1959.

COMMONWEALTH OF AUSTRALIA.

NATIONAL INCOME AND EXPENDITURE 1958-59.

PRESENTED BY THE RIGHT HONORABLE HAROLD HOLT, M.P., FOR THE INFORMATION OF HONORABLE MEMBERS ON THE OCCASION OF THE BUDGET 1959-60.

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

F.5905/59.

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NATIONAL INCOME AND EXPENDITURE 1958-59.

INTRODUCTION.

The estimates of national income and expenditure shown in this paper provide a measure of the total value of goods and services produced in Australia, and of the incomes and other payments associated with this production, during the eleven years 1948–49 to 1958–59. The estimates for 1958–59 in particular provide some of the statistical information needed for an appraisal of the economic conditions in which the Budget for 1959–60 has been prepared. The estimates in the body of the paper are in general for 1958–59 and the two preceding years. Estimates for the years 1948–49 to 1958–59 are shown in Appendix C. All figures are expressed in current money values.

The transactions of the public authority sector, covering the Commonwealth, State and local authorities and the semi-governmental instrumentalities, are of particular interest, and are set out in greater detail than the transactions of the other sectors. Recent trends are briefly discussed in Part III of the text.

The estimates have been prepared in the Commonwealth Bureau of Census and Statistics from a wide range of statistical information. Information is, of course, less comprehensive for the most recent years covered than for the earlier years, and for some items the 1958–59 estimates have been placed within brackets to indicate their tentative nature.

I. NATIONAL INCOME AND EXPENDITURE.

Estimates of the major components of national income and expenditure for each of the last three financial years are shown in the following table.

TABLE A.

National Income and Expenditure.

Income Payments and Other Charges.	1956–57.	1957–58.	1958–59.	Net Expenditure on Goods and Services.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.		£m.	£m.	£m.
Wages, salaries, &c.	2,828	2,919	3,046	Public authorities	1,013	1,052	1,131
Company income (a)	594	608	(630)	Financial enterprises	58	60	64
Surplus of public authority businesses	49	57	70	Gross private investment—			
Farm income	519	335	(408)	Fixed capital equipment	947	1,028	1,063
Other business income	518	528	(545)	Stocks (d)	42	28	78
Net rent and interest (b)	264	288	322	Personal consumption	3,508	3,773	(3,955)
National Income	4,772	4,735	5,021	Gross Domestic Expenditure	5,568	5,941	6,291
Indirect taxes *less* Subsidies	622	672	701	Export and other receipts for goods and services	1,098	929	931
Allowances for depreciation, &c. (c)	360	445	475				
Gross National Product	5,754	5,852	6,197				
Import and other payments for goods and services	912	1,018	1,025				
Total Market Supplies	6,666	6,870	7,222	Total Market Expenditure	6,666	6,870	7,222

(a) Excludes banks. (b) Includes the imputed net rental value of owner-occupied dwellings. (c) Includes amounts allowed for income tax purposes. (d) Change in value during year.

In 1958–59 gross domestic expenditure and gross national product both rose by approximately 6 per cent., expenditure by £350,000,000 and product by £345,000,000. This is in marked contrast to the previous year when gross domestic expenditure rose by £373,000,000 and gross national product by only £98,000,000. In 1957–58 there had been a large rise in external payments and a large fall in external receipts, but in 1958–59 changes in these items were comparatively small.

Most classes of domestic expenditure increased in 1958–59, expenditure of public authorities by 8 per cent., private expenditure on fixed capital equipment by 3 per cent., and on personal consumption by 5 per cent. An exception to this rising trend of expenditure was investment in non-farm stocks. Compared with an increase of £70,000,000 in the value of non-farm stocks in 1957–58, it is estimated that there was an increase of only £20,000,000 in 1958–59. The value of farm stocks on the other hand increased substantially, after falling in 1957–58, and in total the value of stocks increased by £78,000,000 in 1958–59, compared with an increase of £28,000,000 in 1957–58.

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The increase of 6 per cent. in the value of gross national product in 1958–59 compares with an increase of 2 per cent. in 1957–58. The main factor responsible for the difference between the two years was farm income, which increased by £73,000,000 or 22 per cent. in 1958–59, after having fallen substantially in 1957–58. Company income and incomes of unincorporated businesses other than farms are estimated to have risen by 3 to 4 per cent. in 1958–59. These increases are little different from the increases in 1957–58, but in that year considerably increased rates of depreciation, which are reflected in these estimates, were introduced under income tax law. Wages and salaries increased by 4 per cent., somewhat more than in 1957–58, though less than in other recent years.

(*a*) The Components of Gross Domestic Expenditure.

In 1958–59 expenditure on personal consumption accounted for about 63 per cent. of total domestic expenditure, expenditure by public authorities about 18 per cent., and private expenditure on fixed capital equipment about 17 per cent. These percentages were all approximately the same in the previous two years.

Personal Consumption Expenditure.

The increase of £182,000,000, or 5 per cent., in personal consumption expenditure estimated for 1958–59 compares with an increase of 8 per cent. estimated for the previous year. However, the estimate of consumption expenditure includes a balancing item, included in "all other" in the table below, and it is possible that the figures given may exaggerate the difference between the rates of increase in 1957–58 and 1958–59. For the latter year in particular, revisions to the estimates as fuller information becomes available may be substantial.

TABLE B.

Expenditure on Personal Consumption.

—	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.
Food	925	970	1,015
Tobacco, cigarettes, beer, &c.	398	414	418
Clothing, footwear, drapery, &c.	442	458	(470)
Gross rent of dwellings—			
Owner-occupied (imputed rental value)	203	227	255
Other (estimated actual rent paid)	90	95	101
Hardware, electrical goods, furniture, &c.	354	386	(415)
Gas and electricity	77	83	90
Payments to domestic servants	19	19	20
Fares	97	97	99
Foreign travel	22	28	29
All other	881	996	(1043)
Total	3,508	3,773	(3,955)

Expenditure on food is estimated to have increased by nearly 5 per cent. in 1958–59, an increase similar to that of 1957–58. When allowance is made for an increase of nearly 2 per cent. in food prices, and of nearly 2½ per cent. in population, it would appear that approximate stability of food consumption per head continued in 1958–59.

Expenditure on tobacco, cigarettes, beer, &c. increased by 1 per cent. in 1958–59 compared with an increase of 4 per cent. in 1957–58. The increase in 1958–59 was entirely due to increased expenditure on tobacco and cigarettes. Consumption of tobacco and cigarettes has increased continuously in recent years and in 1958–59 was some 3 per cent. higher than in 1957–58. Expenditure on beer is estimated to have fallen slightly in 1958–59. In the last four years total consumption of beer has shown small fluctuations, after increasing by about 5 to 6 per cent. per annum in earlier years.

Total expenditure on clothing, footwear and drapery is estimated to have increased less in 1958–59 than in 1957–58. For many important items of clothing, production increased less in 1958–59 than in 1957–58, and in some cases decreased. The increase in average retail prices of clothing was about 1 per cent. in 1958–59, compared with 3 per cent. in 1957–58. Expenditure on hardware, electrical goods and furniture increased by 9 per cent. in 1957–58 and in this group a further large increase is estimated for 1958–59.

Expenditure by persons on gas and electricity is estimated to have increased by about 8 per cent. in 1958–59, representing in the main a continuing increase in the quantities purchased.

The continued rapid increase in the imputed rent of owner-occupied dwellings and the very much smaller increase in the rent of tenanted dwellings reflects the continuing trend towards ownership as the main type of occupancy. Approximately half the houses built by State housing authorities under the 1956 Commonwealth State housing agreement have been sold, in addition to some of the houses built under the earlier agreement. Rental receipts by housing authorities increased by £2,500,000 in 1955–56 but the increase was only about £1,000,000 in 1957–58 and 1958–59. The increase of £28,000,000 in imputed rent in 1958–59 thus represents the rental value of nearly all the new dwellings constructed, worth over £200,000,000 in each of the last two years, and the value of previously-tenanted houses sold by private owners or State housing authorities.

Expenditure by Public Authorities.

Net expenditure by public authorities on goods and services increased by 8 per cent in 1958–59, compared with 4 per cent. in 1957–58. Increases occurred in most of the more important categories shown in table C. The figures relate to expenditure by all public authorities and include expenditure from revenue, loan and other funds.

TABLE C.

Net Expenditure by Public Authorities on Goods and Services.

—	1956–57	1957–58	1958–59.
	£m.	£m.	£m.
War and defence	183	172	182
Public works (less dwelling construction)	439	465	503
Law, order and public safety	35	39	42
Education	94	103	111
Cultural and recreational facilities	18	18	20
Health, welfare, &c.	72	78	84
Repatriation	15	16	16
Immigration	10	11	12
Development and conservation of national resources	35	39	42
Civil aviation	9	9	10
Other	84	91	96
Total of above	994	1,041	1,118
Increase in stocks	−2	−6	−4
Dwelling construction (for rental only)	21	17	17
Total purchases of goods and services	1,013	1,052	1,131

Exceptions to the rising trend in expenditure were repatriation and dwelling construction, on which expenditures were approximately the same as in 1957–58. In the case of dwelling construction the lower level in recent years reflects the policy of State housing authorities towards building houses for immediate sale rather than for rental.

Expenditures on education and on health, welfare &c. both increased by about 8 per cent. in 1958–59, about the same rate as in the previous year. Together with the building of schools and hospitals, these two functions accounted for approximately 22 per cent. of all public authority expenditure on goods and services. Other public works, expenditure on which increased by 8 per cent. in 1958–59, accounted for a further 42 per cent. of the total. The following table shows that these percentages have varied considerably over the last eleven years, but that in recent years the proportion of total expenditure devoted to education and health has been increasing.

TABLE D.

Net Expenditure by Public Authorities on Goods and Services—Percentage in Main Categories.

—	1948–49.	1951–52.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
War and defence	12.5	19.6	19.4	19.1	18.1	16.4	16.1
Education (including school buildings)	9.1	7.4	10.4	10.7	11.4	12.3	12.3
Health, welfare, &c. (including hospital buildings)	8.2	6.6	8.3	8.3	9.1	9.2	9.3
Other public works	41.5	44.2	43.1	41.1	41.3	41.5	41.5
Other	28.7	22.2	18.8	20.8	20.1	20.6	20.8
Total	100	100	100	100	100	100	100

Gross Private Investment.

The increase in gross private expenditure on fixed capital equipment in 1958–59 was less proportionally than in other avenues of expenditure and less than in the previous year.

TABLE E.

GROSS PRIVATE EXPENDITURE ON FIXED CAPITAL EQUIPMENT.

