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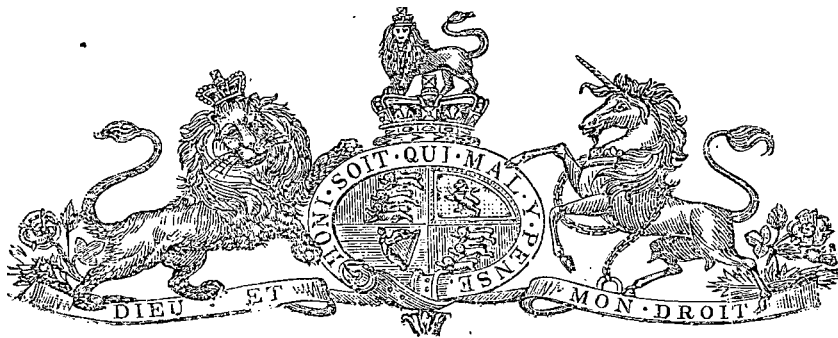
PARLIAMENT OF TASMANIA.

THE FEDERAL FINANCE PROBLEM:

Further Observations by R. M. Johnston, F.S.S., Government
Statistician, Tasmania, with an Introductory Note by His Honour
Mr. Justice Clark.

Presented to both Houses of Parliament by His Excellency's Command.

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THE FEDERAL FINANCE PROBLEM,

INTRODUCTORY NOTE.

IN view of the contributions made by me to two of his previous publications upon the same subject*, my friend, Mr. Johnston, has requested me to prefix some remarks to the observations which he has made in this publication upon the financial problem attendant upon the establishment of the Federal Commonwealth of Australia.

The Constitution of the Commonwealth provides :—(1.) that until uniform duties of Customs and Excise are imposed by the Federal Parliament throughout the Commonwealth, and during the first five years thereafter, the Commonwealth shall credit to each State the revenues collected in it by the Commonwealth, and debit the State with the cost of collecting such revenues, and with a proportion of the other expenditure of the Commonwealth, calculated upon the basis of the population of the State; (2.) that, five years after uniform duties of Customs and Excise have been imposed, the Parliament of the Commonwealth may provide, on such basis as it shall deem fair, for the monthly payment to the several States of all surplus revenue of the Commonwealth. The Constitution also provides that, during a period of ten years after the establishment of the Commonwealth, and thereafter until the Parliament of the Commonwealth otherwise provides, not more than one-fourth of the net revenue derived by the Commonwealth from duties of Customs and Excise shall be applied annually in the expenditure of the Commonwealth, and that the balance shall be paid to the several States, in accordance with the provisions of the Constitution, or be applied towards the payment of interest on debts of the several States taken over by the Commonwealth. This provision secures the existence of a surplus of Federal revenue for distribution among the States, or for payment of interest upon debts taken over by the Commonwealth, for a period of ten years at least. But if the States are not ultimately relieved of their liability to pay the interest upon their debts by a transfer of them to the Commonwealth, the necessity of a surplus of Federal revenue for distribution among the States will, undoubtedly, continue to exist for an indefinite period; and the conclusion at which Mr. Johnston arrives is—that if the surplus revenue derived by the Commonwealth from duties of Customs and Excise is distributed among the several States, either in proportion to the amount of such duties collected in each State, or upon the basis of population, the result will be financially disastrous to those States which have hitherto derived a much larger portion of their total revenues from duties of Customs and Excise than the portion derived from similar sources by the other States. The three States which are in this position are Queensland, Tasmania, and Western Australia.

* *Australian Federation: The Financial Data of the Problem (1891); and Federal Finance (1897).*

Special provision has been made in the Constitution for Western Australia during the first five years of Federation, but that provision is not sufficient to make the directions contained in the Constitution for the distribution of the surplus revenues of the Commonwealth of less importance to her than to the other States during that period, and after the expiration of that period her finances will be as seriously affected by the method of distributing the surplus as those of any other State.

