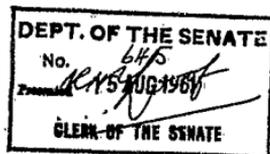


COMMONWEALTH OF AUSTRALIA



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COMMONWEALTH PAYMENTS TO  
OR FOR THE STATES

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ISSUED BY THE  
COMMONWEALTH TREASURY, CANBERRA, A.C.T.

By Authority:  
A. J. ARTHUR, Commonwealth Government Printer, Canberra.  
(Printed in Australia.)

## FOREWORD

This Paper has been prepared in order to present to the Parliament in more convenient and more appropriate form information which has previously been summarized in the attachments to the Budget Speech each year. In 1960-61, for example, this information appeared under Item No. 20 of Statement No. 3 accompanying the Budget Speech.

It is now considered that Commonwealth payments to or for the States have assumed such variety and magnitude as to warrant separate presentation. It is intended, therefore, to table, in conjunction with other Budget papers, a Paper along these lines from time to time.

This 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.

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## 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 debts (*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 IX.

Commonwealth financial assistance to the States during 1960-61 (excluding special assistance to Loan Council programmes) and the estimates for 1961-62 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 aiding 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 payments, 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<sup>(a)</sup>

	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>

<sup>(a)</sup> 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:—

	1945-46.	1946-47.	Total.
	£'000.	£'000.	£'000.
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—

- (a) variations in the total population of the six States since 1st July, 1947; and
- (b) 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 an *ad hoc* grant 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):—

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	33,577	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	(b) 24,145	(b) 190,000
1958-59	174,563	(b) 30,437	205,000

(a) Paid on recommendation of Commonwealth Grants Commission.

(b) In addition to the amount shown here, an "Additional Assistance Grant" of £5,000,000 was paid to the States in this year.

#### 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.
- (c) To arrive at a more generally acceptable basis of distribution as between the States of Commonwealth 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 was adjusted to incorporate a "betterment factor", the effect of which is to increase by 10 per cent. the average wages component of the formula.

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 proposed for 1959-60.

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 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 1961-62. In Table 3 the financial assistance grants payable to the States under the *States Grants Act 1959*, 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 1961-62 amount to £291,049,000, compared with actual payments of £269,994,000 in 1960-61. The final determination of the grants to be paid in 1961-62 will be made by the Commonwealth Statistician later in the year, and in any case not later than 31st December, 1961, as final figures of State populations at 30th June, 1960 and of the level of average wages in 1960-61 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 of the claimant States with those of the non-claimant States.

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 for that year of both the claimant and the non-claimant 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 privilege 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 1961-62, and those paid in 1960-61, 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, 1960-61 AND 1961-62  
£'000.

	1960-61.			1961-62 (Recommended).		
	Advance Payment for 1960-61.	Adjustment to Advance Payment for 1958-59.	Total.	Advance Payment for 1961-62.	Adjustment to Advance Payment for 1959-60.	Total.
Western Australia .. .. .	3,700	609	4,309	5,200	956	6,156
Tasmania .. .. .	3,400	909	4,309	4,100	975	5,075
Total .. .. .	7,100	1,518	8,618	9,300	1,931	11,231

#### CHAPTER V.—PAYMENTS UNDER THE FINANCIAL AGREEMENT

Under the Financial Agreement, which was entered into by the Commonwealth and the States in 1927, the Commonwealth contributes 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 only 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 1960-61 was £6,274,000, and is estimated at £6,738,000 in 1961-62. 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 other 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*. This legislation provides for total Commonwealth

payments to the States for universities of up to £42,000,000 over the three calendar years 1961, 1962 and 1963, compared with £21,400,000 for the previous three-year period. The legislation carries on the principle of grants for capital works and equipment introduced in the 1958 legislation.

As a result of the operation of this new legislation, payments to the States for current expenditures of universities increased from £4,865,000 in 1959–60 to £6,677,000 in 1960–61. The estimated expenditure in 1961–62 is £8,315,000.

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

The Commonwealth Government has taken the view that the general revenue grants paid to the States are designed to meet their normal budgetary requirements. However, in the event of natural disasters involving expenditures clearly beyond the normal financial resources of a State, the Commonwealth has been prepared to provide emergency grants.

When serious floods, droughts, cyclones or bushfires have occurred, therefore, the Commonwealth has on a number of occasions, upon request, joined with the State concerned 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. The most recent payments for these purposes are indicated briefly below.

Following cyclones in Queensland in 1958 and 1959, the Commonwealth agreed to make available to that State a matching grant, on a £ for £ basis, of up to £300,000 to assist in meeting the cost of restoration work. Of this amount, £170,000 was contributed towards expenditure incurred by the State Government in the relief of personal hardship and in the restoration of governmental assets, while the balance of £130,000 was made available to assist local authorities in the restoration of their assets damaged by the cyclones. A Commonwealth contribution of £80,000 paid in 1958–59 was financed from the Commonwealth Aid Roads (Supplementary) Trust Account, but the balance is being financed from Consolidated Revenue.

In 1960 the Commonwealth agreed to provide, on a £ for £ basis, up to £275,000 to assist Tasmania in restoring damage caused by floods in April of that year.

During the period January to March, 1961, certain areas of Western Australia were subject to bushfires, cyclones and floods. Following these disasters, the Commonwealth agreed to provide, on a £ for £ basis, up to £40,000 towards the relief of personal hardship and distress and up to £160,000 to help in meeting the cost of repairing roads in the flood-damaged areas.

Payments totalling £323,000 were made to State Governments as emergency grants in 1960–61 and, although by their nature the incidence of these payments in future years cannot be foreseen, an amount of £231,000 has been provided in the Estimates for 1961–62, 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 £380,000, equivalent to the excise collections, was appropriated from Consolidated Revenue to the *Coal Mining Industry Long Service Leave Fund* in 1960-61. The estimated appropriation for 1961-62 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

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 1960-61 was £243,000, and the estimated payment for 1961-62 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 1960-61 was £264,000, and the estimated payment in 1961-62 is also £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 1960-61 was £541,000, and the estimated payment in 1961-62 is £350,000. 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 1960-61 was £4,157,000, and the estimated payment in 1961-62 is £4,620,000. 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.)

