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# COMMONWEALTH PAYMENTS TO OR FOR THE STATES

(REVISED 1st AUGUST, 1962)

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PRESENTED BY THE RIGHT HONORABLE HAROLD HOLT, M.P., FOR THE  
INFORMATION OF HONORABLE MEMBERS ON THE OCCASION  
OF THE BUDGET 1962-63

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## FOREWORD

This Paper revises and brings up to date material first provided in the Paper of the same title issued in conjunction with the 1961-62 Budget. As was explained in the foreword to that document, Commonwealth payments to or for the States have assumed such variety and magnitude as to warrant their presentation in fuller form than has been practicable in the attachments to the Budget Speech each year, where they now appear in summary form. (See Item No. 19 of Statement No. 3 accompanying the Budget Speech for 1962-63.)

This expanded form of presentation has also enabled the inclusion of some further explanatory material concerning the main payments shown, as well as the provision of detailed tables of payments for earlier years, which were not appropriate under the previous presentation.

For the sake of completeness and because of the importance which the item has assumed in some years from the standpoint of claims upon Commonwealth revenues, there has also been included a section relating to Commonwealth financial assistance to Loan Council borrowing programmes since 1951-52.

**TABLE OF CONTENTS**

	PAGE
Chapter I. Outline of Commonwealth Assistance to the States ..	7
Chapter II. The History of Uniform Taxation ..	9
Chapter III. The Tax Reimbursement and Financial Assistance Grants ..	12
Chapter IV. Special Grants Recommended by the Commonwealth Grants Commission ..	16
Chapter V. Payments under the Financial Agreement ..	18
Chapter VI. Other Payments for Specific Purposes of a Revenue Nature ..	19
Chapter VII. Commonwealth Aid for Roads ..	22
Chapter VIII. Other Payments for Specific Purposes of a Capital Nature ..	25
Chapter IX. Additional Assistance Grants ..	30
Chapter X. Commonwealth Assistance to Loan Council Borrowing Programmes ..	32
Tables (see next page) ..	35-51

**TABLES**

No.	SUBJECT	PAGE
1.	Tax Reimbursement and Financial Assistance Grants, 1942-43 to 1962-63 ..	35
2.	Special Grants paid by the Commonwealth to States, 1910-11 to 1962-63 ..	36
3.	Total General Revenue Grants, 1942-43 to 1962-63 .. ..	37
4.	Interest and Sinking Fund Payments by the Commonwealth for the States under the Financial Agreement, 1927-28 to 1962-63 .. ..	38
5.	Grants for Universities, 1951-52 to 1962-63 .. ..	39
6.	Payments in respect of Natural Disasters, 1949-50 to 1962-63 .. ..	39
7.	Appropriations for Coal Mining Industry Long Service Leave, 1949-50 to 1962-63 .. ..	40
8.	Dairy Industry Extension Grants, 1948-49 to 1962-63 .. ..	40
9.	Grants for Expansion of Agricultural Advisory Services, 1952-53 to 1962-63 ..	40
10.	Grants to New South Wales for Cattle Tick Eradication and Control, 1949-50 to 1962-63 .. ..	41
11.	Grants for Maintenance of Tuberculosis Hospitals, 1949-50 to 1962-63 ..	41
12.	Amounts allocated for Roads by the Commonwealth, 1923-24 to 1962-63 ..	42
13.	Amounts paid to States for Roads, 1923-24 to 1962-63 .. ..	43
14.	Payments for Railway Projects, 1951-52 to 1962-63 .. ..	44
15.	Grants to Western Australia for Northern Development, 1958-59 to 1962-63 ..	44
16.	Grants to Western Australia for Water Supply, 1949-50 to 1961-62 ..	44
17.	Grants for capital expenditures on Mental Institutions, 1955-56 to 1962-63 ..	45
18.	Grants for capital expenditures on Tuberculosis Hospitals, 1949-50 to 1962-63 ..	45
19.	Grants to Queensland and Western Australia for the Encouragement of Meat Production, 1950-51 to 1962-63 .. ..	45
20.	Total Commonwealth Payments to or for the States, 1961-62 .. ..	46
21.	Total Commonwealth Payments to or for the States, Estimates 1962-63 ..	47
22.	Loan Council Borrowing Programmes for State Works and Housing, 1945-46 to 1962-63 .. ..	48
23.	The Financing of State Works and Housing Programmes, 1951-52 to 1961-62 ..	49
24.	Summary of Commonwealth Payments to or for the States and Assistance to Loan Council Borrowing Programmes, 1951-52 to 1962-63 .. ..	50
25.	Borrowings approved by Loan Council for Semi-Government and Local Authorities, 1947-48 to 1962-63 .. ..	51

## CHAPTER I.—OUTLINE OF COMMONWEALTH ASSISTANCE TO THE STATES

Since Federation the Commonwealth has made payments of various descriptions to the States. During the period up to World War II, however, Commonwealth payments were mainly of a marginal character and were confined, for the most part, to special grants to assist the financially weaker States and to certain specific purpose grants relating to such matters as Commonwealth assistance for roads and contributions under the Financial Agreement.

The second world war and events in the post-war period have produced a situation in which there has been a marked increase in the amount and variety of Commonwealth assistance to the States. The main factors responsible for this situation have been—

- (a) The introduction and continuation of uniform income tax, a brief account of which is given in Chapter II.
- (b) The increase in Commonwealth responsibilities, including participation in matters which were previously considered to be the sole responsibility of the States.
- (c) The rapid growth of the Australian economy and the resultant need to carry out State works and housing programmes at levels beyond those which it has proved possible to finance from the proceeds of public loans.

In recent years direct Commonwealth financial assistance to the States has taken three main forms, namely—

- (a) Grants for general revenue purposes. These comprise the financial assistance grants (before 1959-60 the tax reimbursement and supplementary grants) and the special grants paid to the two financially weaker States on the recommendation of the Commonwealth Grants Commission. Details of these grants are given in Chapters III. and IV., respectively.
- (b) Payments for specific purposes. There is a number of specific purpose payments which, with one or two notable exceptions, are of fairly recent origin. They may be divided into two categories—
  - (i) Payments for purposes of a revenue nature. These include contributions by the Commonwealth under the Financial Agreement towards interest and sinking fund in respect of State debt (see Chapter V.), and a number of other payments by the Commonwealth to the States, of which assistance for universities is the most important in magnitude (see Chapter VI.).
  - (ii) Payments for purposes of a capital nature. These are intended to assist State Governments to make expenditures of a capital nature. The most important payment of this type is Commonwealth aid for roads (see Chapter VII.), but there is a number of other payments which fall into this category and these are described in Chapter VIII.
- (c) Assistance to Loan Council borrowing programmes. Since 1951-52 the Commonwealth has been making funds available to supplement the proceeds of public loan raisings for State works and housing programmes. Details are given in Chapter X.

In addition to the grants for general revenue purposes and payments for specific purposes, the Commonwealth has on occasion made available to the States, by way of non-repayable additional assistance grants, additional amounts of financial assistance to enable the States to deal with particular circumstances arising at the time. Details of these grants are given in Chapter IX.

Commonwealth financial assistance to the States during 1961-62 (excluding special assistance to Loan Council programmes) and the estimates for 1962-63 are shown in Tables 20 and 21. Table 24 gives a summary of Commonwealth payments to or for the States, under the main categories, since 1951-52, and also shows the amounts provided by the Commonwealth as assistance towards the Loan Council borrowing programmes in each year since then.

## CHAPTER II.—THE HISTORY OF UNIFORM TAXATION

At the outbreak of the second world war, the financial resources available to the States were, for the most part, sufficient to enable them to meet their own expenditures principally from funds which they themselves were responsible for raising. Commonwealth payments to them, though they had increased over the years, were still chiefly marginal in character and were broadly confined to tiding the States over difficult periods, to assisting the financially weaker States, or for purposes in which the Commonwealth had a common interest with the States.

The second world war radically changed this picture. To finance its greatly increased war-time expenditure, it was necessary for the Commonwealth to maximise its revenue from all sources. The incidence of State income taxes, which were then levied concurrently with Commonwealth income tax, differed widely between States and, since the Commonwealth is constitutionally forbidden to discriminate between States in the imposition of taxes, its rates were in practice limited by the scope available for additional tax in that State with the highest rate of tax at each income level. This, of course, meant that in other States there were large untapped sources of income tax revenue.

This problem was the subject of discussion between the Commonwealth and State Governments on a number of occasions during the early war years, but no mutually acceptable solution was reached.

### THE COMMITTEE ON UNIFORM TAXATION

On 23rd February, 1942 the Commonwealth Treasurer appointed a Committee, consisting of Professor R. C. Mills, the Right Honourable J. H. Scullin, M.P., and the Honourable E. S. Spooner, M.P., to consider the questions of the Commonwealth becoming the sole income taxing authority for the duration of the war and of payments, by way of grants, to the States for their retirement from the income tax field.

The Committee presented its report on 28th March, 1942 and recommended that for the duration of the war and one year afterwards the Commonwealth should be the sole authority to impose taxes on income. It suggested that a scheme of uniform taxation should operate from 1st July, 1942, and that the States should be compensated on retiring from the field of income tax.

### THE INTRODUCTION OF UNIFORM TAXATION

In May, 1942 legislation was introduced into the Commonwealth Parliament to implement, with minor amendments, the recommendations of this Committee. Under this legislation, a uniform income tax scheme came into operation on 1st July, 1942.

In the same year the validity of the Commonwealth uniform tax legislation was challenged in the High Court by four of the State Governments. The challenge was unsuccessful, the High Court finding that the Commonwealth could enforce priority in the collection of its income tax and could make grants to the States under Section 96 of the Constitution on the condition that they vacated the field of income taxation.

Under this war-time uniform income tax scheme, therefore, the Commonwealth was the sole income taxing authority for the period of the war and one year thereafter. By way of compensation, the States were paid tax reimbursement grants (provided they did not impose taxes on income) based upon their average collections from taxes on income in the years 1939-40 and 1940-41.

Later in 1942 the Commonwealth, in agreement with the States concerned, established a uniform entertainments tax on a similar basis and provided for annual reimbursement grants, based on collections in 1941-42, to be paid to the five States which had previously levied entertainments tax.

#### THE CONTINUATION OF UNIFORM TAXATION AFTER THE WAR

At a Premiers' Conference in January, 1946 the States were informed that the Commonwealth Government proposed to continue uniform income tax indefinitely, and at that Conference a new reimbursement formula was worked out. This formula was incorporated in the *States Grants (Tax Reimbursement) Act 1946*. The grants continued to be conditional upon the States refraining from levying income tax, but the condition requiring the States to refrain from imposing entertainments tax was discontinued. Details of the grants paid to the States under this Act are given in Chapter III.

#### DEVELOPMENTS SINCE 1950

The matter was further discussed at the Premiers' Conferences of September, 1950 and August, 1951. In October, 1952 Victoria took out a writ in the High Court challenging the validity of the uniform tax legislation. However, this challenge was not pursued.

In July, 1952 the Commonwealth informed the States that it was willing to discuss with them the possibility of resumption of State income tax. A report subsequently prepared by Commonwealth and State Treasury officers on the technical problems involved was presented to a Premiers' Conference held in February, 1953.

At that Conference, Commonwealth and State Treasury officers were asked to prepare a further report as a basis for discussion on the extent to which the Commonwealth might vacate the income tax field. This report was received at a Premiers' Conference held in August, 1953, together with a report on the special problems facing Queensland in the event of the return of taxing powers. No agreement could be arrived at between the Commonwealth and the States on the extent to which the income tax field should be vacated by the Commonwealth.

In December, 1955 the Victorian Government took out a new writ in the High Court challenging the validity of the uniform tax legislation. In particular, Victoria disputed—

- (a) the power of the Commonwealth to make tax reimbursement grants conditional upon the States not levying income tax; and
- (b) the Commonwealth's power to provide an absolute priority for payment of Commonwealth income tax over income taxes levied by the States.

In November, 1956 the New South Wales Government intervened to support Victoria's challenge.

In August, 1957 the High Court ruled—

- (a) unanimously, that the condition attaching to the tax reimbursement grants, that the States should not levy income tax, was valid; and
- (b) by a majority of four to three, that Section 221 (1) (a) of the *Income Tax and Social Services Contribution Assessment Act 1936-1956*, which prohibited a taxpayer paying State income tax until Commonwealth income tax was paid, was invalid.

At a special Premiers' Conference held in March, 1959 all of the main aspects of Commonwealth-State financial relations were considered. In particular, extensive discussions took place on the question of the resumption of income tax by the States, but there were considerable differences of opinion on the complex issues involved and no acceptable solutions emerged.

The Conference then turned its attention to the question of revising the tax reimbursement arrangements, and it was suggested that the Commonwealth might closely examine the whole system of revenue grants to the States with a view to submitting precise proposals at the normal meeting of the Premiers in June, 1959. This the Commonwealth did, and out of the proposals submitted to the States at that Conference there emerged a new system of general revenue grants, unanimously agreed to by all parties, to replace the tax reimbursement arrangements. Details of this new scheme, which it was agreed should operate for a period of six years, are outlined in the next Chapter.

### CHAPTER III.—THE TAX REIMBURSEMENT AND FINANCIAL ASSISTANCE GRANTS

As mentioned in the preceding Chapter, the Commonwealth, on introduction of the system of uniform taxation in 1942, undertook to pay tax reimbursement grants to the States provided they refrained from imposing taxes on income in their own right. A similar arrangement was enacted in regard to entertainments tax,

#### TAX REIMBURSEMENT GRANTS—WAR-TIME BASIS

The tax reimbursement grants (less any arrears of income tax collected by or on behalf of the States) paid to the States in each year until 30th June, 1946 were as follows:—

#### ANNUAL TAX REIMBURSEMENT GRANTS, 1942-43 TO 1945-46, INCLUSIVE (q)

—	£'000		
	Income Tax Reimbursement.	Entertainments Tax Reimbursement.	Total Tax Reimbursement.
New South Wales .. .. .	15,356	161	15,517
Victoria .. .. .	6,517	373	6,890
Queensland .. .. .	5,821	..	5,821
South Australia .. .. .	2,361	97	2,458
Western Australia .. .. .	2,546	98	2,644
Tasmania .. .. .	888	37	925
<b>Total .. .. .</b>	<b>33,489</b>	<b>766</b>	<b>34,255</b>

(q) Owing to the fact that the legislation came into operation on 1st October, 1942, the total amount paid as entertainments tax reimbursement in 1942-43 was in fact £192,000 less than the amount shown here. The total tax reimbursement grant for 1942-43 was, therefore, £34,063,000. (See Table 1.)

