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**PAYMENTS TO
OR FOR THE STATES
AND LOCAL GOVERNMENT
AUTHORITIES
1976-77**

**PRESENTED BY
THE HONOURABLE PHILLIP LYNCH, M.P.,
TREASURER OF THE COMMONWEALTH OF AUSTRALIA
FOR THE INFORMATION OF
HONOURABLE MEMBERS ON THE OCCASION
OF THE BUDGET 1976-77**

1976-77 BUDGET PAPER No. 7

1976-77 BUDGET PAPERS

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**AUSTRALIAN GOVERNMENT PUBLISHING SERVICE
CANBERRA 1976**

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n.a.—not yet available.

CHAPTER I—INTRODUCTION

Since 1960-61 there has been published annually among the budget documents a paper on Commonwealth payments to the States (and more recently local government authorities). These documents have served two purposes: they have provided a history of the various forms of Commonwealth assistance to the States and outlined, in more detail, the current arrangements governing such assistance. With the increasing range and complexity of programs the document became increasingly lengthy to the point where it was not practicable to continue to provide a comprehensive coverage of both previous and current arrangements in the one document.

Accordingly, this document concentrates on providing information on current forms of assistance. The tabular information, for example, generally covers only five years. Earlier information in relation to the matters covered in this document may be found in last year's issue ('Payments to or for the States and Local Government Authorities 1975-76').

Relationship With Statements Attached to the Budget Speech and Terminology

In the statements attached to the Budget Speech Commonwealth Government outlays are classified, inter alia, in terms of economic type—that is, as to whether they take the form of expenditure on goods and services, cash benefits to persons, payments to other levels of government or transfers to other sectors in the economy. The purpose of this document can be regarded as being to provide details of those outlays included in the economic type category of payments to other levels of government.

This category is known as 'grants and net advances to the States and local government authorities' and is comprised of payments to the States, payments made direct to local government authorities and the State Governments' Loan Council borrowing programs. It is to be noted that, in addition to various Commonwealth Government payments made direct to local government authorities, a considerable amount of Commonwealth assistance is provided for local government authorities by way of payments which are made, in the first instance, to the States. Payments of this kind are included in the totals of payments to the States shown in this document. Details of both forms of assistance for local government authorities are given in Chapter V of this document.

In the statements attached to the Budget Speech outlays are also classified according to function—that is, outlays having like purposes or objectives are brought together under the one functional heading, with certain outlays classified under 'Not Allocated to Function'. One of the main distinctions used in this document is between funds provided to the States for general purposes (that is, 'untied' funds) and those provided for specific purposes (that is, 'tied' funds). All general purpose funds provided to the States are classified under the 'Not Allocated to Function' heading. Several forms of specific purpose payments to the States are also classified under that heading, but most of these payments, and all payments made direct to local government authorities, are classified

under specific functional headings. Tables 4 and 107 show a functional classification of outlays included in this document. Details of specific purpose payments provided in this document are, with a few exceptions, grouped and ordered on a functional basis.

Reference should be made here to the treatment in this and other budget documents of the State Governments' Loan Council borrowing programs, which are financed by the issue of Commonwealth Government securities and to which that Government itself subscribes from its own revenue sources, as necessary, to fill the programs approved by the Loan Council. The national accounting item 'grants and net advances to the States and local government authorities' used in the statements attached to the Budget Speech and in certain other documents includes these programs. In this document, the term 'payments to the States' does not include these programs; however, totals of payments to the States and their Loan Council borrowing programs are also given and, subject to the point referred to in the next paragraph, these totals are comparable with the totals of grants and net advances to the States included in other budget documents. The treatment of the States' Loan Council programs in this document is explained in more detail in Chapter III.

As the term implies, the national accounting aggregate 'grants and net advances to the States and local government authorities' includes Commonwealth Government advances (that is, loans) to the States and local government authorities on a net basis—that is, after subtracting repayments by the States and by local government authorities of advances they have received from the Commonwealth Government in earlier years. The national accounting aggregate also includes the States' Loan Council programs net of sinking fund contributions. The figures for individual items and many of the aggregates referred to in the text or shown in the tables in this document are on a gross basis—that is, *before* deducting repayments of Commonwealth Government loans or sinking fund contributions on State Loan Council borrowings. Where amounts are on a net basis this is specifically indicated. The grand totals in the summary tables in this Chapter and, for example, Tables 102 and 103 in Appendix I are on a net basis and are therefore consistent with the national accounting aggregate 'grants and net advances to the States and local government authorities' appearing in other budget documents.

Outline of Commonwealth Government Payments to the States and Format of this Document

Payments of various descriptions have been made to the States continuously since Federation. Prior to World War II, these payments were mainly of a marginal character and were confined, for the most part, to special grants to assist the financially weaker States and to certain specific purpose grants such as assistance for roads and for debt charges.

Since World War II and the immediate post-war period there has been a marked increase in the amount and scope of assistance to the States. This has reflected, among other things, increases in the range and variety of governmental activities that have accompanied economic and social developments in this period

of rapid growth of the Australian economy; greater participation by the national Government in matters that were previously considered to be the sole responsibility of the States; and the effects of the introduction and continuation of uniform income tax.

In this document payments to the States are classified in two main ways—first, in terms of whether they are for general or specific purposes (that is, whether they are ‘untied’ or ‘tied’) and, secondly, in terms of whether they are for the purpose of financing recurrent or capital expenditures by the States.