### 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 Act 1937*, while maintaining the previous rates for allocations to the States for road works, allocated the equivalent of an additional ¼d. 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 a £ for £ matching by the States has been introduced, although for only part of the financial assistance provided.

The amount paid to the States for roads in 1960-61 was £46,000,000, and the amount payable in 1961-62 is estimated to be £50,000,000. The manner in which Commonwealth allocations for roads purposes have risen over the thirty-eight years 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 1961-62, are outlined below.

### UNIVERSITIES

As explained in Chapter VI., the *States Grants (Universities) Act 1958* introduced the practice of making grants for capital works and equipment for universities. The Commonwealth continues, under the 1960 Act, to provide assistance to the States for capital expenditure on universities. During 1960-61 £4,550,000 was provided for this purpose, and the estimated payment in 1961-62 is £5,846,000. The details of these payments are shown in Table 5.

### RAILWAY GAUGE STANDARDIZATION

Commonwealth financial assistance has been and is being made available to the States for various railway gauge standardization projects. Details of expenditure over the past ten years, and the provision for expenditure in 1961-62, 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 is providing all of 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, 1961 was £10,485,000, and provision has been made for expenditure of £4,000,000 in 1961-62 subject to revised estimates of the cost of the project being accepted under the agreement. The line is expected to be open for traffic early in 1962.

#### (b) South Australia

The Commonwealth is also providing the funds for rail gauge conversion work in South Australia under the *Railway Standardization (South Australia) Agreement Act 1949*. The State is to repay 30 per cent. of the cost of this work 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.

The Commonwealth has also made funds available to South Australia for expenditure of up to £50,000 on the initial survey work for a proposal for the conversion to 4 ft. 8½ in. gauge of the 3 ft. 6 in. gauge Peterborough Division, which includes the line from Broken Hill to Port Pirie.

Up to 30th June, 1961 the Commonwealth had provided £5,110,000 to South Australia under this agreement.

#### (c) Western Australia

The Commonwealth has under consideration a proposal by the Western Australian Government that it should assist financially in the conversion to 4 ft. 8½ in. gauge of the 3 ft. 6 in. gauge railway from Kalgoorlie to Perth, Fremantle and Kwinana and associated lines.

Without prejudice to the larger question of participation in the project, the Commonwealth is providing funds of up to £150,000 during 1961-62 to enable survey work to proceed.

## 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 for development undertaken by the State in that part of the State north of the twentieth parallel of latitude.

Responsibility for the development of this area continues to rest with the State Government. The Act provides that the Commonwealth may approve, as eligible for the grant, projects which are nominated by the State Government and which will contribute to the development of the specified northern part of the State, provided such projects could not reasonably be 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 servicing the North Kimberley 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 1960-61 amounted to £1,208,000, and provision has been made for the payment of £1,800,000 for these purposes in 1961-62. Payments made to date are shown in Table 15.

### CATTLE ROADS

In April, 1961 the Commonwealth agreed to assist the Queensland Government in the construction of the Normanton-Julia Creek road in the Gulf country of that State. Completion of the road is expected to increase the turn-off of beef cattle for export. The Commonwealth commitment to date is limited to the provision of a base amount of £300,000, and the matching, on a £ for £ basis, of expenditure by Queensland from its own resources up to a maximum amount of £350,000. Both these amounts are expected to be required in 1961-62, and an amount of £650,000 has accordingly been provided in the Estimates for this purpose.

### WESTERN AUSTRALIA WATER SUPPLY

Under the *Western Australia Grant (Water Supply) Act 1948-1957* the Commonwealth is, within specified limits, assisting the State of Western Australia to finance the cost of construction of a comprehensive water supply scheme. The grant partly finances 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 an increase in the supply of water to the Eastern Goldfields area of the State. The limit on Commonwealth contributions under the Act is £5,000,000.

During 1960-61 payments to Western Australia under this legislation amounted to £517,000, bringing total payments by the Commonwealth in respect of the scheme up to £4,938,702. It is estimated that the final payment of £61,298 will be made in 1961-62. Payments in each year since the inception of the arrangements are shown in Table 16.

#### MENTAL INSTITUTIONS

In 1955 the Commonwealth agreed 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 1960-61 amounted to £727,000, and brought total Commonwealth expenditure under the scheme to £6,273,000. The estimated expenditure in 1961-62 is £885,000. 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 1960-61 was £410,000. In 1961-62 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 have been responsible for construction work within their respective States, and the Commonwealth has undertaken 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 1960-61 was £7,000, bringing total Commonwealth expenditure under the scheme to £2,156,000. It is estimated that further payments totalling £8,000 will be made in 1961-62. Details of the payments made since 1950-51 are shown in Table 19.

#### CHAPTER IX.—COMMONWEALTH ASSISTANCE TO LOAN COUNCIL BORROWING PROGRAMMES

The Australian Loan Council, constituted under the 1927 Financial Agreement and composed of representatives of the Commonwealth and each State Government, co-ordinates the public borrowings of the Commonwealth and the States. The Prime Minister or his deputy is the representative of the Commonwealth and Chairman of the Council, and the six Premiers or their deputies 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 any State, 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 Loan Council or the other provisions of the Financial Agreement.

Under a "Gentlemen's Agreement", entered into by members of the Loan Council in 1936, all borrowings in respect of semi-governmental 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 approves overall borrowing programmes for semi-governmental and local authorities in each State proposing to borrow less than £100,000 in a year. (The borrowings approved by the Loan Council for these 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 manpower 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 not been possible in any year since 1951-52 to raise sufficient amounts on the public loan market to meet the requirements of State Governments for works and housing purposes.