If the several Colonies which will constitute the Federal Commonwealth of Australia had agreed to become a perfectly unified commonwealth, it is evident that the whole cost of maintaining all the public departments now maintained in all the Colonies would have to be paid out of the revenues of the Commonwealth, irrespective of the amount of revenue collected in the different portions or divisions of its territory. But the fact that, under the federal form of Government, each State will retain the obligation to maintain a number of its institutions out of its own revenues, will not diminish, in the smallest degree, the amount of revenue collected by the Commonwealth for its own purposes within the State, or limit the area of taxation available to the Commonwealth; and so long as the necessity shall exist for supplementing the revenues of the several States out of the revenues of the Commonwealth, the contribution of the Commonwealth to each State ought to be in proportion to the fiscal sacrifice which the State has made by its entrance into the Commonwealth, and the consequent restriction of its capacity to maintain the institutions necessary for its social existence. If a perfectly unified commonwealth, which undertook, as the several Australian Colonies have done, to construct railways and other facilities for commerce and industry for public use, attempted to regulate the local distribution of its expenditure upon the basis of the various amounts of revenue collected in its several electoral districts, the method would be regarded by all intelligent persons as absurd, and the result would be detrimental to every portion of the country, including those portions in which the larger part of the revenue was expended; because the stagnation and decay of the portions of the country which were deprived of the expenditure of a sufficient amount of public money for the development of their resources would rapidly diminish the prosperity of the other portions of it. Under such a method of distributing expenditure, all the revenue collected at each seaport of a country would be spent there, and the territory which supplied the products that made the trade of the port would be left to depend solely upon its local rates for the construction and maintenance of its roads and other public works.

An almost equally absurd result would be produced by a local distribution of the expenditure of revenue upon the basis of population. The population of the cities and towns of the Colony of New South Wales is sixty-five per cent., or nearly two-thirds, of the total population of the Colony, and the population of the city of Sydney alone is, roughly, about one-third of that of the whole Colony. If one-third of the whole revenue of New South Wales were to be spent upon the performance of functions of government in the City of Sydney, and in the payment of interest upon the cost of public works constructed in that city, and another third of the total revenue of the Colony were to be spent upon the performance of governmental functions in its other cities and towns, and in the payment of interest on the cost of public works constructed within their boundaries, what would be the condition of the rural portions of the Colony?—and how long would the trade and prosperity of the cities continue? The speedy consequence of such a policy in any single Colony would be a decrease in its total revenue and in its general prosperity followed by an inevitable decrease in its population; and I think it would be a difficult task to prove that a similar decrease in the total revenue and in the general prosperity of the Commonwealth will not follow the adoption of such a method of distributing the surplus revenue of the Commonwealth among the States.

The importance of the prosperity of a particular State to the Commonwealth will not be measured by the amount of revenue actually collected in the State. The nature of the products and industries of a State, and its geographical position in the Commonwealth, may determine that the great bulk of its external trade shall take place between itself and one or more of the adjacent States of the Commonwealth; and, in such a case, it is evident that a large portion of the Customs duties collected in such adjacent States will be derived from goods subsequently transported from them to the other State, and consumed there. This must manifestly be the fact in the case of totally inland States, like many of the States of the American Union. All the States of the Commonwealth of Australia will have seaports, but the volume of inter-State commerce will largely increase under Federation, and the strong probability is that the larger seaports, like Sydney and Melbourne, will become, to a very large extent, importing centres for the whole of the Commonwealth. I am not unmindful of the fact that the Constitution of the Commonwealth contains a provision for this contingency; but it is clearly intended to be only temporary, although the Parliament of the Commonwealth will have power to continue it indefinitely. So long as that provision is applied to the finances of the Commonwealth it will necessitate a system of inter-State book-keeping, which will always provide an inadequate record of the facts which it is intended to collect; and the most perfect application of it would not adjust the distribution of surplus Revenue in accordance with the fiscal sacrifices made by the several States to create and maintain the Commonwealth.