Under the war-time legislation any State could apply for additional financial assistance if the income tax reimbursement grant appeared to be insufficient to meet that State's revenue requirements in any year. On the recommendation of the Commonwealth Grants Commission, the following additional financial assistance was given by the Commonwealth under this provision in respect of the financial years 1945-46 and 1946-47:—

—	£'000.		
	1945-46.	1946-47.	Total.
South Australia .. .. .	553	1,101	1,654
Western Australia .. .. .	..	913	913
Tasmania .. .. .	..	119	119
<b>Total .. .. .</b>	<b>553</b>	<b>2,133</b>	<b>2,686</b>

#### TAX REIMBURSEMENT GRANTS—POST-WAR BASIS

##### Formula Grants

At a Premiers' Conference in January, 1946 it was decided that the total tax reimbursement grants in both 1946-47 and 1947-48 should be £40,000,000, and that the grants in subsequent years should be determined by means of a formula under which this base amount would be increased in accordance with variations in population and half of the percentage increase in average wages per person employed for Australia as a whole. These provisions were incorporated in the *States Grants (Tax Reimbursement) Act 1946*.

However, following further discussions with the States during the next two years, the grant for 1947-48 was increased to £45,000,000 and the formula embodied in the 1946 Act was amended. Beginning in 1948-49, the aggregate grant payable to the States in each year under the Act, as amended, was determined by varying the sum of £45,000,000 in accordance with a formula which took account of—

- variations in the total population of the six States since 1st July, 1947; and
- the full percentage increase in the level of average wages per person employed in Australia as a whole over the level in 1945-46.

The *States Grants (Tax Reimbursement) Act 1946* included a schedule determining the distribution of the aggregate grants in 1946-47 and 1947-48. It further provided that in each of the financial years 1948-49 to 1956-57, inclusive, a percentage of the grant was to be distributed in accordance with this schedule and the remainder was to be distributed in proportion to the populations of the States adjusted for density and for numbers of children between 5 and 15 years of age. The percentage to be divided according to the schedule was 90 per cent. in 1948-49, 80 per cent. in 1949-50 and so on down to 10 per cent. in 1956-57 and nothing in 1957-58. Thus the whole of the tax reimbursement grants in 1957-58 and 1958-59 was distributed in proportion to the States' adjusted populations.

##### Grants to Supplement the Formula Grants

Although no change was made in the tax reimbursement formula after 1948-49, the Commonwealth made *ad hoc* grants to supplement the amount yielded by the formula in each subsequent year of its operation. These supplementary grants, which in some years took account of special circumstances, were often distributed in proportions which differed from those of the formula grants. The total amounts of the tax reimbursement formula grants and supplementary grants paid to the States from 1946-47 have been as follows (a dissection of these grants as between States is given in Table 1):—

#### TAX REIMBURSEMENT AND SUPPLEMENTARY GRANTS, 1946-47 TO 1958-59

—	£'000		
	Formula Grant.	Supplementary Grant.	Total Grant.
1946-47 .. .. .	40,000	(a) 2,133	42,133
1947-48 .. .. .	45,000	..	45,000
1948-49 .. .. .	53,744	..	53,744
1949-50 .. .. .	62,537	8,000	70,537
1950-51 .. .. .	70,398	20,000	90,398
1951-52 .. .. .	86,423	35,577	120,000
1952-53 .. .. .	108,755	27,145	135,900
1953-54 .. .. .	120,507	21,915	142,422
1954-55 .. .. .	130,098	19,902	150,000
1955-56 .. .. .	141,652	15,348	157,000
1956-57 .. .. .	154,645	19,405	174,050
1957-58 .. .. .	165,855	24,145	190,000
1958-59 .. .. .	174,563	30,437	205,000

(a) Paid on recommendation of Commonwealth Grants Commission.

#### FINANCIAL ASSISTANCE GRANTS

Arising out of discussions at the special Premiers' Conference convened in March, 1959 to examine the questions of the resumption of income tax by the States and of Commonwealth-State financial relations generally (see Chapter II), the Commonwealth submitted proposals at the Premiers' Conference in June of that year for a new system of financial assistance grants to the States to replace the existing tax reimbursement arrangements.

The proposals were devised in the light of generally expressed dissatisfaction with the methods of determination and distribution of the tax reimbursement grants, and in the knowledge that two non-claimant States had applied for special grants subject to the recommendation of the Commonwealth Grants Commission. In particular, it was considered desirable—

- (a) to amalgamate within some new revenue grant arrangements the large and increasing "special financial assistance grants" which were then being paid to supplement the tax reimbursement formula grants, and to devise a more liberal formula which would avoid the necessity for supplementary grants in the future. Since their size had been subject to arbitrary determination by the Commonwealth in each year, these supplementary grants had given rise to controversy with the States;
- (b) to reduce to two the number of States which would in future continue regularly to apply for special grants recommended by the Commonwealth Grants Commission, and to reduce the dependence of these States on special grants to more marginal proportions; and
- (c) to arrive at a more generally acceptable basis of distribution as between the States of Commonwealth general revenue grants.

With these ends in view, the Commonwealth proposed that financial assistance grants amounting to £242,500,000 should be paid to the States in 1959-60. This compared with the sum of £225,750,000 paid to the States in 1958-59 by way of tax reimbursement, supplementary and special grants. It was proposed that the distribution between the States of the sum of £242,500,000 should be in roughly the same proportions as the total sum of £225,750,000 had been distributed in 1958-59. However, as it was proposed that Western Australia and Tasmania would still have regular access to the Commonwealth Grants Commission procedures, the proportionate shares allocated to those States were reduced slightly. The shares of Queensland and South Australia were designed to enable them, unless exceptional circumstances arose, to avoid applying for special grants in future years.

The Commonwealth further proposed that the financial assistance grants payable to each State in succeeding years should be determined by adjusting the grant paid to that State in 1959-60 in accordance with a formula based on movements in the State's own population, and on annual increases in the level of average wages for Australia as a whole. To allow for some further improvement in the standard and range of services provided by the States, the formula would be adjusted to incorporate a "betterment factor", the effect of which would be to increase by 10 per cent. the average wages component of the formula. In any financial year subsequent to 1959-60, therefore, the grant payable to each State would be determined by varying the grant paid to that State in the preceding year according to the movement in the population of that State in the preceding year and 1.1 times the percentage increase, if any, in average wages for Australia as a whole in the preceding year.

Thus, unlike the position under the earlier tax reimbursement arrangements, where the total grant was first calculated by one formula and then distributed between the six States by another formula, it was proposed that the total financial assistance grants payable to the States in each future year under the new arrangements should be the aggregate of six separate amounts which would be calculated by applying the new formula to the individual State grants paid in the preceding year.

In outlining the above proposals, the Commonwealth pointed out that they were based on the understanding that the Commonwealth Grants Commission would continue its existing role, although with a reduced number of regular claimant States.

Further, the proposals were based on the assumptions that the States and their authorities would continue to meet Commonwealth pay-roll tax and that the distribution of taxing powers between the Commonwealth and the States would remain unchanged. If any changes in Commonwealth-State relations having a major effect on the finances of the States were to occur during the currency of the new revenue grant arrangements, they would be subject to review.

Following representations by New South Wales and South Australia, the Commonwealth agreed to add £1,000,000 to each of the amounts it had originally proposed as grants to those States in 1959-60, thereby making the total £244,500,000. With these adjustments, the proposals were unanimously accepted by the Premiers and were embodied in the *States Grants Act 1959*, which was passed by the Commonwealth Parliament in November of that year.

The financial assistance grants paid to the States in 1960-61 were determined on the basis of the formula prescribed in the *States Grants Act 1959*. In 1961-62, however, in addition to the amounts determined under that Act, further amounts were paid to Victoria, Western Australia and Tasmania under the *States Grants Act 1962*.

This action was taken because the census held in June, 1961 revealed that the populations of those three States as at 1st July, 1960 had been over-estimated. Since the terms of the 1959 Act required the 1961 census results to be compared with unrevised estimates of population as at 1st July, 1960, for the purpose of calculating the increase in population of each State during 1960-61, the resulting estimates of population increases were lower for these three States than the actual increases. As these three States had framed their budgets on the basis of preliminary estimates made prior to the census results, the Commonwealth agreed to pay them grants equal to those preliminary estimates, revised to take account of the finally determined increase in average wages for Australia as a whole. As a result, an additional amount of £1,024,000 was paid to Victoria, £339,000 to Western Australia and £97,000 to Tasmania.

The *States Grants Act 1962* also authorized, for the purpose of calculating Victoria's grant in 1962-63 and subsequent years, the adoption of a new "base amount" for 1961-62. This new base amount of £72,730,000 represents the grant which would have been received in 1961-62 by Victoria had the financial assistance grants for that State been calculated, in each year since 1959-60, in accordance with estimates of the population of that State revised in the light of the census results at June, 1961.

The amounts paid to the States as tax reimbursement, supplementary and financial assistance grants since 1942-43 are shown in Table 1, together with the estimated payments for 1962-63. In Table 3 the financial assistance grants payable to the States under the *States Grants Acts 1959* and *1962*, together with the special grants paid since 1959-60, are compared with the tax reimbursement, supplementary and special grants paid prior to that year.

The preliminary estimates of the financial assistance grants payable to the States in 1962-63 amount to £305,290,000, compared with actual payments of £292,140,000 in 1961-62. The final determination of the grants to be paid in 1962-63 will be made by the Commonwealth Statistician later in the year, and in any case not later than 31st December, 1962, as final estimates of State populations at 30th June, 1962 and of the increase in the level of average wages in 1961-62 become available.



**CHAPTER IV.—SPECIAL GRANTS RECOMMENDED BY THE  
COMMONWEALTH GRANTS COMMISSION**

Before the establishment of the Commonwealth Grants Commission, grants comparable to what are now called "special grants" were made to South Australia, Western Australia and Tasmania. The grants to Western Australia dated back to 1910-11, those to Tasmania to 1912-13 and those to South Australia to 1929-30. There was no set method of arriving at the grants before 1933, although on some occasions the applications for assistance were examined by the Public Accounts Committee.

The Commonwealth Grants Commission was established in 1933 under the *Commonwealth Grants Commission Act 1933*. It consists of three members, who are appointed by the Governor-General for terms of up to three years at a time. The members of the Commission give their services on a part-time basis and are assisted by a full-time staff. The present members are Mr. P. D. Phillips, Q.C. (Chairman), Professor W. Prest and Sir Alexander Reid, C.M.G., I.S.O.

During the initial period of its work the Commission considered "compensation for disabilities arising from federation" as a possible basis for its recommendations. It considered also the basis of "financial need". In its Third Report (1936), the Commission finally chose the principle of financial need, which was expressed in the following terms:—

"Special grants are justified when a State through financial stress from any cause is unable efficiently to discharge its functions as a member of the federation and should be determined by the amount of help found necessary to make it possible for that State by reasonable effort to function at a standard not appreciably below that of other States."

In arriving at its recommendations, the Commission each year makes a detailed comparison of the budget results and of standards of effort and services provided in the claimant States with those in the non-claimant, or standard, States. (In 1961-62 the Commission limited the standard States to New South Wales and Victoria.)

Since 1949 each recommendation by the Commission for payment of a special grant has consisted of two parts. One part represents an estimate of the State's financial need in the current financial year, and is treated as an advance payment subject to adjustment two years later when the Commission has compared in detail the audited budget results and standards of effort and services provided in that year for both the claimant and the standard States. The other part represents the final adjustment of the advance payment made two years earlier.

**SPECIAL GRANTS AND THE FINANCIAL ASSISTANCE GRANTS**

In the general review of the whole system of Commonwealth revenue grants which was undertaken early in 1959, consideration was given to the problems created by the fact that, for the first time, Queensland and Victoria had submitted applications for special grants.

At the June, 1959 Premiers' Conference, the Commonwealth made it clear at the outset that it considered that the system of special grants, made upon the recommendation of the Commonwealth Grants Commission, should be continued. At the same time, the Commonwealth expressed the view that the machinery which had been developed over the years by the Commonwealth Grants Commission would become unworkable if as many as five States were to seek special grants.

The Commonwealth suggested that, so far as future arrangements for special grants were concerned, the States might be regarded as falling into three categories. At one extreme were the two wealthier States of New South Wales and Victoria, which should not participate in any arrangements for special grants, and at the other extreme were Western Australia and Tasmania, which for the time being might

be regarded as having a continuing need for special grants. In an intermediate category were the States of Queensland and South Australia. The Commonwealth considered that, while these two States ought not to be denied the right of access to the Commonwealth Grants Commission, the main revenue grants to them should be increased sufficiently to enable them, unless exceptional circumstances arose, to avoid applying for special grants.

This approach to the problem was accepted by the States and, in agreeing to the new revenue grant arrangements, the Premiers of Queensland and South Australia each gave an undertaking that his State would not exercise the right of applying for special grants in future unless special or unexpected circumstances endangered its budgetary position.

As mentioned in the previous Chapter, the new revenue grant arrangements were designed also to bring about a substantial reduction in the size of special grants, thereby making these grants more marginal in nature. For this reason, the new financial assistance grants for Western Australia and Tasmania were substantially increased above the amounts which those States had been receiving by way of tax reimbursement and supplementary grants.

The special grants recommended for payment in 1962-63, and those paid in 1961-62, are compared in the following table. The special grants paid to claimant States by the Commonwealth in each year since 1910-11, including those paid on the recommendation of the Commonwealth Grants Commission since its establishment in 1933, are shown in Table 2.

**SPECIAL GRANTS, 1961-62 AND 1962-63**  
£'000

	1961-62.			1962-63 (Recommended).		
	Advance Payment for 1961-62.	Adjustment to Advance Payment for 1959-60.	Total.	Advance Payment for 1962-63.	Adjustment to Advance Payment for 1960-61.	Total.
Western Australia .. .. .	5,200	956	6,156	5,900	310	6,210
Tasmania .. .. .	4,100	975	5,075	4,900	141	5,041
Total .. .. .	9,300	1,931	11,231	10,800	451	11,251

## CHAPTER V.—PAYMENTS UNDER THE FINANCIAL AGREEMENT

Payments are made by the Commonwealth to the States for expenditures of a revenue nature in a number of specific fields. That with the longest history is the payment to the States under the Financial Agreement, and details of this are given below. Other payments of this nature are dealt with in Chapter VI.

Under the Financial Agreement, which was entered into by the Commonwealth and the States in 1927, the Commonwealth makes contributions towards interest and sinking fund payments in respect of States' debts existing at 30th June, 1927, and towards sinking fund payments in respect of States' debts incurred after that date for purposes other than the funding of revenue deficits.

