed during each year. Details of 'net' loan expenditure, i.e. gross expenditure less any credits to the Loan Fund during the year on account of repayments of advances to local governing bodies, settlers, etc., the sale of assets, and transfers from other funds, may be found in the annual bulletin *State, Territory and Local Government Authorities' Finance and Government Securities*. Such moneys are credited to the Loan Fund in the year of repayment irrespective of when the advance was made.

Gross loan expenditure

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

STATE GROSS LOAN EXPENDITURE ON WORKS, SERVICES, ETC.: DETAILS, 1968-69
(\$'000)

	N.S.W.	Vic.(a)	Qld	S.A.	W.A.	Tas.	Total
Public works and services—							
Railways	24,500	16,901	16,873	5,212	15,503	582	79,570
Tramways and omnibuses	940	..	..	..	267	..	1,207
Roads	4,855	4,476	2,844	..	..	789	36,136
Bridges							
Harbours and rivers	13,544	4,432	798	3,194	1,203	..	..
Lights and lighthouses . . . . .	..	..	..	..
Water supply	21,626	18,156	229	18,273	14,235	1,277	84,803
Sewerage		1,754	..	9,253			
Electricity and gas supplies	15,280	15,830	4,790	6,000	5,685	20,725	68,310
Public buildings	92,778	70,892	30,167	26,989	21,932	13,903	256,660
Loans and grants to local bodies	1,437	2,236	14,212	..	..	91	17,976
Housing(b)	1,910	2,667	1,300	650	2,524	100	9,150
Other public works, etc.	445	546	..	3,065	..	803	4,859
Primary production—							
Soldier settlement	50	..	..	..	..	..	50
Land for settlement	2,400	1,927	440	..	..	50	4,817
Advances to settlers	200	354	..	1,584	..	500	2,638
Water conservation, irrigation and drainage	18,066	(c)	8,001	3,321	884	..	30,272
Vermin-proof fencing . . . . .	..	2	10	(d)	..	..	12
Agriculture	2,700	922	..	..	740	817	5,179
Agricultural Bank . . . . .	..	..	6,404	..	..	..	6,404
Forestry	3,600	3,020	5,290	2,282	400	1,550	16,142
Mines and mineral resources	1,450	254	1,092	244	97	65	3,203
Other	3,316	6,970	..	342	..	175	10,803
Other purposes . . . . .	..	(e)3,367	..	6,202	891	1,107	11,568
Total	209,097	154,706	92,450	86,611	64,361	42,533	649,759
Other than works, etc.	662	279	398	307	142	1,811	3,599
Grand total	209,759	154,985	92,848	86,918	64,503	44,344	653,357

(a) Expenditure from loan funds and on account of loans; includes expenditure from loan funds, from Treasurer's Advance Account, and from State Loans Repayment Fund. (b) Excludes expenditure from Commonwealth loans under Commonwealth-State Housing Agreement. (c) Included in Public works and services—Water supply. (d) Included in item Advances to settlers. (e) Includes Rural Finance and Settlement Commission, for advances to rural industries \$1,569,000.

STATE LOAN EXPENDITURE ON WORKS, SERVICES, ETC.
1964-65 TO 1968-69
 (\$'000)

<i>Year</i>	<i>N.S.W.</i>	<i>Vic.(a)</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
1964-65—							
Gross	156,879	128,465	77,963	73,639	51,029	35,780	523,756
Repayments	12,121	7,588	10,972	11,085	4,071	2,428	48,265
Net	144,758	120,878	66,991	62,554	46,958	33,352	475,491
1965-66—							
Gross	170,984	131,884	80,083	75,167	52,926	39,346	550,390
Repayments	16,179	8,146	14,232	10,632	4,983	2,773	56,945
Net	154,806	123,738	65,851	64,535	47,943	36,573	493,446
1966-67—							
Gross	184,457	141,804	93,378	77,809	55,481	40,118	593,047
Repayments	15,138	8,900	8,990	11,156	4,391	3,482	52,057
Net	169,319	132,904	84,388	66,653	51,090	36,636	540,990
1967-68—							
Gross	191,759	148,715	88,075	77,338	60,593	45,993	612,473
Repayments	19,883	8,687	11,227	12,116	7,348	3,865	63,126
Net	171,875	140,028	76,848	65,223	53,244	42,128	549,346
1968-69—							
Gross	209,759	154,985	92,848	86,918	64,503	44,344	653,357
Repayments	25,562	8,154	12,115	15,680	9,693	4,270	75,474
Net	184,197	146,831	80,733	71,238	54,810	40,074	577,883

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

Information relating to the government securities and borrowings on issue on behalf of the States is given in the Section on Government Securities on Issue: Commonwealth and States (see pages 576-82).

COMMONWEALTH AND STATE FINANCE

Consolidated Revenue Fund expenditure and receipts

In the following table, aggregate expenditure and receipts of Commonwealth Consolidated Revenue Fund for each of the years 1964-65 to 1968-69 may be compared with State Consolidated Revenue Fund totals for the same years as shown in the section State Finance. The combined Commonwealth and State totals have been adjusted to exclude major duplications, but the separate Commonwealth and State figures are as shown in other divisions of this chapter. The items excluded from the total figures are: payments made by the Commonwealth to the States and included in the State Consolidated Revenue Funds on account of financial assistance grants in 1964-65 to 1968-69, interest under the Financial Agreement, special grants, special financial assistance, grants to universities, specific purpose payments, Tuberculosis Act capital expenditure, National Welfare Fund payments, and estimated payments of pay-roll tax by the States to the Commonwealth. There are other relatively minor payments for which adjustments have not been made, and the adjusted figures are therefore still slightly overstated.

COMMONWEALTH AND STATE CONSOLIDATED REVENUE FUND EXPENDITURE AND RECEIPTS, 1964-65 TO 1968-69

<i>Year</i>	<i>Expenditure</i>			<i>Receipts</i>		
	<i>Commonwealth</i>	<i>States</i>	<i>Total</i>	<i>Commonwealth</i>	<i>States</i>	<i>Total</i>
	\$'000	\$'000	\$m	\$'000	\$'000	\$m
1964-65	4,418,178	1,965,133	5,605.2	4,418,178	1,947,050	5,587.2
1965-66	4,879,201	2,120,259	6,105.4	4,879,201	2,095,051	6,080.2
1966-67	5,227,721	2,290,254	6,545.4	5,227,721	2,286,873	6,548.9
1967-68	5,760,480	2,468,603	7,179.5	5,760,480	2,463,357	7,174.2
1968-69	6,085,765	2,699,134	7,657.6	6,085,765	2,687,884	7,646.4

Taxation collections

The following table shows the combined Commonwealth and State taxation collections and the amount per head of population for the years 1964-65 to 1968-69. Taxation collections by other State authorities are included.

**COMMONWEALTH AND STATE TAXATION: TOTAL NET COLLECTIONS
BY TYPE OF TAX, 1964-65 TO 1968-69**

	1964-65	1965-66	1966-67	1967-68	1968-69
NET COLLECTIONS					
(\$'000)					
Income taxes	2,291,183	2,544,652	2,725,415	3,030,918	3,410,886
Estate, gift, probate and succession duties	140,532	137,072	155,751	182,412	204,484
Customs and excise duty	899,612	1,022,798	1,081,321	1,167,388	1,248,571
Sales tax	362,825	370,005	380,657	416,626	494,090
Payroll tax	150,078	161,943	172,232	184,416	205,568
Land taxes	62,702	69,497	72,736	76,103	75,129
Liquor taxes	26,357	27,574	31,423	34,525	38,686
Lottery(a), poker machines and racing taxes	68,895	75,091	85,731	97,039	106,716
Taxes on ownership and operation of motor vehicles	149,974	168,912	183,892	201,175	222,205
Stamp duties, n.e.i.	104,149	109,727	125,020	158,017	206,661
Licences and registration fees, n.e.i.	4,022	5,772	5,422	6,044	6,804
Other taxes	55,185	65,972	76,743	86,668	93,506
Total	4,315,517	4,759,014	5,096,344	5,641,328	6,313,304
<i>of which</i>					
Commonwealth taxation (including Territories)	3,784,702	4,183,552	4,452,707	4,912,171	5,481,788
State taxation	530,815	575,462	643,637	729,158	831,517

PER HEAD OF POPULATION

(\$)

	1964-65	1965-66	1966-67	1967-68	1968-69
Income taxes	203.14	221.26	232.77	254.13	280.23
Estate, gift, probate and succession duties	12.46	11.92	13.30	15.29	16.80
Customs and excise duty	79.76	88.93	92.35	97.88	102.58
Sales tax	32.17	32.17	32.51	34.93	40.59
Payroll tax	13.31	14.08	14.71	15.46	16.89
Land taxes	5.56	6.04	6.21	6.38	6.17
Liquor taxes	2.34	2.40	2.68	2.89	3.18
Lottery(a), poker machines and racing taxes	6.11	6.53	7.32	8.14	8.77
Taxes on ownership and operation of motor vehicles	13.30	14.69	15.71	16.87	18.26
Stamp duties, n.e.i.	9.23	9.54	10.68	13.25	16.98
Licences and registration fees, n.e.i.	0.36	0.50	0.46	0.51	0.56
Other taxes	4.89	5.74	6.55	7.27	7.68
Total	382.63	413.81	435.26	473.00	518.69
<i>of which—</i>					
Commonwealth taxation (including Territories)	335.56	363.77	380.29	411.87	450.37
State taxation	47.64	50.69	55.72	62.02	69.36

(a) Includes profits of State Lotteries.