The causes of the peculiar fiscal conditions of the Colonies of Queensland, Tasmania, and Western Australia will not be immediately removed by the establishment of the Commonwealth. A more extensive development of their natural resources, and an expansion of their trade under a system of free exchange of products and manufactures within the Commonwealth, may gradually bring their fiscal conditions nearer to those of the other Colonies. But the differences in population, natural resources, industrial development, and wealth of the several States will always cause differences in their revenue-producing capacities, in the same manner as such differences of revenue-producing power have always existed in different portions of every country, in accordance with the distribution of its population and the different pursuits in which different sections of its population are engaged.

In the previous contributions of Mr. Johnston and myself to the discussion of the financial aspects of Australian Federation I called attention to the concurrent growth of the revenue derived from Customs in a majority of the Colonies with the growth of their public debts; and I expressed the opinion that an assumption by the Commonwealth of an equitable portion of the public debt of each State would provide the simplest and most direct solution of the financial problems of Federation. The latest financial statistics of the several Colonies, as set forth by Mr. Johnston in this pamphlet, confirm me in that opinion. So long as the several States are required to pay the interest upon their present debts, a contribution to their revenues, out of the revenues of the Commonwealth, will be a permanent necessity for the majority, if not for all of them; and the method of distributing that contribution may become, from time to time, a vexed question of Federal politics. The assumption of an equitable portion of the public debt of each State by the Commonwealth would largely reduce the importance of the method of distributing the surplus Federal revenue; and, for that reason alone, it is a subject which commends itself to the attention of the representatives of all the States.

In addition to the provisions for the distribution of the surplus revenue of the Commonwealth, to which I have already referred, the Constitution contains an express

provision that, during a period of ten years after the establishment of the Commonwealth, and thereafter until the Parliament otherwise provides, the Parliament of the Commonwealth may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit. This provision is distinct from the provision relating to the distribution of the surplus revenue of the Commonwealth among the States; but I do not find anything in the Constitution to prohibit the Parliament of the Commonwealth legislating in pursuance of it, in connection with legislation for distribution of the surplus revenue during the first five years of Federation, so as to place those States which are making the greatest fiscal sacrifice for Federation substantially in the same position during that period, in regard to participation in the distribution of surplus revenue, as the Constitution directly authorises the Parliament to place them at the expiration of that period. The distribution of the surplus revenue of the Commonwealth among the several States, upon such basis as the Parliament shall deem fair, is the method of distribution which the Constitution permanently authorises to be adopted after the expiration of five years from the imposition of uniform duties of Customs and Excise. It cannot be presumed that the Constitution contemplates that, during the first five years after the imposition of uniform duties of Customs and Excise, the Parliament of the Commonwealth shall be compelled to distribute the surplus revenue on a basis which it may deem unfair; and if the method of distribution in accordance with the amount of revenue collected in each State shall be found to be unfair to any State, the Constitution has expressly provided the Parliament with the necessary authority to remedy and obviate the injustice.

A. INGLIS CLARK.

Judges' Chambers, Hobart, 24th August, 1900.

THE FEDERAL FINANCE PROBLEM.

FURTHER OBSERVATIONS:

BY R. M. JOHNSTON, F.S.S.

So many local and so many side issues have been subtly inter-woven with the one or two great, but, in themselves, simple, points connected with Federal Finance, that it seems now almost a hopeless task to draw or confine attention to the great *crux* of the problem, so far as the State finances of the large and small Colonies are concerned.