In 1951-52 the Commonwealth, for the first time, provided assistance from its own resources to supplement the amounts raised on the market for the State Governments. It was clear that the amount of the approved Loan Council programme for that year could not be borrowed on reasonable terms and conditions, and the Commonwealth therefore offered to provide special assistance from its own resources to enable the borrowing programme to be completed.

In each year since 1951-52, the Commonwealth has made similar assistance available to complete the borrowing programmes approved by the Loan Council. 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, 1961 meeting of the Loan Council that it would be prepared to assist the 1961-62 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 £240,000,000, the position then to be reviewed and a tentative determination made, not later than 31st January, 1962, 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 (Estimate)	..	..	..	75,000	240,000	31
Total	..	..	..	865,142	2,279,242	38

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.

## TABLES

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

TABLE 1.—TAX REIMBURSEMENT AND FINANCIAL ASSISTANCE GRANTS,  
1942-43 TO 1961-62  
£'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	2,438	2,644	925	34,255
1944-45(c) .. ..	15,517	6,890	5,821	2,438	2,644	925	34,255
1945-46(a) .. ..	15,517	6,890	5,821	2,438	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	9,567	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 .. ..	47,765	29,378	19,279	10,388	9,630	4,066	120,597
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
1947-48 .. ..							
1948-49 .. ..							
1949-50 .. ..	3,261	1,830	1,309	687	661	252	8,000
1950-51 .. ..	3,261	1,830	1,309	687	661	252	8,000
1951-52 .. ..	13,073	5,324	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 .. ..	7,738	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	9,567	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 .. ..	28,751	16,134	11,540	6,057	5,833	2,222	70,537
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	174,050
1957-58(c) .. ..	70,736	50,405	29,695	17,481	14,965	6,718	190,000
1958-59 .. ..	76,094	54,582	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 (Estimate) .. ..	99,118	73,049	42,746	33,197	30,098	12,841	291,049

\* 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 additional assistance grant of £5,000,000 to assist the States' overall financial position. The three of the States in this grant were: New South Wales, £1,989,000; Victoria, £1,061,000; Queensland, £1,122,000; South Australia, £368,000; Western Australia, £215,000; and Tasmania, £142,000.

TABLE 2.—SPECIAL GRANTS PAID BY THE COMMONWEALTH TO STATES,  
1910-11 TO 1961-62  
£'000

	South Australia.	Western Australia.	Tasmania.	Total.
<b>SPECIAL GRANTS PAID PRIOR TO ESTABLISHMENT OF COMMONWEALTH GRANTS COMMISSION</b>				
1910-11 .. ..		250		250
1911-12 .. ..		240		240
1912-13 .. ..		230	95	325
1913-14 .. ..		220	90	310
1914-15 .. ..		210	90	300
1915-16 .. ..		200	90	290
1916-17 .. ..		190	90	280
1917-18 .. ..		180	90	270
1918-19 .. ..		170	90	260
1919-20 .. ..		160	90	250
1920-21 .. ..		150	90	240
1921-22 .. ..		140	85	225
1922-23 .. ..		130	85	215
1923-24 .. ..		120	85	205
1924-25 .. ..		110	146	256
1925-26 .. ..		450	68	518
1926-27 .. ..		300	378	678
1927-28 .. ..		300	378	678
1928-29 .. ..		300	220	520
1929-30 .. ..	360	300	250	910
1930-31 .. ..	1,170	300	250	1,720
1931-32 .. ..	1,000	300	250	1,550
1932-33 .. ..	1,000	500	330	1,830
1933-34 .. ..	1,150	600	380	2,130
Total .. ..	4,680	6,050	3,720	14,450
<b>SPECIAL GRANTS PAID ON RECOMMENDATION OF COMMONWEALTH GRANTS COMMISSION</b>				
1934-35 .. ..	1,400	600	400	2,400
1935-36 .. ..	1,500	800	450	2,750
1936-37 .. ..	1,300	500	600	2,430
1937-38 .. ..	1,200	575	575	2,350
1938-39 .. ..	1,040	570	410	2,020
1939-40 .. ..	995	595	430	2,020
1940-41 .. ..	1,000	650	400	2,050
1941-42 .. ..	1,150	630	520	2,300
1942-43 .. ..	800	800	575	2,175
1943-44 .. ..	900	850	720	2,470
1944-45 .. ..	1,200	904	742	2,846
1945-46 .. ..	1,400	950	646	2,996
1946-47 .. ..	2,000	1,873	875	4,748
1947-48 .. ..	2,318	2,977	747	6,042
1948-49 .. ..	2,850	3,600	1,000	7,450
1949-50 .. ..	4,174	5,618	1,262	11,054
1950-51 .. ..	5,332	5,859	1,004	12,175
1951-52 .. ..	4,558	5,088	876	10,522
1952-53 .. ..	6,343	8,041	1,550	15,934
1953-54 .. ..	6,100	7,800	1,500	15,400
1954-55 .. ..	2,250	7,450	2,600	12,300
1955-56 .. ..	5,400	8,900	4,200	18,500
1956-57 .. ..	5,800	9,200	3,500	18,500
1957-58 .. ..	5,700	10,150	3,650	19,500
1958-59 .. ..	5,250	11,100	4,400	20,750
1959-60 .. ..	(a) 1,426	3,400	3,400	8,226
1960-61 .. ..		4,309	4,309	8,618
1961-62 (Recommended) .. ..		6,156	5,075	11,231
Total .. ..	73,416	110,025	46,416	229,857

(a) Adjustments to special grants for 1957-58 and 1958-59. The amounts were £399,600 and £1,027,000, respectively.

TABLE 3.—TOTAL GENERAL REVENUE GRANTS, 1942-43 TO 1961-62.