—	1956-57.	1957-58.	1958-59.
	£m.	£m.	£m.
Dwelling construction	195	224	248
Other new building and construction	173	168	157
Trucks, utilities, &c.	77	81	85
Station wagons	4	15	31
Motor cars and cycles	176	190	180
Other capital equipment	322	350	362
Total	947	1,028	1,063

Apart from station wagons, the largest proportional increase in the items shown in the above table was in expenditure on new dwelling construction. This was 11 per cent. higher than in 1957-58 and 27 per cent. higher than in 1956-57. These figures include the cost of dwellings built for immediate sale by State housing authorities. In the five years to 1955-56 rental construction by these authorities averaged £35,000,000 per annum. This had fallen to £17,000,000 in 1957-58 and 1958-59, but sales of newly built houses rose from £5,000,000 in 1955-56 to £19,000,000 in 1957-58 and were about the same in 1958-59. Moreover, a substantial expansion has been taking place in total dwelling construction. In 1957-58 the number of dwellings commenced increased by 6 per cent. and the value by 9 per cent. In the first three quarters of 1958-59 there was a further increase of 13 per cent. in numbers and 12 per cent. in value compared with the corresponding period of 1957-58.

In 1958-59 there was a fall of 7 per cent. in estimated private expenditure on new building and construction other than dwellings, following a fall of 3 per cent. in 1957-58. The fall occurred mainly in non-manufacturing industries. Total non-residential building and construction activity was sustained by increased governmental expenditure.

The increase of 3 per cent. in expenditure on other capital equipment in 1958-59 includes an increase in sales of farm machinery and equipment, and increased expenditure by manufacturing and trading groups. In manufacturing the increase was mainly in the engineering and vehicle building industries.

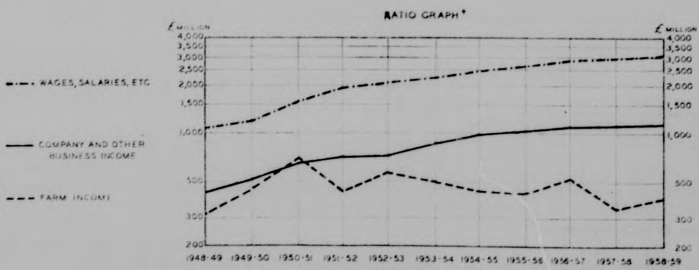
The figures for motor vehicles in the table include vehicles for private use, which are estimated to account for approximately 70 per cent. of the expenditure on new cars. In 1958-59 nearly the whole of the increased expenditure on motor vehicles was on station wagons, and these also may be assumed to be in large part for private use. The increase of £16,000,000 in the value of station wagons reflected in the main an increase in the number of vehicles bought—from 12,300 in 1957-58 to about 25,500 in 1958-59. About half the fall of £10,000,000 in the value of cars resulted from a fall in the number bought—from 154,100 in 1957-58 to 150,000 in 1958-59. The remainder was due to reductions in prices.

In total, the increase in the value of stocks was higher in 1958-59 than in 1957-58. This resulted in the main from an increase of £58,000,000 in farm stocks, compared with a fall in 1957-58 following the poor grain crops in that year. Non-farm stocks are estimated to have increased slightly in value in 1958-59. In 1957-58 the value of stocks held by manufacturers is estimated to have increased by approximately £30,000,000, or 3 per cent., and the value of those held by retailers to have increased by about £25,000,000, or 7 per cent. In 1958-59 it is estimated that there was a smaller increase in the value of stocks held by manufacturers and a small decrease in the value of stocks held by traders.

(b) THE COMPONENTS OF NATIONAL INCOME.

Over recent years the value of gross national product and most components of it have been rising continuously. Variations in the rate of increase in the value of gross national product have been closely associated with fluctuations in farm income.

PRINCIPAL COMPONENTS OF NATIONAL INCOME



* Rises and falls indicate rates of increase or decrease. Actual amounts are indicated on the scale.

Farm Income.

As shown in the following table, fluctuations in farm income have resulted in the main from changes in the gross value of production.

TABLE F.

FARM INCOME AND INCOME OF FARMERS.

—	1956-57.	1957-58.	1958-59.
	£m.	£m.	£m.
Gross value of production—			
Wool (including skin wool)	509	363	312
Other pastoral products	170	182	222
Wheat	91	67	151
Other grain crops	48	45	68
Other crops	213	228	223
Farmyard and dairy (including pigs and dairy cattle)	246	243	256
Total	1,277	1,128	(1,232)
Less Wages, depreciation and other costs	−730	−774	(−805)
Less Income accruing to companies	−28	−19	−19
Farm income	519	335	(408)
Less Net increase in assets held by marketing authorities	−5	24	−9
Income of farmers	514	359	(399)

The value of wool production in 1958-59 was 14 per cent. less than in 1957-58, despite the increase of 10 per cent. in the quantity of wool produced. At 1,577,000,000 lb., production exceeded the previous record level achieved in 1956-57. Although prices showed some recovery in the latter part of the year, the average auction price of 48.7 pence per lb. was 22 per cent. less than the average for 1957-58.

After the poor season for wheat and other grain crops in 1957-58, there was a very favourable season in 1958-59 and production was at record or near record levels. Prices were not greatly changed and the value of production of these crops was higher than in any other year since 1952-53. Higher export prices for butter and meat, and the opportunity to sell substantially greater quantities of meat both in the United Kingdom and the U.S.A. also contributed to the increase in the value of farm production in 1958-59.

In total the gross value of farm production increased by 9 per cent. in 1958-59. Farm income increased by 22 per cent., but was lower than in other recent years. The activities of marketing authorities result in differences in time between the delivery of products by farmers and their actual receipt of income for them. In 1957-58 there was a net decrease in assets held by marketing authorities and in 1958-59 a net increase. The increase in the income of farmers is therefore estimated to have been only about half as great as the increase in farm income.

Wages, Salaries and Supplements.

Wages, salaries and supplements thereto increased by about 4 per cent. in 1958-59. This was due mainly to an increase of 3 per cent. in average earnings per employee, approximately the same increase as occurred in 1957-58. Employment in terms of male units was about 1 per cent. higher on average in 1958-59. The principal increases were in the manufacturing, and the professional and personal services groups.

Other Income.

Little definite information is at present available regarding changes in other forms of income in 1958-59, and increases of 3 to 4 per cent. have been assumed for both company income and income of unincorporated businesses other than farms.

Net rental value of dwellings increased by about 10 per cent., reflecting in the main the net rental value of new dwellings. Other net rent and interest also continued to rise, in part as a result of a slightly higher average level of business indebtedness to the banks and the continued heavy new borrowing by companies by way of debentures, registered notes and deposits.

II. BALANCE OF INTERNATIONAL PAYMENTS.

On an annual basis, Australia's international transactions on current account showed comparatively small changes between 1957–58 and 1958–59. The value of exports (including gold production) was £2,000,000 lower and the value of imports was £3,000,000 higher. After "invisible" items had been taken into account, the net deficit on current account increased by £10,000,000.

TABLE G.

BALANCE OF INTERNATIONAL PAYMENTS ON CURRENT ACCOUNT.

Payments to Rest of World.	1956–57.	1957–58.	1958–59.	Receipts from Rest of World.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.		£m.	£m.	£m.
Imports f.o.b.	718	790	793	Exports f.o.b. and gold production ..	994	828	826
Foreign travel	22	28	29	Foreign travel	9	8	8
Government transactions	28	38	43	Government transactions	16	14	14
Other payments for goods and services ..	144	162	160	Other receipts for goods and services ..	79	79	83
Public authority oversea gifts, relief, &c. ..	4	5	5	Other net rent, interest, &c.	13	20	12
Private remittances	27	26	24	Private remittances	22	25	26
Public authority interest	23	22	25	Deficit on current account	−90	177	187
Net dividends and remitted profits ..	36	46	43				
Net undistributed profits	41	34	34				
Total	1,043	1,151	1,156	Total	1,043	1,151	1,156

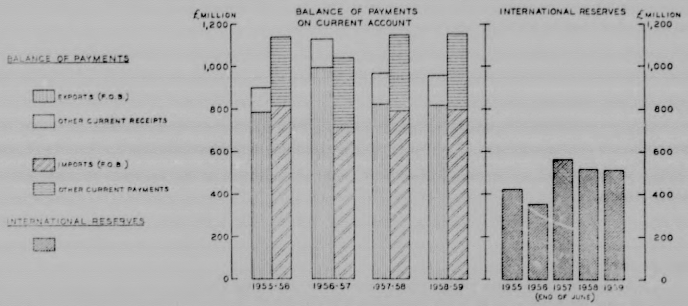
Exports and Gold Production.

Poor grain crops and lower wool production in 1957–58, combined with an almost continuous decline in wool prices from May, 1957 to February, 1959, led to a substantial decrease in the value of exports during 1957–58. In the second half of that year the value of exports was £92,000,000 less than in the first half of the year and £171,000,000 less than in the corresponding period of 1956–57.

Exports in the first half of 1958–59 increased slightly in value but were £71,000,000, or 16 per cent., less than in the first half of 1957–58. On balance this can be attributed entirely to lower prices since the index of the value of exports at constant prices was unchanged between these two periods. Increased grain crops and wool clip, and improved markets for a number of commodities—notably meat, dairy products, and wool—resulted in a large increase in exports in the second half of 1958–59.

For the year 1958–59 as a whole the index of export prices was approximately 12 per cent. lower than in 1957–58, and the index of the value of exports at constant prices about 13 per cent. higher. This latter index was still somewhat lower than the level reached in 1956–57, when exports were a record both in value and volume.

BALANCE OF PAYMENTS AND INTERNATIONAL RESERVES



Imports.

Imports continued to be licensed throughout the year within a limit of approximately £800,000,000. In total, actual imports were £793,000,000, slightly higher than in 1957–58. There was a substantial fall in the value of imports of yarns and piecegoods and a rise in the value of aircraft and motor vehicles, but other changes were comparatively small. In total there was little change compared with 1957–58 in either the index of import prices or the value of imports at constant prices.

Other Transactions.

Changes in the invisible items in the balance of payments were also small in 1958–59 and there was a change of only £5,000,000 in the net balance on invisible transactions. Freight payments overseas were lower because of a continuing low level of tanker and tramp freight rates, but government net expenditure overseas was higher because of increased defence expenditure overseas. Payments of interest by public authorities were higher, but other payments of investment income were lower. Receipts of investment income were also lower than in 1957–58.

III. RECEIPTS AND OUTLAY OF PUBLIC AUTHORITIES.

Table H shows the receipts and outlay of public authorities. The table covers the transactions of the Commonwealth and State governments and local and semi-governmental bodies. Separate details for the Commonwealth authorities and for the State and local government authorities are given in Appendix C (Tables VIII and IX).

TABLE H.

RECEIPTS AND OUTLAY OF PUBLIC AUTHORITIES.

Receipts.	1956–57.	1957–58.	1958–59.	Outlay.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.		£m.	£m.	£m.
Taxation	1,281	1,364	1,351	Net purchases of goods and services ..	1,013	1,052	1,131
Surplus of public authority business undertakings (*a*)	49	57	70	Overseas gifts, relief, &c.	4	5	5
Allowances for depreciation	25	31	36	Cash social service benefits	286	316	349
Rent and interest received	54	61	62	Capital transfers	3	3	4
Net increase in indebtedness	36	9	126	Interest paid	139	146	156
Total Receipts	1,445	1,522	1,645	Total	1,445	1,522	1,645

(*a*) Before deducting debt charges and interest.