The interest payments superseded the *per capita* grants made available to the States under the *Surplus Revenue Act* 1910. They take the form of Commonwealth contributions towards the interest payable on States' debts, and each year total £7,585,000, the amount that was payable in 1926-27 under that Act. The contribution is apportioned between the States in the same way as the 1926-27 *per capita* grant, and is to continue for 58 years from 1st July, 1927 (that is, until 1985). It is distributed between the States as follows:—

	£'000
New South Wales .. .. .	2,917
Victoria .. .. .	2,127
Queensland .. .. .	1,096
South Australia .. .. .	704
Western Australia .. .. .	474
Tasmania .. .. .	267
Total .. .. .	7,585

The sinking fund contributions made by the Commonwealth under the Agreement in respect of States' debts vary according to the date and nature of the borrowings. On States' debts existing at 30th June, 1927 the Commonwealth is making sinking fund contributions at the rate of 2s. 6d. per cent. per annum for a period of 58 years, and in respect of cash loans raised for the States since that date the Commonwealth makes sinking fund payments for 53 years at the rate of 5s. per cent. per annum. Each State is obliged to make sinking fund payments for corresponding periods at the rate of 5s. per cent. per annum of its debt, regardless of the date on which the debt was incurred. The main exception is in relation to debt incurred for the purpose of funding revenue deficits. In these instances, the Commonwealth makes no sinking fund contribution and the States are obliged to make contributions to the sinking fund of not less than 4 per cent. per annum. However, in respect of Treasury Bills issued to cover State revenue deficits accruing between July, 1927 and June, 1935, which totalled £43,018,000, special arrangements were made under which the Commonwealth contributes 5s. per cent. per annum until June, 1983 on the amount outstanding.

The Commonwealth's contribution to the sinking fund in respect of States' debts in 1961-62 was £6,738,921 and is estimated at £7,245,000 in 1962-63. The interest and sinking fund payments made by the Commonwealth for the States under the Financial Agreement in each year since 1927-28 are shown in Table 4.

## CHAPTER VI.—OTHER PAYMENTS FOR SPECIFIC PURPOSES OF A REVENUE NATURE

In addition to payments under the Financial Agreement, the Commonwealth makes a number of other payments to the States for specific purposes of a revenue nature.

Specific purpose payments, as distinct from general revenue grants, first appeared in any numbers during the depression years of the early 1930's. Most of them were in the nature of emergency grants to alleviate unemployment and to provide assistance to primary producers. Examples were Grants for Unemployment Relief, Grants for Local Public Works, Grants for Youth Employment and payments in respect of Farmers' Debt Adjustment (from Loan Fund).

A significant increase in specific purpose payments has taken place since World War II. They cover a wide range of activities—from some of the payments from the National Welfare Fund to developmental grants of one kind or another and grants made to alleviate hardship caused by natural disasters. Those made for purposes of a revenue nature, with the exception of payments under the Financial Agreement (see Chapter V.), are dealt with in this Chapter, while payments for purposes of a capital nature are discussed in Chapters VII. and VIII.

## UNIVERSITIES

Payments to the States for universities were first introduced in 1951-52 under the *States Grants (Universities) Act* 1951, and were continued each year under similar legislation passed in 1953, 1955, 1956 and 1957. Under these Acts, the Commonwealth accepted responsibility to provide financial assistance to the States for the running expenses of universities, provided that the level of university income from State grants and fees reached and was maintained at certain basic levels. Additional Commonwealth assistance up to certain fixed amounts was also payable to the States on the basis of £1 for each £3 of State grants and fees in excess of these basic levels. The *States Grants (Universities) Act* 1957 authorized Commonwealth assistance on this basis of up to £2,300,000 in each of the calendar years 1957 and 1958.

The basis of Commonwealth assistance to the States for universities was considerably expanded in the *States Grants (Universities) Act* 1958. This Act incorporated the main recommendations of the Committee on Australian Universities which, under the chairmanship of Sir Keith Murray, C.M.G., conducted an inquiry into the financial needs of Australian universities in 1957. The legislation, which operated from 1st January, 1958 and therefore superseded the provisions of the 1957 Act relating to financial assistance for 1958, authorized the Commonwealth to make payments to the States for universities of up to £21,400,000 over the three calendar years 1958, 1959 and 1960, provided certain conditions were satisfied by the States. This represented an increase in possible payments of approximately £14,500,000 over the total that could have been payable in these years on the basis of the 1957 legislation. In addition to increased contributions towards the running expenses of universities, the new basis of assistance included emergency grants and grants for capital works and equipment.

An Australian Universities Commission (with Sir Leslie Martin, C.B.E., as Chairman) was established by the *Australian Universities Commission Act* 1959 to inquire into and make recommendations on the subject of Commonwealth financial assistance to the States for universities. The main financial recommendations in the Commission's first report of 25th October, 1960 were incorporated in the *States Grants (Universities) Act* 1960, which carried on the principle of grants for capital works and equipment introduced in the 1958 legislation.

The *States Grants (Universities) Act 1962*, which followed the presentation by the Australian Universities Commission of the report by the Committee on Teaching Costs of Medical Hospitals, introduced the principle of capital assistance by the Commonwealth to the States for teaching hospital projects of universities.

The 1960 and 1962 legislation provides for payments to the States for universities of up to £44,000,000 over the three calendar years 1961, 1962 and 1963, compared with £21,400,000 for the previous three-year period. As a result of the operation of this legislation, payments to the States for current expenditures of universities increased from £6,677,000 in 1960-61 to £8,118,000 in 1961-62. The estimated expenditure in 1962-63 is £8,881,000.

Details of expenditure by the Commonwealth on assistance for universities, since 1951-52, are given in Table 5. For amounts provided to States for capital expenditures by universities since 1957-58, see Chapter VIII. and footnote (c) to Table 5.

#### NATURAL DISASTERS

When serious floods, cyclones or bushfires occur the Commonwealth, upon request, may join with the State in which the disaster has taken place in financing schemes for the relief of personal hardship and distress. The Commonwealth has also made special payments to States for the restoration of public assets, such as flood-damaged roads and bridges, where the work involved placed an undue burden on the finances of the State concerned.

Payments totalling £319,154 were made to State Governments as emergency grants in 1961-62 and, although by their nature the incidence of these payments in future years cannot be foreseen, an amount of £16,600 has been provided in the Estimates for 1962-63, representing estimated expenditure from balances still available from grants offered in earlier years. Payments to the States for flood, drought, cyclone and bushfire relief in each year since 1949-50 are shown in Table 6.

#### COAL MINING INDUSTRY—LONG SERVICE LEAVE

In the States where coal-miners have been awarded long service leave by industrial tribunals, the State Governments have agreed to reimburse employers the costs they incur in granting this leave. The Commonwealth has, in turn, agreed to reimburse the States for the amounts paid and the administrative costs incurred by them in giving effect to these arrangements. The funds required for these purposes are obtained from an excise imposed on coal under the *Coal Excise Act 1949-1961*. An amount equivalent to the proceeds of the excise is appropriated to a Trust Account under the *States Grants (Coal Mining Industry Long Service Leave) Act 1949-1961*.

The rate of excise was reduced from 8d. to 5d. a ton as from 1st September, 1959. It was further reduced to 4d. a ton as from 1st June, 1961, when the excise was removed from coal produced for export.

An amount of £290,000, equivalent to the excise collections, was appropriated from Consolidated Revenue to the Coal Mining Industry Long Service Leave Fund in 1961-62. The estimated appropriation for 1962-63 is £300,000. The appropriations to the Fund in respect of individual States in each year since the inception of the scheme are shown in Table 7.

#### DAIRY INDUSTRY EXTENSION SERVICES

On 1st July, 1948 the Commonwealth instituted the payment of annual grants to the States to promote improved farm practices in the dairy industry. These grants initially were to continue for five years, with an annual limit of £250,000. Included

within this limit were small amounts to be expended directly by the Commonwealth on projects common to a number of States. The scheme has been extended on two occasions, each time for a further period of five years, and under the present arrangements will continue until 30th June, 1963.

The payment in 1961-62 was £245,000, and the estimated payment for 1962-63 is £240,000. Payments made to each State since 1948-49 are set out in Table 8.

#### EXPANSION OF AGRICULTURAL ADVISORY SERVICES

These grants were introduced in 1952-53 in order to stimulate the expansion of agricultural advisory services in the States and so promote increased farm efficiency.

The moneys appropriated for this purpose are, in the main, paid to the State Departments of Agriculture for expenditure on approved projects, but some expenditure is incurred directly by the Commonwealth on projects common to a number of States.

The payment to the States in 1961-62 was £260,000, and the estimated payment in 1962-63 is £264,000. Payments made to each State since 1952-53 are set out in Table 9.

#### CATTLE TICK ERADICATION AND CONTROL

Since the 1920's the Commonwealth has been contributing towards the cost of cattle tick control and eradication measures in New South Wales.

The payment for this purpose in 1961-62 was £330,000, and the estimated payment in 1962-63 is £306,000. Commonwealth contributions towards the cost of cattle tick measures since 1949-50 are shown in Table 10.

#### MAINTENANCE OF TUBERCULOSIS HOSPITALS

Under the *Tuberculosis Act 1948* the Commonwealth reimburses the States for maintenance expenditures they incur in the diagnosis, treatment and control of tuberculosis, to the extent that expenditures by the States in any financial year exceed those for the year 1947-48.

The payment in 1961-62 was £4,314,000, and the estimated payment in 1962-63 is £4,802,000. Commonwealth expenditures for this purpose since 1949-50 are shown in Table 11. (See Chapter VIII. and Table 18 for Commonwealth grants in respect of capital expenditures on tuberculosis hospitals.)

#### OTHER PAYMENTS

The Commonwealth has decided to make a grant of £24,000 per annum to the tobacco-growing States for additional extension services for tobacco growers. The distribution of this amount in 1962-63 will be £3,000 to New South Wales, £7,000 to Victoria, £12,000 to Queensland and £2,000 to Western Australia.

## CHAPTER VII.—COMMONWEALTH AID FOR ROADS.

Payments are made by the Commonwealth to the States for expenditure on capital works in a number of specific fields and on certain specific projects. The most important of these, and that with the longest history, is Commonwealth aid for roads, and details of this are given below. Other payments of this nature are dealt with in Chapter VIII.

The *Main Roads Development Act 1923* provided for payment to the States of a single lump sum of £500,000, subject to a £ for £ contribution by the States themselves. The basis of distribution of the total sum amongst the States, although not explicitly stated as such, was the "two-fifths area, three-fifths population" formula which subsequently applied until 1959-60. Subsequent amendments to the Act increased the sum payable, first by £500,000 in 1924 and then by a further £750,000 in 1925.

Under the *Federal Aid Roads Act 1926* annual allocations of £2,000,000 were provided and were distributed amongst the States on the explicitly stated "two-fifths area, three-fifths population" formula. Among other changes, the Act reduced the matching contribution required of the States to 15s. for each £1 provided by the Commonwealth.

The *Federal Aid Roads Act 1931* amended the Act of 1926 by repealing the requirement for matching State contributions. Also, instead of the previous provision of a fixed annual amount, the allocations for roads were explicitly associated with the yield from "petrol tax", being determined on the basis of 2½d. and 1½d. per gallon of petrol cleared for Customs duty and Excise duty purposes, respectively.

The *Federal Aid Roads and Works Act 1937*, while maintaining the previous rates for allocations to the States for road works, allocated the equivalent of an additional ¾d. per gallon of petrol subject to either Customs or Excise duty to be used by the States either on road works or on "other works connected with transport". Of this additional allocation, the States could be required to use up to one-twelfth on roads adjoining or approaching Commonwealth properties.

The *Commonwealth Aid Roads and Works Act 1947* provided for allocations of 3d. and 2d. per gallon of petrol subject to Customs duty and Excise duty, respectively. Of the proceeds of these allocations, the States could spend up to one-sixth on "other works connected with transport". In addition, the Act provided a sum of £1,000,000 per annum to be spent on "rural" roads. (By subsequent amendments to the Act in 1948 and 1949, this sum was raised to £2,000,000 and then to £3,000,000.) Sums of £500,000 per annum and £100,000 per annum were also provided for Commonwealth expenditure on "strategic" roads, roads of access, &c., and for the promotion of road safety measures, respectively.

The amounts per gallon of dutiable petrol allocated for roads were increased under the *Commonwealth Aid Roads Act 1950* to 6d. and 3½d., respectively. The amount of £600,000 for expenditure by the Commonwealth on strategic roads and road safety, which had previously been provided separately by the Commonwealth, was now provided from the amounts allocated on the basis of petrol clearances. In addition, the former lump sum provision for expenditure by the States on "rural" roads was replaced by a new provision requiring at least 35 per cent. of the total amount allocated to be spent on such roads.

In the *Commonwealth Aid Roads Act 1954* the amounts allocated for roads in respect of petrol subject to duty, whether Customs or Excise, were raised to the uniform rate of 7d. per gallon. They were subsequently increased to 8d. per gallon

in March, 1956. The minimum proportion to be spent on "rural" roads was increased from 35 per cent. to 40 per cent., and the total amount which could be spent on "other works connected with transport by road or water" was reduced to a flat sum of £1,000,000 per annum. From the total allocation, £900,000 per annum was reserved to the Commonwealth. This was raised to £950,000 in 1955.

In association with the imposition of a tax of 1s. per gallon on automotive diesel fuel consumed in road-using vehicles, the Commonwealth agreed to provide special assistance for roads of £3,000,000 in each of the years 1957-58 and 1958-59. The Commonwealth retained £50,000 for Commonwealth road purposes and the balance of this special assistance was distributed between the States on an arbitrary basis.

In February, 1959 a special conference on roads was convened by the Commonwealth and attended by representatives of private organizations, local government bodies and the Commonwealth and State Governments. After hearing the points of view expressed at this conference, the Commonwealth undertook a detailed review of the whole question of Commonwealth assistance for roads and, at the special Premiers' Conference held in March, 1959, it presented proposals for a new Commonwealth Aid Roads scheme to succeed the one which expired on 30th June, 1959.

These proposals were embodied in the *Commonwealth Aid Roads Act 1959*, which was designed to operate for a period of five years from 1st July, 1959. Over the five-year period a total sum of up to £250,000,000 is being made available by the Commonwealth to the States for roads, or nearly £100,000,000 more than was provided during the five years of the previous legislation. Of this amount £220,000,000 represents basic grants, and the remaining sum of up to £30,000,000 is, subject to certain annual limits, payable to the States on the basis of £1 for each £1 allocated by the State Governments from their own resources for expenditure on roads over and above the amounts allocated by them for roads expenditure in 1958-59. The distribution of the grants over the five years is as follows:—

	Basic Grant.	Matching Assistance.	Total.
	£'000.	£'000.	£'000.
1959-60	40,000	2,000	42,000
1960-61	42,000	4,000	46,000
1961-62	44,000	6,000	50,000
1962-63	46,000	8,000	54,000
1963-64	48,000	10,000	58,000
Total	220,000	30,000	250,000

The amounts being made available by the Commonwealth will be distributed between the States in each year in the proportions of 5 per cent. of the total for Tasmania and the balance shared between the other five States on the basis of one-third according to population as at the last preceding census, one-third according to area and one-third according to vehicles registered at 31st December preceding the year concerned.

The States are required to ensure that not less than 40 per cent. of the funds made available by the Commonwealth in each year is spent during that year on roads in rural areas, other than highways, main roads or trunk roads. The States may between them spend up to £1,000,000 of the amount made available by the Commonwealth in each year on works connected with transport by road or water, other than the construction, reconstruction and maintenance of roads. As under the previous legislation, the States are free to allocate to municipal or local authorities for roads purposes any part of the moneys received by them from the Commonwealth.