£'000							
	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
TAX REIMBURSEMENT GRANTS(a)							
1942-43	15,476	6,797	5,821	2,434	2,620	915	34,063
1943-44	15,517	6,890	5,821	2,458	2,644	925	34,255
1944-45	15,517	6,890	5,821	2,458	2,644	925	34,255
1945-46	15,517	6,890	5,821	3,011	2,644	925	34,808
1946-47	16,477	8,860	6,601	4,589	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	28,751	16,134	11,540	6,057	5,833	2,222	70,537
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	174,050
1957-58(b)	70,736	50,405	29,695	17,481	14,965	6,718	190,000
1958-59	76,094	54,582	31,894	18,985	16,175	7,270	205,000
FINANCIAL ASSISTANCE GRANTS							
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 (Estimate)	99,118	73,049	42,746	33,197	30,098	12,841	291,049
SPECIAL GRANTS							
1942-43	..	..	..	800	800	575	2,175
1943-44	..	..	..	900	850	720	2,470
1944-45	..	..	..	1,200	904	742	2,846
1945-46	..	..	..	1,400	950	646	2,996
1946-47	..	..	..	2,000	1,873	875	4,748
1947-48	..	..	..	2,318	2,977	747	6,042
1948-49	..	..	..	2,850	3,600	1,000	7,450
1949-50	..	..	..	4,174	5,618	1,262	11,054
1950-51	..	..	..	5,332	5,839	1,004	12,175
1951-52	..	..	..	4,538	5,088	876	10,522
1952-53	..	..	..	6,343	8,041	1,550	15,934
1953-54	..	..	..	6,100	7,800	1,500	15,400
1954-55	..	..	..	2,250	7,450	2,600	12,300
1955-56	..	..	..	5,400	8,900	4,200	18,500
1956-57	..	..	..	5,800	9,200	3,500	18,500
1957-58	..	..	..	5,700	10,150	3,650	19,500
1958-59	..	..	..	5,250	11,100	4,400	20,750
1959-60	..	..	..	1,426	3,500	3,400	8,326
1960-61	..	..	..	..	4,309	4,309	8,618
1961-62 (Recommended)	..	..	..	..	6,156	5,075	11,231
TOTAL GENERAL REVENUE GRANTS							
1942-43	15,476	6,797	5,821	3,234	3,420	1,490	36,238
1943-44	15,517	6,890	5,821	3,358	3,494	1,645	36,725
1944-45	15,517	6,890	5,821	3,658	3,548	1,667	37,101
1945-46	15,517	6,890	5,821	4,411	3,594	1,571	37,804
1946-47	16,477	8,860	6,601	6,559	6,170	2,214	46,881
1947-48	18,537	9,967	7,426	6,208	6,784	2,120	51,042
1948-49	22,022	12,098	8,832	7,480	8,095	2,667	61,194
1949-50	28,751	16,134	11,540	10,231	11,451	3,484	81,591
1950-51	36,816	22,248	14,279	12,601	13,016	3,613	102,573
1951-52	47,900	29,500	19,000	14,758	14,488	4,876	130,522
1952-53	53,986	33,216	21,712	17,940	18,895	6,085	151,834
1953-54	56,285	35,000	22,717	18,341	19,147	6,332	157,822
1954-55	58,474	37,378	24,105	15,411	19,256	7,676	162,300
1955-56	61,336	39,467	24,655	19,277	21,213	9,352	175,500
1956-57	65,279	46,063	27,261	21,517	22,506	9,524	192,550
1957-58 (b)	70,736	50,405	29,695	23,181	25,115	10,368	209,500
1958-59	76,094	54,582	31,894	24,235	27,275	11,670	225,750
1959-60	83,450	60,625	36,375	29,101	28,962	14,313	252,826
1960-61	91,988	67,371	39,951	30,727	32,286	16,289	278,612
1961-62 (Estimate)	99,118	73,049	42,746	33,197	36,254	17,916	302,280

(a) In the years 1942-43 to 1945-46 the amounts include Entertainment Tax Reimbursement Grants. In 1949-50 and each subsequent year the amounts include supplementary grants where these were paid. (See Table 4.)

(b) In addition, the Commonwealth provided for the States an additional assistance grant of £5,000,000 to assist the States' overall financial position. For distribution of this amount, see footnote (c), Table 1.

TABLE 4.—INTEREST AND SINKING FUND PAYMENTS BY THE COMMONWEALTH FOR THE STATES UNDER THE FINANCIAL AGREEMENT, 1927-28 TO 1961-62

£'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	234	156	153	127	32	1,189	7,585	8,774
1933-34	518	280	162	160	137	33	1,290	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	1,663	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	523	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	458	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	1,651	1,054	576	607	455	297	4,640	7,585	12,225
1957-58	1,787	1,153	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 (Estimate)	2,338	1,561	845	894	653	447	6,738	7,585	14,323

(c) For distribution of the interest payments, see Table in Chapter V.

TABLE 5.—GRANTS FOR UNIVERSITIES, 1951-52 TO 1961-62  
£'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 (Estimate)(c) .. ..	6,283	3,264	1,439	1,411	1,122	642	14,161
Total .. ..	21,511	12,069	6,253	5,593	4,304	2,859	52,589

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

(b) Includes a supplementary grant of £15,000 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	271	135	265	431	2,810
1959-60 .. ..	1,297	400	236	230	216	374	2,753
1960-61 .. ..	1,509	1,509	698	282	386	284	4,568
1961-62 (Estimate) .. ..	2,635	1,312	421	419	476	363	5,646
Total .. ..	6,532	3,919	1,672	1,131	1,343	1,453	16,070

TABLE 6.—PAYMENTS IN RESPECT OF NATURAL DISASTERS, 1949-50 TO 1961-62  
£'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	..	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 (Estimate)(c) .. ..	..	..	21	..	200	10	231
Total .. ..	1,549	588	317	980	243	235	3,912

(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 2 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 Accounts:—

—	Victoria.	Queensland.	South Australia.	Total.
1956-57 .. ..	£'000.	£'000.	£'000.	£'000.
1957-58 .. ..	122	..	37	162
1958-59 .. ..	210	80	125	415
1959-60 .. ..	38	..	..	38