Whereas public authority expenditure on goods and services increased by £79,000,000 between 1957–58 and 1958–59, and expenditure on cash social service benefits by £33,000,000, receipts from taxation decreased by £13,000,000. The net indebtedness of all public authorities therefore increased by £126,000,000 in 1958–59 compared with an increase of £9,000,000 in 1957–58. As shown in Table XI of Appendix C, the larger increase in indebtedness in 1958–59 was mainly financed by increased net sales of Commonwealth bonds in Australia, by an increase in the Treasury Bill issue and by increased governmental borrowing abroad.

Taxation.

Approximately 90 per cent. of government revenue comes from taxation, about half of it from indirect taxes and half from income taxes and estate duties. In 1958–59 receipts from income taxes on persons were £46,000,000 less than in 1957–58, but most other forms of taxation yielded increased receipts.

TABLE I.

SOURCES OF TAXATION REVENUE.

—	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.
Sales taxes	126	137	144
Customs duties	69	72	72
Excise duties	217	233	237
Local government rates and land taxes	80	89	95
Motor vehicle taxes	34	38	42
All other indirect taxes	115	124	132
Less Subsidies	−19	−21	−21
Net indirect taxes	622	672	701
Income taxes on companies	216	215	220
Income taxes on persons	404	435	389
Estate and gift duties	39	42	41
Total	1,281	1,364	1,351

The decrease in collections of income tax from individuals in 1958–59 was due mainly to lower farm incomes in 1957–58 and to higher rates of depreciation which were applied in the 1957–58 income year. In respect of companies, the effects of increased depreciation allowances were offset by the rise in company incomes and higher collections from arrears of assessments.

Collections of customs duties were the same as in 1957–58, but collections of excise duties and sales taxes increased. The stability of customs duties reflects the stability of imports, and the smallness of the increase in excise duties results from a slight fall in the consumption of beer (the largest item), partly offsetting increased collections from duties on cigarettes and petrol. The increase in sales tax collections can be largely attributed to a general increase in sales of taxable goods. In particular, sales of passenger vehicles, including station wagons, and television sets (which bear tax at 30 per cent. and 25 per cent., respectively) again increased in 1958–59.

There were some changes in State taxation in the 1958–59 State budgets. In particular, Victoria introduced increases in rates of various taxes designed to yield about £2,000,000 and small changes were made in New South Wales, Queensland and Western Australia. However, the increase of £10,000,000 in State and local government taxation receipts was due mainly to normal growth in yields in response to the growth of the economy.

Cash Social Service Benefits.

The 1958–59 Commonwealth Budget provided for some increases in repatriation pensions and for some adjustments in respect of age, invalid and widows' pensions. An increase of £8,000,000 in expenditure on age and invalid pensions and of £9,000,000 in child endowment were the main items in the rise in cash social service benefits. The increase in child endowment payments resulted mainly from the occurrence of five 12-weekly pay-days. Payments of medical, hospital and pharmaceutical benefits were together £10,000,000 higher.

Public Works.

Expenditure on public works has in recent years accounted for about 45 per cent. of public authority expenditure on goods and services and over 30 per cent. of total outlay by public authorities as here defined.

TABLE J.

EXPENDITURE ON PUBLIC WORKS.

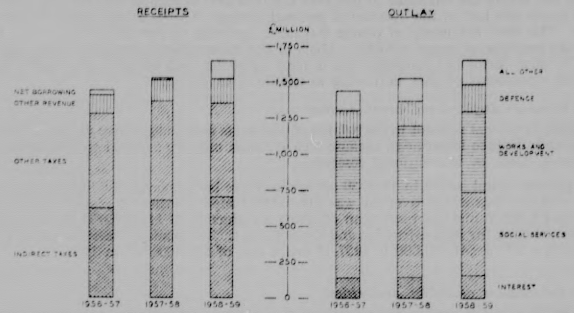
—	1955–56.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.	£m.
Post Office	28	30	34	36
Railways	38	36	34	34
Roads	86	97	108	(a)
Other transport	25	27	29	37
Fuel and power	103	105	109	118
Water supply and sewerage	34	38	42	46
Irrigation	19	18	17	16
Forestry, land development, &c.	13	13	12	11
Schools, &c.	20	22	26	29
Hospitals	17	20	19	21
All other	28	33	35	(155) (b)
Total of above	411	439	465	503
Dwelling construction	37	33	36	36
Less Cost of houses built for sale	−5	−12	−19	−19
Total	443	460	482	520

(a) Included in all other. (b) Includes expenditure on roads.

In the years shown in the table, between 50 and 60 per cent. of public works expenditure has been capital expenditure on account of public authority business undertakings. This amounted to nearly £270,000,000 in 1957–58 and to nearly £290,000,000 in 1958–59. The largest single item was expenditure by fuel and power undertakings, which again rose substantially in 1958–59. Expenditure by water supply and sewerage undertakings has increased by about 10 per cent. per annum in recent years.

The most important group apart from business undertakings is expenditure on roads, which here includes expenditure on maintenance as well as new construction. Over the past ten years it has increased four-fold and is now of about the same magnitude as expenditure by fuel and power undertakings. Expenditure on school buildings has also been increasing rapidly.

RECEIPTS AND OUTLAY OF PUBLIC AUTHORITIES



IV. SAVINGS AND INVESTMENT.

In Part I it was pointed out that gross private expenditure on fixed capital equipment increased by about £35,000,000 in 1958–59, and that the net increase in the value of stocks was about £50,000,000 more than in 1957–58. The following table summarises the funds available for financing private investment.

TABLE K.

FUNDS AVAILABLE TO FINANCE PRIVATE INVESTMENT.

—	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.
Undistributed company profits	188	190	(201)
Increase in assets of marketing authorities	5	−24	9
Increase in assurance funds	107	118	129
Other personal savings	477	187	(298)
Allowances for depreciation	335	414	439
Public authority capital transfers	3	3	4
Deficit on balance of international payments—			
Financed by changes in international reserves	−212	41	10
Other	122	136	177
Less Net increase in indebtedness of public authorities	−36	−9	−126
	989	1,056	1,141

Undistributed Profits and Allowances for Depreciation.

These two items comprise a large part of the total funds available to businesses for financing investment. Allowances for depreciation, which are estimated in general on the basis of the amounts allowed for taxation purposes, have been increasing rapidly in recent years. The increase of 24 per cent. in 1957–58 reflects the first impact of the increased rates allowed on plant which is depreciated on the reducing balance basis. The increase in 1958–59 represents normal growth associated with the increasing value of plant and machinery used by industry. In total, undistributed profits and allowances for depreciation increased by 2 per cent. in 1956–57, by 15 per cent. in 1957–58, and by 6 per cent. in 1958–59.

Personal Savings.

Personal savings through assurance funds have been increasing steadily. Other personal savings (estimated as a balancing item) has been one of the most variable sources of funds. The larger fluctuations have been associated with fluctuations in farm income and a rise of £111,000,000 in this item in 1958–59 has been estimated following a fall of £290,000,000 in 1957–58. The major part of these changes is reflected in changes in the deposits and advances of the trading banks and savings banks.

It should be noted that the estimates in this paper include in investment expenditure purchases of motor vehicles for personal use, so that an equivalent amount is included in personal savings. Purchases of this nature are estimated at just over £140,000,000 in each of the last two years and thus account for nearly one half of the estimate of personal savings in 1958–59 and about 80 per cent. of it in 1957–58. This does not imply of course that these amounts of personal savings have been spent directly on the purchase of motor vehicles. Much of the expenditure is financed under hire purchase agreements or other forms of borrowing, and in these estimates such borrowing is treated as an offset to saving and repayments of past borrowing as additions to saving.

Balance of Payments Deficit on Current Account.

A deficit on current account in the balance of payments is included above as one of the sources of funds available to finance investment, because such a deficit must be financed by borrowing abroad or by the running down of international reserves.

Net private capital inflow in 1958–59 appears to have been appreciably higher than in 1957–58. Net public authority borrowing overseas was £19,000,000 higher, increased receipts from loans in the New York and London markets more than offsetting a reduction of £11,000,000 in net drawings from the International Bank for Reconstruction and Development. International reserves fell by £10,000,000, compared with a fall of £41,000,000 in 1957–58 and a rise of £212,000,000 in 1956–57.

Increase in Indebtedness of Public Authorities.

The public authority sector is a net borrower of funds. This net borrowing represents a use of funds available for investment and is shown in the table above as a reduction in the funds available for private investment. In 1957–58 the amount of this net borrowing by public authorities was small, but in 1958–59 the fall in revenue and the continuing increase in expenditure increased the net borrowing by £117,000,000. This was financed in part by the increased borrowing overseas described above.

APPENDIX A.

GENERAL NOTES.

1. Definitions of Main Aggregates.

The estimates in the accompanying text and in the tables in Appendix C show the total income, production and expenditure in the Australian economy and the main component items in these totals.

National Income may be defined as the sum of incomes received by factors of production in a given period in return for their contribution to productive activity. Because these incomes arise from productive activity, national income can also be defined as equal to the net value of goods and services produced in the economy during the period. Receipts from the sale of existing assets (real or financial), and receipts which are gifts, or which represent transfers of income, such as cash social service benefits, are excluded. The income arising from productive activity is divided into wages and salaries and the income of enterprises. (*See also* note to item 6 in Appendix D.)

The returns to factors of production are measured largely as the actual amounts received. Some income not actually received in money is imputed and added to cash receipts in order to ensure the comparability of the national income from year to year. To net dwelling rent received is added a rent income imputed to owner-occupiers of dwellings. Income in kind (e.g., of farmers, domestic servants, &c.) is also included. No return is imputed to publicly owned assets such as roads, schools, hospitals, &c., for the use of which specific charges are not made.

Resident National Income.—National income as defined in this paper represents the returns to factors of production which are normally located in Australia. (This is taken to include persons temporarily resident abroad, such as official representatives, servicemen, &c.) Some part of national income accrues in the form of property income to oversea residents, and the total income of Australian residents includes some property income from overseas which is not part of national income. The net income accruing to Australian residents is described as resident national income. In this respect Australian practice varies from the practice of most oversea countries which usually include net income from abroad within their definition of national income.

Personal Income is the total income, whether in cash or kind, received by persons normally resident in Australia. It includes both income received in return for productive activity (such as wages, incomes of unincorporated businesses, &c.) and transfer incomes (such as cash social service benefits, interest, &c.). Personal income also includes any property income received by non-taxable organizations such as private schools, churches, charitable organizations, &c.

Gross National Product is the total market value of goods and services produced in Australia after deducting the cost of goods and services (other than capital equipment) used in the process of production. Allowances for depreciation and indirect taxes, both of which are included in the market value of goods and services produced but which do not contribute income to factors of production, are included in gross national product which thus exceeds national income by the sum of these two items.

National income is measured after providing for depreciation. The amount deducted from the gross income of private trading enterprises in estimating net income (or net value of production) is based on the allowances made in assessing income for taxation purposes and includes special allowances where applicable. The surplus of public authority business undertakings excludes depreciation where it is charged against the income of these businesses. These allowances, however, cannot be taken as a measure of the true economic cost of maintaining intact the real capital used in producing income.

Total Market Supplies and Market Expenditure.—Adding the value of goods and services obtained from the rest of the world to the value of gross national product gives the aggregate defined as total market supplies. This aggregate can be looked at from an alternative point of view and classified according to the purposes for which the supplies are bought. Looked at in this way the aggregate is called total market expenditure.