Government Borrowing and Financing the Commonwealth Deficit

Movements in government securities on issue are the most important transactions involved in financing the Commonwealth deficit in each of the years 1964-65 to 1968-69 as shown in the table on page 538.

Specifically the deficit, as derived, consists of the following:

Net sales of Commonwealth securities (new issues, *less* redemptions, *less* net purchases from Commonwealth balances in the Trust Fund),

less net purchases of other investments from Commonwealth balances in the Trust Fund,

plus minor items of indebtedness (such as borrowing by Australian Capital Territory and Northern Territory housing trust accounts, and transactions associated with the issue of coin),

less net additions to cash balances and funds provided for the International Monetary Fund.

The following table summarises the relationship of the deficit in each of the years 1964-65 to 1968-69 with the net movement in securities on issue which are derivable from the tables shown on the following pages.

RECONCILIATION OF DEFICIT WITH NET MOVEMENT IN SECURITIES ON ISSUE

(\$ million)

(Source: Supplement to the *Treasury Information Bulletin*, August 1969)

	1964-65	1965-66	1966-67	1967-68	1968-69
Net movement in securities on issue	362	415	570	707	596
<i>Less</i> net increase in securities on issue held by Trust Fund(a)	-155	-135	10	-146	-268
	206	280	580	561	328
Adjustment from face value to cash basis	1	..	..	(b)103	..
	207	280	580	664	328
<i>Less</i> increases in net assets of Commonwealth—					
Cash balances	-4	..	-1	..	..
International Monetary Fund	-22	-40	-27	-59	-5
Other(a)	1	16	..	37	62
Deficit	183	255	552	642	385

(a) Excludes investment of other than Commonwealth balances in the Trust Fund. (b) Includes adjustment of Australian currency equivalent of Sterling debt, following devaluation of Sterling. See page 19 of the white paper on 'Government Securities on Issue at 30 June 1968.'

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

In the statistical tables relating to Government securities, details of securities on issue, annual interest liability and average rate of interest liability, except on pages 579-80, are shown in the currencies in which they are repayable or payable respectively. Australian currency equivalents for overseas loans have been calculated using International Monetary Fund par rates of exchange (and the calculated equivalent for Swiss francs) ruling at 30 June in each year shown. Rates of exchange to \$A at 30 June 1969 were as follows: £Sterling, 0.46667; United States dollars, 1.1200; Canadian dollars, 1.2108; Swiss francs, 4.8978; Netherlands guilders, 4.0544; Deutsche marks, 4.4800.

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

Summary information shown in tables on pages 583 and 585-6 includes transactions related to the raising, disbursement, management and redemption of loans required to finance State deficits and works expenditure in accordance with this agreement. On the other hand, the series excludes

non-negotiable, non-interest-bearing securities issued to international institutions (International Monetary Fund, International Development Association, Asian Development Bank, etc.) because no cash receipts or expenditure were involved when these securities were issued. Transactions with these authorities are included in Commonwealth receipts, expenditure or financing items when they occur.

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

Government securities on issue: Commonwealth and States

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

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

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES 30 JUNE 1969

	Currency in which repayable						Total— Australian currency equivalents(a)	
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders		Deutsche marks
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw fr '000	f'000	DM '000	\$A'000
For Commonwealth purposes	2,590,952	80,033	748,094	29,727	239,704	6,196	791,740	3,682,140
On account of States—								
New South Wales	2,663,764	92,666	67,430	4,029	15,833	8,999	..	2,931,318
Victoria	2,033,067	27,844	34,160	3,243	12,732	7,233	..	2,130,294
Queensland	1,090,887	22,625	24,579	1,626	6,391	3,684	..	1,164,870
South Australia	1,075,935	23,176	18,491	1,724	6,774	3,631	..	1,145,810
Western Australia	774,295	29,970	11,547	1,240	4,863	2,830	..	851,541
Tasmania	586,078	4,041	11,070	942	3,703	2,094	..	606,671
Total, States	8,224,027	200,322	167,277	12,804	50,296	28,471	..	8,830,505
Total, Commonwealth and States—								
Stock and bonds	9,684,495	275,419	300,925	24,195	290,000	34,667	700,000	10,787,350
Treasury bills, internal	859,200	..	..	..	..	..	..	859,200
Treasury notes	205,419	..	..	..	..	..	..	205,419
Treasury bills, public	14,000	..	..	..	..	..	..	14,000
International Bank loans	..	..	132,025	15,636	..	..	78,240	148,257
Loans from Export-Import Bank of the United States . . . . .	..	..	50,000	..	..	..	..	44,643
Aircraft loans—								
Export-Import Bank . . . . .	..	..	56,677	..	..	..	..	50,604
Other financial institutions . . . . .	..	..	81,299	2,700	..	..	13,500	77,831
Debentures	47,694	..	..	..	..	..	..	47,694
Loans for defence purposes . . . . .	..	..	294,445	..	..	..	..	262,897
Balance of securities of States taken over by Commonwealth and still represented by State securities . . . . .	..	4,165	..	..	..	..	..	8,925
Other	4,171	(b)771	..	..	..	..	..	5,823
Grand total—								
Currencies in which repayable	10,814,979	280,355	915,371	42,531	290,000	34,667	791,740	..
Australian currency equivalents(a)								
\$A'000	10,814,979	600,756	817,295	35,126	59,210	8,550	176,728	12,512,645

(a) For rates of exchange to \$A ruling at 30 June 1969 see page 575. (b) State securities issued by the Government of Western Australia to meet the costs of acquisition of the Midland Railway Company of Western Australia Ltd.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1969**

	Currency in which payable							Total— Australian currency equivalents(a)
	Australian currency	Sterling	United States dollars	Canadian dollars	Swiss francs	Nether- lands guilders	Deutsche marks	
	\$A'000	£Stg'000	\$US '000	\$Can '000	Sw fr '000	f'000	DM '000	
For Commonwealth purposes	91,467	4,235	39,118	1,404	11,437	310	50,410	150,291
On account of States—								
New South Wales	130,882	4,321	3,527	232	712	450	..	143,739
Victoria	100,927	1,397	1,771	186	573	362	..	105,863
Queensland	52,842	925	1,290	93	288	184	..	56,158
South Australia	53,135	846	959	99	305	182	..	55,994
Western Australia	38,130	1,038	587	71	219	141	..	41,016
Tasmania	29,011	191	583	54	167	105	..	30,046
<i>Total, States</i>	<i>404,927</i>	<i>8,720</i>	<i>8,716</i>	<i>736</i>	<i>2,263</i>	<i>1,424</i>	<i>..</i>	<i>432,815</i>
Grand total—								
Currencies in which repayable	496,394	12,955	47,834	2,140	13,700	1,733	50,410	..
Australian currency equivalents(a) \$A'000	496,394	27,760	42,709	1,767	2,797	428	11,252	583,106

**AVERAGE RATE OF INTEREST LIABILITY
(Per cent)**

For Commonwealth purposes	3.53	5.29	5.23	4.72	4.77	5.00	6.37	4.08
On account of States—								
New South Wales	4.91	4.66	5.23	5.75	4.50	5.00	..	4.90
Victoria	4.96	5.02	5.18	5.75	4.50	5.00	..	4.97
Queensland	4.84	4.09	5.25	5.75	4.50	5.00	..	4.82
South Australia	4.94	3.65	5.19	5.75	4.50	5.00	..	4.89
Western Australia	4.92	3.46	5.08	5.75	4.50	5.00	..	4.82
Tasmania	4.95	4.74	5.27	5.75	4.50	5.00	..	4.95
<i>Total, States</i>	<i>4.92</i>	<i>4.35</i>	<i>5.21</i>	<i>5.75</i>	<i>4.50</i>	<i>5.00</i>	<i>..</i>	<i>4.90</i>
Grand total	4.59	4.62	5.23	5.03	4.72	5.00	6.37	4.66

(a) For rates of exchange to \$A ruling at 30 June 1969, see page 575.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1965 TO 1969**

		30 June—				
		1965	1966	1967	1968	1969
For Commonwealth purposes—						
Australian currency	\$A'000	2,512,888	2,520,779	2,531,402	2,674,987	2,590,952
Sterling	£Stg'000	76,253	73,398	69,262	80,442	80,033
United States dollars	\$US'000	368,641	380,067	516,494	705,120	748,094
Canadian dollars	\$Can'000	49,665	49,191	48,479	39,939	29,727
Swiss francs	Sw fr'000	194,288	194,088	239,711	239,704	239,704
Netherlands guilders	f'000	7,150	7,150	7,150	6,673	6,196
Deutsche marks	DM'000	84,596	84,596	84,596	178,240	791,740
<i>Total, Commonwealth—Aus- tralian currency equivalents(a)</i>	<i>\$A'000</i>	<i>3,133,997</i>	<i>3,144,518</i>	<i>3,275,339</i>	<i>3,600,291</i>	<i>3,682,140</i>
On account of States—						
Australian currency	\$A'000	6,182,321	6,613,686	7,145,660	7,683,494	8,224,027
Sterling	£Stg'000	268,670	255,670	233,880	206,642	200,322
United States dollars	\$US'000	229,884	236,610	194,770	181,073	167,277
Canadian dollars	\$Can'000	15,633	14,690	13,852	13,006	12,804
Swiss francs	Sw fr'000	50,296	50,296	50,296	50,296	50,296
Netherlands guilders	f'000	32,850	32,850	32,850	30,661	28,471
<i>Total, States—Australian currency equivalents(a)</i>	<i>\$A'000</i>	<i>7,090,533</i>	<i>7,494,623</i>	<i>7,934,074</i>	<i>8,316,544</i>	<i>8,830,505</i>
Total, Commonwealth and States—Australian currency equivalents(a)	\$A'000	10,224,530	10,639,141	11,209,413	11,916,836	12,512,645