The first and most important consideration is, what will be the nature and extent of the disturbance to each of the State revenues caused by the transfer of the most important element of existing State revenues, viz., Customs and Excise, together with a comparatively small proportion of the existing State expenditure? Broadly speaking, the effect will be, that the State expenditure that will not be affected by transfer will exceed the State revenues that remain undisturbed by transfer by about £6,000,000. It follows, if this deficit is to be restored to the several States, that a sum of £6,000,000 must be raised by the Commonwealth by Customs and Excise, in addition to the revenue to be raised by it to discharge its own proper functions. The latter may be set down, roughly, including new and old elements, at about £1,500,000. This, then, must strongly arrest our attention at the outset; for, if this matter be not firmly grasped, the confusion which at present prevails will be perpetuated. Clearly, therefore, if the aggregate deficit in the revenue of the six federating States is to be made good to them, the Commonwealth Treasurer must raise not less than £7,500,000 by means of Federal Customs and Excise duties. Even then, this aggregate will not suffice if the surplus be not distributed to each State in the same proportion that each State's loss contributed, in detail, to form the aggregate State's loss of £6,000,000.

Now, the proportion which each State, by its own loss, contributed to form this aggregate deficit of £6,000,000, is nearly as follows:—

APPROXIMATE Natural Deficit in each State caused by Federal Transfer.

State.	Deficit.	Per cent. to Total Surplus.	Per cent. to Gross Revenue.
	£		
New South Wales	1,452,000	24·2	14·89
Victoria	1,698,000	28·3	23·02
Queensland	1,122,000	18·7	28·83
South Australia	528,000	8·8	20·05
West Australia	840,000	14·0	33·89
Tasmania	360,000	6·0	38·14
Six States	6,000,000	100·0	22·19

It is important to observe, at this stage, that the above proportions do not correspond with the known proportions which the estimated population of each State bears

to the total population of the six States; nor does it in any way correspond with the proportion which the opimeter index, that is, the relative revenue-yielding power of each State, bears to that of all the six States.

The important differences of these several proportions are the cause of all the trouble to the State finances of the several Colonies; for the provisions made for the distribution of what is now generally known as the Federal Surplus contemplates only those proportions which are related to population and to revenue-yielding power, and do not recognise (in distribution) the true proportions relating to the actual loss of each individual State, which loss, in the aggregate, is the only justification, in principle, for raising the extra £6,000,000 by means of Federal Customs and Excise.

The extent and effect of these differences will be seen in the following Tables :—

State.	Per-centage Proportions.		
	Actual Loss by Transfer.	Revenue-yielding Power.	Population.
New South Wales...	24·2	36·92	36·06
Victoria	28·3	29·07	31·49
Queensland	18·7	16·50	13·35
South Australia	8·8	7·87	9·85
West Australia	14·0	6·38	4·50
Tasmania	6·0	3·26	4·75
Six States	100·0	100·00	100·00

To fully appreciate the disastrous results to each State by distributing the £6,000,000 Federal Surplus on any other proportion than that by which the aggregate loss is determined, the proportions related to each State by the several methods are placed side by side, by way of contrast; thus :—

State.	Federal Surplus distributed on the basis of—		
	Actual Loss by Transfer.	Revenue-yielding Power.	Population.
	£	£	£
New South Wales...	1,452,000	2,215,200	2,163,600
Victoria	1,698,000	1,744,200	1,889,400
Queensland	1,122,000	990,000	801,000
South Australia	528,000	472,200	591,000
West Australia	840,000	382,800	270,000
Tasmania	360,000	195,600	285,000
Six States	6,000,000	6,000,000	6,000,000

It is plainly revealed by the above contrasts that if the Federal Surplus be distributed by either the revenue-yielding or the population methods it will be utterly impossible to prevent financial disaster to some of the smaller States, together with financial embarrassment to the larger. It means, that by these improper methods of distribution, the larger and financially-stronger States will be embarrassed by the return of a far greater amount of the surplus than their respective losses caused by transfer, while the financially-weaker States will be landed in financial disaster by the great amount of the shortage of Federal Surplus returned, as compared with their estimated actual loss caused by Federal transfer.