(c) By the very nature of these payments their incidence in future years cannot be foreseen. The figures shown for 1961-62 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 1961-62  
£'000

—	New South Wales.	Victoria.	Queensland.	Western Australia.	Tasmania.	Total(c)
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	..	83	26	7	551
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 (Estimate) .. ..	237	..	42	16	5	300
Total .. ..	4,944	10	887	315	95	6,251

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

TABLE 8.—DAIRY INDUSTRY EXTENSION GRANTS, 1948-49 TO 1961-62  
£'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	4	284
1952-53 .. ..	68	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 (Estimate) .. ..	65	65	66	18	17	9	240
Total .. ..	875	842	804	234	213	111	3,079

TABLE 9.—GRANTS FOR EXPANSION OF AGRICULTURAL ADVISORY SERVICES, 1952-53 TO 1961-62  
£'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 (Estimate) .. ..	75	60	57	27	27	18	264
Total .. ..	610	493	463	233	223	135	2,157

TABLE 10.—GRANTS TO NEW SOUTH WALES FOR CATTLE TICK ERADICATION AND CONTROL, 1949-50 TO 1961-62

	£'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
1959-60 .. .. .	477
1960-61 .. .. .	541
1961-62 (Estimate) .. .. .	350
Total .. .. .	4,424

TABLE 11.—GRANTS FOR MAINTENANCE OF TUBERCULOSIS HOSPITALS, 1949-50 TO 1961-62

	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	85	2,086
1952-53 .. .. .	737	1,003	321	208	484	200	2,953
1953-54 .. .. .	1,202	1,144	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	4,739
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 (Estimate) .. .. .	1,497	1,071	880	430	560	182	4,620
Total .. .. .	14,757	12,441	6,848	3,849	5,190	1,903	44,988

TABLE 12.—AMOUNTS ALLOCATED FOR ROADS BY THE COMMONWEALTH, 1923-24 TO 1961-62(a)

	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	Main Roads Development Act 1923-1925
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	Federal Aid Roads Act 1926
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	205	348	91	1,812	1,812	Federal Aid Roads Act 1931-1936
1932-33..	531	346	361	219	369	96	1,922	1,922	
1933-34..	600	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	3,004	3,004	
1937-38..	1,166	726	792	461	797	207	4,149	4,149	Federal Aid Roads Act 1937
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	105	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	6,137	Commonwealth Aid Roads and Works Act 1947-1949
1948-49..	2,003	1,236	1,363	781	1,363	355	7,101	7,101	
1949-50..	2,472	1,525	1,684	964	1,684	438	8,767	8,767	
1950-51..	3,819	2,356	2,600	1,490	2,600	678	13,543	13,543	Commonwealth Aid Roads Act 1950
1951-52..	4,130	2,549	2,812	1,611	2,812	733	14,647	14,647	
1952-53..	4,260	2,629	2,901	1,662	2,901	755	15,108	15,108	
1953-54..	4,641	2,863	3,160	1,810	3,160	823	16,457	16,457	
1954-55..	6,410	4,102	4,486	2,620	4,557	1,167	23,342	23,342	Commonwealth Aid Roads Act 1954-1956 and Commonwealth Aid Roads (Special Assistance) Act 1957
1955-56..	7,282	4,660	5,096	2,976	5,178	1,326	26,518	26,518	
1956-57..	8,587	5,495	6,009	3,509	6,105	1,563	31,268	31,268	
1957-58(b)	9,495	6,264	6,585	3,879	6,658	1,735	34,614	34,614	
1958-59(b)	9,930	6,543	6,890	4,057	6,967	1,812	36,199	36,199	
1959-60(c)	12,173	8,660	8,021	4,923	7,963	2,183	43,923	43,923	Commonwealth Aid Roads Act 1959
1960-61..	12,870	9,183	8,428	5,128	8,091	2,300	46,000	46,000	
1961-62..	13,796	10,142	9,037	5,749	8,776	2,500	50,000	50,000	
(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, £500,000; South Australia, £325,000; 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(1) of the 1959 Act and a final adjusting payment of £1,600,000 to complete commitments under the 1954 Act. This latter payment was distributed: New South Wales, £448,000; Victoria, £250,000; Queensland, £321,000; South Australia, £187,000; Western Australia, £326,000; and Tasmania, £284,000.

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

TABLE 13.—AMOUNTS PAID TO STATES FOR ROADS, 1923-24 TO 1961-62(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 ..	134	151	151	113	127	43	719	
1926-27 ..	179	165	205	155	213	47	964	
1927-28 ..	298	393	343	257	233	74	1,598	
1928-29 ..	769	344	377	212	218	123	2,043	Federal Aid Roads Act 1926
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	
1932-33 ..	323	341	356	216	364	95	1,895	
1933-34 ..	628	439	427	259	437	114	2,304	Federal Aid Roads Act 1931-1936
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	530	151	3,019	
1937-38 ..	1,136	709	772	449	777	202	4,045	
1938-39 ..	1,205	750	819	476	823	214	4,287	Federal Aid Roads Act 1937
1939-40 ..	1,262	786	858	498	862	225	4,491	
1940-41 ..	993	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	Federal Aid Roads Act 1937
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	
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	22,505	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(c) ..	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	Commonwealth Aid Roads Act 1959
1960-61 ..	12,870	9,183	8,428	5,128	8,091	2,300	46,000	
1961-62 ..	13,796	10,142	9,037	5,749	8,776	2,500	50,000	
(Estimate)								

(a) The amounts paid to the States for roads did not coincide with allocations made by the Commonwealth for roads before 1939-60. Amounts allocated for roads by the Commonwealth in each year since 1923-24 are shown in Table 12.

(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 £1,000,000 special assistance grant for roads allocated in those years: New South Wales, £200,000; Victoria, £700,000; Queensland, £500,000; South Australia, £325,000; Western Australia, £475,000; and Tasmania, £150,000.