(a) For rates of exchange to \$A ruling at 30 June 1969 see page 575.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
ANNUAL INTEREST PAYABLE, 30 JUNE 1965 TO 1969**

		30 June—				
		1965	1966	1967	1968	1969
AMOUNT						
For Commonwealth purposes—						
Australian currency	\$A'000	89,540	91,723	91,848	96,063	91,467
Sterling	£Stg'000	3,608	3,509	3,367	4,255	4,235
United States dollars	\$US'000	18,202	18,955	26,577	36,848	39,118
Canadian dollars	\$Can'000	2,297	2,275	2,244	1,878	1,404
Swiss francs	Sw fr'000	7,982	7,973	10,537	10,537	11,437
Netherlands guilders	f'000	358	357	357	334	310
Deutsche marks	DM'000	4,801	4,801	4,801	10,999	50,410
<i>Total, Commonwealth—Australian currency equivalents(a)</i>	<i>\$A'000</i>	<i>119,498</i>	<i>122,087</i>	<i>129,159</i>	<i>144,319</i>	<i>150,291</i>
On account of States—						
Australian currency	\$A'000	283,118	313,379	344,583	373,064	404,927
Sterling	£Stg'000	11,034	10,632	9,871	8,943	8,720
United States dollars	\$US'000	11,428	11,889	10,231	9,512	8,716
Canadian dollars	\$Can'000	899	845	796	748	736
Swiss francs	Sw fr'000	2,263	2,263	2,263	2,263	2,263
Netherlands guilders	f'000	1,643	1,643	1,643	1,533	1,424
<i>Total, States—Australian currency equivalents(a)</i>	<i>\$A'000</i>	<i>322,515</i>	<i>352,138</i>	<i>379,921</i>	<i>402,178</i>	<i>432,815</i>
Total, Commonwealth and States—Australian currency equivalents(a)	\$A'000	442,014	474,225	509,080	546,497	583,106

AVERAGE RATE OF INTEREST LIABILITY

(Per cent)

For Commonwealth purposes—						
Australian currency		3.56	3.64	3.63	3.60	3.53
Sterling		4.73	4.78	4.86	5.29	5.29
United States dollars		4.94	4.99	5.15	5.23	5.23
Canadian dollars		4.62	4.63	4.63	4.70	4.72
Swiss francs		4.11	4.11	4.40	4.40	4.77
Netherlands guilders		5.00	5.00	5.00	5.00	5.00
Deutsche marks		5.68	5.68	5.68	6.17	6.37
<i>Total, Commonwealth—Australian currency equivalents(a)</i>		<i>3.82</i>	<i>3.88</i>	<i>3.94</i>	<i>4.02</i>	<i>4.08</i>
On account of States—						
Australian currency		4.58	4.74	4.82	4.86	4.92
Sterling		4.11	4.16	4.22	4.32	4.35
United States dollars		4.97	5.02	5.25	5.25	5.21
Canadian dollars		5.75	5.75	5.75	5.75	5.75
Swiss francs		4.50	4.50	4.50	4.50	4.50
Netherlands guilders		5.00	5.00	5.00	5.00	5.00
<i>Total, States—Australian currency equivalents(a)</i>		<i>4.55</i>	<i>4.70</i>	<i>4.79</i>	<i>4.84</i>	<i>4.90</i>
Total, Commonwealth and States—Australian currency equivalents(a)		4.33	4.46	4.54	4.59	4.66

(a) For rates of exchange to \$A ruling at 30 June 1969 see page 575.

Government securities on issue and annual interest payable—Australian currency

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

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1969—AUSTRALIAN CURRENCY**

	Currency in which repayable						Total
	Australian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders		Deutsche marks
SECURITIES ON ISSUE							
(\$A'000)							
For Commonwealth pur- poses—							
Treasury Bills, internal	859,200	..	..	..	..	..	859,200
Other short-term	219,419	..	..	..	..	..	219,419
Other	1,512,333	171,498	667,941	24,552	48,941	1,528	176,728
<i>Total, Commonwealth</i>	<i>2,590,952</i>	<i>171,498</i>	<i>667,941</i>	<i>24,552</i>	<i>48,941</i>	<i>1,528</i>	<i>176,728</i>
On accounts of States—							
New South Wales	2,663,764	198,569	60,205	3,328	3,233	2,220	..
Victoria	2,033,067	59,665	30,500	2,678	2,600	1,784	..
Queensland	1,090,887	48,482	21,946	1,343	1,305	909	..
South Australia	1,075,935	49,662	16,510	1,424	1,383	896	..
Western Australia	774,295	64,221	10,310	1,024	993	698	..
Tasmania	586,078	8,659	9,884	778	756	516	..
<i>Total, States</i>	<i>8,224,027</i>	<i>429,258</i>	<i>149,354</i>	<i>10,575</i>	<i>10,269</i>	<i>7,022</i>	<i>..</i>
<i>Total, Commonwealth and States—</i>	<i>10,814,979</i>	<i>600,756</i>	<i>817,295</i>	<i>35,126</i>	<i>59,210</i>	<i>8,550</i>	<i>176,728</i>
Treasury Bills, internal	859,200	..	..	..	..	..	859,200
Other short-term	219,419	..	..	..	..	..	219,419
Other	9,736,360	600,756	817,295	35,126	59,210	8,550	176,728
Grand total	10,814,979	600,756	817,295	35,126	59,210	8,550	176,728
PER HEAD OF POPULATION							
(\$A)							
For Commonwealth pur- poses							
	210.73	13.95	54.32	2.00	3.98	0.12	14.37
On account of States—							
New South Wales	595.31	44.38	13.45	0.74	0.72	0.50	..
Victoria	600.77	17.63	9.01	0.79	0.77	0.53	..
Queensland	617.01	27.42	12.41	0.76	0.74	0.51	..
South Australia	940.17	43.40	14.43	1.24	1.21	0.78	..
Western Australia	818.84	67.92	10.90	1.08	1.05	0.74	..
Tasmania	1,508.57	22.29	25.44	2.00	1.95	1.33	..
<i>Total, States</i>	<i>679.38</i>	<i>35.46</i>	<i>12.34</i>	<i>0.87</i>	<i>0.85</i>	<i>0.58</i>	<i>..</i>
Total, Commonwealth and States	879.60	48.86	66.47	2.86	4.82	0.70	14.37
ANNUAL INTEREST PAYABLE							
(\$A'000)							
For Commonwealth pur- poses							
	91,467	9,075	34,927	1,160	2,335	76	11,252
On account of States—							
New South Wales	130,882	9,259	3,149	192	145	111	..
Victoria	100,927	2,994	1,581	154	117	89	..
Queensland	52,842	1,982	1,152	77	59	45	..
South Australia	53,135	1,813	856	82	62	45	..
Western Australia	38,130	2,224	524	59	45	35	..
Tasmania	29,011	409	521	45	34	26	..
<i>Total, States</i>	<i>404,927</i>	<i>18,686</i>	<i>7,782</i>	<i>608</i>	<i>462</i>	<i>351</i>	<i>..</i>
Total, Commonwealth and States	496,394	27,760	42,709	1,767	2,797	428	11,252

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
30 JUNE 1969—AUSTRALIAN CURRENCY—*continued*

	Currency in which repayable—						Total	
	Australian currency	Sterling	United States dollars	Can- adian dollars	Swiss francs	Nether- lands guilders		Deutsche marks
ANNUAL INTEREST PAYABLE PER HEAD OF POPULATION (\$A)								
For Commonwealth purposes	7.44	0.74	2.84	0.09	0.19	0.01	0.92	12.22
On account of States—								
New South Wales	29.25	2.07	0.70	0.04	0.03	0.02	..	32.12
Victoria	29.82	0.88	0.47	0.05	0.03	0.03	..	31.28
Queensland	29.89	1.12	0.65	0.04	0.03	0.03	..	31.76
South Australia	46.43	1.58	0.75	0.07	0.05	0.04	..	48.93
Western Australia	40.32	2.35	0.55	0.06	0.05	0.04	..	43.38
Tasmania	74.67	1.05	1.34	0.12	0.09	0.07	..	77.34
<i>Total, States</i>	33.45	1.54	0.64	0.05	0.04	0.03	..	35.75
<i>Total, Commonwealth and States</i>	40.37	2.26	3.47	0.14	0.23	0.03	0.92	47.43

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATES
SECURITIES ON ISSUE AND ANNUAL INTEREST PAYABLE, 30 JUNE 1965
TO 1969—AUSTRALIAN CURRENCY
(\$A'000)

	30 June—				
	1965	1966	1967	1968	1969
SECURITIES ON ISSUE					
For Commonwealth purposes—					
Treasury Bills, internal	632,400	681,500	679,500	685,000	859,200
Other short-term	196,432	195,996	178,452	414,735	219,419
Other	2,305,165	2,267,022	2,417,388	2,500,557	2,603,521
<i>Total, Commonwealth</i>	3,133,997	3,144,518	3,275,339	3,600,291	3,682,140
On account of States—					
New South Wales	2,407,364	2,531,928	2,666,905	2,772,812	2,931,318
Victoria	1,679,339	1,781,544	1,893,069	1,998,614	2,130,294
Queensland	919,706	977,046	1,038,902	1,094,921	1,164,870
South Australia	919,446	970,473	1,027,080	1,077,035	1,145,810
Western Australia	691,660	730,700	772,511	804,866	851,541
Tasmania	473,019	502,932	535,606	568,296	606,671
<i>Total, States</i>	7,090,533	7,494,623	7,934,074	8,316,544	8,830,505
<i>Total, Commonwealth and States—</i>					
Treasury Bills, internal	632,400	681,500	679,500	685,000	859,200
Other short-term	196,432	195,996	178,452	414,735	219,419
Other	9,395,698	9,761,645	10,351,461	10,817,099	11,434,026
<i>Grand total</i>	10,224,530	10,639,141	11,209,413	11,916,836	12,512,645