To what extent such excess and shortage, respectively, affect each State, is shown in the following Table:—

EXCESS or Shortage to each State by

	Revenue-yielding Method.		Population Method.	
	Excess.	Shortage.	Excess.	Shortage.
	£	£	£	£
New South Wales ...	763,200	—	711,600	—
Victoria	46,200	—	191,400	—
Queensland	—	132,000	—	321,000
South Australia	—	55,800	63,000	—
Western Australia ...	—	457,500	—	570,000
Tasmania	—	164,400	—	75,000
Six Colonies.....	Nil.	Nil.	Nil.	Nil.

The analysis shown in these tables indicates very clearly the insuperable difficulties involved in any scheme which attempts—as in the existing Constitution—to distribute the necessary Federal surplus on the basis of either of the two modes contrasted in the preceding table; *i.e.* :—

- (1.) On the basis of the Revenue-yielding power—Opimeter method.
- (2.) On the basis of Population.

Tasmania, whose direct taxation is already overstrained and oppressive, would require to almost double her existing Land, Income, and other direct Taxes, to enable her Treasurer to discharge her remaining State obligations and functions, while to Western Australia, and also to Queensland, the financial strain would be too great, even with their great resources.

To New South Wales and Victoria, with their pleasant embarrassment of a considerable gain to local Treasuries by the unjust mode of distribution of Federal surplus, it is simply a luxury of choice whether they capitalise their accumulating unrequired annual share of the Federal surplus, or, by its aid, abolish their existing direct taxes altogether.

Had the shortages only affected the larger States, the difficulty would not be nearly so great; for the revenue resources of the two larger States from other sources than taxation are so great, relatively, that they could easily bear a strain which would break down the financial powers of such a small State as Tasmania.

That it would be more difficult for Tasmania, Western Australia, and Queensland to bear the financial strain caused by the wrongful mode of distributing the Federal surplus, is evident from a study of the following figures:—

TABLE showing the Proportions of Gross Revenue raised by means of Customs and Excise, and by all forms of Taxation in the several federating States.

Percentage to Gross Revenue.

State.	State Treasury Deficit.	Customs and Excise.	Total Taxation.
	per cent.	per cent.	per cent.
New South Wales	14·89	16·62	26·24
Victoria.....	23·02	30·27	41·17
Queensland	28·83	36·66	42·63
South Australia	20·05	23·05	33·85
Western Australia	33·89	35·00	37·64
Tasmania	38·14	47·12	59·57
Six States.....	22·19	26·57	35·58

The probable annual loss to Tasmanian Treasury of £164,400, caused by the unjust method of transfer, may, possibly, seem a small matter to the people of New South Wales. To the people of Tasmania, however, it is a matter of the most vital importance, for it represents as much as 38·14 per cent. of Tasmania's gross revenue. The loss by transfer to New South Wales, although absolutely much greater, viz., £1,452,000, only represents 14·89 per cent. of her gross revenue. Again, look at the contrast which these two States present in regard to the proportion of revenue raised by Customs and Excise at present. Thus, Tasmania, with her feebleness of revenue resources, is obliged to raise as much as 47·12 per cent. of her total revenue from Customs and Excise; while New South Wales, with her ample revenue resources (especially from land sales and land rents), only requires to draw 16·62 per cent. from this important source.

THE Relative Magnitude of Commonwealth and State Functions and Obligations.

An adequate comprehension of the financial problem cannot be arrived at by anyone who does not attempt to realise the relative magnitude of the duties, functions, and obligations that remain to be discharged by the States and the Commonwealth respectively.

The best general index of the relative importance of the duties, functions, and obligations that will remain to be discharged by the several States as compared with the functions and obligations transferred and otherwise deputed to the Commonwealth is to take the respective expenditures as a gauge; thus:—

Cost of Functions and Obligations of States and Commonwealth respectively.