(d) These figures include a special adjusting payment of £224,000 to Western Australia under Section 4(3) of the 1959 Act and a final adjusting payment of £1,650,000 to complete commitments under the 1954 Act. This latter payment was distributed: New South Wales, £458,000; Victoria, £253,000; Queensland, £321,000; South Australia, £187,000; Western Australia, £326,000; and Tasmania, £55,000.

TABLE 14.—PAYMENTS FOR RAILWAY GAUGE STANDARDIZATION WORKS, 1951-52 TO 1961-62

—	Victoria(a).	South Australia(b).	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 ..	..	470	600	1,070
1958-59 ..	..	1,627	241	1,868
1959-60 ..	..	3,672	51	3,723
1960-61 ..	..	4,716	..	4,716
1961-62 (Estimate) ..	..	4,000	150	4,150
Total ..	14,485	5,110	150	19,745

(a) These payments have been made in connexion with the construction of a standard gauge rail link between Albury and Melbourne. Under the rail standardization agreement between the Commonwealth and the States of New South Wales and Victoria, each of the States will repay 15 per cent. of the total cost of the line by instalments over a period of 50 years, plus interest on outstanding balances.

(b) South Australia is to repay 30 per cent. of the cost of the works undertaken by instalments over a period of 50 years, plus interest on outstanding balances.

TABLE 15.—GRANTS TO WESTERN AUSTRALIA FOR NORTHERN DEVELOPMENT, 1958-59 TO 1961-62

—	£'000.
1958-59 ..	171
1959-60 ..	484
1960-61 ..	1,208
1961-62 (Estimate) ..	1,800
Total ..	3,663

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 (Estimate) ..	61
Total ..	5,000

TABLE 17.—GRANTS FOR CAPITAL EXPENDITURES ON MENTAL INSTITUTIONS, 1955-56 TO 1961-62.

£'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	345	114	152	29	92	1,256
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 (Estimate) .. ..	700	..	60	50	75	..	885
Total .. ..	2,606	2,740	618	602	235	356	7,157

TABLE 18.—GRANTS FOR CAPITAL EXPENDITURES ON TUBERCULOSIS HOSPITALS, 1949-50 TO 1961-62.

£'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	734
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	1,753
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	39	21	781
1960-61 .. ..	126	48	175	31	21	9	410
1961-62 (Estimate) .. ..	100	35	190	30	20	25	400
Total .. ..	5,152	1,650	4,973	722	2,245	299	15,041

TABLE 19.—GRANTS TO QUEENSLAND AND WESTERN AUSTRALIA FOR THE ENCOURAGEMENT OF MEAT PRODUCTION, 1950-51 TO 1961-62.

£'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 (Estimate) .. ..	3	5	8
Total .. ..	1,327	837	2,164

TABLE 20.—TOTAL COMMONWEALTH PAYMENTS TO OR FOR THE STATES, 1960-61

£'000							
	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
GENERAL REVENUE GRANTS							
Financial Assistance Grants .. ..	91,988	67,371	39,951	30,727	27,977	11,980	269,994
Special Grants .. ..	..	..	..	..	4,309	4,309	8,618
Total General Revenue Grants .. ..	91,988	67,371	39,951	30,727	32,286	16,289	278,612

## SPECIFIC PURPOSE PAYMENTS

## Payments for Specific Purposes of a Revenue Nature

Payments under Financial Agreement—							
Interest on State Debts .. ..	2,917	2,127	1,096	704	474	267	7,585
Sinking Fund on State Debts .. ..	2,182	1,447	785	837	609	414	6,274
Universities(a) .. ..	2,810	1,454	839	808	517	249	6,677
Natural Disaster Payments .. ..	..	..	65	..	33	225	323
Coal Mining Industry—Long Service Leave .. ..	308	..	50	..	16	6	380
Dairy Industry Extension .. ..	65	72	65	18	13	10	243
Expansion of Agricultural Advisory Services .. ..	75	60	57	26	27	19	264
Cattle Tick Control .. ..	541	..	..	..	..	..	541
Tuberculosis Hospitals—Maintenance .. ..	1,278	1,074	742	402	499	162	4,157
Total Payments for Specific Purposes of a Revenue Nature .. ..	10,176	6,234	3,699	2,795	2,188	1,352	26,444

## Payments for Specific Purposes of a Capital Nature

Commonwealth Aid Roads .. ..	12,870	9,183	8,428	5,128	8,091	2,300	46,000
Universities(b) .. ..	1,330	1,569	698	282	386	285	4,550
Rail Standardization(c) .. ..	..	4,716	..	..	..	..	4,716
Western Australia Northern Development .. ..	..	..	..	..	1,208	..	1,208
Western Australia Water Supply .. ..	..	..	..	..	517	..	517
Mental Institutions—Capital .. ..	433	84	97	46	15	52	727
Tuberculosis Hospitals—Capital .. ..	126	48	175	31	21	9	410
Encouragement of Meat Production .. ..	..	..	5	..	2	..	7
Total Payments for Specific Purposes of a Capital Nature .. ..	14,759	15,600	9,403	5,487	10,240	2,646	58,135
Total Specific Purpose Payments .. ..	24,935	21,834	13,102	8,282	12,428	3,998	84,579
TOTAL PAYMENTS .. ..	116,923	89,205	53,053	39,009	44,714	20,287	363,191

(a) Grants for current purposes.

(b) Grants for capital purposes.

(c) Of the amounts made available for the construction of a standard gauge rail link between Albury and Melbourne, New South Wales and Victoria are each to repay 15 per cent. of the total cost by instalments over a period of 30 years, plus interest on outstanding balances.