ANNUAL INTEREST PAYABLE					
For Commonwealth purposes	119,498	122,087	129,159	144,319	150,291
On account of States—					
New South Wales	110,250	119,668	128,128	134,301	143,739
Victoria	77,650	85,023	91,936	98,070	105,863
Queensland	40,492	44,493	48,904	51,970	56,158
South Australia	41,534	45,350	48,797	51,889	55,994
Western Australia	30,886	33,617	36,217	38,165	41,016
Tasmania	21,706	23,987	25,941	27,776	30,046
<i>Total, States</i>	322,515	352,138	379,921	402,178	432,815
<i>Total, Commonwealth and States</i>	442,014	474,225	509,080	546,497	583,106

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

For details of securities on issue for Commonwealth and State purposes at 30 June 1969 at each rate of interest and classified according to the earliest and latest years of maturity see the annual bulletin *State, Territory and Local Government Authorities' Finance and Government Securities*.

Short-term securities on issue

Particulars of the short-term securities (Treasury bills, Treasury notes and seasonal securities) of the Commonwealth and States in Australia at intervals from 30 June 1962 to 30 June 1966 are shown on page 814 of Year Book No. 53, and particulars at earlier dates are shown in previous issues. These securities are included in the government securities on issue as shown elsewhere. No short-term securities have been raised overseas since September 1956, when all such securities held in London were expatriated to Australia.

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

Treasury notes with currencies of thirteen weeks (A Notes) and of twenty-six weeks (B Notes) were issued in multiples of \$1,000 with a minimum subscription of \$10,000. In 1968-69 the issue prices of A Notes varied from 98.91 per cent to 98.82 per cent and yields from 4.420 per cent to 4.789 per cent. The issue prices of B Notes varied from 97.80 per cent to 97.61 per cent and yields from 4.51 per cent to 4.910 per cent.

Government securities on issue maturing in Australia, classified by holder

The following table shows details of government securities maturing in Australia classified according to holder as at 30 June 1968 and 1969.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH AND STATE
MATURING IN AUSTRALIA, BY HOLDER(a), 30 JUNE 1968 AND 1969
(Source: Reserve Bank of Australia *Statistical Bulletin*)

Holder	30 June—			
	1968		1969	
	Amount	Proportion of total	Amount	Proportion of total
	\$ million	Per cent	\$ million	Per cent
Reserve Bank of Australia	1,041	10.1	846	7.8
Trading banks	1,193	11.5	1,367	12.6
Savings banks	2,250	21.7	2,285	21.1
Other banking institutions	7	0.1	12	0.2
Life insurance offices	1,093	10.6	1,150	10.6
Fire, marine and general insurance offices	123	1.2	126	1.2
Other private financial institutions—				
Pension and provident funds	174	1.7	192	1.8
Friendly societies, hospitals and medical funds	25	0.2	29	0.3
Trustee companies	122	1.2	115	1.1
Pastoral finance companies	35	0.3	37	0.3
Money market dealers	494	4.8	524	4.8
Miscellaneous	80	0.8	104	1.0
Government financial institutions—				
Insurance offices and funds	121	1.2	137	1.3
Pension and provident funds	173	1.7	195	1.8
Public trustees	28	0.3	26	0.2
All other(b)	4	..	3	..
Public authorities (excluding finance)—				
Commonwealth Government (including Commonwealth semi-governmental)	1,789	17.3	2,067	19.1
State Government	58	0.6	57	0.5
Local government and State semi-governmental	245	2.4	233	2.2
Companies (excluding finance)	145	1.4	183	1.7
Other holders—				
Marketing boards	6	0.1	3	..
Farmers	87	0.8	83	0.8
Non-profit organisations	52	0.5	48	0.4
All other	1,012	9.8	993	9.2
Total	10,358	100.0	10,815	100.0

(a) Total stock inscribed, bonds in circulation, amounts paid up on outstanding applications, in transit claims and advance applications, Commonwealth Treasury Bills and Treasury Notes, debentures, and Savings Certificates.
(b) Includes securities held by Commonwealth Development Bank of Australia.

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

In some States certain public utilities, such as tramways, water supply and sewerage, harbour services, etc., are controlled by boards or trusts, which, in addition to receiving advances from the central government, raise loans by borrowing on their own behalf, while in other States these services are controlled by the central government. Direct comparisons between States of the securities on issue on account of the several States should therefore be made with caution. The table following shows for 1963-64 to 1967-68 particulars of the securities on issue on account of the States, the securities on issue by local government and semi-government authorities, and the aggregates of these.

**GOVERNMENT SECURITIES ON ISSUE ON ACCOUNT OF THE STATES
LOCAL GOVERNMENT AND SEMI-GOVERNMENT AUTHORITY
SECURITIES ON ISSUE, 30 JUNE 1964 TO 1968**

<i>State</i>	<i>Local government (a)</i>	<i>Semi- government(a)</i>	<i>Total</i>
SECURITIES ON ISSUE			
(\$A'000)(b)			
30 June 1968—			
New South Wales	2,772,812	622,317	4,074,011
Victoria	1,998,614	200,852	3,765,545
Queensland	1,094,921	346,229	1,758,632
South Australia	1,077,035	42,079	1,271,662
Western Australia	804,866	59,616	973,363
Tasmania	568,296	58,058	690,445
Total, 30 June 1968	8,316,544	1,329,152	12,533,660
1967	7,934,074	1,220,628	11,842,754
1966	7,494,623	1,121,852	11,098,571
1965	7,090,533	1,035,864	10,439,222
1964	6,690,562	953,191	9,785,472
PER HEAD OF POPULATION			
(\$A)(b)			
30 June 1968—			
New South Wales	637.91	142.04	937.27
Victoria	605.27	60.44	1,140.38
Queensland	637.40	199.87	1,023.77
South Australia	963.19	37.40	1,137.24
Western Australia	901.81	65.56	1,090.60
Tasmania	1,497.88	151.98	1,819.83
Total, 30 June 1968	707.39	112.13	1,066.09
1967	681.20	104.80	1,025.28
1966	654.73	98.00	969.57
1965	630.53	92.12	928.32
1964	606.31	86.38	895.10

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

NOTE. The considerable changes in the figures for local government and semi-government debt in the table above when compared with figures in Official Year Book prior to issue No. 54 are due to the transfer of New South Wales County Councils from the semi-government division to that of local government authorities (see pages 604-6).

Commonwealth loan transactions: summary

Under the Financial Agreement between the Commonwealth and the States, the Commonwealth is responsible for raising loan moneys to meet approved Loan Council borrowing programmes of both the Commonwealth and State Governments.

The following table indicates sources of finance for State works and housing programmes as approved by the Loan Council.

GOVERNMENT BORROWING: STATE WORKS AND HOUSING PROGRAMMES
1964-65 TO 1968-69
(\$'000)

	1964-65	1965-66	1966-67	1967-68	1968-69
Public loans, domestic raisings, etc.	424,092	413,871	501,133	407,655	472,559
Overseas loans	22,108	22,369	53,945	76,795	125,998
Commonwealth assistance to programmes(a)	133,800	168,760	89,922	192,550	111,443
Total	580,000	605,000	645,000	677,000	710,000

(a) Allocated proceeds of Special Loans nos 163, 172, 180 and 187

Summary of loan transactions

The following table contains a summary of loan transactions on behalf of the Commonwealth and State Governments during the five years 1964-65 to 1968-69.

COMMONWEALTH LOAN TRANSACTIONS: SUMMARY, 1964-65 TO 1968-69

	1964-65	1965-66	1966-67	1967-68	1968-69
New loans(a) raised in—					
Australia \$A'000	600,120	658,725	673,696	709,665	652,288
London £Stg'000	..	..	..	14,000	..
New York(b) \$US'000	87,269	75,807	185,794	243,759	138,105
Canada \$Can'000	..	..	..	2,050	950
Switzerland Sw fr.'000	..	..	50,000	..	60,000
Germany DM'000	..	..	..	100,000	615,000
Miscellaneous debt in Australia(c) \$A'000	24,184	6,350	29,271	18,880	20,997
Net change in short-term debt—					
Australia—Public \$A'000	-62,000	-36,000	10,000	51,000	-127,000
Internal \$A'000	33,400	49,100	-2,000	5,500	174,200
Treasury notes \$A'000	-72,138	35,564	-27,544	185,283	-68,316
Loans raised for conversion or redemption of existing securities maturing in—					
Australia \$A'000	540,645	761,000	618,268	641,766	422,484
London £Stg'000	..	..	..	32,000	..

(a) Includes loans raised for redemption of Treasury bills. (b) Includes proceeds of, \$US23,519,000, \$US17,057,000 and \$US555,000 in 1964-65, 1965-66 and 1966-67 from International Bank for Reconstruction and Development loan used for the purposes of the Snowy Mountains Hydro-electric Authority and proceeds of \$US100,989,000, \$US148,236,000 and \$US101,519,000 in 1966-67, 1967-68 and 1968-69 under credit arrangements for defence purchases in the United States. (c) Advance loan subscriptions (net change), 'over the counter sales' (instalment stock and inscribed stock and bonds issued by State Governments), and Peace Savings Certificates (interest credited).