Gross Domestic Expenditure.—A part of the available market supplies is exported. The remainder is equivalent to gross domestic expenditure which is the total market value of all goods and services retained for use within the Australian economy. These goods and services are bought for current use by persons (personal consumption); for replacing or adding to stocks and capital equipment (gross private investment); for meeting the administrative expenses of banks (expenditure of financial enterprises); and for meeting current requirements of governments and replacing or adding to the stock of publicly owned assets. Specific notes on each of these will be found in Appendix D. (*See* notes to items 9, 20, 21 and 23.)

Table VII. in Appendix C sets out the relationship between all the aggregates described above.

2. Definitions of Sectors.

The component items of national income and expenditure, together with the transfer payments received and paid, can be used to provide a statement of the transactions between the major sectors of the economy. This facilitates the analysis of the economic activities of producers, financial enterprises, governments and consumers, and the effect on the community of transactions with the rest of the world. Five sectors are distinguished—trading enterprises, financial enterprises, public authorities, persons and the rest of the world. In addition a Private Investment Account shows the composition of, and sources of finance for, gross private investment. Appendix C gives the details of the accounts for all these sectors.

Trading Enterprises is used in the broadest sense and includes those engaged in farming, mining, manufacturing, construction, transport, retail and wholesale trade, fire and general insurance, entertainment and professional and other services. These enterprises include those organized as companies, government business undertakings, partnerships or sole traders. The transactions (actual or implicit) of all owners of dwellings, whether they let the dwellings or themselves occupy them, are also included.

Almost all of the productive activities in the economy are carried out by trading enterprises, and the entries in the account for this sector (Table IIa. in Appendix C) therefore cover the bulk of national income. The trading enterprises produce goods and services which are sold to the capital account (as investment goods), to the personal sector (part of consumption expenditure), to overseas (net exports), and to public authorities and financial enterprises (part of total expenditure by public authorities and financial enterprises). The remaining items of national income comprise payments of wages and salaries by public authorities and financial enterprises, and these amounts are shown as payments in the accounts of the respective sectors. The receipts in the trading enterprises sector are net sales to other sectors. Purchases of goods and services which are used up in production in the same period are current transactions between individual enterprises and are therefore omitted from the consolidated accounts of the sector.

The Financial Enterprises Sector consists of banks (including the central bank, note issue and savings banks), mutual life assurance offices, public and private superannuation and provident funds, and public authority agencies and building societies engaged in home mortgage lending. These enterprises provide the financial mechanism necessary for the functioning of the economy, as distinct from trading enterprises which are directly engaged in the production and distribution of goods and services.

The wages and other administrative expenses of the banks are not fully covered by charges (sales) to other sectors but are met partly out of their income from interest, rent and dividends. This raises difficulties in connexion with the definition of the output of financial enterprises. In these tables the amount by which the administrative expenses of the banks exceed their charges to customers is treated in Table I. of Appendix C, and in Table A in the text, as a final use of goods and services, in the same way as the expenditure of public authorities. The remainder of the administrative expenditure of financial enterprises is already included under other expenditure heads in these tables. Expenses of mutual life offices, pension funds, &c., are included in sales to consumers. Bank charges are included in net sales to public authorities, to consumers, for private investment, and to the rest of the world according to the nature of the goods and services in the costs of which these charges are included.

The profits of banks are not included in company income in Table I. (or Table A) on the ground that bank profits are derived from their interest receipts which are included in the estimates of net rent and interest in these tables.

The Public Authority Sector records the receipts and outlay of Commonwealth, State, local and semi-governmental bodies. The transactions of all funds operated by these bodies are included, other than those relating to banks, life assurance offices and superannuation funds. In the case of government enterprises, working expenses (including depreciation allowances, where provided, but excluding interest and sinking fund contributions) are deducted from revenue to give the surplus of business undertakings. This amount is shown among the receipts of public authorities. The other receipts and outlay of government enterprises (such as allowances for depreciation, interest paid and capital expenditure) are included in the accounts of the sector on a gross basis. Expenditure on goods and services is shown on a net basis, miscellaneous fees for goods and services and proceeds of sales of goods being deducted from gross expenditure. For these reasons the figures are not directly comparable with other published figures.

Table III. in Appendix C gives the consolidated account for the whole of the public authority sector. In Tables VIII. and IX. separate details are given for the Commonwealth Government (including Commonwealth instrumentalities) and other governments respectively. The general pattern of receipts and outlay of the Australian Capital Territory and the Northern Territory is similar to that of the State and local governments rather than that of the central Commonwealth Government, and for this reason the receipts and outlay of these territories are grouped with those of State and local governments in Table IX. A single item appears in Commonwealth expenditure for " Net expenditure on A.C.T. and N.T."

The item government expenditure on public works includes some expenditure for the maintenance of publicly owned assets which, with available data, could not be separated from the expenditure on the purchase or construction of new assets. This item is therefore included in the single table of receipts and outlay rather than in a separate capital account table. A dissection according to function is shown in Table X. Table XI. shows details of the financing of the net increase in indebtedness of all public authorities.

The Personal Sector shows the transactions of all persons in the community in their capacity as income recipients, consumers and savers. The concept of personal income has been dealt with already and the outlay items are defined in detail in Appendix D.

Some, but not all, of the transactions by private non-profit-making bodies are included in the personal sector. The wages and salaries paid by these bodies are included in the wages and salaries paid by the trading enterprise sector, and hence the purchases by the personal sector from the trading enterprises covers total operating expenditure by non-profit-making bodies. On the other hand, transfer income such as rent, interest and dividends received by those bodies which are not taxable (such as schools, churches and charitable organizations) is shown as being received by persons.

The Rest of the World Sector is covered by Table V. (Balance of International Payments). Table V. brings together all Australian international transactions on current account. They are transactions with persons, enterprises, governments or international bodies in the rest of the world. Purchases of goods and services from the rest of the world are part of Australia's market supplies; sales to the rest of the world are part of market expenditure (shown in Table I.). Income items, including interest, profits and dividends, constitute the second main group of transactions; net income payable abroad, as explained above, constitutes the difference between national income and resident national income (shown in Table VII.). The third group of current transactions consists of gifts and transfers. The surplus or deficit on current account constitutes Australian net lending to (or borrowing from) the rest of the world. It is balanced by capital movements—movements in Australia's liabilities to the rest of the world or in Australia's overseas assets. Further details for this sector are available in publications of the Bureau of Census and Statistics.

The Private Investment Account (Table VI. in Appendix C) records expenditure on gross private investment and the sources of funds for financing such investment. The funds available for private capital investment consist of personal savings, institutional savings and depreciation allowances, capital transfers from public authorities and net borrowings from overseas, but less the net increase in indebtedness of public authorities. Institutional savings comprise all private income not distributed to persons (except company income used to pay company tax) and consist of undistributed profits of companies, savings of marketing authorities and savings through assurance funds. All the financial transactions between sectors are consolidated in this account, and hence it is not possible to trace, through the entries in the sector accounts, the effect of changing levels of savings by sectors on the amounts of investment expenditure. Investment means the purchase of goods and services for capital purposes and consists of investment in fixed capital equipment and in stocks of goods. It includes private dwelling construction and total non-government expenditure on motor cars and cycles.

APPENDIX B.

NOTES ON REVISIONS IN THE TABLES.

The estimates in this paper have been made in the Commonwealth Bureau of Census and Statistics.

The information on which estimates of some items are based is available with very little delay, but for other items the full information only becomes available after periods ranging up to several years. Estimates for some items therefore remain approximate until this information has been compiled and analysed. In some cases where current information is inadequate figures have been put in brackets to indicate that they are tentative.

Some major components of income and expenditure are known within narrow limits. Some are not based on exact information and involve estimation in greater or lesser degree. Other items, indicated in the explanatory notes, can only be estimated as " balancing items " as there is as yet no adequate information on which to base a direct estimate.

The estimates are based on a very wide range of intricate data which are the subject of continuous investigation. Such investigation produces more information which is used wherever possible to improve current estimates. This frequently necessitates adjustments to estimates for earlier years in order to obtain comparability with the current figures. Each paper on National Income and Expenditure should be regarded as an integrated summary of the latest known facts and estimates for the year just ended, with revised figures for earlier years based on consistent definitions and estimating methods.

In the present paper no changes of definition and no new or revised series have been introduced. Revisions compared with the previous paper therefore arise from the use of later and more complete information and affect mainly the years 1956–57 and 1957–58. The main exceptions where revisions have been made to figures for earlier years are as follows:—

(*a*) Wages and salaries (item 1a).—The interim revision made in 1957 has been replaced by the final revision as published in the Monthly Bulletin of Employment Statistics.

(*b*) Allowances for depreciation (item 8a).—This has been revised for the years 1954–55 to 1957–58 in the light of information now available regarding the relative importance of the prime cost and reducing balance methods of depreciation.

(*c*) Personal consumption expenditure (item 23).—Estimates for many components have been revised back to 1953–54 in the light of preliminary results of the last census of retail trade. Further minor revisions may still be needed.

APPENDIX C.

DETAILED COMPARATIVE TABLES.

TABLE I.

NATIONAL INCOME AND EXPENDITURE.

	Income Payments and Other Charges.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
1	Wages, salaries, &c.	1,081	1,230	1,546	1,943	2,090	2,252	2,449	2,675	2,828	2,919	3,046
2	Company income	214	253	386	380	378	473	518	547	594	608	(630)
3	Surplus of public authority business undertakings	10	6	..	1	8	29	35	29	49	57	70
	Income of unincorporated businesses—											
4	Farms	321	448	756	441	572	499	447	443	519	335	(408)
5	Other unincorporated businesses, professions, &c.	227	262	322	392	406	435	476	506	518	528	(545)
6	Net rent and interest—											
	Dwellings	71	73	75	77	86	101	110	137	152	168	188
	Other	42	46	56	68	77	82	93	105	112	120	134
	National Income	1,966	2,318	3,141	3,302	3,617	3,871	4,137	4,442	4,772	4,735	5,021
7	Indirect taxes *less* Subsidies	221	260	297	419	411	465	509	551	622	672	701
8	Allowances for depreciation, &c.	96	151	195	148	185	225	272	328	360	445	475
	Gross National Product	2,283	2,729	3,633	3,869	4,213	4,561	4,918	5,321	5,754	5,852	6,197
16	Import and other payments for goods and services	502	653	897	1,272	676	836	1,035	1,021	912	1,018	1,025
	Total Market Supplies	2,785	3,382	4,530	5,141	4,889	5,397	5,953	6,342	6,666	6,870	7,222

	Net Expenditure on Goods and Services.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
	Public authorities—											
9a	War and defence	41	54	100	165	203	170	173	189	183	172	182
9b	Public works(a)	142	198	288	393	385	397	418	443	460	482	520
9c	Increase in stocks	8	20	19	41	5	−19	−3	11	−2	−6	−4
9d	Law, order and public safety	13	15	18	23	26	27	29	32	35	39	42
9e	Education	27	32	39	50	60	65	75	86	94	103	111
9f	Cultural and recreational facilities	5	7	8	10	11	12	13	15	18	18	20
9g	Health, welfare, &c.	24	28	36	47	53	54	59	65	72	78	84
9h	Repatriation	13	12	13	13	13	13	13	14	15	16	16
9i	Immigration	4	10	13	14	11	7	9	11	10	11	12
9j	Development and conservation of national resources	14	16	19	22	25	26	29	33	35	39	42
9k	Civil aviation	3	4	5	6	7	7	7	8	9	9	10
9l	All other	34	39	47	58	60	66	71	81	84	91	96
9	Total	328	435	605	842	859	825	893	988	1,013	1,052	1,131
20	Financial enterprises	21	25	29	38	40	42	47	54	58	60	64
	Gross private investment—											
21a	Fixed capital equipment	300	427	576	733	656	740	867	936	947	1,028	1,063
21b	Non-farm stocks	100	120	240	380	−170	60	180	130	70	70	(20)
21c	Farm stocks	−20	33	−13	−1	31	23	−2	28	−28	−42	58
23	Personal consumption	1,477	1,683	2,042	2,400	2,540	2,806	3,108	3,329	3,508	3,773	(3,955)
	Gross Domestic Expenditure	2,206	2,723	3,479	4,392	3,956	4,496	5,093	5,465	5,568	5,941	6,291
15	Export and other receipts for goods and services	579	659	1,051	749	933	901	860	877	1,098	929	931
	Total Market Expenditure	2,785	3,382	4,530	5,141	4,889	5,397	5,953	6,342	6,666	6,870	7,222

(a) For details *see* Table X.