TABLE 21.—TOTAL COMMONWEALTH PAYMENTS TO OR FOR THE STATES,  
ESTIMATES 1961-62

	£'000						
	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
GENERAL REVENUE GRANTS							
Financial Assistance Grants ..	99,118	73,049	42,746	33,197	30,098	12,841	291,049
Special Grants ..	..	..	..	..	6,156	5,075	11,231
Total General Revenue Grants ..	99,118	73,049	42,746	33,197	36,254	17,916	302,280
SPECIFIC PURPOSE PAYMENTS							
<i>Payments for Specific Purposes of a Revenue Nature</i>							
Payments under Financial Agreement—							
Interest on State Debts ..	2,917	2,127	1,096	704	474	267	7,585
Sinking Fund on State Debts ..	2,338	1,561	845	894	653	447	6,738
Universities(g) ..	3,628	1,752	1,018	992	646	279	8,315
Natural Disaster Payments ..	..	..	21	..	200	10	231
Coal Mining Industry—Long Service Leave ..	237	..	42	..	16	5	300
Dairy Industry Extension ..	65	65	..	18	17	9	240
Expansion of Agricultural Advisory Services ..	75	60	57	27	27	18	264
Cattle Tick Control ..	350	..	..	..	..	..	350
Tuberculosis Hospitals—Maintenance ..	1,497	1,071	880	430	560	182	4,620
Total Payments for Specific Purposes of a Revenue Nature ..	11,107	6,636	4,025	3,065	2,593	1,217	28,643
<i>Payments for Specific Purposes of a Capital Nature</i>							
Commonwealth Aid Roads ..	13,796	10,142	9,037	5,749	8,776	2,500	50,000
Universities(b) ..	2,655	1,512	421	419	476	363	5,846
Rail Standardization(c) ..	..	4,000	..	..	150	..	4,150
Western Australia—Northern Development ..	..	..	..	..	1,800	..	1,800
Cattle Roads ..	..	..	650	..	..	..	650
Western Australia Water Supply ..	..	..	..	..	61	..	61
Mental Institutions—Capital ..	700	..	60	50	75	..	885
Tuberculosis Hospitals—Capital ..	100	35	190	30	20	25	400
Encouragement of Meat Production ..	..	..	3	..	5	..	8
Total Payments for Specific Purposes of a Capital Nature ..	17,251	15,689	10,361	6,248	11,363	2,888	63,800
Total Specific Purpose Payments ..	28,358	22,325	14,386	9,313	13,956	4,105	92,443
TOTAL PAYMENTS ..	127,476	95,374	57,132	42,510	50,210	22,021	394,723

(a) Grants for current purposes.

(b) Grants for capital purposes.

(c) Of the amounts made available for the construction of a standard gauge rail link between Albury and Melbourne, New South Wales and Victoria are each to repay 15 per cent. of the total cost by instalments over a period of 50 years, plus interest on outstanding balances.

TABLE 22.—LOAN COUNCIL BORROWING PROGRAMMES FOR STATE WORKS AND HOUSING,  
1945-46 TO 1961-62

	£'000						
	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total.
STATE WORKS PROGRAMMES							
1945-46 ..	..	382	850	1,250	423	1,161	4,066
1946-47 ..	12,066	4,802	3,256	4,557	3,002	1,600	29,283
1947-48 ..	25,490	8,324	4,687	6,046	2,646	1,600	48,793
1948-49 ..	16,283	15,163	6,560	6,520	3,788	3,897	52,211
1949-50 ..	29,467	15,131	7,861	9,808	7,218	5,359	74,844
1950-51 ..	40,744	36,089	17,026	16,524	14,309	14,691	139,383
1951-52 ..	64,000	56,000	22,520	26,413	16,500	15,100	200,513
1952-53 ..	51,178	39,971	18,531	21,825	15,615	13,062	160,182
1953-54 ..	53,250	40,650	18,450	22,000	14,000	14,450	162,800
1954-55 ..	47,520	37,935	17,977	20,858	13,600	12,960	150,850
1955-56 ..	49,950	39,000	19,000	22,550	12,900	13,400	156,800
1956-57 ..	49,950	39,800	19,250	22,550	16,000	11,400	159,850
1957-58 ..	52,950	42,420	20,000	23,530	15,840	12,100	166,840
1958-59 ..	55,090	44,200	21,250	24,300	16,760	12,590	174,190
1959-60 ..	58,140	46,405	22,750	25,385	17,700	13,540	183,920
1960-61 ..	60,694	48,805	24,500	25,957	18,640	14,194	192,800
1961-62(e) ..	62,298	50,075	25,500	25,148	19,581	14,498	197,100
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	6,300	1,250	..	1,965	1,100	17,215
1950-51 ..	7,890	8,600	2,700	..	2,350	100	21,640
1951-52 ..	8,514	10,061	4,489	..	3,483	(e) (f)	26,547
1952-53 ..	12,100	11,270	3,730	..	2,900	(e)	30,000
1953-54 ..	12,450	12,000	4,500	4,500	3,750	(e)	37,200
1954-55 ..	10,800	9,450	1,800	3,600	3,500	(e)	29,150
1955-56 ..	10,800 (g)	10,800	3,000	3,600	5,000	(e)	32,500
1956-57 ..	10,800	10,000	2,750	3,600	3,000	2,000	32,150
1957-58 ..	11,000	10,000	3,160	4,000	3,000	2,000	33,160
1958-59 ..	12,000	10,300	3,310	5,000	3,000	2,200	35,810
1959-60 ..	12,350	10,300	3,480	5,000	3,000	1,950	36,080
1960-61 ..	13,000	10,300	3,100	5,800	3,000	2,000	37,200
1961-62(e) ..	14,600	11,600	3,300	8,000	3,000	2,400	42,900
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 ..	30,835	13,324	5,487	6,046	3,906	2,500	62,098
1948-49 ..	22,578	20,363	7,460	6,520	5,435	4,347	66,703
1949-50 ..	36,067	21,431	9,111	9,808	9,183	6,459	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	227,060
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 (g)	49,800	22,000	26,150	17,900	13,400	190,000
1956-57 ..	60,750	49,800	22,000	26,150 (h)	19,900	13,400	192,000
1957-58 ..	63,950	52,420	23,160	27,530	18,840	14,100	200,000
1958-59 ..	67,090	54,500	24,560	29,300	19,760	14,790	210,000
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(e) ..	76,898	61,675	28,800	33,148	22,581	16,898	240,000

(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 to this period were included in the State Government's loan programme.