Minus sign (-) denotes a decrease in debt.

National Debt Sinking Fund

Securities on issue on behalf of the Commonwealth

The National Debt Sinking Fund was established by the *National Debt Sinking Fund Act 1923-1959* and came into operation on 11 August 1923. Particulars of the creation and operation of sinking funds by that Act are included in issues of the Year Book prior to No. 23. The *National Debt Sinking Fund Act 1966* repealed all previous legislation on sinking funds relating to securities on issue on behalf of the Commonwealth. Under the Act of 1966 the period of redemption is 25 years from 1 July 1966 for debt outstanding at 30 June 1966 and 25 years for net debt created in subsequent years.

Broadly, the amounts payable to the National Debt Sinking Fund each year are made up of contributions from the Consolidated Revenue Fund of the Commonwealth as follows:

- (a) an amount of \$30.94 million each year for a period of 25 years;
- (b) an amount equal to 4 per cent of the amount of net debt created (if any) in any year for a period of 25 years.

In addition, an amount equal to specified receipts by the Commonwealth in repayment of loans or advances made out of moneys in the Loan Fund will be paid to the Sinking Fund.

The amounts payable to the Fund in any year from Consolidated Revenue Fund are to be reduced by the following:

- (a) the net income from investments in any year; and
- (b) an amount equal to 4 per cent of the amount of the net reduction of debt in any year.

Particulars of receipts and expenditure of the Commonwealth Account for the years 1964-65 to 1968-69 are as follows.

NATIONAL DEBT SINKING FUND: COMMONWEALTH ACCOUNT, 1964-65 TO 1968-69 (\$'000)

	1964-65	1965-66	1966-67	1967-68	1968-69
Receipts—					
From Consolidated Revenue	62,171	64,969	21,589	25,421	32,832
Loans and advances repaid	10,318	11,659	12,684	13,772	14,909
War Service Homes money repaid	31,137	31,045	(a)	(a)	(a)
Reparation moneys . . . . .	..	221	..	..	..
Interest on investments	12,040	11,910	9,351	7,665	5,502
<i>Total, receipts</i>	<i>115,666</i>	<i>119,804</i>	<i>43,624</i>	<i>46,859</i>	<i>53,243</i>
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	153,857	81,869	112,435	68,019	33,340
London	7,239	6,565	9,905	5,983	693
New York(b)	22,301	26,166	29,852	26,145	28,253
Canada	69	151	131	122	28
Netherlands . . . . .	..	..	..	118	119
<i>Total, expenditure</i>	<i>183,466</i>	<i>114,751</i>	<i>152,324</i>	<i>100,386</i>	<i>62,434</i>
Balance at 30 June	297,761	302,814	194,114	140,587	131,396
Face value of securities repurchased and redeemed in—					
Australia	153,823	82,258	112,784	68,287	33,473
London	6,279	5,711	10,340	6,043	876
New York(b)	10,204	12,026	29,875	26,569	29,624
Canada	34	75	134	135	32
Netherlands . . . . .	..	..	..	118	118
<i>Total, face value</i>	<i>170,340</i>	<i>100,070</i>	<i>153,133</i>	<i>101,151</i>	<i>64,123</i>

(a) In the years 1966-67, 1967-68 and 1968-69 principal repayments were credited to Consolidated Revenue Fund.
 (b) Includes instalment repayments of loans from International Bank for Reconstruction and Development: 1964-65—face value, \$8.4m, net cost, \$18.3m; 1965-66—face value, \$8.7m, net cost, \$19.1m; 1966-67—face value, \$19.9m, net cost, \$20.0m; 1967-68—face value, \$20.8m, net cost, \$20.2m; 1968-69—face value, \$21.8m, net cost \$21.1m.

Securities on issue on behalf of States

A sinking fund for the redemption of the securities on issue on behalf of States was established under the Financial Agreement. Particulars of the transactions of the National Debt Sinking Fund (States' Account) for each State during the year 1968-69 and for all States during the years 1964-65 to 1968-69 are shown in the following tables.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1968-69
(\$'000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
Receipts—							
Contributions under Financial Agreement—							
Commonwealth	7,214	5,189	2,790	2,835	2,105	1,485	21,619
States	25,902	20,004	9,869	10,137	8,373	4,523	78,807
Interest from States on cancelled securities	41	27	24	13	14	7	126
Special contributions by States	63	25	28	16	6	..	138
Interest on investments, etc.	-65	-79	-17	-27	-14	-19	-220
<i>Total, receipts</i>	<i>33,154</i>	<i>25,167</i>	<i>12,694</i>	<i>12,974</i>	<i>10,483</i>	<i>5,997</i>	<i>100,469</i>
Expenditure (net cost)—							
Securities repurchased and redeemed in—							
Australia	16,559	10,180	5,614	5,591	4,480	2,695	45,120
London	1,966	2,357	3,169	2,060	2,510	270	12,333
New York	4,446	2,323	1,600	1,231	818	708	11,126
Canada	46	37	19	19	14	11	145
Netherlands	173	139	71	70	54	40	546
<i>Total, expenditure</i>	<i>23,189</i>	<i>15,036</i>	<i>10,472</i>	<i>8,972</i>	<i>7,876</i>	<i>3,724</i>	<i>69,270</i>
Balance at 30 June 1969	11,228	10,176	2,658	4,209	3,015	2,354	33,639
Face value of securities repurchased and redeemed in—							
Australia	16,564	10,181	5,614	5,593	4,480	2,695	45,127
London(a)	2,349	2,486	3,300	2,239	2,848	321	13,543
New York(a)	4,939	2,560	1,777	1,359	893	790	12,318
Canada(a)	53	42	21	22	16	12	167
Netherlands(a)	171	137	70	69	54	40	540
<i>Total, face value</i>	<i>24,075</i>	<i>15,406</i>	<i>10,782</i>	<i>9,283</i>	<i>8,291</i>	<i>3,859</i>	<i>71,695</i>

(a) Converted in accordance with the Financial Agreement at the equivalent of the mint par of exchange prevailing on 1 July 1927.

NATIONAL DEBT SINKING FUND: STATES' ACCOUNT, 1964-65 TO 1968-69
(**\$'000**)

	1964-65	1965-66	1966-67	1967-68	1968-69
Receipts—					
Contributions under Financial Agreement—					
Commonwealth	16,646	17,761	18,951	20,387	21,619
States	60,099	64,385	68,867	73,486	78,807
Interest from States on cancelled securities	26	106	113	93	126
Special contributions by States	222	222	220	143	138
Interest on investments, etc.	—36	30	—46	48	—220
<i>Total, receipts</i>	<i>76,958</i>	<i>82,503</i>	<i>88,105</i>	<i>94,157</i>	<i>100,469</i>
Expenditure (net cost)—					
Securities repurchased and redeemed in—					
Australia	52,808	60,861	59,451	50,568	45,120
London	14,612	11,685	16,545	31,815	12,333
New York	9,948	11,775	10,441	11,330	11,126
Canada	358	782	680	631	145
Netherlands . . . . .	..	..	..	543	546
<i>Total, expenditure</i>	<i>77,726</i>	<i>85,104</i>	<i>87,118</i>	<i>94,886</i>	<i>69,270</i>
Balance at 30 June	4,783	2,182	3,169	2,440	33,639
Face values of securities repurchased and redeemed in—					
Australia	52,825	60,888	59,496	50,586	45,127
London(a)	12,250	10,002	13,579	28,953	13,543
New York(a)	4,554	5,455	4,925	5,629	12,318
Canada(a)	178	388	344	348	167
Netherlands(a) . . . . .	..	..	..	677	540
<i>Total, face value</i>	<i>69,807</i>	<i>76,733</i>	<i>78,345</i>	<i>86,193</i>	<i>71,695</i>

(a) Converted in accordance with the Financial Agreement at the equivalent of the mint par of exchange prevailing on 1 July 1927.

TAXES ON INCOME

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

The laws dealing with the assessment and imposition of Income tax at 30 June 1969 were—*Income Tax Assessment Act 1936-1969, Income Tax Act 1968, Income Tax (Partnerships and Trusts) Act 1968, Income Tax (Non-Resident Dividends and Interest) Act 1967*, and the Income Tax Regulations. The second-mentioned Act is an annual measure, and its primary purpose is to declare the rates of tax payable for the financial year.

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

The operation of the *Income Tax Assessment Act 1936-1969* is affected by the following Acts:

- (a) *Taxation Administration Act 1953-1966*, which provides for the administration of certain Acts relating to taxation;
- (b) *Income Tax (International Agreements) Act 1953-1969* which gives the force of law to agreements between the Commonwealth and the Governments of the United Kingdom, Canada and New Zealand, and to a convention between the Commonwealth and the Government of the United States of America, for the avoidance of double taxation and the prevention of evasion of taxes on income.
- (c) *Diplomatic Privileges and Immunities Act 1967* which provides for the exemption from Income Tax of certain income of diplomatic representatives, their staff and families.

Lodgment of returns and assessment of income tax

Individuals, partnerships and trusts, non-profit companies with total income in excess of \$416 and all other companies deriving income are required to lodge returns of income each year. Partnerships and Trusts are not required to pay tax except in certain circumstances when they may be assessed as individuals. In general the net income is distributed to the partners or beneficiaries concerned and is assessable for tax in their respective individual returns.