As compared with the 1954 Act, the current roads legislation thus incorporates three important changes. Commonwealth road grants to the States are no longer determined on the basis of petrol clearances; a change in distribution has been effected by the inclusion of motor vehicle registrations in the formula as a third and equal factor with area and population; and the condition of £ for £ matching expenditure by the States has been introduced, although for only part of the financial assistance provided.

The amount paid to the States for roads in 1961-62 was £50,000,000, and the amount payable in 1962-63 is estimated to be £54,000,000. The manner in which Commonwealth allocations for roads purposes have risen since their inception is shown in Table 12. The amounts actually paid to the States for roads in each year since 1923 are shown in Table 13.

#### CHAPTER VIII.—OTHER PAYMENTS FOR SPECIFIC PURPOSES OF A CAPITAL NATURE

Payments are also made to the States for purposes of a capital nature other than roads. Those in respect of which payments to States are now being made, or are expected to be made in 1962-63, are outlined below.

##### UNIVERSITIES

As explained in Chapter VI, the practice of making grants to the States for capital works and equipment for universities was introduced under the *States Grants (Universities) Act* 1958 and continued under the 1960 Act. The 1962 Act widened the scope of this assistance to include capital expenditure on teaching hospital projects of universities. During 1961-62 £6,043,000 was provided for these various purposes and the estimated payment in 1962-63 is £7,013,000. The details of these payments are shown in footnote (c) to Table 5.

##### RAILWAY PROJECTS

Commonwealth financial assistance has been and is being made available to the States for various railway projects. Details of expenditure in past years, and the provision for expenditure in 1962-63, on these projects are given in Table 14. A brief note on each of the current projects is included hereunder.

##### (a) Albury-Melbourne

Under the *Railway Standardization (New South Wales and Victoria) Agreement Act* 1958 the Commonwealth agreed to provide all the finance for the construction of a standard gauge rail link between Albury and Melbourne. Each of the two States is to repay 15 per cent. of the cost by instalments over a period of 50 years, plus interest on outstanding balances.

Expenditure to 30th June, 1962 was £14,485,000. The line opened for traffic early in 1962.

##### (b) South Australia

Up to 30th June, 1962 the Commonwealth had provided £5,110,000 to South Australia under the *Railway Standardization (South Australia) Agreement Act* 1949. This Agreement provides for the carrying out of various rail gauge standardization works in South Australia, the Commonwealth being required to provide initially all the finance and the State to repay 30 per cent. of this by instalments over a period of 50 years, plus interest on outstanding balances. Conversion of the 3 ft. 6 in. gauge lines of the South-Eastern Division of the State (temporarily to 5 ft. 3 in. gauge pending conversion of the main South Australian and Victorian systems) has now been completed. The State has undertaken to bear the whole of the cost of the subsequent conversion to 4 ft. 8½ in. gauge. Preliminary survey work has also been undertaken on the line from Fort Pirie to Broken Hill following a proposal for the conversion to 4 ft. 8½ in. gauge of the 3 ft. 6 in. gauge Peterborough Division, which includes this line.

The Commonwealth has also undertaken, under the *Railway Equipment Agreement (South Australia) Act* 1961, to provide up to £1,325,000 for the purchase of 12 locomotives and 100 wagons for the carriage of ore on the railway from Broken Hill to Port Pirie. The State is to repay 30 per cent. of the amount provided by instalments over 50 years, plus interest on outstanding balances, and is to bear the cost of subsequently converting the locomotives and wagons to standard gauge. An amount of £1,300,000 has been provided for this purpose in 1962-63.

*(c) Western Australia*

Under the *Railway Agreement (Western Australia) Act 1961*, the Commonwealth is to provide financial assistance to Western Australia for the construction of a standard gauge railway from Kwinana to Koolyanobbing, with an extension to Kalgoorlie, and for the purchase of rolling stock for the railway. The project, which is planned for completion in 1968, is associated with plans for the development of an iron and steel industry at Kwinana, using iron ore taken from Koolyanobbing. The extension of the railway eastward to Kalgoorlie will, however, also provide a standard gauge link between Perth and the Trans-Australian Railway.

The estimated cost is approximately £41,000,000, of which one-half is attributed to development and one-half associated with the creation of a uniform gauge railway between Western Australia and the Eastern States.

In respect of that part of the cost associated with railway standardization, the Commonwealth will provide initially all the finance and the State will repay 30 per cent. by instalments over 50 years, plus interest on outstanding balances. In respect of that part of the cost attributed to development, the Commonwealth will provide initially 70 per cent. of the finance and the State is to repay this in full over 20 years, plus interest on outstanding balances.

The first advances by the Commonwealth will be required in 1962-63 and an amount of £4,300,000 is provided in the Estimates for this purpose.

*(d) Queensland*

Under the *Railway Agreement (Queensland) Act 1961*, the Commonwealth is providing financial assistance for the reconstruction of the Collinsville-Townsville-Mount Isa railway. The railway is being extensively improved to enable it to cater for expanding mineral production at Mount Isa and for general development in the areas which the line serves.

The Commonwealth is to provide advances of up to £20,000,000 at the rate of £2 for each £1 provided by Queensland for expenditure on the work. The State will repay the advances by instalments over 20 years, plus interest on outstanding balances.

The Commonwealth advanced, from Loan Fund, an amount of £3,750,000 up to 30th June, 1962. It is estimated that an amount of £8,195,000 will be similarly provided in 1962-63.

## WESTERN AUSTRALIA NORTHERN DEVELOPMENT

The *Western Australia Grant (Northern Development) Act 1958-1959* provides for payment to the State of Western Australia of up to a total of £5,000,000 as assistance towards the cost of developmental projects undertaken by the State in that part of the State north of the twentieth parallel of latitude during the period of five years commencing 1st July, 1958.

As provided by the Act, the Commonwealth has approved, as eligible projects for the purposes of the grant, projects nominated by the State Government which will contribute to the development of the specified northern part of the State and which could not reasonably have been expected to be carried out prior to June, 1963 without the grant of financial assistance by the Commonwealth.

The following projects have been approved by the Commonwealth:—

- (1) The construction of a deep water port at Black Rocks near Derby. (This project was subsequently suspended and the Commonwealth's approval was withdrawn.)
- (2) The construction of a new berth at the Wyndham jetty.
- (3) The reconstruction of the existing jetty at Wyndham (to the extent of 50 per cent. of the cost).
- (4) The carrying out of extensive investigations in the Napier-Broome Bay area to decide upon the most suitable and economic means of providing port facilities for the North Kimberleys area.
- (5) The construction of a diversion dam on the Ord River.
- (6) The construction of a main channel from the Ord River diversion dam.

Payments in 1961-62 amounted to £1,705,000 and provision has been made for the payment of £1,432,000 in 1962-63 which would bring total payments for these purposes to the £5,000,000 for which provision was made under the Act. Payments made to date are shown in Table 15.

## REPLACEMENT OF DERBY JETTY

Provision of £300,000 has been made for financial assistance by the Commonwealth to the State of Western Australia during 1962-63 towards the cost of constructing a new jetty with improved facilities at Derby, in the West Kimberleys region of Western Australia.

## LOADING FACILITIES FOR EXPORT OF COAL

*(a) New South Wales*

Under the *Coal Loading Works Agreement (New South Wales) Act 1961*, the Commonwealth is to make available to the State, on a £ for £ basis, financial assistance of up to £2,650,000 towards the cost of improvements in coal loading works at the ports of Newcastle, Port Kembla and Balmain. Prospects of expanding coal exports through these ports are good provided more adequate harbour and coal loading facilities are installed at the earliest practicable date. The financial assistance to be provided by the Commonwealth is designed to expedite the completion of the coal loading works so that they will be available for use earlier than the State could achieve unaided. The State, for its part, has undertaken to carry out the harbour and coal loading works as expeditiously as practicable.

Of the assistance to be provided by the Commonwealth, up to £1,000,000 is to be made available by way of grant from the Coal Industry Fund of the Joint Coal Board. The remaining amount of up to £1,650,000 is to be provided in the form of interest-bearing advances repayable within ten years.

In 1961-62 Commonwealth assistance to New South Wales under the Agreement by way of loan amounted to £284,000, and a grant of £172,000 was made to the State from the Coal Industry Fund of the Joint Coal Board. Assistance to be provided in 1962-63 is estimated at £1,100,000 of which £685,000 will be by way of loan and £415,000 by way of grant from the Coal Industry Fund.

*(b) Queensland*

In accordance with the provisions of the *Coal Loading Works Agreement (Queensland) Act 1962*, the Commonwealth is to provide up to £200,000 of the total estimated cost of £405,000 for planned improvements to coal loading facilities at Gladstone. Gladstone is the port of shipment of coal from the Kiangra and Moura coal-fields in central Queensland which are being developed to meet substantial export

orders from Japan. To permit this trade to expand, loading facilities need to be substantially improved, and Commonwealth financial assistance is intended to ensure that work can proceed as expeditiously as possible.

Of the total Commonwealth assistance of £200,000, £100,000 is to be a grant and £100,000 an interest-bearing loan repayable over fifteen years. Repayments will not commence until December, 1963, by which time it is expected that the works will be substantially complete.

No payments were made by the Commonwealth to the State in pursuance of this Agreement in 1961-62. It is estimated that £145,000 will be provided in 1962-63.

#### CATTLE ROADS

##### (a) Queensland

The *Queensland Grant (Beef Cattle Roads) Act* 1961 provides for financial assistance to Queensland to the extent of £5,000,000 during the five-year period commencing 1st July, 1961 for the construction of roads serving beef cattle producing areas in the State. The roads will facilitate the movement of cattle from these areas and are expected to increase the turn-off of beef cattle for export. The amounts provided under this Act are grants. An amount of £650,000 has been provided up to 30th June, 1962. Provision has been made for payments totalling £1,480,000 in 1962-63.

In addition, provision has also been made for further financial assistance to Queensland in 1962-63, to the extent of £250,000, for bitumen sealing of beef cattle roads.

##### (b) Western Australia

A grant for the construction of beef cattle roads in 1961-62 was provided for Western Australia under the *Western Australia Grant (Beef Cattle Roads) Act* 1961. The Commonwealth contributed an amount of £500,000 in 1961-62 for the improvement of certain roads and the construction of associated bridges in the Kimberleys area. Provision has been made for a further grant of £700,000 in 1962-63.

#### BRIGALOW LANDS DEVELOPMENT

Provision of £1,750,000 has been made for financial assistance to the State of Queensland during 1962-63 towards the cost of developing brigalow land in the Fitzroy Basin area of Central Queensland.

#### WESTERN AUSTRALIA WATER SUPPLY

Under the *Western Australia Grant (Water Supply) Act* 1948-1957 the Commonwealth, within specified limits, assisted the State of Western Australia to finance the cost of construction of a comprehensive water supply scheme. The grant partly financed the reticulation of water to townships and homesteads in a wheat belt area of about four million acres inland from Perth, and to towns along the Great Southern Railway from Beverley to Katanning, and the increased supply of water to the Eastern Goldfields area of the State. Commonwealth contributions under the Act were limited to £5,000,000.

The final payment was made by the Commonwealth in 1961-62. Payments in each year since the inception of the arrangements are shown in Table 16.

#### MENTAL INSTITUTIONS

Under the *States Grants (Mental Institutions) Act* 1955 the Commonwealth undertook to provide financial assistance of up to £10,000,000 towards capital expenditure incurred by the States on mental institutions, on the basis of £1 for every

£2 spent by the States. Expenditure by the Commonwealth in 1961-62 amounted to £824,000, and brought total Commonwealth expenditure under the scheme to £7,095,000. The estimated expenditure in 1962-63 is £1,363,000. Table 17 shows payments to each State under the scheme since it came into operation in 1955-56.

#### TUBERCULOSIS HOSPITALS

Under the *Tuberculosis Act* 1948 the Commonwealth undertook to reimburse the States for all capital expenditure on buildings, furnishings, equipment and plant for the diagnosis, treatment and control of tuberculosis. Expenditure in 1961-62 was £387,000. In 1962-63 expenditure is estimated to total £400,000, this being the amount the States are likely to claim during the year in reimbursement of their expenditure on approved capital items.

Commonwealth grants for capital purposes under the *Tuberculosis Act* 1948 since they began in 1949-50 are shown in Table 18. (See Chapter VI and Table 11 for Commonwealth grants for maintenance expenditures on tuberculosis hospitals.)

#### ENCOURAGEMENT OF MEAT PRODUCTION

For the purpose of stimulating pastoral development in accordance with Australia's commitments under the Fifteen Year Meat Agreement with the United Kingdom, the Commonwealth agreed in 1949 to provide financial assistance for new and improved facilities for the movement of cattle in the Channel country of Queensland and in the area serving the meatworks at Wyndham, Western Australia.

The Governments of Queensland and Western Australia were responsible for construction work within their respective States, and the Commonwealth undertook to provide them with financial assistance amounting to £2,166,000. This undertaking was written into the *States Grants (Encouragement of Meat Production) Act* 1949-1954.

Expenditure in 1961-62 was £5,000, bringing total Commonwealth expenditure under the scheme to £2,161,000. It is estimated that further payments totalling £5,000 will be made in 1962-63. Details of the payments made since 1950-51 are shown in Table 19.

#### OTHER PAYMENTS

Recently, the New South Wales and Queensland State Governments instituted programmes to change the chemicals in cattle dips and the Commonwealth has agreed to make special contributions towards the costs involved. It is anticipated that special payments of £48,150 to New South Wales and £100,875 to Queensland will be made for this purpose. These payments are expected to be made in 1962-63.

## CHAPTER IX.—ADDITIONAL ASSISTANCE GRANTS

In addition to grants for general revenue purposes and payments for specific purposes (outlined in earlier Chapters) the Commonwealth has on occasion made available to the States non-repayable additional assistance grants. These additional amounts of financial assistance have been made to enable the States to meet particular circumstances of the time. They have therefore been "non-recurring" in the sense that they have been provided only when special circumstances of a financial year have, in the view of the Commonwealth, been such as to warrant their payment. They have not been comparable with the general revenue grants in that they have not been made available to the States necessarily, or in some cases even chiefly, for general budgetary purposes; nor have they been determined, either as to total amount or as to their distribution among the States, on the basis of any particular formula. Rather, their size and allocation have been determined by the Commonwealth in the light of its own assessment of the circumstances at the time. Because of the broad scope of the purposes for which these grants have been made available, they can also be differentiated from the payments made by the Commonwealth to the States for specific purposes.