Percentage Proportion of Existing Expenditure.	
Commonwealth Division.	Per cent. to Gross Expenditure.
Post and Telegraphs	7·66
Customs and Excise.....	·93
Defences	2·20
Harbours, Lights, &c.....	1·12
Quarantine	·02
New Federal Expenditure, about.....	1·12
	<hr/>
Total Commonwealth	13·05
	<hr/> <hr/>
Six States Division.	
Interest on Debt.....	26·54
Education	6·96
Hospitals and Charitable Institutions...	3·82
Police	3·71
Railways	22·15
Mines	1·19
Water Supply and Sewerage	·62
Other Public Works	23·08
	<hr/>
Total Six States.....	88·07
	<hr/> <hr/>

The preceding analysis shows clearly the vast importance of the functions and obligations remaining under the control of the six States, as compared with the extent of the functions and obligations to be placed under the control of the Commonwealth. It means that public affairs, involving at the least an expenditure of about 23½ millions annually, will still be under the control of the States solely; while the functions transferred and deputed to the Commonwealth should not involve a greater annual expenditure (apart from the necessary collection and distribution of the surplus aid to the States) than the percentage indicated, viz., 13·05 per cent., representing an annual sum of about £3,485,000. Hence the vital importance of safely guarding the financial stability of the several States, especially the weaker ones.

This caution is all the more significant when we consider that the Federal transfer involves the giving up of as much as 34·49 per cent. of the existing State revenues,

while the same transfer only relieves the States of about 11.93 per cent. of their existing expenditure. It cannot be too strongly accented that this great disturbance to the finances of the federating States is the whole justification and measure for the creation and compensating distribution of a Federal surplus. The serious injury to the smaller States by departing in detail from the principle of compensation in the distribution of the surplus is the great blot on the finance clauses of the Constitution, and not until such a defect is removed, upon reconsideration by the Federal Parliament, will the much-hoped-for advantages of a federation in reality, as well as in name, be accomplished.

THE ANOMALIES AND INJUSTICE OF THE PROVISIONS OF THE CONSTITUTION TO COMPENSATE THE SEVERAL STATES FOR LOSS OF REVENUE CAUSED BY TRANSFER.

The anomalies and injustice in attempting to compensate the several States for loss of revenue, caused by Federal transfer, by the two methods provided in the existing Constitution; viz.—

- (1.) The Opimeter, or revenue-yielding method.
- (2.) The Populimeter, or population basis.

The gross defects of these two methods, as contrasted with the just and natural Inopimeter, or compensation for actual loss method, is at once revealed by the following tabular contrasts:—

Gross Customs and Excise Revenue necessary to be raised to secure a Surplus that would satisfy the needs of each and all of the six federating States.

	Gross Customs and Excise to be raised on the basis of		
	Actual Loss by Transfer.	Revenue-yielding Power.	Population.
	£	£	£
New South Wales	7,500,000	4,916,323	5,043,750
Victoria	7,500,000	7,300,000	6,741,250
Queensland	7,500,000	8,500,000	10,505,000
South Australia.....	7,500,000	8,387,500	6,700,000
West Australia.....	7,500,000	16,462,500	23,337,000
Tasmania	7,500,000	13,800,000	9,475,000
Six Colonies	7,500,000	7,500,000	7,500,000

By the above illustration it may at once be perceived how, that by the second and third methods the greatest anomalies and injustice are produced, which will, as it has already done, set each State in absolute conflict with each other, owing to the fact that no one aggregate sum would suit the requirements of more than a single State. Thus, an aggregate of £4,916,323 might suit New South Wales, but no other State. On the other hand, by the same absurd plan, it would require as much as £16,000,000 to £23,000,000 as an aggregate to suit the requirements of West Australia.