Income tax payable is assessed, and assessment notices showing the amounts payable are issued, during the year following the year of income. In respect of individuals the approximate amount payable, however, has already been collected during the income year from employees by deductions from wages and from non-employees by a provisional tax. The amount shown on the assessment notice is therefore adjusted against the amount already paid and any difference either collected or refunded.

Pay-as-you-earn system

Salary and wage earners are subject to tax instalment deductions by employers according to a prescribed scale which shows the amount to be deducted according to income and number of dependants. Under the group scheme of deduction, covering most employers of more than ten persons, the amount deducted is remitted to the Taxation Department.

Not later than 14 July each year employers are required to supply each employee with a group certificate showing amount earned and total deductions made during the year ended 30 June.

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

Individuals with taxable income of \$400 or more from other than salary or wages pay provisional tax in respect of that income. Collection of tax for the current year is made at the same time as collection and assessment for the previous year are adjusted. The notice of assessment shows an amount of provisional tax for the current year. The provisional amount is an approximation to the tax which will be payable after the return of income for the current year has been lodged. It is ascertained by assuming that the income of the current year will be the same as that for the previous year, but the rates for the current year are applied to the income and not the rates for the year in which it was derived. The assessment notice shows the provisional tax paid in the previous year as a credit against the tax assessed on the basis of the return for that year.

Assessable income

Assessable income includes all income, other than exempt income, derived directly or indirectly from sources in Australia and, in the case of resident taxpayers, includes income from sources outside Australia.

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

Certain types of income are exempt from tax, the more important being (i) war and service pensions (ii) age and invalid pensions, child endowment and other payments under the *Social Services Consolidation Act 1947-1950* and the *Tuberculosis Act 1948*, (iii) income from gold-mining and some other mining operations, (iv) twenty per cent of certain mining profits, (v) dividends paid out of exempt mining profits, (vi) income received from a scholarship, bursary or other educational allowance, (vii) income of certain non-profit institutions and mutual income of some other organisations, (viii) income of specified superannuation funds, (ix) pay, allowances and bounties for part-time duty, and gratuity payable on a call out for continuous full-time service of members of the Defence Force Emergency Reserves, and (x) pay and allowances of members of the Defence Forces while allotted for duty in special areas (i.e. part of Borneo and adjacent waters, and South Vietnam).

Expenditure incurred in producing assessable income or in carrying on a business is an allowable deduction, except to the extent that it is of a capital, private, or domestic nature, or is incurred in producing exempt income. Subscriptions to certain business associations and trade union dues are also allowable deductions.

Special deductions for both resident and non-resident taxpayers include such items as trading losses incurred in previous years, bad debts, depreciation, annual rates and land taxes paid, gifts to various institutions and, subject to certain conditions, one-third of amounts paid as calls to mining, prospecting, oil-prospecting, or afforestation companies operating in Australia. In lieu of the one-third deduction for calls, capital subscribed to companies engaged in exploration or mining for petroleum and certain other minerals in Australia or Papua and New Guinea may, in certain circumstances, be deductible in full.

Special deductions may be allowed for certain expenditure of a capital nature incurred in mining or prospecting operations conducted for the purpose of earning assessable income and in the provision of certain transport facilities necessary for and directly related to those operations. In the case of primary producers certain developmental expenditure of a capital nature may be deducted. Deductions in addition to depreciation are allowed to manufacturers and primary producers by way of an investment allowance for expenditure on specified plant and equipment. Subject to a maximum permissible tax saving, a special rebate is allowed for certain expenditure on export market development. The rebate is in addition to any normal deduction for the expenditure allowed as a business expense.

Residents of Zone A and Zone B, prescribed isolated areas subject to uncongenial climatic conditions and high costs of living are entitled to a zone allowance deduction. Members of the defence forces serving in certain overseas localities, are entitled to a deduction of the same amount as residents of Zone A.

Concessional deductions

Concessional allowances to residents for dependants, medical and dental expenses, life insurance, superannuation contributions, etc. are made as a deduction from income. The maximum deduction allowed for the income year 1969-70 for each dependant or for a housekeeper is shown below:

<i>Dependant, etc. (resident)</i>	<i>Maximum deduction(a)</i>
	\$
Spouse, Daughter-housekeeper(b); housekeeper(c); Parent or parent-in-law	312
One child under 16 years of age; Invalid relative(d); Student child 16 to 21 years	208
Other children under 16 years of age	156

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

If a dependant derives separate net income, which includes age or invalid pension but not child endowment, the deduction is reduced by the amount, by which the separate net income exceeds \$130. Scholarships are excluded except insofar as they relate to maintenance.

Medical expenses (less amounts recouped from hospital and medical funds) paid by a resident taxpayer in respect of himself or dependants, including children under twenty-one years of age, are allowed as a concessional deduction. These expenses include payments to a legally qualified medical practitioner, dentist, nurse or chemist, or hospital, in respect of an illness or operation, therapeutic treatment or eye tests, expenditure on medical or surgical appliances, artificial limbs or eyes, hearing aids and spectacles, payment of an attendant of a blind or bed-ridden person or for the maintenance of a trained dog used by a blind person.

Other concessional deductions allowed to resident taxpayers include: (i) payments of life insurance premiums and contributions to superannuation funds and friendly societies, (maximum \$1,200), (ii) payments to medical or hospital funds, (iii) funeral expenses (maximum \$100), and (iv) expenditure incurred for the full-time education of children less than twenty-one years of age (maximum \$300 for each child).

Effective exemption from tax

For the income years from 1963-64 onwards the income of a taxpayer without dependants was exempt from income tax if it did not exceed \$416. The effect of the deductions for dependants was to exempt resident taxpayers up to the incomes shown in the examples hereunder.

RESIDENT TAXPAYERS: EFFECTIVE EXEMPTIONS FROM TAX
($\$$)

Income years ended June—	Taxpayer with—		Wife and—			
	No dependants	Wife only	one child	two children	three children	four children
1964 to 1967 . . .	416	702	884	1,014	1,144	1,274
1968 to 1970 . . .	416	728	936	1,092	1,248	1,404

Special provisions applying for the 1969-70 income year to *resident aged persons* (i.e. men aged 65 years or more or women aged 60 years or more) were:

(A) *Individuals*

Taxable Income $\$$	Amount of Tax payable
Up to 1,300	Nil
1,301 to 1,532	One-sixth of the excess over \$1,300
1,533 to 2,080	\$38.66 plus one-fifth of the excess over \$1,532
2,081 to 2,275	\$148.26 plus two-thirds of the excess over \$2,080

(B) *Aged Persons Contributing to Maintenance of Spouse*

Combined Taxable Income $\$$	Amount of Tax Payable
Up to 2,262	Nil
2,263 to 2,500	One-sixth of the excess over \$2,262
2,501 to 3,000	\$39.66 plus one-third of the excess over \$2,500
3,001 to 3,640	\$206.32 plus nine-twentieths of the excess over \$3,000
3,641 to 4,121	\$494.32 plus two thirds of the excess over \$3,640

Rates of income tax on individuals

The table on page 590 shows the rates of income tax for income years 1953-54 to 1969-70 as set out in the first schedule to the Income Tax Act.

Assessable income represents total actual income minus exempt income. Taxable income is the amount remaining after all allowable deductions have been made on assessable income.

The minimum amount of income tax payable is 50c.

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

The only cases in which incomes below \$416 attract tax are those for which special rates are payable in accordance with the provisions of the *Income Tax (Partnerships and Trusts) Act 1968*.

For primary producers the rate of income tax for the current year is, in general, determined by the average of the taxable incomes for the five years up to and including the current year. In 1951 a taxpayer was given the right to elect not to have the averaging provisions applied to his assessment but up to 1965-66 income year the election, if made under then existing legislation, was irrevocable. The *Income Tax Assessment Act 1966* amended this and a primary producer who elected to withdraw from the averaging system prior to the 1966-67 income year is now able to review that decision.

He may return to the averaging system provided that he makes the necessary election in respect of any one of the income years 1966-67 to 1969-70. In the year of re-entry the taxpayer will be treated for averaging purposes as though he had never withdrawn from the system. However, he will not have the right to withdraw again. The application of the averaging provisions is limited to that part of the taxable income which does not exceed \$16,000. When the taxable income does exceed \$16,000, the balance is taxed at ordinary rates applicable to that part. When the taxable income is less than \$16,000, the rate of tax for averaging purposes is limited to the rate on a taxable income of \$16,000.

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

Interest derived from bonds, etc. issued between 1 January 1940 and 31 October 1968 by the Commonwealth, or on certain State semi-governmental loans issued free of State income tax, is subject to a rebate of tax of 10 cents for each \$1 of interest received. The rebate does not apply to interest received from bonds, etc., issued on or after 1 November 1968.