In February, 1958, following a Premiers' Conference and Loan Council meeting, the Commonwealth agreed to make available to the States in the remaining part of 1957-58, an amount of £5,000,000 by way of non-repayable grant to assist the overall financial position of State Governments which had been adversely affected, in varying degrees, by drought and by economic conditions. In making its offer, the Commonwealth indicated that the grant was to be used to give most help in those areas which had been affected by adverse conditions and particularly to assist the States in stimulating home-building activity. The grant of £5,000,000 was allocated, as proposed by the Commonwealth, on the basis that £4,000,000 be distributed according to the then tax reimbursement grants formula with the remaining £1,000,000 divided equally between New South Wales and Queensland, these being the States most severely affected by the drought and in which unemployment had increased most. The resulting allocation was as follows:—

	£'000.
New South Wales .. .. .	1,989
Victoria .. .. .	1,061
Queensland .. .. .	1,125
South Australia .. .. .	368
Western Australia .. .. .	315
Tasmania .. .. .	142
Total .. .. .	5,000

As one of the measures adopted by the Commonwealth in February, 1962 to stimulate employment, an additional assistance grant of £10,000,000 was made available to the States on a non-repayable basis for expenditure on employment-giving activities, chiefly in the works field, in the remainder of the 1961-62 financial year. This grant was allocated by first setting aside £2,500,000 for Queensland and £500,000 for Tasmania, the two States in which unemployment as a percentage of the work force was significantly above the national level, and then allocating the remaining £7,000,000 among all States on the same basis as the State works and housing borrowing programmes for 1961-62 as determined by the Loan Council. The resulting figures were:—

	£'000.
New South Wales .. .. .	2,240
Victoria .. .. .	1,800
Queensland .. .. .	3,340
South Australia .. .. .	970
Western Australia .. .. .	660
Tasmania .. .. .	990
Total .. .. .	10,000

At the time of the Loan Council meeting and Premiers' Conference in June, 1962, the Commonwealth offered to make available to the States in 1962-63 a non-repayable grant of £12,500,000 to be expended by the States at their discretion for employment-giving activities. The allocation of this grant will follow the same basis as that of the £10,000,000 grant announced in February, 1962, with the additional £2,500,000 distributed on the basis of the State works and housing borrowing programmes for 1962-63. The proposed allocation is as follows:—

	£'000.
New South Wales .. .. .	3,044
Victoria .. .. .	2,442
Queensland .. .. .	3,640
South Australia .. .. .	1,312
Western Australia .. .. .	894
Tasmania .. .. .	1,168
Total .. .. .	12,500



CHAPTER X.—COMMONWEALTH ASSISTANCE TO LOAN COUNCIL  
BORROWING PROGRAMMES

The Australian Loan Council is constituted under the 1927 Financial Agreement between the Commonwealth and the States. It is composed of representatives of the Commonwealth and each State Government and co-ordinates the public borrowings of the Commonwealth and the States. The Prime Minister or his nominee is the representative of the Commonwealth and Chairman of the Council, and the six Premiers or their nominees represent the States. The Loan Council determines the annual borrowing programmes of the Commonwealth and the States, together with the terms and conditions on which loans for these programmes are to be raised.

Subject to the decisions of the Loan Council, the Commonwealth arranges for all borrowings for or on behalf of the Commonwealth or the States and for all conversions, renewals, redemptions and consolidations of the public debts of the Commonwealth and of the States. Borrowings by the Commonwealth for defence purposes are not subject to the approval of the Loan Council or to the other provisions of the Financial Agreement.

Under a "Gentlemen's Agreement", entered into by members of the Loan Council in 1936, the borrowings of semi-government and local authorities proposing to raise £100,000 or more in a year are subject to Loan Council approval. By a further arrangement, the Loan Council has in recent years approved overall borrowing programmes for semi-governmental and local authorities in each State proposing to borrow less than £100,000 in a year. The terms on which these groups of authorities may raise loans are the same. Special arrangements were made by the Loan Council in February, 1962, to permit the latter authorities each to borrow an additional £100,000 during the remainder of 1961-62, subject to the approval of the State Government concerned. For 1962-63, the Loan Council has decided that no overall limit will be imposed on borrowings by authorities for which the State Governments approve programmes of not more than £100,000. (Borrowings approved by the Loan Council for semi-government and local authorities in each year since 1947-48 are shown in Table 25.)

In the period since World War II., the loan requirements of Australian public authorities have been at high levels. In the early post-war years there was little difficulty in raising the sums required; it was the resources of man-power and materials that were in short supply. However, despite the fact that the Commonwealth has, since the war, financed its own capital expenditures mainly from revenue, it has been found that as from 1951-52 the full amounts required under approved Loan Council programmes could not be borrowed on reasonable terms and conditions. In 1951-52, and in each subsequent year, the Commonwealth has provided special assistance from its own resources to enable the borrowing programmes for State Government works and housing to be completed. Most of the assistance has been made available through the issue of special loans subscribed to by the Commonwealth at the end of each financial year on terms and conditions similar to those prevailing in those years for public loans raised by the Commonwealth. The major part of the funds subscribed to these special loans by the Commonwealth has been derived from general revenue sources.

A part of the special loan has been used in each year by the Commonwealth for purposes of its own that fall outside the ambit of the Loan Council, mainly War Service Land Settlement.

On the understanding that the States would agree to certain conditions, the Commonwealth has offered at the beginning of each financial year to support the Loan Council borrowing programme to the extent that borrowings on the market are inadequate to complete the programme, and to make monthly advances to the States at an annual rate based on that programme which is subject to review later in the financial year. Thus, for the current financial year, the Commonwealth indicated at the June, 1962 meeting of the Loan Council that it would be prepared to assist the 1962-63 borrowing programme in the following ways:—

- (i) To make available to the States the Australian currency equivalent of any new money loans raised for general purposes overseas.
- (ii) To leave to the States for works and housing purposes the whole of the proceeds derived from public loan raisings in Australia after the amount required to meet encashment of Special Bonds had been deducted.
- (iii) To arrange, to the maximum possible extent, for the refinancing of maturing loans that may not be fully converted.
- (iv) To make monthly advances to the States for the first six months of the financial year at an annual rate of £250,000,000, the position then to be reviewed and a tentative determination made, not later than 31st January, 1963, of the amount of special loan assistance the Commonwealth may provide from its own resources.

The assistance given by the Commonwealth in each year, together with the total Loan Council programme for the year, is shown in the following table. (Details of the manner in which the States' works and housing programmes have been financed since 1951-52 are given in Table 23.)

	Commonwealth Assistance.	Total Programme Approved by Loan Council.	Commonwealth Assistance as per cent. of Programme.
	£'000.	£'000.	Per cent.
1951-52.. .. .	152,865	227,060	67
1952-53.. .. .	131,530	190,182	69
1953-54.. .. .	74,353	200,000	37
1954-55.. .. .	49,473	180,000	27
1955-56.. .. .	88,245	190,000	46
1956-57.. .. .	91,885	192,000	48
1957-58.. .. .	83,121	200,000	42
1958-59.. .. .	3,453	210,000	2
1959-60.. .. .	29,069	220,000	13
1960-61.. .. .	86,148	230,000	37
1961-62.. .. .	6,993	247,500 (a)	3
1962-63 (Estimate) .. .. .	51,000	250,000	20
Total .. .. .	848,135	2,536,742	33

(a) The originally approved programme was £240,000,000. In February, 1962, the Loan Council approved the addition of £7,500,000 for advances to the States under the Commonwealth and State Housing Agreement.

Legislation passed in 1961 extended for a further five years from 1st July, 1961 the operation of the Commonwealth and State Housing Agreement. Under successive Agreements the Commonwealth has, since 1945, provided repayable advances at concessional rates of interest to States participating in the Agreements, for housing purposes. The amounts advanced by the Commonwealth to the States each year have been nominated by the States from within their allocations of the approved borrowing programme and, in aggregate, have become the Commonwealth's share of the approved borrowing programme for works and housing for that year.

The amounts advanced under the Agreements in each year since 1945-46, together with the States' works programmes in those years, are shown in Table 22, F.5092/62.—3

TABLE I.—TAX REIMBURSEMENT AND FINANCIAL ASSISTANCE GRANTS,  
1942-43 TO 1962-63

		£'000						
		New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
<b>TAX REIMBURSEMENT GRANTS</b>								
<b>FORMULA GRANTS</b>								
1942-43(a)	.. ..	15,476	6,797	5,821	2,434	2,620	915	34,063
1943-44(a)	.. ..	15,517	6,890	5,821	2,458	2,644	925	34,255
1944-45(a)	.. ..	15,517	6,890	5,821	2,458	2,644	925	34,255
1945-46(a)	.. ..	15,517	6,890	5,821	2,458	2,644	925	34,255
1946-47*	.. ..	16,477	8,860	6,601	3,458	3,384	1,220	40,000
1947-48*	.. ..	18,537	9,967	7,426	3,890	3,807	1,373	45,000
1948-49*	.. ..	22,022	12,098	8,832	4,630	4,495	1,667	53,744
1949-50	.. ..	25,490	14,304	10,231	5,370	5,172	1,970	62,537
1950-51	.. ..	28,539	16,338	11,465	6,040	5,767	2,249	70,398
1951-52	.. ..	34,827	20,376	13,994	7,410	7,010	2,806	86,423
1952-53	.. ..	43,491	26,085	17,491	9,343	8,744	3,601	108,755
1953-54	.. ..	47,766	29,378	19,279	10,388	9,630	4,066	120,507
1954-55	.. ..	50,716	32,419	20,907	11,414	10,239	4,403	130,098
1955-56	.. ..	54,226	36,069	22,531	12,682	11,253	4,891	141,652
1956-57	.. ..	58,353	40,237	24,369	14,049	12,252	5,385	154,645
1957-58	.. ..	61,747	44,000	25,921	15,260	13,063	5,864	165,855
1958-59	.. ..	64,796	46,478	27,159	16,166	13,773	6,191	174,563
<b>SUPPLEMENTARY GRANTS</b>								
1945-46(b)	.. ..	..	..	..	553	..	..	553
1946-47(b)	.. ..	..	..	..	1,101	913	119	2,133
1948-49	.. ..	..	..	..	..	..	..	..
1949-50	.. ..	3,261	1,830	1,309	687	661	252	8,000
1950-51	.. ..	8,277	5,910	2,814	1,229	1,410	360	20,000
1951-52	.. ..	13,073	9,124	5,006	2,790	2,390	1,194	33,577
1952-53	.. ..	10,495	7,131	4,221	2,254	2,110	934	27,145
1953-54	.. ..	8,519	5,622	3,438	1,853	1,717	766	21,915
1954-55	.. ..	7,758	4,959	3,198	1,747	1,567	673	19,902
1955-56	.. ..	7,110	3,398	2,124	1,195	1,060	461	15,348
1956-57	.. ..	6,926	5,826	2,892	1,668	1,454	639	19,405
1957-58(c)	.. ..	8,989	6,405	3,774	2,221	1,902	854	24,145
1958-59	.. ..	11,298	8,104	4,735	2,819	2,402	1,079	30,437
<b>TOTAL TAX REIMBURSEMENT GRANTS</b>								
1945-46	.. ..	15,517	6,890	5,821	3,011	2,644	925	34,808
1946-47	.. ..	16,477	8,860	6,601	4,559	4,297	1,339	42,133
1947-48	.. ..	18,537	9,967	7,426	3,890	3,807	1,373	45,000
1948-49	.. ..	22,022	12,098	8,832	4,630	4,495	1,667	53,744
1949-50	.. ..	28,531	16,134	11,540	6,057	5,833	2,222	70,397
1950-51	.. ..	36,816	22,248	14,279	7,269	7,177	2,609	90,398
1951-52	.. ..	47,900	29,500	19,000	10,200	9,400	4,000	120,000
1952-53	.. ..	53,986	33,216	21,712	11,597	10,854	4,535	135,900
1953-54	.. ..	56,285	35,000	22,717	12,241	11,347	4,832	142,422
1954-55	.. ..	58,474	37,378	24,105	13,161	11,806	5,076	150,000
1955-56	.. ..	61,336	39,467	24,655	13,877	12,313	5,352	157,000
1956-57	.. ..	65,279	46,063	27,261	15,717	13,706	6,024	174,500
1957-58(c)	.. ..	70,736	50,405	29,695	17,481	14,965	6,718	190,000
1958-59	.. ..	76,094	54,382	31,894	18,985	16,175	7,270	205,000
<b>FINANCIAL ASSISTANCE GRANTS</b>								
1959-60	.. ..	83,450	60,625	36,375	27,675	25,462	10,913	244,500
1960-61	.. ..	91,988	67,371	39,951	30,727	27,977	11,980	269,994
1961-62(c)(d)	.. ..	99,249	73,015	43,730	33,225	30,085	12,836	292,140
1962-63 (Estimate)(e)	.. ..	103,836	76,336	45,577	34,907	31,319	13,315	305,290

\* Formula altered in these years.

(a) Includes entertainment tax reimbursement grants.

(b) Paid on recommendation of the Commonwealth Grants Commission.

(c) In addition, the Commonwealth provided for the States in these years additional assistance grants to meet special circumstances. For the amounts of these grants and their distribution among the States, see Chapter IX, pp. 30-31.

(d) Includes additional amounts of £1,024,000 for Victoria, £339,000 for Western Australia and £97,000 for Tasmania paid under the States Grants Act 1952. For estimation of Victoria's grant in years subsequent to 1961-62, the "base amount" regarded as payable in 1961-62 is £72,730,000. See Chapter III, p. 15.

TABLES

(The tables which follow cover, in general, the period from the inception of the payment concerned.)



TABLE 4.—INTEREST AND SINKING FUND PAYMENTS BY THE COMMONWEALTH FOR THE STATES UNDER THE FINANCIAL AGREEMENT, 1927-28 TO 1962-63  
£'000

	Sinking Fund Contributions.						Total.	Interest Payments. (c)	Total.
	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.			
1927-28 .. .. .	296	179	132	108	79	29	823	7,585	8,408
1928-29 .. .. .	341	204	144	122	91	30	932	7,585	8,517
1929-30 .. .. .	375	214	152	127	98	28	994	7,585	8,579
1930-31 .. .. .	403	228	153	139	106	29	1,058	7,585	8,643
1931-32 .. .. .	448	252	155	147	119	33	1,154	7,585	8,739
1932-33 .. .. .	487	254	156	153	127	32	1,189	7,585	8,774
1933-34 .. .. .	518	280	162	160	137	33	1,230	7,585	8,875
1934-35 .. .. .	543	274	175	161	144	34	1,331	7,585	8,916
1935-36 .. .. .	563	271	176	165	151	34	1,360	7,585	8,945
1936-37 .. .. .	589	281	186	167	157	36	1,416	7,585	9,001
1937-38 .. .. .	603	287	193	171	162	38	1,454	7,585	9,039
1938-39 .. .. .	613	290	195	173	167	40	1,478	7,585	9,063
1939-40 .. .. .	635	300	204	180	175	42	1,536	7,585	9,121
1940-41 .. .. .	642	303	208	181	178	45	1,557	7,585	9,142
1941-42 .. .. .	652	306	211	183	182	46	1,580	7,585	9,165
1942-43 .. .. .	656	301	216	184	183	48	1,588	7,585	9,173
1943-44 .. .. .	647	301	212	185	184	49	1,578	7,585	9,163
1944-45 .. .. .	671	317	232	221	192	50	1,683	7,585	9,268
1945-46 .. .. .	644	317	222	195	186	52	1,616	7,585	9,201
1946-47 .. .. .	648	321	224	199	189	55	1,636	7,585	9,221
1947-48 .. .. .	693	336	235	212	197	59	1,732	7,585	9,317
1948-49 .. .. .	746	362	247	227	205	65	1,852	7,585	9,437
1949-50 .. .. .	803	398	265	244	219	75	2,004	7,585	9,589
1950-51 .. .. .	876	452	295	276	245	97	2,241	7,585	9,826
1951-52 .. .. .	980	528	334	316	273	126	2,557	7,585	10,142
1952-53 .. .. .	1,127	631	386	376	311	160	3,011	7,585	10,596
1953-54 .. .. .	1,273	759	438	438	356	199	3,463	7,585	11,048
1954-55 .. .. .	1,430	880	497	503	397	240	3,947	7,585	11,532
1955-56 .. .. .	1,546	972	533	561	428	270	4,310	7,585	11,895
1956-57 .. .. .	1,631	1,054	576	607	455	297	4,640	7,585	12,225
1957-58 .. .. .	1,787	1,155	631	668	497	327	5,065	7,585	12,650
1958-59 .. .. .	1,894	1,230	671	715	526	350	5,386	7,585	12,971
1959-60 .. .. .	2,074	1,367	744	791	578	388	5,942	7,585	13,527
1960-61 .. .. .	2,182	1,447	785	837	609	414	6,274	7,585	13,859
1961-62 .. .. .	2,329	1,566	844	899	653	448	6,739	7,585	14,324
1962-63 (Estimate) ..	2,491	1,693	910	964	702	485	7,245	7,585	14,830

(a) For distribution of the interest payments as between States, see table in Chapter V.