APPENDIX C—*continued.*

TABLE IIA.

RECEIPTS AND OUTLAY OF TRADING ENTERPRISES.

(Including public authority undertakings, fire and general insurance, farms, professional businesses and ownership of dwellings.)

	Receipts.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
	Net sales—											
20a	To financial enterprises	3	3	3	4	5	4	5	7	7	5	6
9m	To public authorities	131	216	318	473	436	396	418	472	479	488	526
23k	To consumers	1,461	1,661	2,018	2,372	2,506	2,772	3,068	3,287	3,463	3,721	(3,900)
21	For private investment	380	580	803	1,112	517	823	1,045	1,094	989	1,056	1,141
15e	To the rest of the world	97	29	184	−486	307	108	−124	−96	220	−37	−36
	Total Receipts	2,072	2,489	3,326	3,475	3,771	4,103	4,412	4,764	5,158	5,233	5,537

	Outlay.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
1c	Wages, salaries, &c.	872	992	1,241	1,552	1,650	1,796	1,946	2,121	2,236	2,305	2,392
2	Company income—											
2f	Manufacturing	91	110	154	183	185	240	264	280	291	311	
2g	Wholesale and retail trade	60	79	128	107	111	133	144	149	170	169	(630)
2h	Other companies	63	64	104	90	82	100	110	118	133	128	
3	Surplus of public authority business undertakings	10	6	..	1	8	29	35	29	49	57	70
	Income of unincorporated businesses—											
4	Farms	321	448	756	441	572	499	447	443	519	335	(408)
5	Other unincorporated businesses, professions, &c.	227	262	322	392	406	435	476	506	518	528	(545)
6	Net rent and interest paid	113	119	131	145	163	183	212	242	264	288	322
7a	Indirect taxes *less* Subsidies	219	258	295	416	409	463	506	548	618	667	695
8	Allowances for depreciation, &c.	96	151	195	148	185	225	272	328	360	445	475
	Total Outlay	2,072	2,489	3,326	3,475	3,771	4,103	4,412	4,764	5,158	5,233	5,537

TABLE IIB.

RECEIPTS AND OUTLAY OF FINANCIAL ENTERPRISES.

(Including banks, mutual life assurance offices, superannuation funds and mortgage lending agencies.)

	Receipts.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
6d	Rent and interest received	75	83	93	109	123	139	155	173	192	215	233
19a	Premiums, &c.	65	72	81	95	105	115	126	140	154	169	181
	Total Receipts	140	155	174	204	228	254	281	313	346	384	414

	Outlay.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
1d	Wages, salaries, &c.	26	30	36	45	49	53	58	64	70	74	78
20a	Net purchases from trading enterprises	3	3	3	4	5	4	5	7	7	5	6
7b	Indirect taxes *less* Subsidies	2	2	2	3	2	2	3	3	4	5	6
6c	Rent and interest paid	23	24	25	28	34	39	44	51	64	74	83
19b	Claims, pensions, annuities, &c.	31	33	36	41	45	51	58	66	72	81	84
2e	Profits of banks	12	14	17	18	21	26	27	25	22	27	28
19d	Increase in assurance funds	43	49	55	65	72	79	86	97	107	118	129
	Total Outlay	140	155	174	204	228	254	281	313	346	384	414

Appendix C—*continued.*

TABLE III.

Receipts and Outlay of Public Authorities.

	Receipts.	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
	Taxation—											
7*c*	Indirect taxes	251	284	340	455	436	488	531	569	641	693	722
7*d*	*Less* Subsidies	30	24	43	36	25	23	22	18	19	21	21
7	Net indirect taxes	221	260	297	419	411	465	509	551	622	672	701
13*a*	Income taxes on companies	74	85	101	152	167	134	171	186	216	215	220
13*b*	Income taxes on persons	198	194	351	399	388	394	361	387	404	435	389
13*c*	Estate and gift duties	15	18	20	25	27	30	32	35	39	42	41
13	Total	508	557	769	995	993	1,023	1,073	1,159	1,281	1,364	1,351
3	Surplus of public authority business undertakings—											
3*a*	Post Office	−3	−3	−7	−2	−2	−1	..	−4	1	2	5
3*b*	Railways, tramways, and buses	..	−6	−9	−14	−15	−4	−5	−15	−8	−10	−4
3*c*	Electricity and gas	5	5	6	6	13	19	23	27	31	34	39
3*d*	Water supply and sewerage	7	7	6	6	7	9	10	12	14	17	18
3*e*	Other	1	3	4	5	5	6	7	9	11	14	12
8*b*	Allowances for depreciation	5	6	6	8	10	15	16	21	25	31	36
6*b*	Rent and interest received	17	18	21	26	32	34	40	47	54	61	62
14	Net increase in indebtedness*(a)*	7	80	116	97	139	66	99	138	36	9	126
	Total Receipts	547	667	912	1,127	1,182	1,167	1,263	1,394	1,445	1,522	1,645

	Outlay.	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
	Net purchase of goods and services—											
1*e*	Wages, salaries, &c.	183	208	269	346	391	403	445	490	522	540	576
9*m*	Purchases from Australian enterprises	131	216	318	473	436	396	418	472	479	488	526
16*e*	Net payments to rest of world	14	11	18	23	32	26	30	26	12	24	29
9	Total	328	435	605	842	859	825	893	988	1,013	1,052	1,131
17*a*	Oversea gifts, relief, &c.	14	13	1	4	5	3	4	4	4	5	5
10	Cash social service benefits	107	121	148	176	210	224	242	271	286	316	349
11	Deferred pay of members of forces	1	1	..	..	..	..	..	..	..	..	..
12	Capital transfers	6	3	62	2	2	2	2	2	3	3	4
6*a*	Interest paid	91	94	96	103	106	113	122	129	139	146	156
	Total Outlay	547	667	912	1,127	1,182	1 167	1,263	1,394	1,445	1,522	1,645

(a) For further detail *see* Table XI.

Appendix C—*continued.*

TABLE IV

Personal Income and Outlay.

	Income.	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
1*a*	Wages and salaries	1,036	1,183	1,485	1,856	1,985	2,141	2,328	2,544	2,687	2,776	2,894
1*b*	Supplements to wages	25	28	33	42	46	53	62	69	78	85	91
1*f*	Pay and allowances of members of forces	20	19	28	45	59	58	59	62	63	58	61
4*a*	Income of farmers	319	426	707	536	596	526	467	438	514	359	(399)
5	Income of other unincorporated businesses, professions, &c.	227	262	322	392	406	435	476	506	518	528	(545)
6*g*	Rent and interest	116	119	121	123	133	148	168	188	211	230	253
2*a*	Dividends	52	62	74	82	92	98	117	132	135	150	(160)
10	Cash social service benefits	107	121	148	176	210	224	242	271	286	316	349
11	Deferred pay of members of forces	1	1	..	..	..	..	..	..	..	..	..
17*c*	Private remittances from overseas	14	19	21	23	17	16	18	20	22	25	26
	Total Income	1,917	2,240	2,939	3,275	3,544	3,699	3,937	4,230	4,514	4,527	4,778

	Outlay.	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
		£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
	Consumption Expenditure—											
16*b*	Foreign travel	6	12	12	14	18	17	21	22	22	28	29
19*c*	Cost of personal assurance business	10	10	12	14	16	17	19	20	23	24	26
23*a*	Gross rent of dwellings—											
	Owner-occupied (imputed)	68	75	85	97	117	136	155	179	203	227	255
	Other (estimated actual rent)	53	54	57	61	69	75	81	85	90	95	101
23*b*	Food	381	430	512	635	698	747	807	876	925	970	1,015
23*c*	Clothing, footwear, drapery, &c.	239	265	330	353	356	390	423	437	442	458	(470)
23*d*	Hardware, electrical goods, furniture, &c.	136	165	234	265	263	297	324	345	354	386	(415)
23*e*	Tobacco, cigarettes, beer, &c.	167	183	213	270	282	307	328	353	398	414	418
23*f*	Other purchases in retail stores	141	168	206	250	262	278	306	331	344	362	*(a)*
23*g*	Gas and electricity	22	27	32	44	53	59	65	70	77	83	90
23*h*	Fares	54	57	64	73	78	80	82	87	97	97	99
23*i*	Payments to domestic servants, &c.	10	11	13	15	16	16	17	18	19	19	20
23*j*	All other expenditure	190	226	272	309	312	387	480	506	514	610	(1,017)*(b)*
23	Total	1,477	1,683	2,042	2,400	2,540	2,806	3,108	3,329	3,508	3,773	(3,955)
17*b*	Private remittances to overseas	7	9	11	15	21	21	22	24	27	26	24
13*b*	Income taxes	198	194	351	399	388	394	361	387	404	435	389
13*c*	Estate and gift duties	15	18	20	25	27	30	32	35	39	42	41
19	Savings through assurance funds	24	29	33	40	44	47	49	54	59	64	71
22	Other personal savings	196	307	482	396	524	401	365	401	477	187	(298)
	Total Outlay	1,917	2,240	2,939	3,275	3,544	3,699	3,937	4,230	4,514	4,527	4,778

(a) Included in all other expenditure. *(b)* Includes other purchases in retail stores.

APPENDIX C—*continued.*

TABLE V.

BALANCE OF INTERNATIONAL PAYMENTS ON CURRENT ACCOUNT.