INCOME TAX—INDIVIDUALS: GENERAL RATES, 1953-54 TO 1969-70 INCOME YEARS

<i>Total taxable income</i>		<i>1953-54</i>		<i>1954-55 to 1964-65(a)</i>		<i>1965-66 to 1969-70(b)</i>	
<i>Column 1</i>	<i>Column 2</i>	<i>Tax on amount in column 1</i>	<i>Tax on each \$ of balance of income</i>	<i>Tax on amount in column 1</i>	<i>Tax on each \$ of balance of income</i>	<i>Tax on amount in column 1</i>	<i>Tax on each \$ of balance of income</i>
<i>Exceeding</i>	<i>Not exceeding</i>	<i>column 1</i>	<i>income</i>	<i>column 1</i>	<i>balance of income</i>	<i>column 1</i>	<i>balance of income</i>
<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>cents</i>	<i>\$</i>	<i>cents</i>	<i>\$</i>	<i>cents</i>
Nil	200	Nil	0.42	Nil	0.42	Nil	0.40
200	300	0.83	1.67	0.83	1.25	0.80	1.20
300	400	2.50	3.75	2.08	2.92	2.00	2.90
400	500	6.25	5.42	5.00	4.58	4.90	4.50
500	600	11.67	7.08	9.58	6.25	9.40	6.10
600	800	18.75	9.17	15.83	8.33	15.50	8.20
800	1,000	37.08	11.67	32.50	10.83	31.90	10.80
1,000	1,200	60.42	13.75	54.17	12.50	53.50	12.50
1,200	1,400	87.92	15.83	79.17	14.17	78.50	14.20
1,400	1,600	119.58	17.50	107.50	15.83	106.90	15.90
1,600	1,800	154.58	19.17	139.17	17.50	138.70	17.60
1,800	2,000	192.92	20.83	174.17	19.17	173.90	19.30
2,000	2,400	234.58	23.33	212.50	21.67	212.50	21.60
2,400	2,800	327.92	26.67	299.17	24.58	298.90	24.60
2,800	3,200	434.58	29.58	397.50	27.08	397.30	27.10
3,200	3,600	552.92	32.50	505.83	29.58	505.70	29.60
3,600	4,000	682.92	35.42	624.17	32.08	624.10	32.10
4,000	4,800	824.58	38.75	752.50	35.42	752.50	35.40
4,800	5,600	1,134.58	41.67	1,035.83	38.33	1,035.70	38.30
5,600	6,400	1,467.92	44.58	1,342.50	41.25	1,342.10	41.20
6,400	7,200	1,824.58	47.50	1,672.50	43.75	1,671.70	43.80
7,200	8,000	2,204.58	50.42	2,022.50	46.25	2,022.10	46.30
8,000	8,800	2,607.92	53.33	2,392.50	48.75	2,392.50	48.70
8,800	10,000	3,034.58	56.67	2,782.50	51.67	2,782.10	51.70
10,000	12,000	3,714.58	60.00	3,402.50	55.00	3,402.50	55.00
12,000	16,000	4,914.58	62.92	4,502.50	57.92	4,502.50	57.90
16,000	20,000	7,431.25	65.83	6,819.17	60.42	6,818.50	60.40
20,000	32,000	10,064.58	68.75	9,235.83	63.33	9,234.50	63.30
32,000	upwards	18,314.58	70.00	16,835.83	66.67	16,830.50	66.70

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

Taxes on specified incomes

The following table shows the income tax payable by taxpayers, with various incomes and numbers of dependants, on income derived in the years 1960-61 to 1969-70.

INCOME TAX ON SPECIFIED INCOMES, 1960-61 TO 1969-70 INCOME YEARS
(**\$**)

<i>Income(a)</i> §	<i>1960-61</i>	<i>1961-62 to 1963-64</i>	<i>1964-65</i>	<i>1965-66 and 1966-67</i>	<i>1967-68 to 1969-70</i>
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TAXPAYER WITH NO DEPENDANTS

1,000 . . .	54.20	51.50	54.20	54.83	54.83
2,000 . . .	212.50	201.90	212.50	217.81	217.81
3,000 . . .	451.70	429.10	451.70	462.78	462.78
4,000 . . .	752.50	714.90	752.50	771.31	771.31
5,000 . . .	1,112.50	1,056.90	1,112.50	1,140.10	1,140.10
10,000 . . .	3,402.50	3,232.40	3,402.50	3,487.56	3,487.56

TAXPAYER WITH DEPENDENT WIFE

1,000 . . .	25.30	24.00	25.30	25.45	23.27
2,000 . . .	159.10	151.10	159.10	162.72	158.02
3,000 . . .	376.40	357.60	376.40	385.53	378.97
4,000 . . .	660.70	627.70	660.70	677.20	668.60
5,000 . . .	1,005.38	955.10	1,005.38	1,030.37	1,020.95
10,000 . . .	3,254.70	3,092.00	3,254.70	3,335.99	3,322.21

TAXPAYER WITH DEPENDENT WIFE AND ONE CHILD

1,000 . . .	11.60	11.00	11.60	11.63	8.71
2,000 . . .	128.40	122.00	128.40	131.06	122.61
3,000 . . .	331.60	315.00	331.60	339.65	326.54
4,000 . . .	604.00	573.80	604.00	619.06	603.29
5,000 . . .	940.91	893.90	940.91	964.33	945.48
10,000 . . .	3,160.70	3,002.70	3,160.70	3,239.55	3,212.00

TAXPAYER WITH DEPENDENT WIFE AND TWO CHILDREN

1,000 . . .	5.10	4.80	..	..	..
2,000 . . .	107.80	102.40	107.80	109.88	98.49
3,000 . . .	299.70	284.70	299.70	306.87	289.54
4,000 . . .	565.60	537.30	565.60	579.62	555.95
5,000 . . .	894.88	850.20	894.88	917.16	888.86
10,000 . . .	3,093.50	2,938.80	3,093.50	3,170.66	3,129.32

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

Income tax assessments

The following table shows for the 1967-68 income year the number of taxpayers, income, and net income tax assessed for individuals. For further information see the annual bulletin *Commonwealth Taxation Assessments*.

**COMMONWEALTH INCOME TAX ASSESSMENTS(a): RESIDENT INDIVIDUALS
BY GRADE OF INCOME AND BY STATE, ETC. OF ASSESSMENT**
(Income derived in the year 1967-68)

Grade of actual income(b)(\$) and State or Territory of assessment	Taxpayers			Actual income(b) Total	Taxable income(c)			Net income tax assessed
	Males	Females	Total		Salary and wages	Other	Total	
	No.	No.	No.	\$'000	\$'000	\$'000	\$'000	\$'000
417- 599	43,883	90,821	134,704	69,206	55,193	11,055	66,249	1,394
600- 799	53,941	114,894	168,835	118,158	90,232	19,214	109,446	3,538
800- 999	59,980	125,302	185,282	167,040	125,900	25,603	151,503	6,735
1,000- 1,199	72,216	139,658	211,874	233,011	175,283	33,249	208,531	11,667
1,200- 1,399	79,518	145,940	225,458	293,048	217,764	42,496	260,260	17,154
1,400- 1,599	86,548	164,759	251,307	377,564	281,242	53,682	334,924	25,529
1,600- 1,799	92,132	170,513	262,645	446,591	332,754	61,005	393,759	33,706
1,800- 1,999	106,722	156,727	263,449	500,081	369,074	67,506	436,580	41,086
2,000- 2,199	136,044	124,270	260,314	546,505	392,372	73,993	466,365	47,376
2,200- 2,399	170,538	93,837	264,375	608,131	429,402	76,660	506,061	54,716
2,400- 2,599	198,558	68,339	266,897	666,848	459,909	80,395	540,304	61,351
2,600- 2,799	218,620	50,226	268,846	725,635	496,241	81,937	578,177	69,089
2,800- 2,999	222,434	36,668	259,102	751,145	507,577	82,260	589,837	73,871
3,000- 3,999	906,475	97,849	1,004,324	3,464,191	2,298,149	383,193	2,681,341	383,872
4,000- 5,999	625,003	59,991	684,994	3,243,179	1,962,400	523,290	2,485,690	452,851
6,000- 7,999	141,901	18,156	160,057	1,089,292	541,405	305,962	847,367	199,938
8,000- 9,999	48,641	7,679	56,320	499,000	203,024	197,249	400,273	113,046
10,000-19,999	52,422	7,966	60,388	787,688	237,291	422,193	659,484	239,877
20,000-29,999	6,203	922	7,125	168,629	36,236	111,487	147,724	70,193
30,000 and over	2,731	396	3,127	153,717	22,718	113,372	136,090	78,303
Central Office	8,963	6,043	15,006	109,151	25,821	66,478	92,300	32,310
New South Wales	1,223,922	624,870	1,848,792	5,563,516	3,592,504	915,491	4,507,992	744,636
Victoria	923,430	500,921	1,424,351	4,285,651	2,700,637	781,414	3,482,050	587,862
Queensland	454,747	202,893	657,640	1,879,090	1,043,462	421,053	1,464,514	228,006
South Australia	310,170	152,241	462,411	1,272,353	798,466	217,565	1,016,030	153,322
Western Australia	253,283	118,150	371,433	1,122,438	639,668	265,023	904,692	151,263
Tasmania	103,890	46,485	150,375	427,218	264,837	70,253	335,090	51,114
Northern Territory	12,789	4,583	17,372	62,563	37,427	7,110	44,537	7,622
Australian Capital Territory	33,316	18,727	52,043	186,679	131,345	21,415	152,759	29,158
Total, residents	3,324,510	1,674,913	4,999,423	14,908,658	9,234,167	2,765,801	11,999,963	1,985,293
Total, non-residents	1,193	558	1,751	5,546	3,255	1,996	5,251	1,550
Total, residents and non-residents	3,325,703	1,675,471	5,001,174	14,914,203	9,237,422	2,767,797	12,005,214	1,986,843

(a) Assessments in respect of 1967-68 incomes issued to 30 September 1969. Assessments issued after that date are not included. (b) Actual income means, broadly, 'gross income including exempt income less expenditure incurred in gaining that income'. (c) Taxable income is the income remaining after deducting from assessable income all allowable deductions.

Details of the number of individual taxpayers and net tax assessed by grades of actual income for the income years 1964-65 to 1967-68 are shown in the following table.