TABLE 5.—GRANTS FOR UNIVERSITIES, 1951-52 TO 1962-63  
£'000

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
1951-52 .. .. .	523	406	187	168	131	58	(a) 1,473
1952-53 .. .. .	(b) 529	338	128	133	86	46	1,260
1953-54 .. .. .	536	334	180	167	115	57	1,389
1954-55 .. .. .	629	367	180	184	122	62	1,544
1955-56 .. .. .	644	415	196	197	134	65	1,651
1956-57 .. .. .	872	522	310	271	194	93	2,262
1957-58(c) .. .. .	1,195	665	425	414	253	123	3,075
1958-59(c) .. .. .	2,927	1,313	805	664	613	597	6,919
1959-60(c) .. .. .	3,233	1,422	866	894	631	582	7,628
1960-61(c) .. .. .	4,140	3,023	1,537	1,090	903	534	11,227
1961-62(c) .. .. .	6,142	3,704	1,309	1,396	994	616	14,161
1962-63 (Estimate)(c) ..	6,192	4,090	1,953	1,560	1,382	717	15,894
Total .. .. .	27,562	16,599	8,076	7,138	5,558	3,550	68,483

(a) Includes a grant for part of the year 1950-51.

(b) Includes a supplementary grant of £135,000 for the University of New South Wales.

(c) The figures for these years include the following amounts provided to States for capital expenditures by universities:—

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
1957-58 .. .. .	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1958-59 .. .. .	1,270	438	416	253	265	431	2,813
1959-60 .. .. .	1,207	400	225	250	216	316	2,713
1960-61 .. .. .	1,310	1,369	698	285	386	285	4,333
1961-62 .. .. .	2,574	2,030	299	413	377	144	6,043
1962-63 (Estimate) ..	2,237	2,292	840	333	691	410	7,013
Total .. .. .	8,668	6,749	2,390	1,664	1,855	1,854	21,280

TABLE 6.—PAYMENTS IN RESPECT OF NATURAL DISASTERS, 1949-50 TO 1962-63  
£'000

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
1949-50 .. .. .	100	..	1	..	..	..	101
1950-51 .. .. .	286	15	1	..	10	..	312
1951-52 .. .. .	33	10	..	..	..	..	43
1952-53 .. .. .	58	17	..	..	..	..	75
1953-54 .. .. .	105	2	..	..	..	..	107
1954-55 .. .. .	(a) 597	..	5	..	..	..	602
1955-56 .. .. .	(a) 332	6	7	50	..	..	395
1956-57(b) .. .. .	15	290	..	7	412	..	717
1957-58(b) .. .. .	20	210	8	350	..	..	588
1958-59(b) .. .. .	3	38	81	133	..	..	255
1959-60 .. .. .	..	..	128	35	..	..	163
1960-61 .. .. .	..	..	65	..	33	225	323
1961-62 .. .. .	50	50	21	..	193	5	319
1962-63 (Estimate)(c) ..	15	..	2	..	..	..	17
Total .. .. .	1,614	638	319	980	236	230	4,017

(a) Includes payments of £200,000 in 1954-55 and £250,000 in 1955-56 made from Consolidated Revenue Fund in accordance with the Commonwealth's decision to grant up to £500,000 on a 5 for 4 basis towards the restoration of local authority roads and bridges damaged by floods.

(b) The figures for these years include the following payments for roads purposes financed from the Commonwealth Aid Roads (Supplementary) Trust Account:—

	Victoria.	Queensland.	South Australia.	Total.
1956-57 .. .. .	£'000.	£'000.	£'000.	£'000.
1957-58 .. .. .	122	..	37	162
1958-59 .. .. .	210	80	122	312
1959-60 .. .. .	..	..	..	..

(c) By the very nature of these payments their incidence in future years cannot be forecasted. The figures shown for 1962-63 represent estimated expenditure from balances still available of emergency grants offered by the Commonwealth in earlier years.

TABLE 7.—APPROPRIATIONS FOR COAL MINING INDUSTRY LONG SERVICE LEAVE,  
1949-50 TO 1962-63  
£'000

	New South Wales	Victoria	Queensland	Western Australia	Tasmania	Total (e)
1949-50 .. .. .	161	..	31	12	3	207
1950-51 .. .. .	296	1	51	21	5	374
1951-52 .. .. .	394	1	72	25	7	499
1952-53 .. .. .	434	1	83	26	7	531
1953-54 .. .. .	461	1	78	31	8	579
1954-55 .. .. .	469	1	88	33	9	600
1955-56 .. .. .	441	1	84	29	10	565
1956-57 .. .. .	474	1	87	27	8	597
1957-58 .. .. .	472	1	80	28	9	590
1958-59 .. .. .	413	1	75	27	9	525
1959-60 .. .. .	384	1	66	24	9	484
1960-61 .. .. .	308	..	50	16	6	380
1961-62 .. .. .	228	..	43	15	4	290
1962-63 (Estimate) .. .. .	236	..	44	16	4	300
Total .. .. .	5,171	10	932	330	98	6,541

(e) No appropriations are made in respect of South Australia.

TABLE 8.—DAIRY INDUSTRY EXTENSION GRANTS, 1948-49 TO 1962-63  
£'000

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1948-49 .. .. .	54	54	10	6	10	7	141
1949-50 .. .. .	20	..	38	15	18	..	91
1950-51 .. .. .	60	47	40	12	17	12	188
1951-52 .. .. .	88	84	75	15	18	6	284
1952-53 .. .. .	88	60	65	19	17	9	238
1953-54 .. .. .	64	80	55	15	10	8	232
1954-55 .. .. .	65	60	60	19	17	9	230
1955-56 .. .. .	65	60	60	19	19	5	228
1956-57 .. .. .	60	60	65	24	19	9	237
1957-58 .. .. .	55	60	70	13	15	6	219
1958-59 .. .. .	72	80	70	15	13	11	261
1959-60 .. .. .	74	60	65	26	10	12	247
1960-61 .. .. .	65	72	65	18	13	10	243
1961-62 .. .. .	65	65	71	18	17	9	245
1962-63 (Estimate) .. .. .	65	65	66	18	17	9	240
Total .. .. .	940	907	875	252	230	120	3,324

TABLE 9.—GRANTS FOR EXPANSION OF AGRICULTURAL ADVISORY SERVICES,  
1952-53 TO 1962-63  
£'000

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1952-53 .. .. .	27	8	27	14	7	4	87
1953-54 .. .. .	27	34	20	25	5	11	122
1954-55 .. .. .	49	39	48	21	27	9	193
1955-56 .. .. .	80	52	40	27	25	14	238
1956-57 .. .. .	70	61	60	21	34	24	270
1957-58 .. .. .	75	69	58	25	27	11	265
1958-59 .. .. .	69	60	49	22	22	14	236
1959-60 .. .. .	63	50	47	25	22	11	218
1960-61 .. .. .	75	60	57	26	27	19	264
1961-62 .. .. .	74	60	53	27	27	19	260
1962-63 (Estimate) .. .. .	75	60	57	27	27	18	264
Total .. .. .	684	553	516	260	250	154	2,417

TABLE 10.—GRANTS TO NEW SOUTH WALES FOR CATTLE TICK ERADICATION AND CONTROL, 1949-50 TO 1962-63

	£'000
1949-50 .. .. .	253
1950-51 .. .. .	53
1951-52 .. .. .	53
1952-53 .. .. .	53
1953-54 .. .. .	53
1954-55 .. .. .	250
1955-56 .. .. .	552
1956-57 .. .. .	675
1957-58 .. .. .	536
1958-59 .. .. .	578
1960-61 .. .. .	477
1961-62 .. .. .	541
1962-63 (Estimate) .. .. .	330
Total .. .. .	4,710

TABLE 11.—GRANTS FOR MAINTENANCE OF TUBERCULOSIS HOSPITALS,  
1949-50 TO 1962-63  
£'000

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1949-50 .. .. .	72	313	11	17	74	38	525
1950-51 .. .. .	..	608	61	67	129	60	925
1951-52 .. .. .	723	771	182	132	192	86	2,086
1952-53 .. .. .	737	1,003	321	208	484	200	2,953
1953-54 .. .. .	1,202	1,444	400	258	494	192	3,690
1954-55 .. .. .	1,300	1,087	482	324	378	168	3,739
1955-56 .. .. .	1,485	1,108	575	283	397	145	3,993
1956-57 .. .. .	1,607	1,092	1,080	319	470	171	4,635
1957-58 .. .. .	1,715	1,027	770	357	444	182	4,495
1958-59 .. .. .	1,766	1,046	798	429	558	170	4,767
1959-60 .. .. .	1,375	1,097	546	623	511	147	4,299
1960-61 .. .. .	1,278	1,074	742	402	499	162	4,157
1961-62 .. .. .	1,495	1,110	783	345	397	184	4,314
1962-63 (Estimate) .. .. .	1,620	1,235	1,050	325	390	182	4,802
Total .. .. .	16,375	13,715	7,801	4,089	5,417	2,087	49,484

TABLE 12.—AMOUNTS ALLOCATED FOR ROADS BY THE COMMONWEALTH, 1923-24 TO 1962-63 (a)  
£'000

—	Allocations for States.						Strategic Roads and Road Safety.	Total.	Act.
	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.			
1923-24..	138	90	94	57	96	25	500	..	500
1924-25..	138	90	94	57	96	25	500	..	500
1925-26..	207	135	141	86	144	37	750	..	750
1926-27..	552	360	376	228	384	100	2,000	..	2,000
1927-28..	552	360	376	228	384	100	2,000	..	2,000
1928-29..	552	360	376	228	384	100	2,000	..	2,000
1929-30..	552	360	376	228	384	100	2,000	..	2,000
1930-31..	552	360	376	228	384	100	2,000	..	2,000
1931-32..	500	326	341	206	348	91	1,812	..	1,812
1932-33..	511	346	361	219	369	96	1,922	..	1,922
1933-34..	609	397	415	252	424	111	2,208	..	2,208
1934-35..	681	444	464	281	473	123	2,466	..	2,466
1935-36..	767	500	522	317	534	139	2,779	..	2,779
1936-37..	839	547	571	347	584	152	3,040	..	3,040
1937-38..	1,166	726	792	461	797	207	4,149	..	4,149
1938-39..	1,199	747	815	474	819	213	4,267	..	4,267
1939-40..	1,252	780	851	494	856	223	4,456	..	4,456
1940-41..	979	610	666	387	669	174	3,485	..	3,485
1941-42..	598	372	407	236	409	106	2,128	..	2,128
1942-43..	450	281	306	178	308	80	1,603	..	1,603
1943-44..	131	330	360	210	362	94	1,487	..	1,487
1944-45..	619	385	420	244	423	110	2,201	..	2,201
1945-46..	935	583	636	369	639	166	3,328	..	3,328
1946-47..	1,350	841	918	533	923	240	4,805	..	4,805
1947-48..	2,017	998	1,102	631	1,102	287	6,137	600	6,737
1948-49..	2,003	1,236	1,363	781	1,363	355	7,101	600	7,701
1949-50..	2,472	1,525	1,684	964	1,684	438	8,767	600	9,367
1950-51..	3,819	2,356	2,600	1,490	2,600	678	13,543	600	14,143
1951-52..	4,130	2,549	2,812	1,621	2,812	733	14,647	600	15,247
1952-53..	4,260	2,629	2,901	1,662	2,901	755	15,108	600	15,708
1953-54..	4,641	2,863	3,160	1,810	3,160	823	16,457	600	17,057
1954-55..	6,410	4,102	4,486	2,620	4,557	1,167	23,342	900	24,242
1955-56..	7,282	4,660	5,096	2,976	5,178	1,326	26,518	950	27,468
1956-57..	8,587	5,495	6,009	3,509	6,105	1,563	31,268	950	32,218
1957-58(a)	9,495	6,264	6,585	3,879	6,658	1,733	34,614	1,000	35,614
1958-59(b)	9,930	6,543	6,890	4,057	6,967	1,812	36,199	1,000	37,199
1959-60(c)	12,173	8,660	8,021	4,923	7,963	2,183	43,923	(d)	43,923
1960-61..	12,870	9,183	8,428	5,128	8,091	2,300	46,000	(d)	46,000
1961-62..	13,811	10,079	9,094	5,752	8,764	2,500	50,000	(d)	50,000
1962-63..	14,940	10,877	9,796	6,200	9,487	2,700	54,000	(d)	54,000
(Estimate)									

(a) The amounts allocated for roads by the Commonwealth did not coincide with payments made to the States for roads before 1959-60. The actual payments made to the States for roads in each year since 1923-24 are shown in Table 13.

(b) The figures for 1957-58 and 1958-59 include the £3,000,000 special assistance grant for roads allocated in each of those years. This grant was arbitrarily distributed: New South Wales, £800,000; Victoria, £700,000; Queensland, £320,000; South Australia, £320,000; Western Australia, £475,000; Tasmania, £150,000; and Commonwealth purposes, £50,000.

(c) These figures include a special adjusting payment of £254,000 to Western Australia under Section 4(3) of the 1959 Act and a final adjusting payment of £1,660,000 to complete commitments under the 1954 Act. This latter payment was distributed: New South Wales, £458,000; Victoria, £293,000; Queensland, £310,000; South Australia, £187,000; Western Australia, £260,000; and Tasmania, £52,000.

(d) The Commonwealth now makes separate provision for these purposes.