Payments to Rest of World.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
16*a* Imports f.o.b. ..	415	538	742	1,051	510	682	847	820	718	790	793
16*b* Foreign travel	6	12	12	14	18	17	21	22	22	28	29
16*c* Government transactions	20	17	26	31	41	32	37	36	28	38	43
16*d* Other payments for goods and services	61	86	117	176	107	105	130	143	144	162	160
17*a* Public authority oversea gifts, relief, &c.	14	13	1	4	5	3	4	4	4	5	5
17*b* Private remittances	7	9	11	15	21	21	22	24	27	26	24
6*e* Public authority interest	20	19	19	19	20	21	22	22	23	22	25
2*b* Net dividends and remitted profits ..	13	15	18	18	24	32	34	35	36	46	43
2*c* Net undistributed profits	6	16	23	24	17	28	27	37	41	34	34
18 Surplus on current account	32	−45	105	−579	192	−17	−259	−238	90	−177	−187
Total	594	680	1,074	773	955	924	885	905	1,133	974	969

Receipts from Rest of World.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
15*a* Exports f.o.b. and gold production ..	531	605	988	678	863	828	778	788	994	828	826
15*b* Foreign travel	3	4	4	5	5	5	6	6	9	8	8
15*c* Government transactions	6	6	8	8	9	6	7	10	16	14	14
15*d* Other receipts for goods and services	39	44	51	58	56	62	69	73	79	79	83
6*f* Other net rent, interest, &c.	1	2	2	1	5	7	7	8	13	20	12
17*c* Private remittances	14	19	21	23	17	16	18	20	22	25	26
Total	594	680	1,074	773	955	924	885	905	1,133	974	969

APPENDIX C—*continued.*

TABLE VI.

PRIVATE INVESTMENT ACCOUNT.

Funds Available.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
2*d* Undistributed profits	81	89	187	122	99	207	196	182	188	190	(201)
4*b* Increase in assets of marketing authorities	2	22	49	−95	−24	−27	−20	5	5	−24	9
19*d* Increase in assurance funds	43	49	55	65	72	79	86	97	107	118	129
22 Other personal savings	196	307	482	396	524	401	365	401	477	187	(298)
8*a* Allowances for depreciation	91	145	189	140	175	210	256	307	335	414	439
12 Public authority capital transfers ..	6	3	62	2	2	2	2	2	3	3	4
18 Deficit on balance of international payments	−32	45	−105	579	−192	17	259	238	−90	177	187
14 *Less* Net increase in indebtedness of public authorities	−7	−80	−116	−97	−139	−66	−9[illegible]	−138	−36	−9	−126
Total	380	580	803	1,112	517	823	1,045	1,094	989	1,056	1,141

Gross Private Investment.	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Fixed capital equipment—											
21*d* Dwelling construction	84	110	155	205	192	208	228	227	216	241	265
21*e* *Less* Housing authority dwelling construction for rental purposes ..	17	21	29	39	32	38	36	32	21	17	17
21*f* Private dwelling construction ..	67	89	126	166	160	170	192	195	195	224	248
21*g* Other new building and construction	34	42	54	81	83	86	112	150	173	168	157
21*h* Trucks, utilities, station wagons, &c.(*a*)	27	46	70	81	58	66	79	85	81	96	116
21*i* Motor cars and cycles(*a*)	54	96	116	141	109	142	178	181	176	190	180
21*j* Other capital equipment	118	154	210	264	246	276	306	325	322	350	362
21*a* Total	300	427	576	733	656	740	867	936	947	1,028	1,063
21*b* Non-farm stocks	100	120	240	380	−170	60	180	130	70	70	(20)
21*c* Farm stocks	−20	33	−13	−1	31	23	−2	28	−28	−42	58
21 Total	380	580	803	1,112	517	823	1,045	1,094	989	1,056	1,141

(*a*) For additional detail *see* Table E and text on p. 6.

TABLE VII.

RELATIONSHIP OF MAIN AGGREGATES.

—	1948-49.	1949-50.	1950-51.	1951-52.	1952-53.	1953-54.	1954-55.	1955-56.	1956-57.	1957-58.	1958-59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Expenditure on goods and services by public authorities and financial enterprises (9) + (20)	349	460	634	880	899	867	940	1,042	1,071	1,112	1,195
Personal Consumption (23)	1,477	1,683	2,042	2,400	2,540	2,806	3,108	3,329	3,508	3,773	(3,955)
Gross Private Investment (21)	380	580	803	1,112	517	823	1,045	1,094	989	1,056	1,141
Gross Domestic Expenditure	2,206	2,723	3,479	4,392	3,956	4,496	5,093	5,465	5,568	5,941	6,291
Plus Export and other receipts for goods and services (15)	579	659	1,051	749	933	901	860	877	1,098	929	931
Total Market Expenditure or Supplies ..	2,785	3 382	4,530	5,141	4,889	5,397	5,953	6,342	6,666	6,870	7,222
Less Import and other payments for goods and services (16)	−502	−653	−897	−1,272	−676	−836	−1,035	−1,021	−912	−1,018	−1,025
Gross National Product	2,283	2,729	3,633	3,869	4,213	4,561	4,918	5,321	5,754	5,852	6,197
Less Allowances for depreciation, &c. (8)	−96	−151	−195	−148	−185	−225	−272	−328	−360	−445	−475
Less Indirect taxes *less* Subsidies (7) ..	−221	−260	−297	−419	−411	−465	−509	−551	−622	−672	−701
National Income	1,966	2,318	3,141	3,302	3,617	3,871	4,137	4,442	4,772	4,735	5,021
Less Income payable overseas (2*b*) + (2*c*) + (6*e*) − (6*f*)	−38	−48	−58	−60	−56	−74	−76	−86	−87	−82	−90
Resident National Income	1,928	2,270	3,083	3,242	3,561	3,797	4,061	4,356	4,685	4,653	4,931
Less Surplus of public authority business undertakings (3)	−10	−6	..	−1	−8	−29	−35	−29	−49	−57	−70
Plus Net public authority rent and interest paid (6*a*) − (6*b*)	74	76	75	77	74	79	82	82	85	85	94
Plus Cash social service benefits and deferred pay (10) + (11)	108	122	148	176	210	224	242	271	286	316	349
Plus Private remittances from overseas (17*c*)	14	19	21	23	17	16	18	20	22	25	26
Private Income	2,114	2,481	3,327	3,517	3,854	4,087	4,368	4,700	5,029	5,022	5,330
Less Resident company income (2) − (2*b*) − (2*c*)	−195	−222	−345	−338	−337	−413	−457	−475	−517	−528	−(553)
Plus Dividends received by persons (2*a*)	52	62	74	82	92	98	117	132	135	150	160
Less Net interest received by financial enterprises (6*d*) − (6*c*)	−52	−59	−68	−81	−89	−100	−111	−122	−128	−141	−150
Less Increase in assets of marketing authorities (4*b*)	−2	−22	−49	95	24	27	20	−5	−5	24	−9
Personal Income	1,917	2,240	2,939	3,275	3,544	3,699	3,937	4,230	4,514	4,527	4,778

APPENDIX C—*continued.*

TABLE VIII.

RECEIPTS AND OUTLAY OF COMMONWEALTH GOVERNMENT (INCLUDING SEMI-GOVERNMENT AUTHORITIES).(*a*)

Receipts.	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Taxation—											
Indirect taxes	198	222	265	363	327	366	398	423	470	504	519
Less Subsidies	29	21	42	32	25	23	22	17	18	20	20
Net indirect taxes	169	201	223	331	302	343	376	406	452	484	499
Income taxes on companies	74	85	101	152	167	134	171	186	216	215	220
Income taxes on persons	198	194	351	399	388	394	361	387	404	435	389
Estate and gift duties	5	7	7	9	9	11	11	12	15	16	15
Total	446	487	682	891	866	882	919	991	1,087	1,150	1,123
Surplus of public authority business undertakings	−5	−3	−7	−2	−1	1	..	−1	5	7	10
Allowances for depreciation	2	2	2	3	2	3	2	3	4	4	5
Rent and interest received	7	7	8	9	13	14	16	20	23	29	29
Net increase in indebtedness	−73	−42	−64	−186	−82	−133	−125	−114	−179	−192	−83
Total Receipts	377	451	621	715	798	767	812	899	940	998	1,084

Outlay.	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Net purchase of goods and services—											
War and defence	41	54	100	165	203	170	173	189	183	172	182
Public works	26	39	50	68	64	61	62	70	78	80	93
Increase in stocks	2	8	8	6	1	−7	−1	4	..	−1	−2
Repatriation	13	12	13	13	13	13	13	14	15	16	16
Immigration	4	10	13	14	11	7	9	11	10	11	12
Development and conservation of national resources	7	7	9	9	10	10	12	14	15	18	20
Civil aviation	3	4	5	6	7	7	7	8	9	9	10
All other	24	27	32	37	39	42	45	52	54	59	64
Total	120	161	230	318	348	303	320	362	364	364	395
Oversea gifts, relief, &c.	14	13	1	4	5	3	4	4	4	5	5
Cash social service benefits	105	119	146	174	208	221	239	268	283	312	345
Deferred pay of members of forces	1	1	..	..	..	..	..	..	..	..	..
Capital transfers	6	3	62	2	1	1	1	1	2	2	3
Interest paid	48	48	47	47	44	41	38	32	31	26	24
Grants to State Governments	79	101	127	162	184	191	202	220	244	272	292
Net expenditure on A.C.T. and N.T.	4	5	8	8	8	7	8	12	12	17	20
Total Outlay	377	451	621	715	798	767	812	899	940	998	1,084

(*a*) The receipts and expenditure of the Commonwealth Government in respect of the Australian Capital Territory and the Northern Territory are analysed in Table IX. Net expenditure by the Commonwealth Government is therefore treated here as though it were a transfer to another government.

APPENDIX C—*continued.*

TABLE IX.

RECEIPTS AND OUTLAY OF STATE AND LOCAL GOVERNMENTS (INCLUDING SEMI-GOVERNMENT AUTHORITIES).(*a*)

Receipts.	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Taxation—											
Indirect taxes	53	62	75	92	109	122	133	146	171	189	203
Less Subsidies	1	3	1	4	..	..	..	1	1	1	1
Net indirect taxes	52	59	74	88	109	122	133	145	170	188	202
Estate and gift duties	10	11	13	16	18	19	21	23	24	26	26
Total	62	70	87	104	127	141	154	168	194	214	228
Surplus of public authority business undertakings	15	9	7	3	9	28	35	30	44	50	60
Allowances for depreciation	3	4	4	5	8	12	14	18	21	27	31
Rent and interest received	10	11	13	17	19	20	24	27	31	32	33
Grants from Commonwealth Government	79	101	127	162	184	191	202	220	244	272	292
Net expenditure by Commonwealth on A.C.T. and N.T.	4	5	8	8	8	7	8	12	12	17	20
Net increase in indebtedness	80	122	180	283	221	199	224	252	215	201	209
Total Receipts	253	322	426	582	576	598	661	727	761	813	873

Outlay.	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Net purchase of goods and services—											
Public works	116	159	238	325	321	336	356	373	382	402	427
Increase in stocks	6	12	11	35	4	−12	−2	7	−2	−5	−2
Law, order and public safety	12	14	17	22	25	26	28	31	34	37	40
Education	26	31	38	49	59	64	74	85	93	102	109
Health, welfare, &c.	21	26	33	44	49	50	55	61	67	73	79
Development and conservation of national resources	7	9	10	13	15	16	17	19	20	21	22
All other	20	23	28	36	38	42	45	50	55	58	61
Total	208	274	375	524	511	522	573	626	649	688	736
Cash social service benefits	2	2	2	2	2	3	3	3	3	4	4
Capital transfers	..	..	..	..	1	1	1	1	1	1	1
Interest paid	43	46	49	56	62	72	84	97	108	120	132
Total Outlay	253	322	426	582	576	598	661	727	761	813	873

(*a*) Includes receipts and expenditure of the Commonwealth Government in respect of the Australian Capital Territory and the Northern Territory. *See* footnote to Table VIII.