COMMONWEALTH INCOME TAX ASSESSMENTS: RESIDENT INDIVIDUALS, BY GRADE OF ACTUAL INCOME^(a) (INCOME YEARS 1964-65 TO 1967-68)

Grade of actual income ^(a) (\$)	Income year							
	1964-65		1965-66		1966-67		1967-68	
	Tax-payers	Net income tax assessed	Tax-payers	Net income tax assessed	Tax-payers	Net income tax assessed	Tax-payers	Net income tax assessed
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
417- 599	137,122	1,296	141,676	1,589	134,068	1,431	134,704	1,394
600- 799	190,233	3,872	182,683	3,847	171,671	3,562	168,835	3,538
800- 999	221,616	7,878	214,957	7,826	196,995	7,100	185,282	6,735
1,000- 1,199	247,883	13,242	245,847	13,440	231,968	12,641	211,874	11,667
1,200- 1,399	259,250	19,403	259,366	19,810	243,793	18,526	225,458	17,154
1,400- 1,599	278,864	27,264	280,021	28,135	271,943	27,385	251,307	25,529
1,600- 1,799	266,670	32,210	272,872	34,171	276,844	35,234	262,645	33,706
1,800- 1,999	270,858	38,126	262,280	38,824	264,304	40,321	263,449	41,086
2,000- 2,199	291,532	47,004	280,326	47,834	270,010	47,865	260,314	47,376
2,200- 2,399	293,571	53,046	284,991	55,588	274,637	55,529	264,375	54,716
2,400- 2,599	290,225	59,929	288,127	63,715	280,725	63,381	266,897	61,351
2,600- 2,799	275,392	64,662	284,841	70,434	276,502	70,252	268,846	69,089
2,800- 2,999	248,244	65,743	260,131	72,227	262,004	75,065	259,102	73,871
3,000- 3,999	765,272	273,694	831,852	309,965	922,098	351,613	1,004,324	383,872
4,000- 5,999	403,473	260,996	473,003	314,647	591,665	394,361	684,994	452,851
6,000- 7,999	99,934	126,301	111,480	143,944	140,914	179,821	160,057	199,938
8,000- 9,999	40,478	82,261	42,430	88,221	51,490	105,428	56,320	113,046
10,000-19,999	43,479	174,880	46,226	191,563	55,535	223,020	60,388	239,877
20,000-29,999	4,894	48,492	5,302	53,912	6,295	63,229	7,125	70,193
30,000 and over	2,021	46,433	2,141	48,561	2,524	58,389	3,127	78,303
Total	4,631,011	1,446,732	4,770,552	1,608,256	4,925,985	1,834,154	4,999,423	1,985,293

(a) Actual income means, broadly, gross income including exempt income less expenditure incurred in gaining that income.

Company income taxes

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

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

A private company is liable to pay additional tax upon the amount, if any, by which the dividends paid by the company within the prescribed period fall short of sufficient distribution as defined.

Rates of tax. The rates of primary tax for all companies and additional tax for private companies applicable to income years 1959-60 to 1968-69 are shown in the following table.

RATES OF TAX: COMPANIES, 1959-60 TO 1968-69 INCOME YEARS

(Cents per \$)

Income years ended June	Resident private company			Resident public company(a)		Non resident company			
	On taxable income		Additional tax on undistributed income	On taxable income		On dividends income		On other income	
	Up to \$10,000	On remainder		Up to \$10,000	On remainder	Up to \$10,000	On remainder	Up to \$10,000	On remainder
1960 to 1963	25	35	50	35	40	30	40	35	40
1964 to 1967	27½	37½	50	37½	42½	32½	42½	37½	42½
1968 and 1969	30	40	50	40	45	35	45	40	45

(a) Excludes co-operative, non-profit and life insurance for which the rates of tax (in cents per \$) for 1968-69 were:

Type of company	Taxable income	
	Up to \$10,000	On remainder
Co-operative	35	45
Non-profit—Friendly societies' dispensaries	35	35
Other	35	45
Mutual life insurance	30	40
Other life insurance—Mutual income	30	40
Other income	40	45

Where the taxable income of a non-profit company does not exceed \$1,386 the amount of tax payable is limited to half the amount by which the taxable income exceeds \$416.

Details in respect of company assessments for the 1967-68 income year are shown in the following table.

COMMONWEALTH INCOME TAX ASSESSMENTS: RESIDENT AND NON-RESIDENT COMPANIES, BY GRADE OF INCOME AND STATE, ETC., OF ASSESSMENT

(Income derived in the year 1967-68)

Grade of taxable income(b) (\$) and State or Territory of assessment	Taxable				Non-taxable		
	Companies	Actual income (a)	Taxable income (b)	Net income tax assessed (c)	Companies	Taxable income (b)(d)	Loss
Loss for year . . . . .	..	..	..	..	30,832	..	(e)261,548
Nil . . . . .	..	..	..	..	16,473	..	..
1-1,999	24,399	25,069	16,347	4,810	3,485	2,663	..
2,000-9,999	29,956	180,758	164,565	47,171	3,915	19,444	..
10,000-19,999	12,870	187,740	177,266	55,067	1,193	16,652	..
20,000-39,999	6,790	202,133	189,038	63,832	632	17,360	..
40,000-99,999	4,415	286,893	271,758	95,733	344	20,805	..
100,000-199,999	1,667	247,373	231,613	83,582	127	17,507	..
200,000-399,999	919	286,309	252,878	89,878	58	15,453	..
400,000-999,999	607	398,237	368,120	126,250	37	21,147	..
1,000,000-1,999,999	178	268,326	248,325	81,947	8	9,107	..
2,000,000 and over	198	1,640,250	1,100,057	362,087	8	35,448	..
Central Office	3,680	1,870,421	1,271,082	429,881	1,691	40,352	(f)60,851
New South Wales	33,512	723,621	681,725	224,735	22,671	41,249	78,095
Victoria	22,475	532,375	505,562	162,595	14,062	37,603	42,152
Queensland	7,829	187,620	176,002	64,187	5,975	8,209	43,074
South Australia	6,851	129,936	124,345	41,779	5,934	9,892	14,104
Western Australia	3,897	132,356	126,119	47,005	2,643	3,116	8,914
Tasmania	1,550	37,537	34,392	11,905	1,184	3,648	3,193
Northern Territory	396	10,972	10,430	3,327	192	215	671
Australian Capital Territory	1,809	98,248	90,312	24,943	2,760	31,300	10,494
Total	81,999	3,723,088	3,019,968	1,010,357	57,112	175,585	261,548

(a) Actual income means, broadly, 'gross income including exempt income less expenditure incurred in gaining that income'. (b) Taxable income is the income remaining after deducting from assessable income all allowable deductions. (c) Excludes additional tax on the undistributed income of private companies. (d) Net tax assessed is nil because of rebates. (e) Not included in the total shown for taxable income. (f) Not included in figures shown in adjoining column.

Yield of income taxes

Income taxes collected. The following table shows the net amounts of taxes collected and the proportions of the several components in the years 1964-65 to 1968-69.

INCOME TAXES COLLECTED: COLLECTION YEARS 1964-65 TO 1968-69

Source of income tax	1964-65	1965-66	1966-67	1967-68	1968-69
NET AMOUNTS COLLECTED (\$'000)					
Individuals—					
Instalments—salaries and wages	990,600	1,160,369	1,323,537	1,507,456	1,727,290
Direct cash payments	579,762	570,799	598,509	669,091	651,340
Companies	709,044	801,105	784,544	836,664	1,006,543
Superannuation funds	162	175	534	858	836
Withholding tax—Dividend	16,039	17,247	22,708	21,716	28,303
Interest . . . . .	..	..	..	910	4,456
Total	2,295,607	2,549,695	2,729,832	3,036,695	3,418,768

PERCENTAGES

	1964-65	1965-66	1966-67	1967-68	1968-69
Individuals—					
Instalments—salaries and wages	43.15	45.51	48.48	49.64	50.53
Direct cash payments	25.26	22.38	21.93	22.03	19.05
Companies	30.89	31.42	28.74	27.55	29.44
Superannuation funds	0.01	0.01	0.02	0.03	0.02
Withholding tax—Dividend	0.70	0.68	0.83	0.72	0.83
Interest . . . . .	..	..	..	0.03	0.13
Total	100.00	100.00	100.00	100.00	100.00

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

INCOME TAXES ASSESSED: INCOME YEARS 1963-64 TO 1967-68
(\$'000)

Tax	1963-64	1964-65	1965-66	1966-67	1967-68
Individuals	1,232,442	1,447,886	1,608,952	1,835,333	1,986,843
Companies—					
Primary tax	715,938	787,099	786,925	832,582	1,010,357
Additional tax on undistributed income of private companies	1,609	2,260	2,618	2,934	6,648
Total	1,949,989	2,237,245	2,398,495	2,670,849	3,003,848

Refunds of revenue. Income tax collections, as previously shown, are net amounts after refunds of revenue made in the course of the year. Refunds are of two types—those charged to special appropriations under authority of the Income Tax Assessment Act and those charged to special appropriations under authority of the Audit Act. Income tax instalment refunds, by far the greatest part of income tax refunds, are made when the instalments deducted during the year exceed the tax assessed on incomes for that year. Refunds made from special appropriations under section 37A of the Audit Act include refunds of moneys paid to the revenue in error, refunds of tax overpaid, refunds due to the amendment of assessments, etc. Refunds of income tax to individuals during the collection years 1964-65 to 1968-69 were: 1964-65, \$264,366,000; 1965-66, \$305,830,000; 1966-67, \$353,194,000; 1967-68, \$398,371,000; and 1968-69 \$477,965,000.