TABLE 13.—AMOUNTS PAID TO STATES FOR ROADS, 1923-24 TO 1962-63 (a)(b)  
£'000

—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.	Act.
1923-24..	20	44	24	10	34	..	132	Main Roads Development Act 1923-1925
1924-25..	95	77	105	77	153	12	519	
1925-26..	194	151	151	113	127	43	719	
1926-27..	179	165	205	155	213	47	964	Federal Aid Roads Act 1926
1927-28..	298	393	343	257	233	74	1,598	
1928-29..	769	344	377	212	218	123	2,043	
1929-30..	875	509	491	255	804	159	3,093	
1930-31..	578	334	441	204	436	128	2,121	
1931-32..	722	283	366	237	332	78	2,018	Federal Aid Roads Act 1931-1936
1932-33..	523	341	356	216	364	95	1,895	
1933-34..	628	439	427	259	437	114	2,304	
1934-35..	673	409	459	278	469	122	2,410	
1935-36..	759	495	517	313	527	137	2,748	
1936-37..	833	543	568	344	580	151	3,019	
1937-38..	1,136	709	772	449	777	202	4,045	Federal Aid Roads and Works Act 1937
1938-39..	1,205	750	819	476	823	214	4,287	
1939-40..	1,262	786	858	498	862	225	4,491	
1940-41..	933	618	675	392	679	177	3,534	
1941-42..	622	388	423	248	421	112	2,214	
1942-43..	463	288	314	181	320	81	1,647	
1943-44..	167	320	350	203	352	92	1,484	
1944-45..	559	380	415	241	417	109	2,121	
1945-46..	896	558	609	354	613	160	3,190	
1946-47..	1,333	830	906	527	911	237	4,744	
1947-48..	2,024	1,001	1,105	633	1,107	288	6,158	Commonwealth Aid Roads and Works Act 1947-1949
1948-49..	1,949	1,202	1,326	760	1,326	345	6,908	
1949-50..	2,496	1,540	1,700	974	1,700	442	8,852	
1950-51..	3,614	2,231	2,460	1,409	2,460	642	12,816	Commonwealth Aid Roads Act 1950
1951-52..	4,174	2,575	2,842	1,628	2,842	739	14,800	
1952-53..	4,207	2,596	2,865	1,641	2,865	746	14,920	
1953-54..	4,685	2,892	3,191	1,828	3,191	831	16,618	
1954-55..	6,191	3,952	4,325	2,523	4,389	1,125	22,595	Commonwealth Aid Roads Act 1954-1956 and Commonwealth Aid Roads (Special Assistance) Act 1957
1955-56..	7,158	4,581	5,009	2,925	5,089	1,303	26,065	
1956-57..	8,434	5,397	5,903	3,447	5,997	1,536	30,714	
1957-58(c)	9,565	6,309	6,634	3,907	6,707	1,746	34,868	
1958-59..	10,678	7,021	7,413	4,362	7,498	1,948	38,920	
1959-60(d)	12,173	8,660	8,021	4,923	7,963	2,183	43,923	
1960-61..	12,870	9,183	8,428	5,128	8,091	2,300	46,000	
1961-62..	13,811	10,079	9,094	5,752	8,764	2,500	50,000	
1962-63..	14,940	10,877	9,796	6,200	9,487	2,700	54,000	
(Estimate)								

(a) The amounts paid to the States for roads did not coincide with allocations made by the Commonwealth for roads before 1959-60.

(b) These figures do not include expenditures in the States on strategic roads, roads serving Commonwealth purposes and road safety.

(c) The figures for 1957-58 and 1958-59 include the following amounts which each State received from the £3,000,000 special assistance grant for roads allocated in those years: New South Wales, £800,000; Victoria, £700,000; Queensland, £320,000; South Australia, £320,000; Western Australia, £475,000; and Tasmania, £150,000.

(d) These figures include a special adjusting payment of £254,000 to Western Australia under Section 4(3) of the 1959 Act and a final adjusting payment of £1,660,000 to complete commitments under the 1954 Act. This latter payment was distributed: New South Wales, £458,000; Victoria, £293,000; Queensland, £310,000; South Australia, £187,000; Western Australia, £260,000; and Tasmania, £52,000.

TABLE 14.—PAYMENTS FOR RAILWAY PROJECTS, 1951-52 TO 1962-63(a)  
£'000

	Victoria.	Queensland.	South Australia.	Western Australia.	Total.
1951-52 .. .. .	..	..	1,074	..	1,074
1952-53 .. .. .	..	..	994	..	994
1953-54 .. .. .	..	..	742	..	742
1954-55 .. .. .	..	..	604	..	604
1955-56 .. .. .	..	..	404	..	404
1956-57 .. .. .	..	..	400	..	400
1957-58 .. .. .	..	..	600	..	1,070
1958-59 .. .. .	..	..	241	..	1,868
1959-60 .. .. .	..	..	3,627	..	3,723
1960-61 .. .. .	..	..	4,716	..	4,716
1961-62 .. .. .	..	..	4,000	..	7,750
1962-63 (Estimate) .. .. .	..	..	..	..	13,795
Total .. .. .	14,485	11,945	6,410	4,300	37,140

(a) For the conditions under which these payments have been made to the various States, see Chapter VIII; pp.25-26.  
(b) From Loan Funds.  
(c) For railway equipment.

TABLE 15.—GRANTS TO WESTERN AUSTRALIA FOR NORTHERN DEVELOPMENT,  
1958-59 TO 1962-63

	£'000.
1958-59 .. .. .	171
1959-60 .. .. .	484
1960-61 .. .. .	1,208
1961-62 .. .. .	1,705
1962-63 (Estimate) .. .. .	1,432
Total .. .. .	5,000

TABLE 16.—GRANTS TO WESTERN AUSTRALIA FOR WATER SUPPLY, 1949-50 TO 1961-62

	£'000.
1949-50 .. .. .	37
1950-51 .. .. .	219
1951-52 .. .. .	289
1952-53 .. .. .	224
1953-54 .. .. .	333
1954-55 .. .. .	366
1955-56 .. .. .	682
1956-57 .. .. .	462
1957-58 .. .. .	677
1958-59 .. .. .	524
1959-60 .. .. .	609
1960-61 .. .. .	517
1961-62 .. .. .	61
Total .. .. .	5,000

TABLE 17.—GRANTS FOR CAPITAL EXPENDITURES ON MENTAL INSTITUTIONS,  
1955-56 TO 1962-63  
£'000

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
1955-56 .. .. .	209	446	66	12	10	30	773
1956-57 .. .. .	384	527	88	128	52	69	1,248
1957-58 .. .. .	324	545	114	152	29	91	1,255
1958-59 .. .. .	197	620	119	122	17	46	1,121
1959-60 .. .. .	359	518	74	92	37	67	1,147
1960-61 .. .. .	433	84	97	46	15	52	727
1961-62 .. .. .	648	..	71	28	77	..	824
1962-63 (Estimate) .. .. .	1,000	..	60	78	225	..	1,363
Total .. .. .	3,554	2,740	689	658	462	355	8,458

TABLE 18.—GRANTS FOR CAPITAL EXPENDITURES ON TUBERCULOSIS  
HOSPITALS, 1949-50 TO 1962-63  
£'000

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
1949-50 .. .. .	..	181	35	..	3	17	236
1950-51 .. .. .	80	278	22	..	21	6	407
1951-52 .. .. .	141	398	89	48	47	11	724
1952-53 .. .. .	431	185	431	24	124	97	1,292
1953-54 .. .. .	418	137	602	39	112	71	1,379
1954-55 .. .. .	817	46	576	54	198	18	1,709
1955-56 .. .. .	868	75	467	122	216	10	1,758
1956-57 .. .. .	990	120	672	89	504	6	2,381
1957-58 .. .. .	593	76	678	108	683	4	2,142
1958-59 .. .. .	372	45	664	70	257	4	1,412
1959-60 .. .. .	216	26	372	107	59	21	781
1960-61 .. .. .	126	48	175	31	21	9	410
1961-62 .. .. .	48	58	200	46	12	23	387
1962-63 (Estimate) .. .. .	100	50	200	20	15	15	400
Total .. .. .	5,200	1,723	5,183	758	2,252	312	15,428

TABLE 19.—GRANTS TO QUEENSLAND AND WESTERN AUSTRALIA FOR THE ENCOURAGEMENT OF MEAT PRODUCTION, 1950-51 TO 1962-63  
£'000

	Queensland.	Western Australia.	Total.
1950-51 .. .. .	225	90	315
1951-52 .. .. .	105	100	205
1952-53 .. .. .	298	100	398
1953-54 .. .. .	280	133	413
1954-55 .. .. .	101	160	261
1955-56 .. .. .	113	190	303
1956-57 .. .. .	82	52	134
1957-58 .. .. .	93	5	98
1958-59 .. .. .	16	..	16
1959-60 .. .. .	6	..	6
1960-61 .. .. .	5	2	7
1961-62 .. .. .	2	3	5
1962-63 (Estimate) .. .. .	1	4	5
Total .. .. .	1,327	839	2,166

TABLE 20.—TOTAL COMMONWEALTH PAYMENTS TO OR FOR THE STATES, 1961-62  
£'000

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
<b>GENERAL REVENUE GRANTS</b>							
Financial Assistance Grants ..	99,249	73,015	43,730	33,225	30,085	12,836	292,140
Special Grants .. .. .	..	..	..	..	6,156	5,075	11,231
Total General Revenue Grants .. .. .	99,249	73,015	43,730	33,225	36,241	17,911	303,371

**SPECIFIC PURPOSE PAYMENTS***Payments for Specific Purposes of a Revenue Nature*

Payments under Financial Agreement—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
Interest on State Debts ..	2,917	2,127	1,096	704	474	267	7,585
Sinking Fund on State Debts ..	2,329	1,566	844	899	653	448	6,719
Universities(a) .. .. .	3,608	1,654	1,010	977	597	272	8,118
Natural Disaster Payments ..	50	50	21	..	193	5	319
Coal Mining Industry—Long Service Leave .. .. .	228	..	43	..	15	4	290
Dairy Industry Extension Services ..	65	65	71	18	17	9	245
Expansion of Agricultural Advisory Services .. .. .	74	60	53	27	27	19	260
Cattle Tick Control .. .. .	330	..	..	..	..	..	330
Tuberculosis Hospitals—Maintenance .. .. .	1,495	1,110	783	345	397	184	4,314
Total Payments for Specific Purposes of a Revenue Nature .. .. .	11,096	6,632	3,921	2,970	2,373	1,208	28,200

*Payments for Specific Purposes of a Capital Nature*

Commonwealth Aid Roads ..	13,811	10,079	9,094	5,752	8,764	2,500	50,000
Universities(b) .. .. .	2,534	2,050	299	419	397	344	6,043
Railway Projects .. .. .	..	4,000	(c) 3,750	..	..	..	7,750
Western Australia Northern Development .. .. .	..	..	..	..	1,705	..	1,705
Coal Loading Facilities .. .. .	(d) 284	..	..	..	..	..	284
Cattle Roads .. .. .	..	..	650	..	500	..	1,150
Western Australia Water Supply ..	..	..	..	..	61	..	61
Mental Institutions—Capital ..	648	..	71	28	77	..	824
Tuberculosis Hospitals—Capital ..	48	58	200	46	12	23	387
Encouragement of Meat Production .. .. .	..	..	2	..	3	..	5
Total Payments for Specific Purposes of a Capital Nature .. .. .	17,325	16,187	14,066	6,245	11,519	2,867	68,209
Total Specific Purpose Payments .. .. .	28,421	22,819	17,987	9,215	13,892	4,075	96,409

**ADDITIONAL ASSISTANCE GRANTS**

Total Additional Assistance Grants .. .. .	2,240	1,800	3,340	970	660	990	10,000
TOTAL PAYMENTS .. .. .	129,910	97,634	65,057	43,410	50,793	22,976	409,780

(a) Grants for current purposes.

(b) Grants for capital purposes.

(c) From Loan Fund.

(d) A further amount of £172,000 was made available from the Coal Industry Fund. See Chapter VIII, p. 27.

TABLE 21.—TOTAL COMMONWEALTH PAYMENTS TO OR FOR THE STATES, ESTIMATES 1962-63  
£'000

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
<b>GENERAL REVENUE GRANTS</b>							
Financial Assistance Grants ..	103,836	76,336	45,577	34,907	31,319	13,315	305,290
Special Grants .. .. .	..	..	..	..	6,210	5,041	11,251
Total General Revenue Grants .. .. .	103,836	76,336	45,577	34,907	37,529	18,356	316,541

**SPECIFIC PURPOSE PAYMENTS***Payments for Specific Purposes of a Revenue Nature*

Payments under Financial Agreement—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
Interest on State Debts ..	2,917	2,127	1,096	704	474	267	7,585
Sinking Fund on State Debts ..	2,491	1,693	910	964	702	485	7,245
Universities(a) .. .. .	3,955	1,798	1,113	1,027	691	297	8,881
Natural Disaster Payments ..	15	..	2	..	..	..	17
Coal Mining Industry—Long Service Leave .. .. .	236	..	44	..	16	4	300
Dairy Industry Extension Services ..	65	65	66	18	17	9	240
Expansion of Agricultural Advisory Services .. .. .	75	60	57	27	27	18	264
Cattle Tick Control .. .. .	306	..	..	..	..	..	306
Tuberculosis Hospitals—Maintenance .. .. .	1,620	1,235	1,050	325	390	182	4,802
Other Payments .. .. .	3	7	12	..	2	..	24
Total Payments for Specific Purposes of a Revenue Nature .. .. .	11,683	6,985	4,350	3,065	2,319	1,262	29,664

*Payments for Specific Purposes of a Capital Nature*

Commonwealth Aid Roads ..	14,940	10,877	9,796	6,200	9,487	2,700	54,000
Universities(b) .. .. .	2,237	2,292	840	533	691	420	7,013
Railway Projects .. .. .	..	..	(c) 8,195	1,300	4,300	..	13,795
Western Australia Northern Development .. .. .	..	..	..	..	1,432	..	1,432
Replacement of Derby Jetty .. .. .	..	..	..	..	300	..	300
Coal Loading Facilities .. .. .	(d) 685	..	145	..	..	..	830
Cattle Roads .. .. .	..	..	1,730	..	700	..	2,430
Brigalow Lands Development .. .. .	..	..	1,750	..	..	..	1,750
Mental Institutions—Capital ..	1,000	..	60	78	225	..	1,363
Tuberculosis Hospitals—Capital ..	100	50	200	20	15	..	400
Encouragement of Meat Production .. .. .	..	..	1	..	4	..	5
Other Payments .. .. .	48	..	101	..	..	..	149
Total Payments for Specific Purposes of a Capital Nature .. .. .	19,010	13,219	22,818	8,131	17,154	3,135	83,467
Total Specific Purpose Payments .. .. .	30,693	20,204	27,168	11,196	19,473	4,397	113,131

**ADDITIONAL ASSISTANCE GRANTS**

Total Additional Assistance Grants .. .. .	3,044	2,442	3,640	1,312	894	1,168	12,500
TOTAL PAYMENTS .. .. .	137,573	98,982	76,385	47,415	57,896	23,921	442,172

(a) Grants for current purposes.