(f) Includes carry-over payment from 1950-51 of £3,560,000.

(g) Includes £1,000,000 in respect of finance for the Olympic Village.

TABLE 23.—THE FINANCING OF STATE WORKS AND HOUSING PROGRAMMES, 1951-52 TO 1960-61  
£'000

	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.	Total.
Commonwealth Subscriptions to Special Loans—											
Counterpart Funds of Overseas Loans .. .. .	27,000	18,500	23,750	28,300	17,616	3,000	9,492	..	..	..	127,658
Other .. .. .	133,000	104,325	56,010	19,625	75,123	96,000	81,889	10,000	54,895	89,669	720,536
Total .. .. .	160,000	122,825	79,760	47,925	92,739	99,000	91,381	10,000	54,895	89,669	848,194
Commonwealth Subscriptions to Public Loans .. .. .	..	..	..	(a) 5,000	(a) 7,000	..	..	..	..	..	12,000
Commonwealth Domestic Raisings .. .. .	..	14,893	..	..	..	..	..	..	..	..	14,893
Total provided by Commonwealth .. .. .	160,000	137,718	79,760	52,925	99,739	99,000	91,381	10,000	54,895	89,669	875,087
Less Amounts used by Commonwealth (chiefly for War Service Land Settlement) .. .. .	(b) -7,135	-6,188	-5,407	-3,452	(c) 11,494	-7,115	-8,260	-6,547	(d) 25,826	-3,521	-84,945
Commonwealth Assistance to State Works and Housing Programmes .. .. .	152,865	131,530	74,353	49,473	88,245	91,885	83,121	3,453	29,069	86,148	790,142
Public Loans raised in Australia—											
Cash Loans .. .. .	(e) 63,824	(e) 52,009	118,172	(f) 122,388	(f) 93,433	97,672	102,799	147,176	120,241	(g) 101,985	1,019,699
Special Bonds (net) (g) .. .. .	..	..	..	..	..	..	..	27,139	22,962	11,501	61,602
State Domestic Raisings .. .. .	7,011	6,643	7,475	8,139	5,375	1,150	3,090	2,945	5,067	4,360	51,255
Overseas Loans applied direct to State Works and Housing Programmes .. .. .	..	..	..	..	2,947	1,293	10,990	29,287	42,661	26,006	113,184
Total .. .. .	70,835	58,652	125,647	130,527	101,755	100,115	116,879	206,547	190,931	143,852	1,245,740
Total Raised for State Works and Housing Programmes .. .. .	(h) 223,700	190,182	200,000	180,000	190,000	192,000	200,000	210,000	220,000	230,000	2,035,882

(a) Investment of Australian currency proceeds of International Bank loans.  
 (b) Includes £2,000,000 used mainly for redemptions of Savings Certificates.  
 (c) Includes £2,700,000 advanced to the Australian Wheat Board in 1955-56 for emergency wheat storage.  
 (d) Includes £20,000,000 to finance advances which the Commonwealth has offered to make to Queensland to assist in the rehabilitation of the Mount Isa—Townsville—Collinsville railway.  
 (e) In addition, State raisings used to finance redemptions amounted to £16,151,000 in 1951-52, £11,110,000 in 1952-53, and £4,981,000 in 1960-61.  
 (f) Excludes amount representing investment of International Bank loan proceeds. See (g).  
 (g) Special Bonds are taken net of redemptions, which amounted to £22,139,000 in 1959-60 and £7,597,000 in 1960-61.  
 (h) Excludes £3,560,000 carried forward from 1950-51 and included in the 1951-52 programme.

TABLE 24.—SUMMARY OF COMMONWEALTH PAYMENTS TO OR FOR THE STATES AND ASSISTANCE TO LOAN COUNCIL BORROWING PROGRAMMES, 1951-52 TO 1961-62  
£'000

	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.	1959-60.	1960-61.	1961-62 (Estimate).
Financial Assistance Grants(a) .. .. .	120,000	135,900	142,422	150,000	157,000	174,050	190,000	205,000	244,500	269,994	291,049
Special Grants .. .. .	10,522	15,934	15,400	12,300	18,500	18,500	19,500	20,750	8,326	8,618	11,231
Total General Revenue Grants .. .. .	130,522	151,834	157,822	162,300	175,500	192,550	(b) 209,500	225,750	252,826	278,612	302,280
Total Specific Purpose Payments .. .. .	34,645	36,312	37,425	44,243	49,523	57,083	62,530	70,694	77,716	84,579	92,443
Total Payments .. .. .	165,167	188,146	195,247	206,543	225,023	249,633	(b) 272,030	296,444	330,542	363,190	394,723
Commonwealth Assistance to State Works and Housing Programmes .. .. .	152,865	131,530	74,353	49,473	88,245	91,885	83,121	3,453	29,069	86,148	75,000

(a) Comprising Tax Reimbursement and Supplementary grants up to and including 1958-59.  
 (b) In addition, the Commonwealth provided for the States an additional assistance grant of £5,000,000 to assist the States' overall financial position.

TABLE 25.—BORROWINGS APPROVED BY LOAN COUNCIL FOR SEMI-GOVERNMENT AND LOCAL AUTHORITIES, 1947-48 TO 1961-62

£'000

—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Total States.	Commonwealth.	Total.
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 ..	15,727	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	11,632	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	71,505	160	71,665
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	36,685	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)	33,387	40,568	22,877	5,509	4,838	3,821	111,000	1,200	112,200

(a) Figures relate to approved borrowing programmes as distinct from actual borrowings approved by the Loan Council shown in earlier years.