

The Bill.**Explanation.**

and who is, by consent of the Governor of the State with the advice of the Executive Council thereof, transferred to the public service of the Commonwealth, shall have the same rights as if he had been an officer of a department transferred to the Commonwealth and were retained in the service of the Commonwealth.

85. When any department of the public service of a State is transferred to the Commonwealth—

- (1.) All property of the State of any kind, used exclusively in connection with the department, shall become vested in the Commonwealth; but, in the case of the departments controlling customs and excise and bounties, for such time only as the Governor-General in Council may declare to be necessary.
- (2.) The Commonwealth may acquire any property of the State of any kind, used, but not exclusively used, in connection with the department; the value thereof shall, if no agreement can be made, be ascertained in, as nearly as may be, the manner in which the value of land, or of an interest in land, taken by the State for public purposes is ascertained under the law of the State in force at the establishment of the Commonwealth.
- (3.) The Commonwealth shall compensate the State for the value of any property passing to the Commonwealth under this section; if no agreement can be made as to the mode of compensation, it shall be determined under laws to be made by the Parliament.
- (4.) The Commonwealth shall, at the date of the transfer, assume the current obligations of the State in respect of the department transferred.

86. On the establishment of the Commonwealth, the collection and control of duties of customs and of excise, and the control of the payment of bounties, shall pass to the Executive Government of the Commonwealth.

87. Of the net revenue of the Commonwealth from duties of customs and of excise, not more than one-fourth shall be applied annually by the Commonwealth towards its expenditure.

The balance shall, in accordance with this Constitution, be paid to the several States, or applied towards the payment of interest on debts of the several States taken over by the Commonwealth.

88. Uniform duties of customs shall be imposed within two years after the establishment of the Commonwealth.

89. Until the imposition of uniform duties of customs:—

- (1.) The Commonwealth shall credit to each State the revenues collected therein by the Commonwealth.
- (2.) The Commonwealth shall debit to each State:—
 - (a.) The expenditure therein of the Commonwealth incurred solely for the maintenance or continuance, as at the time of transfer, of any department transferred from the State to the Commonwealth.
 - (b.) The proportion of the State, according to the number of its people, in the other expenditure of the Commonwealth.

Sections 86 to 88.

Collection of customs and excise and control of payment of bounties to pass to Commonwealth on the establishment thereof (see section 69.) Before uniform tariff State-granted bounties will be paid by Commonwealth out of State customs revenue collected. Of net customs and excise revenue collected by the Commonwealth, after the imposition of uniform duties, not more than one-fourth may be kept by the Commonwealth; the balance is returned to the States. Uniform duties to be imposed within two years after establishment of Commonwealth.

Sections 89 to 96.

(1.) Financial system before uniform duties. Commonwealth collects customs and excise revenue under old tariff, and keeps a separate account of such collection in each State. It credits each State with revenue so collected. It keeps a separate account of the expenditure incurred in each State to carry on departments transferred to Commonwealth. It debits each State with expenditure in those departments. It debits each State with its share according to the number of its people, of the new federal expenditure, such as the cost of Federal Parliament and Federal Judges, &c., estimated at £300,000 per year. It pays each State month by month the balance found in its favour.