(b) Grants for capital purposes.

(c) From Loan Fund.

(d) A further amount of £415,000 is expected to be made available from the Coal Industry Fund. See Chapter VIII, p. 27.



TABLE 22.—LOAN COUNCIL BORROWING PROGRAMMES FOR STATE WORKS AND HOUSING, 1945-46 TO 1962-63

	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
£'000							
STATE WORKS PROGRAMMES							
1945-46	..	382	850	1,250	423	1,161	4,066
1946-47	..	12,066	4,802	3,056	4,557	3,002	29,283
1947-48	..	25,490	8,324	4,687	6,046	2,646	48,793
1948-49	..	16,283	15,163	6,560	6,520	3,788	52,211
1949-50	..	29,467	15,131	7,861	9,808	7,218	74,844
1950-51	..	40,744	36,089	17,026	16,524	14,309	139,333
1951-52	..	64,000	56,000	22,500	26,413	16,500	200,513
1952-53	..	51,178	39,971	18,531	21,825	15,615	160,182
1953-54	..	53,250	40,650	18,450	22,000	14,450	162,800
1954-55	..	47,520	37,935	19,777	20,858	13,600	150,850
1955-56	..	49,950	39,000	19,250	22,550	12,900	136,800 <sup>(a)</sup>
1956-57	..	49,950	39,000	19,250	22,550	16,900	139,550
1957-58	..	52,950	42,420	20,000	23,530	15,840	166,840
1958-59	..	55,090	44,200	21,250	24,300	16,760	174,190
1959-60	..	58,140	46,405	22,750	25,385	17,700	183,920
1960-61	..	60,694	48,805	24,500	25,967	18,640	192,800
1961-62	..	62,298	50,075	25,500	25,148	19,581	197,100
1962-63(c)	..	65,102	51,645	26,200	25,529	15,102	204,100

ALLOCATIONS UNDER COMMONWEALTH AND STATE HOUSING AGREEMENTS

1945-46	..	2,525	3,100	425	..	460	285	6,795
1946-47	..	5,530	4,000	750	..	735	..	11,015
1947-48	..	5,345	5,000	800	..	1,260	900	13,305
1948-49	..	6,295	5,200	900	..	1,647	450	14,492
1949-50	..	6,600	6,500	1,250	..	1,965	1,100	17,215
1950-51	..	7,890	8,600	2,750	..	2,350	100	21,640
1951-52	..	8,514	10,061	4,489	..	3,483	(e)	26,547
1952-53	..	12,100	11,270	3,730	..	2,900	(e)	30,000
1953-54	..	12,450	12,000	4,500	..	3,750	(e)	37,200
1954-55	..	10,800	9,450	1,800	..	3,600	3,500	29,150
1955-56	..	10,800	10,800	3,000	..	3,600	3,000	33,200
1956-57	..	10,800	10,000	2,750	..	3,600	2,000	32,150
1957-58	..	11,000	10,000	3,160	..	4,000	3,000	33,160
1958-59	..	12,000	10,300	3,310	..	5,000	3,000	35,810
1959-60	..	12,350	10,300	3,480	..	5,000	1,950	36,080
1960-61	..	13,000	10,300	3,100	..	5,800	3,000	37,200
1961-62	..	17,003	13,527	4,200	..	9,036	3,706	50,400
1962-63(c)	..	15,000	12,600	3,800	..	9,000	3,000	45,900

TOTAL WORKS AND HOUSING PROGRAMMES

1945-46	..	2,525	3,482	1,275	1,250	883	1,446	10,861
1946-47	..	17,596	8,802	4,006	4,557	3,737	1,600	40,298
1947-48	..	20,835	13,324	5,487	6,046	3,906	2,500	61,098
1948-49	..	22,578	20,163	7,500	6,520	5,435	4,347	66,703
1949-50	..	36,067	21,431	9,111	9,808	9,183	6,450	92,059
1950-51	..	48,634	44,689	19,726	16,524	16,659	14,791	161,023
1951-52	..	72,514	66,061	26,989	26,413	19,983	15,100	227,056
1952-53	..	63,278	51,241	22,261	21,825	18,515	13,062	190,182
1953-54	..	65,700	52,650	22,950	26,500	17,750	14,450	200,000
1954-55	..	58,320	47,385	19,777	24,458	17,100	12,960	180,000
1955-56	..	60,750	49,800	22,000	26,150	19,900	13,400	190,000
1956-57	..	60,750	49,800	22,000	27,530	18,840	14,790	210,000
1957-58	..	63,950	52,420	23,160	(b) 26,150	19,900	13,400	192,000
1958-59	..	67,090	54,500	24,560	29,300	19,760	14,100	200,000
1959-60	..	70,490	56,705	26,230	30,385	20,700	15,490	220,000
1960-61	..	73,694	59,105	27,600	31,767	21,640	16,194	230,000
1961-62	..	79,301	63,602	29,700	34,184	23,287	17,426	247,500
1962-63(c)	..	80,102	64,245	30,000	34,529	23,522	17,602	250,000

(a) Excludes £3,200,000 allocated by the Commonwealth for emergency wheat storage.  
 (b) Includes special allocation of £2,000,000.  
 (c) Approved programme.  
 (d) Excludes £3,500,000 which was not used for advances to the States for housing until 1951-52.  
 (e) Tasmania withdrew from the Commonwealth and State Housing Agreement in 1950-51 and repaid all principal owing out of loan money allocated by the Loan Council to the State in that year. Tasmania's housing requirements in this period were included in the State Government's loan programme.  
 (f) Includes carry-over payment from 1950-51 of £2,320,000.  
 (g) Includes £1,000,000 in respect of finance for the Olympic Village.  
 (h) Includes a special allocation of £7,500,000 for advances under the Commonwealth and State Housing Agreement, which was made in February, 1962.

TABLE 23.—THE FINANCING OF STATE WORKS AND HOUSING PROGRAMMES, 1951-52 TO 1961-62

	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.	1961-62.	Total.
Commonwealth Subscriptions to Special Loans—	27,000	18,500	23,750	28,300	17,616	3,000	9,492	3,000	9,492	3,000	9,492	127,658
Counterpart Funds of Overseas Loans	133,000	104,325	56,010	19,625	75,123	96,000	81,889	10,000	54,895	89,669	6,993	727,529
Other	160,000	122,825	79,760	47,925	92,739	99,000	91,381	10,000	54,895	89,669	6,993	855,187
Commonwealth Subscriptions to Public Loans	..	..	..	(a) 5,000	(a) 7,000	..	..	..	..	..	..	12,000
Commonwealth Domestic Raisings	..	..	..	..	..	..	..	..	..	..	..	14,893
Total	160,000	137,718	79,760	52,925	99,739	99,000	91,381	10,000	54,895	89,669	6,993	882,080
Less Amounts used by Commonwealth (chiefly for War Service Land Settlement)	(b) -7,135	-6,188	-5,407	-3,482	(c) -11,494	-7,115	-8,260	(d) -24,419	-6,547	-1,305	..	-81,322
Commonwealth Assistance to State Works and Housing Programmes	152,865	131,530	74,353	49,443	88,245	91,885	83,121	3,453	30,476	88,364	6,993	800,758
Public Loans raised in Australia—	..	..	..	..	..	..	..	..	..	..	..	..
Cash Loans	(e) 63,824	(e) 57,009	118,172	(f) 122,388	(f) 99,433	97,672	102,799	147,176	120,241	(e) 101,985	202,430	1,222,129
Special Bonds (net) (g)	..	..	..	..	..	..	..	..	..	..	..	19,465
State Domestic Raisings	..	..	..	..	..	..	..	..	..	..	..	11,501
Overseas Loans applied direct to State Works and Housing Programmes	..	..	..	..	..	..	..	..	..	..	..	2,980
Total Loan Raisings	..	..	..	..	..	..	..	..	..	..	..	15,817
Less Amounts raised by Commonwealth for War Service Land Settlement	..	..	..	..	..	..	..	..	..	..	..	240,892
Total	..	..	..	..	..	..	..	..	..	..	..	385
Total Raised for State Works and Housing Programmes	(h) 223,700	190,182	200,000	180,000	190,000	192,000	116,879	206,547	189,524	141,636	240,307	2,482,624

(a) Amounts of Advances to the States for emergency wheat storage.  
 (b) Includes £2,000,000 and utility for reconstruction of Swan River.  
 (c) Includes £20,000,000 used to fund the loan to the State for the construction of the Collingwood railway.  
 (d) Includes £20,000,000 used to fund the loan to the State for the construction of the Collingwood railway.  
 (e) Includes £20,000,000 used to fund the loan to the State for the construction of the Collingwood railway.  
 (f) Includes £20,000,000 used to fund the loan to the State for the construction of the Collingwood railway.  
 (g) Includes £20,000,000 used to fund the loan to the State for the construction of the Collingwood railway.  
 (h) Includes £20,000,000 used to fund the loan to the State for the construction of the Collingwood railway.

TABLE 24.—SUMMARY OF COMMONWEALTH PAYMENTS TO OR FOR THE STATES AND ASSISTANCE TO LOAN COUNCIL BORROWING PROGRAMMES, 1951-52 TO 1962-63

	1951-52		1952-53		1953-54		1954-55		1955-56		1956-57		1957-58		1958-59		1959-60		1960-61		1961-62		1962-63 (estimate)	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Financial Assistance Grants(g)	120,000	135,900	142,422	150,000	157,000	174,050	190,000	205,000	244,500	269,994	292,140	305,290	305,000	305,000	205,000	244,500	269,994	292,140	305,290	305,000	292,140	305,290	305,000	305,000
Special Grants	..	10,522	15,000	12,300	18,500	18,500	19,500	18,500	18,500	18,500	18,500	18,500	19,500	19,500	20,750	20,750	20,750	20,750	20,750	20,750	20,750	20,750	20,750	20,750
Total General Revenue Grants	..	130,522	151,834	157,822	175,500	175,500	192,550	209,500	252,856	288,412	310,640	323,790	329,500	329,500	225,750	263,256	290,162	313,390	323,790	323,790	310,640	323,790	323,790	323,790
Total Specific Purpose Payments	..	34,645	36,512	37,425	44,243	49,523	57,083	62,500	77,716	84,279	96,409	113,151	113,151	113,151	70,694	77,716	84,279	96,409	113,151	113,151	96,409	113,151	113,151	113,151
Total Additional Assistance Grants	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total Payments	..	165,167	188,346	195,247	206,843	225,023	249,633	272,030	330,542	372,691	407,049	436,941	448,172	448,172	296,444	340,942	374,441	409,780	436,941	407,049	436,941	448,172	448,172	448,172
Commonwealth Assistance to State Works and Housing Programmes	..	152,865	131,530	74,353	49,473	88,245	91,885	88,121	29,069	86,148	6,993	51,000	51,000	51,000	3,453	29,069	86,148	6,993	51,000	51,000	6,993	51,000	51,000	51,000

(g) Comparing Tax Expenditure and Supplementary grants up to and including 1958-59.

TABLE 25.—BORROWINGS APPROVED BY LOAN COUNCIL FOR SEMI-GOVERNMENT AND LOCAL AUTHORITIES, 1947-48 TO 1962-63

	£'000								
	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total States	Commonwealth	Total
ALL AUTHORITIES									
1947-48 ..	9,085	5,856	4,140	89	435	301	19,906	..	19,906
1948-49 ..	12,672	9,997	5,684	120	545	715	29,733	..	29,733
1949-50 ..	16,727	22,947	8,292	83	619	931	49,599	..	49,599
1950-51 ..	20,795	37,850	8,836	154	608	1,139	69,382	..	69,382
1951-52 ..	20,575	32,959	11,652	1,794	745	1,810	69,515	..	69,515
1952-53 ..	26,900	41,202	14,647	5,252	4,401	5,848	98,250	75	98,325
1953-54 ..	21,915	29,911	18,110	2,718	3,210	3,010	78,874	106	78,980
1954-55 ..	24,278	33,924	16,117	1,853	4,454	3,147	83,773	200	83,973
1955-56 ..	22,091	28,556	13,139	2,133	3,530	2,056	71,503	160	71,663
1956-57 ..	22,670	35,005	15,719	3,532	3,661	2,241	82,828	205	83,033
1957-58 ..	26,923	35,511	18,603	3,694	4,291	3,119	92,141	270	92,411
1958-59 ..	29,570	36,655	20,370	4,589	3,685	2,957	97,826	377	98,203
1959-60 ..	31,620	37,493	21,630	4,956	4,441	3,521	103,661	600	104,261
1960-61 ..	31,883	38,734	21,847	5,261	4,619	3,462	105,806	755	106,561
1961-62(a)	42,830	45,056	26,910	6,677	5,720	4,345	131,538	1,186	132,724
AUTHORITIES BORROWING OVER £100,000(b)									
1962-63(b)	31,000	39,800	21,287	5,820	3,666	3,582	105,155	1,595	106,750

(a) The programme originally approved by the Loan Council in June, 1961 was £112,200,000. In August, 1961 the programme was increased to £117,200,000, of which £99,342,000 was allocated to State semi-government and local authorities with programmes of £100,000 or more in 1961-62, £19,458,000 to authorities with borrowing programmes of less than £100,000 and £1,200,000 to Commonwealth semi-government authorities. At its meeting in February, 1962, the Loan Council increased the programme of State authorities proposing to borrow £100,000 or more in 1961-62 by a further £1,500,000, bringing the total programme for these authorities to £104,042,000. It was also decided that the smaller authorities, i.e. those with individual programmes at that stage of less than £100,000 for 1961-62, would each be permitted to borrow up to a further £100,000 between 15th February and 30th June, 1962. As a result of this decision, these smaller authorities borrowed £27,830,000 during 1961-62. The borrowings actually made and subsequently approved for each State in respect of the two groups of authorities were as follows—

Borrowings of—	N.S.W.	Vic.	Q'ld.	S.A.	W.A.	Tas.	Total States	Commonwealth	Total
£100,000 or more ..	30,365	39,463	21,074	5,738	3,519	3,549	103,708	1,186	104,894
Less than £100,000 ..	12,465	5,593	5,836	539	2,201	796	27,830	..	27,830
Total ..	42,830	45,056	26,910	6,677	5,720	4,345	131,538	1,186	132,724

(b) The amounts shown for 1962-63 are not comparable with those shown for preceding years, since they relate only to authorities proposing to borrow in excess of £100,000 during the year. The Loan Council decided that no overall limit should be placed on borrowings by authorities for which State Governments approve programmes of not more than £100,000 in 1962-63. As mentioned in the preceding footnote these authorities borrowed £27,830,000 during 1961-62. (It should also be noted that the amounts shown for 1962-63 relate to approved borrowing programmes as distinct from actual borrowings approved by the Loan Council shown for earlier years.)