The beauty and justice of the true and natural method, *i.e.*, the Inopimeter, or compensation for actual loss by transfer, would only require an aggregate of £7,500,000 to exactly satisfy the requirements of each and all. By this method State is not set in conflicting interests with State; there are no anomalies; and, best of all, the financial difficulty is entirely removed. It is to be hoped that all lovers of Federation in reality, and not merely in name, will now do all in their power to secure this most necessary amendment of the financial provisions of the existing Constitution.

R. M. JOHNSTON.

Hobart, August 18th, 1900.

APPENDIX A.
CUSTOMS AND EXCISE (SIX COLONIES).

TABLES showing to what extent each Colony, at present, has to resort to Customs and Excise for the purpose of obtaining the necessary Revenue for the discharge of existing Functions and Obligations: also, showing the very large proportion of such Revenue in each Colony that is derived from the Six principal Luxuries and Semi-Luxuries (Opimeter Group), viz:—Spirits, Wine, Beer, Tobacco, Tea, and Sugar.

CUSTOMS AND EXCISE REVENUE.

Colony.	Six Opimeter Articles.	All Articles.
	£	£
New South Wales	1,502,903	1,598,759
Victoria	1,365,260	2,217,571
Queensland	739,179	1,418,840
South Australia	257,798	618,707
West Australia	515,169	906,831
Tasmania	193,764	426,799
Six Colonies	4,574,073	7,187,507
<i>Per Head.</i>		
	s. d.	s. d.
New South Wales.....	22 6	23 11
Victoria	23 4	37 10
Queensland.....	30 0	57 7
South Australia	14 2	34 1
West Australia	60 11	107 2
Tasmania	22 3	48 11
Six Colonies	24 8	38 9
<i>Percentage of Revenue from all Articles.</i>		
	%	%
New South Wales	94·00	100
Victoria	61·55	100
Queensland	52·10	100
South Australia	41·65	100
West Australia	56·80	100
Tasmania	45·38	100
Six Colonies	63·64	100

APPENDIX B.
FEDERAL FINANCE.

STATEMENT for the Year 1898-9, showing the State Revenues and State Forms of Expenditure which would remain undisturbed by Federal Transfer: also, showing for the same year the amount of shortage which would require to be made good by the creation and proper distribution of a Federal Surplus as compensation for loss caused by Federal transfer.

State.	Revenue.	Expenditure.	Shortage.*	Per cent. *	Per cent., Revenue.
	£	£	£	%	%
New South Wales.....	7,358,021	8,562,117	1,204,096	20·82	16·37
Victoria	4,584,475	6,205,295	1,620,820	28·03	35·35
Queensland	2,194,087	3,294,918	1,100,831	19·03	50·14
South Australia.....	1,770,066	2,463,944	693,878	11·99	39·20
West Australia	1,414,120	2,238,715	824,595	14·26	58·30
Tasmania	395,528	735,364	339,836	5·87	85·92
Six Colonies.....	17,716,297	23,500,353	5,784,056	100·00	32·64

NOTE.—The proportions for each State only vary to a very slight extent in different years. In every year these shortage proportions show not the slightest correspondence with the State proportions, relating to Population or to relative Revenue-yielding power.

* Exclusive of New Federal Expenditure and its slight modification of proportions given.

R. M. JOHNSTON,
Government Statistician, Tasmania.

APPENDIX C.

SIX COLONIES OF AUSTRALASIA—GROSS AND NET REVENUE, 1898-9.

Relative.