TABLE X.

PUBLIC AUTHORITY EXPENDITURE ON PUBLIC WORKS.

—	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Post office	12	16	22	28	28	25	25	28	30	34	36
Railways	13	18	35	47	46	42	37	38	36	34	34
Roads	28	32	42	55	58	63	75	86	97	108	(*a*)
Other transport	12	13	16	21	18	17	24	25	27	29	37
Fuel and power	21	40	65	95	103	103	96	103	105	109	118
Water supply and sewerage	10	13	19	26	24	27	34	34	38	42	46
Irrigation	4	6	10	15	14	16	20	19	18	17	16
Forestry, land development, &c.	7	10	11	15	13	12	12	13	13	12	11
Dwelling construction	17	21	29	39	32	38	36	32	21	17	17
Schools, &c.	3	5	8	12	12	14	18	20	22	26	29
Hospitals	3	5	7	9	12	15	15	17	20	19	21
All other	12	19	24	31	25	25	26	28	33	35	155(*b*)
Total	142	198	288	393	385	397	418	443	460	482	520

(*a*) Included in all other. (*b*) Includes expenditure on roads.

Appendix C—*continued.*

TABLE XI.

Net Increase in Indebtedness of Public Authorities.

	1948–49.	1949–50.	1950–51.	1951–52.	1952–53.	1953–54.	1954–55.	1955–56.	1956–57.	1957–58.	1958–59.
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Borrowing (net of redemption)—											
Commonwealth bonds—											
Australia	130	144	128	237	206	211	179	201	193	196	185
Less Commonwealth subscription to special loans	..	..	..	−160	−123	−80	−48	−93	−99	−92	−10
Less Redemptions	−41	−45	−46	−40	−32	−31	−51	−37	−53	−72	−81
Less Increase in bonds held by public authorities	−22	1	12	2	13	−12	−11	−26	−10	−16	−7
Net sale of Commonwealth bonds ..	67	100	94	39	64	88	69	45	31	16	87
Treasury bills (public)	−85	−15	2	43	72	−35	−30	5	−15	−10	31
International Bank loans	..	..	4	25	17	22	24	18	3	13	2
Other Commonwealth loans overseas ..	−8	−16	−20	−2	−1	−10	..	8	3	3	33
Local and semi-government securities ..	21	37	66	60	71	65	63	57	70	71	76
Savings certificates, &c.	−2	−7	−7	−6	−8	−5	−4	−3	−3	−4	−5
Increase in stabilization funds	40	14	63	−66	−22	−35	−12	..	..	..	1
Other funds available (including errors and omissions)	2	2	14	1	3	12	8	9	10	6	9
Total	35	115	216	94	196	102	118	139	99	95	234
Offsets to Borrowing—											
Net advances for housing	8	14	23	27	27	24	30	35	49	60	62
Less Sale of rented dwellings	..	..	−1	−2	−2	−2	−2	−7	−10	−12	−9
Other net advances, &c.	1	3	3	5	2	2	6	6	7	8	26
Net purchases of existing real assets ..	6	6	17	7	6	6	5	6	8	11	9
Increase in cash and bank deposits ..	13	12	58	−40	24	6	−20	−39	9	19	20
Total	28	35	100	−3	57	36	19	1	63	86	108
Net increase in indebtedness (Item 14) ..	7	80	116	97	139	66	99	138	36	9	126

APPENDIX D.

EXPLANATORY NOTES ON INDIVIDUAL ITEMS IN TABLES.

(Paragraphs numbered 1 to 23 herein relate to items with corresponding numbers in the tables of Appendix C.)

1. *Wages, Salaries, &c.*—Actual payments in the nature of wages and salaries as defined for pay-roll tax, including allowances for income in kind (board and quarters, &c.) (item 1*a*), together with supplements to wages (item 1*b*) and pay and allowances of members of the forces (item 1*f*). Supplements consist of employers' contributions to pension and superannuation funds and amounts paid as workers' compensation for injuries. The total is divided into wages, salaries, &c., paid by trading enterprises (item 1*c*), by financial enterprises (item 1*d*), and by public authorities (item 1*e*). Pay and allowances of members of the forces consists of active pay, field allowance, subsistence allowances, dependants' allowances and the value to the member of the forces of food, clothing, normal medical attention, &c., supplied in kind. Excludes deferred pay (item 11) and war gratuities (included in item 12).

2. *Company Income.*—Income of companies after payment of indirect (but not direct) taxes, less dividends received from other companies. Includes all companies subject to income tax other than banks. Company income plus the profits of banks (item 2*e*) is used to pay income taxes on companies (item 13*a*), dividends to resident persons, and dividend payments to non-resident companies and persons. The profits of banks consist of the surplus of interest receipts and bank charges over interest payments and administrative expenses, for the Commonwealth Bank and government and private trading banks and savings banks. The profits of life assurance offices, consisting of direct taxes actually paid by life assurance offices plus the dividends and undistributed profits of the non-mutual companies, are included in item 2. The remainder of the surplus of the receipts of these offices over expenses is included in item 19*d* together with the increase in superannuation funds. Dividends paid to resident persons (item 2*a*) is the total amount of dividends received by these persons from Australian and oversea companies. The portion of company income paid to or accruing to non-resident persons or companies less income received or accruing to Australia from oversea companies is shown in items 2*b* and 2*c*. Undistributed profits accruing to residents (item 2*d*) is the excess of company income (item 2) plus profits of banks (item 2*e*) over income taxes (item 13*a*), dividends received by resident persons (item 2*a*) and net dividends and net undistributed profits payable to the rest of the world (items 2*b* and 2*c*). The income tax and dividend payments shown are the actual amounts paid during the year and not the amounts attributable to income of that year.

3. *Surplus of Public Authority Business Undertakings.*—The gross revenue less working expenses of all public authority business undertakings other than financial enterprises and housing authorities. Working expenses do not include interest and sinking fund charges, loan repayments and financial transfers to governments. Depreciation provisions made by semi-governmental authorities are included in working expenses (*see* note on item 8). Gross revenue does not include transfers from governments.

4. *Farms.*—The income accruing to farmers, excluding companies engaged in farming activities (included in item 2), after meeting marketing costs, costs of seed, fodder and other materials used, wages, indirect (but not direct) taxes, rent and interest, depreciation and all other costs of production. Includes the Australian share of profits made on sales of wool by the Joint Organization. Includes additions to stocks in the hands of farmers or marketing authorities (except stocks held by the Joint Organization) (item 21*c*). Increases in the assets of marketing authorities (item 4*b*), whether in the form of stocks, cash, stabilization funds or debtors (net), are deducted to give the income of farmers (item 4*a*). The principal authorities and funds included are the Australian Wheat Board, the Australian Wool Realization Commission, the Wheat Prices Stabilization Fund and the Wool (Reserve Prices) Fund. Payments to the Wheat Prices Stabilization Fund in respect of the 1953–54 crop have, however, been treated as indirect taxes pending clarification of whether the money will be used for price stabilization purposes. Unsold wool in brokers' stores is included as part of farm stocks. Wool sold at the postponed sales in July, 1956 is treated as having been sold in 1955–56.

5. *Income of other Unincorporated Businesses, Professions, &c.*—The net income or earnings of all persons other than farmers engaged in private businesses or the professions whether as sole proprietors or partners. Does not include income from interest and rent, but interest and rent paid is deducted in arriving at net income.

6. *Net Rent and Interest.*—The net amount of rent and interest paid out of the profits of trading enterprises including general insurance companies. Ideally the net income figures for item 2 should exclude from the income side rent and interest received, and for items 2, 4 and 5 exclude from the expenditure side rent and interest paid, since these payments merely represent transfers of income between enterprises and sectors. No adequate statistics are available to make this adjustment and hence the net amount of rent and interest is derived as a balancing item from information available for other sectors. The item is divided into two parts—net rental value of dwellings and other net rent and interest. The ownership of dwellings (including owner-occupied dwellings) is treated as a trading enterprise. Receipts are gross rents (item 23*a*) and net rental value is the amount remaining after meeting expenses of operations (repairs, insurance, land tax and local government taxes and rates, costs of rent collection and allowances for depreciation, &c.). The net rental value is regarded as being transferred to the owner as income. The item is subdivided into net rent and interest paid and received by public authorities (items 6*a* and 6*b*), by financial enterprises (items 6*c* and 6*d*), public authority interest received by the rest of the world (item 6*e*) and other net rent and interest received from the rest of the world (items 6*f*) and rent and interest received by persons (item 6*g*). Rent and interest received by public authorities (item 6*b*) includes the net surplus of governmental housing authorities and profits received from the Commonwealth Bank.

7. *Indirect Taxes less Subsidies.*—Indirect taxes (item 7*c*) include customs and excise, sales tax, land tax, flour tax, gold tax, pay-roll tax, entertainments tax, wool contributory charge, wool tax, stamp duty, liquor licences, lottery taxation, lottery receipts in excess of prize money, motor registration fees, miscellaneous licences, local authority rates, wireless licence fees and fines. The item is divided into indirect taxes less subsidies paid by trading enterprises (item 7*a*) and by financial enterprises (item 7*b*).

8. *Allowances for Depreciation, &c.*—The financial provisions made for depreciation which are deducted to obtain net income. Includes moneys received from insurance companies for losses of assets. The financial provisions for depreciation by private trading enterprises (item 8*a*) are those allowed under income tax law and include the initial allowance of 20 per cent. from 1945–46 to 1950–51 inclusive, the 40 per cent. in 1949–50 and 1950–51 on new capital equipment, and the special allowance of 20 per cent. per annum allowed to primary producers since 1st July, 1951. Depreciation provisions of public authority business undertakings (item 8*b*) are those shown in their published accounts. No provision is included for railways and the post office, nor for other business undertakings whose transactions are recorded on a cash basis in Commonwealth or State accounts.

9. *Public Authority Net Expenditure on Goods and Services.*—The net expenditure by public authorities on wages, salaries, &c., and purchases of goods including capital goods. In Table I. in Appendix C the total is classified under twelve headings, but in other tables a shorter classification is used and the omitted classifications included in "all other".

War and defence (item 9*a*) is Commonwealth Government expenditure after deducting fees collected by war departments, disposals of stores and recoveries from other governments. Interest, sinking fund, war pensions and deferred pay are excluded.

Public works (item 9*b*) includes expenditure on new buildings, construction, plant and machinery and on replacement of assets. Some expenditure on maintenance of assets, notably of roads, which cannot be satisfactorily identified in published accounts, is also included. Includes capital expenditure of public authority business undertakings, but excludes maintenance expenditure which is included in working expenses in arriving at the net surplus (item 3). Includes expenditure on construction of dwellings for letting, but excludes advances for housing and advances to settlers.