	Per Head.							
	N. S. Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Six Colonies.	
<i>Taxation.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	
Customs	19 4	32 8	52 3	31 5	100 5	46 7	34 2	
Excise	4 9	5 4	5 8	2 0	2 9	2 5	4 7	
Income Tax	2 8	3 1	..	4 7	..	2 7	2 7	
Land Tax	4 1	1 10	..	4 6	..	4 5	2 8	
Other Taxes	7 2	8 9	9 5	6 7	7 10	6 0	7 11	
<i>Total Taxation</i>	38 0	51 8	67 4	49 1	111 0	62 0	51 11	
<i>Lands, Buildings, and Public Investments.</i>								
Land Sales	17 10	4 11	7 4	2 1	4 8	4 0	9 7	
Rentals	11 11	1 10	12 2	8 4	12 3	3 11	8 1	
Investments	0 3	3 0	6 3	1 8	0 8	0 11	2 1	
<i>Total Lands, Buildings, &c.</i>	30 0	9 9	25 9	12 1	17 7	8 10	19 9	
<i>Railways.</i>								
Gross Receipts	53 0	48 5	50 5	55 3	121 6	20 1	53 2	
Less Working Expenses	29 0	29 1	29 7	34 7	89 2	16 2	31 11	
<i>Net Receipts or Loss</i>	24 0	19 4	20 10	20 8	32 4	3 11	1 3	
<i>Post and Telegraphs.</i>								
Gross Receipts	11 6	9 6	11 0	14 2	23 5	9 9	11 7	
Less Working Expenses	10 4	8 10	12 8	11 7	28 2	8 5	11 1	
<i>Net Receipts or Loss</i>	1 2	0 8	-1 8	2 7	-4 9	1 4	0 6	
<i>Special Public Services</i>	5 0	0 7	..	5 11	1 5	2 3	2 9	
<i>Other Sources of Revenue</i>	7 5	5 7	3 6	8 7	20 0	1 2	6 9	
<i>Total</i>	{ Gross Revenue	144 11	125 6	158 0	145 1	294 11	104 1	145 11
	{ Net Revenue	105 7	87 7	115 9	98 11	177 7	79 6	103 0
<i>Total</i>	{ Gross Expenditure	144 7	119 6	154 5	151 7	302 1	95 2	143 11
	{ Net Expenditure	105 3	81 7	112 2	105 5	184 9	70 7	101 0
<i>Revenue</i>	{ Surplus	0 4	6 0	3 7	8 11	2 0
	{ Deficiency	6 6	7 2

Per cent. to Total Gross Revenue.

<i>Taxation.</i>							
Customs	13.37	25.99	33.07	21.67	34.06	44.79	23.41
Excise	3.25	4.28	3.59	1.38	.94	2.33	3.15
Income Tax	1.87	2.47	..	3.19	..	2.48	1.74
Land Tax	2.79	1.47	..	3.10	..	4.24	1.85
Other Taxes	4.96	6.96	5.97	4.51	2.64	5.73	5.43
<i>Total Taxation</i>	26.24	41.17	42.63	33.85	37.64	59.57	35.58
<i>Lands, Buildings, and Public Investments.</i>							
Land Sales	12.28	3.90	4.68	1.45	1.59	3.84	6.58
Rentals	8.24	1.45	7.69	5.75	4.17	3.75	5.55
Investments .....	.17	2.39	3.94	1.16	0.21	.91	1.44
<i>Total Lands Buildings, &c.</i>	20.69	7.74	16.31	8.36	5.97	8.50	13.57
<i>Railways.</i>							
Gross Receipts	36.59	38.54	31.90	38.07	41.18	19.29	36.43
Less Working Expenses .....	..	..	..	..	..	..	..
<i>Net Receipts or Loss</i> .....	..	..	..	..	..	..	..
<i>Post and Telegraphs</i>							
Gross Receipts	7.95	7.60	6.96	9.73	7.96	9.33	7.93
Less Working Expenses .....	..	..	..	..	..	..	..
<i>Net Receipts or Loss</i> .....	..	..	..	..	..	..	..
<i>Special Public Services</i>	3.45	4.48	..	4.08	0.48	2.21	1.89
<i>Other Sources of Revenue</i>	5.08	4.47	2.20	5.91	6.77	1.10	4.60
<i>Total</i>	{ Gross Revenue	100.0	100.00	100.00	100.00	100.00	100.00
	{ Net Revenue

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