Increase in stocks (item 9*c*) is the change in the value of stocks held by government business undertakings and construction authorities. Excludes expenditure on strategic stockpiling (included in item 9*a*).

Law, order and public safety (item 9*d*) is expenditure on police forces, law courts, upkeep of prisons, fire brigades, &c.

Education (item 9*e*) is current expenditure by Commonwealth and State Governments on all types of education, including grants in aid to universities, &c. Excludes expenditure on buildings (included in item 9*b*).

Cultural and recreational facilities (item 9*f*) includes expenditure on libraries, museums, art galleries, broadcasting, orchestras, parks and gardens, &c.

Health, welfare, &c. (item 9*g*), includes administrative costs of health and welfare departments and maintenance of welfare institutions and public hospitals, including mental hospitals but excluding repatriation hospitals. Expenditure on buildings is included in item 9*b*, and expenditure on hospital benefits, invalid pensions, &c., in item 10.

Repatriation (item 9*h*) includes Commonwealth Government expenditure on maintenance of repatriation hospitals, training schemes and other expenditure in connexion with the care and rehabilitation of ex-servicemen. Excludes war pensions (included in item 10).

Immigration (item 9*i*) is Commonwealth Government expenditure on transport of migrants to Australia and for their benefit after arrival. Includes net losses on the operation of migrant hostels.

Development and conservation of national resources (item 9*j*) includes most of the current expenditure by Departments of Agriculture, Forestry, Mines, Lands, Fisheries and similar authorities. Also includes the Commonwealth Department of National Development and the Commonwealth Scientific and Industrial Research Organization.

Civil aviation (item 9*k*) is the expenditure of the Department of Civil Aviation on the operation and maintenance of aerodromes and the regulation of the civil aviation industry.

All other (item 9*l*) is all expenditure on goods and services not elsewhere classified. Includes the cost of legislature, revenue collecting departments, and activities of a general administrative nature. Also includes Commonwealth expenditure on external affairs and external territories. Expenditure which cannot satisfactorily be allocated to particular functions, such as superannuation and much current expenditure by works departments and local governments, is also included.

Public authority net expenditure on goods and services is also divided into wages, salaries, &c. (item 1*e*), and net public authority payments to the rest of the world (item 16*e*). The balance is net purchases from Australian enterprises (item 9*m*).

10. *Cash Social Service Benefits.*—Direct payments in cash or its equivalent, not made in return for current productive services. Includes invalid, age and widows' pensions, maternity allowances, child endowment, pharmaceutical, hospital, sickness and tuberculosis benefits, funeral benefits, relief to unemployed and destitute persons, war pensions, attendance money for waterside workers, financial assistance to university students and living allowances paid to ex-servicemen in rehabilitation training schemes.

11. *Deferred Pay of Members of the Forces.*—Amounts of deferred pay actually paid to members of the forces. Excludes war gratuity (included in item 12).

12. *Public Authority Capital Transfers.*—Capital transfers to persons and business undertakings including war gratuity, war damage insurance claims and losses of a capital nature on war service land settlement.

13. *Taxation.*—Total taxes collected by Commonwealth, State and local governments less subsidies (item 7*d*). Divided into net indirect taxes (item 7), income taxes on companies (item 13*a*), income taxes on persons (item 13*b*), and estate and gift duties (item 13*c*). Income taxes include social services contribution. Wool sales deduction, being a prepayment of income tax, is included in income taxes on companies and income taxes on persons.

14. *Net Increase in Indebtedness of Public Authorities.*—A balancing item in Table III. equal to the excess of outlay over receipts. Details are shown in Table XI.

15. *Export and Other Receipts for Goods and Services.*—Exports f.o.b. and gold produced (item 15*a*) includes the value at Australian ports of all exports other than government exports to Australian armed forces overseas, adjusted for Joint Organization transactions. Includes total value of Australian gold production less net industrial use and excludes gold exports. Government transactions (item 15*c*) includes diplomatic and consular expenditure in Australia, recoveries from other administrations, &c. Other receipts for goods and services (item 15*d*) includes oversea freight earnings of Australian ships, expenditure by oversea ships and crews in Australian ports, and other miscellaneous receipts for services. Net sales to the rest of the world by trading enterprises (item 15*e*) is the excess of items 15*a*, 15*b* and 15*d* over the sum of items 16*a* and 16*d*.

16. *Import and Other Payments for Goods and Services.*—Imports f.o.b. (item 16*a*) includes the value at oversea ports of all imports other than imports of gold, films imported on a rental basis, and imports by diplomatic missions. Government transactions (item 16*c*) includes diplomatic and consular expenditure abroad, defence expenditure overseas, and contributions to international agencies, but excludes imports of merchandise by governments and gifts to oversea governments, &c. Other payments for goods and services (item 16*d*) includes freight on imports, fares paid in Australia to oversea shipping companies, marine insurance payments, expenditure of Australian ships in oversea ports, business expenses overseas and other miscellaneous payments for services.

17. *Oversea Gifts.*—Includes all transfers to or from overseas on public or private accounts which are not payments for goods or services nor payments of income. Public authority oversea gifts (item 17*a*) includes gifts to the United Kingdom, contributions for international relief, shipments under the Colombo Plan, &c. Receipts of reparations are deducted. Private remittances (items 17*b* and 17*c*) include personal remittances, legacies, funds and personal effects brought in or taken out by migrants.

18. *Surplus on Current Account.*—The excess of receipts from the rest of the world on current account over payments to the rest of the world.

19. *Savings through Assurance Funds.*—The excess of premiums, superannuation contributions, consideration for annuities, &c. (item 19*a*), over claims, surrenders, refunds, annuities, pensions and bonuses in cash (item 19*b*) and the administrative expenses of life assurance offices (item 19*c*). This amount together with interest earned on assurance funds (part of item 6*d*) represents the total increase in assurance funds (item 19*d*). Administrative expenses of life assurance offices (item 19*c*) are treated as consumption expenditure.

20. *Expenditure on Goods and Services by Financial Enterprises.*—The total operating expenditure of banks less bank charges. Bank charges are allocated to other sectors—consumption, private investment, working expenses of enterprises and administrative expenses of public authorities. The remainder of the banks' administrative expenditure (like public authority expenditure on goods and services) is not allocated, but treated as a final use of goods and services in Table I. Purchases of materials, stores and services from trading enterprises less bank charges are shown as net purchases from trading enterprises (item 20*a*).

21. *Gross Private Investment.*—Includes fixed capital equipment (item 21*a*), the change in the book value of non-farm stocks (item 21*b*) and the change in the value of farm stocks including the stocks of marketing authorities (item 21*c*). Fixed capital equipment is divided into private dwelling construction (item 21*f*), other new building and construction (item 21*g*), trucks, utilities, station wagons, &c. (item 21*h*), motor cars and cycles (including non-business vehicles) (item 21*i*) and other fixed capital equipment (item 21*j*). Private dwelling construction is the difference between total dwelling construction (item 21*d*) and housing authority construction for rental purposes (item 21*e*) which is included in item 9*b*.

22. *Other Personal Savings.*—A balancing item containing the net error in all other items in Table VI. Total personal savings consists of savings through assurance funds (item 19) plus this item. Total personal savings is the excess of personal income over consumption expenditure, oversea remittances and direct taxes on persons. It includes changes in provisions made by persons for tax and is a net figure after deducting payments out of accumulated wealth, such as estate and gift duties (item 18*c*).

23. *Personal Consumption Expenditure.*—Total expenditure by persons in satisfying consumption needs. Excludes purchase of dwellings and new motor vehicles and gifts to other persons. Includes foreign travel (item 16*b*), the cost of personal assurance business (item 19*c*), and purchases by consumers from trading enterprises (item 23*k*). Item 23*k* is made up of the following:—Item 23*a*, the gross rent paid for dwellings and the imputed gross rental value of owner-occupied dwellings; item 23*b*, purchases of food, including that in purchased meals, and non-alcoholic beverages; item 23*c*, purchases of clothing, footwear, drapery, &c.; item 23*d*, purchases of hardware, electrical goods, furniture, &c.; item 23*e*, purchases of cigarettes, tobacco and all alcoholic liquors; item 23*f*, purchases of other goods from retail stores, but not including petrol, oils, motor car parts and accessories (included in item 23*j*); item 23*g*, purchases of gas and electricity; item 23*h*, expenditure on fares on railways, tramways, buses, ferries, and airways; item 23*i*, payments to domestic servants, &c.; item 23*j*, all other expenditure on personal consumption. This last item is a balancing item containing the net error in all other items in the table.

Table V. Balance of International Payments.—The detailed estimates from which Table V. are derived are contained in "The Australian Balance of Payments, 1928–29 to 1951–52" and supplementary publications issued by the Commonwealth Bureau of Census and Statistics.

Table X. Public Authority Expenditure on Public Works.—

Other Transport.—Includes capital expenditure on trams and buses, ports and harbours, ships, dockyards, civil aviation and of government-owned airlines.

Forestry, Land Development, &c.—Includes development expenditure on war service land settlement projects but excludes purchase of land and advances to settlers.

Dwelling Construction.—Includes only the estimated expenditure on construction of dwellings for rental purposes. Includes construction under Commonwealth-State housing agreements, other government rental housing schemes, and staff housing of all public authorities. Excludes hostels for migrants and others (included in all other) and advances by War Service Homes Commission and other authorities for financing home purchase schemes.

All Other.—Includes miscellaneous public works, public buildings not elsewhere classified, and expenditure for which insufficient information is available to make an allocation to particular categories. Apart from expenditure on roads and business undertakings, which are recorded separately, much local government works expenditure is included in this last category.

APPENDIX D—*continued.*

Table XI. Net Increase in Indebtedness of Public Authorities.—

Commonwealth bonds—Australia includes advance subscriptions and domestic raisings of the States.

Redemptions of Commonwealth bonds excludes cancellations of debt held by public authorities.

Increase in bonds held by public authorities excludes reductions in holdings arising out of cancellations of debt and the increase in holdings by the Commonwealth government on account of special loans.

Other Commonwealth loans overseas includes the Swiss and Canadian loans and other loans raised overseas on behalf of the Commonwealth or States. Redemptions are deducted.

Local and semi-governmental securities is shown net of redemptions and the increase in holdings of these securities by public authorities.

Other funds available is a balancing item including the net error in all other items in the table, as well as sundry debtors and creditors, net receipts of " other private " trust funds, &c.

Increase in stabilization funds consists of the net receipts of the Wheat Prices Stabilization Fund, the Wool (Reserve Prices) Fund and the Australian Wool Realization Commission.

Sale of dwellings comprises the sale by government housing authorities of dwellings previously rented. Most of these are sold on terms and to that extent are reflected also in net advances for housing.

Other advances, &c., includes net advances for purposes other than housing, net purchases of shares, and subscriptions to the International Bank, the International Monetary Fund and the International Finance Corporation.

Net purchases of existing real assets includes purchases and sales of land and buildings, &c., other than the sale of dwellings.

By Authority: A. J. ARTHUR, Commonwealth Government Printer, Canberra.