The arrangements under which the Commonwealth makes payments to the States for general recurrent purposes (referred to henceforth as ‘general revenue funds’) are described in Chapter II. These funds comprise the largest element in Commonwealth payments to the States and are provided as general subventions to the States’ budgets. They have no conditions attached as to how they may be used, but are intended to finance recurrent expenditures.

Up to the end of 1975-76 the bulk of the general revenue funds was made up of the financial assistance grants. These grants were determined annually on the basis of a formula that was normally subject to review at five-year intervals. In most years, however, special assistance was provided in various ways to supplement the amounts produced by the formula.

Commencing in 1976-77, the financial assistance grants are being replaced by arrangements under which State Governments will be entitled to a specified share of Commonwealth personal income tax collections.

General revenue funds also encompass the special grants paid to certain States (currently only Queensland) on the recommendation of the Grants Commission.

Chapter III provides information on the general purpose capital funds available to the States and their authorities under the Loan Council arrangements. These comprise borrowings made on behalf of the State Governments (to which the Commonwealth Government has contributed from its own resources in most years), interest-free grants made to the States and borrowings by State authorities. Further statistical material on these funds is presented in Appendix II.

Specific purpose payments, for both recurrent and capital purposes, are described in Chapter IV. Some further statistical details related to these payments are given in Appendix III. These payments finance a wide variety of expenditures.

As noted above, Chapter V brings together information on payments to or for local government authorities.

Appendix I provides figures, in detail and in aggregate, of payments to the States and the State Governments’ Loan Council programs in 1975-76 and 1976-77 (estimated), and gives aggregate figures of these funds and of payments made direct to local government authorities for the period 1972-73 to 1976-77 (estimated). Appendix IV provides information on Commonwealth advances to the States and debt charges paid by the States thereon and Appendix V gives figures, in detail and in aggregate, of payments to the six States combined and to each individual State for the years 1972-73 to 1976-77 (estimated).

Recent Trends in the Level of Commonwealth Assistance to the States and Local Authorities

Like other forms of Commonwealth budget outlays, assistance to the States and local authorities has increased rapidly over recent years. In examining year to year movements, however—either in total assistance or in components thereof—account needs to be taken of certain changes in the way funds have become available to the States. The following factors are relevant in this connection:

- (i) pay-roll tax was transferred to the States in September 1971 with corresponding reductions in the level of general revenue grants (this affected the increases in 1972-73 as well as in 1971-72 because of the 'full year effects');
- (ii) from January 1974 the Commonwealth assumed full responsibility for financing tertiary education (previously shared with the States), thus increasing specific purpose payments to the States; at the same time offsetting reductions were made in the level of general purpose funds (this affected the increases for 1973-74 and 1974-75);
- (iii) as from and including 1973-74 the Commonwealth has made specific purpose advances to the States for welfare housing; in the previous two years the States had met expenditures for this purpose from general purpose capital funds and permanent, offsetting reductions were therefore made in those funds in 1973-74;
- (iv) over the five years to 1974-75 the Commonwealth made grants to the States to meet an increasing proportion of the debt charges on a \$1000 million parcel of State debt; this debt was formally transferred to the Commonwealth from 30 June 1975 which has since met the debt charges directly;
- (v) in 1975-76 the Tasmanian railway system and the non-metropolitan system in South Australia were transferred to the Commonwealth, with the consequent financial gains to the States partly offset by reductions in the levels of general purpose funds provided to them;
- (vi) the Medibank payments to the States for hospital running costs which began in 1975-76 subsumed various forms of payments for public hospitals which had not been classified as payments to the States.

The figures in the final column of the following table show the annual percentage increases after adjusting for the six factors listed above. The figures in this table are not adjusted for other 'abnormal' or fluctuating factors, such as payments for natural disaster and unemployment relief and the early payment of Medibank hospital payments in 1975-76 (see text following table).

**TABLE 1—PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENT LOAN
COUNCIL PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL
GOVERNMENT AUTHORITIES 1972-73 TO 1976-77**

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
FUNDS TO STATES FOR RECURRENT PURPOSES			
<i>General Revenue Funds—</i>			
1972-73	1 700.9	10.7	17.0
1973-74	1 923.5	13.1	19.7
1974-75	2 513.5	30.7	34.8
1975-76	3 111.6	23.8	25.9
1976-77 (estimate)	3 743.2	20.3	20.3
<i>Specific Purpose Payments for Recurrent Purposes—</i>			
1972-73	390.0	56.6	56.6
1973-74	609.9	56.4	27.7
1974-75	1 221.5	100.3	99.1
1975-76	2 316.2	89.6	83.0
1976-77 (estimate)	2 483.9	7.2	3.5
<i>Total Funds for Recurrent Purposes—</i>			
1972-73	2 090.9	17.1	22.8
1973-74	2 533.4	21.2	21.2
1974-75	3 735.0	47.4	47.4
1975-76	5 427.8	45.3	43.7
1976-77 (estimate)	6 227.1	14.7	12.9
FUNDS TO STATES FOR CAPITAL PURPOSES			
<i>General Purpose Capital Funds(b)—</i>			
1972-73	982.0	10.1	10.1
1973-74	867.0	-11.7	10.4
1974-75	1 087.4	25.4	28.1
1975-76	1 291.0	18.7	19.8
1976-77(c)	1 356.0	5.0	5.0
<i>Specific Purpose Payments for Capital Purposes—</i>			
1972-73	541.5	18.0	18.0
1973-74	960.2	77.3	30.9
1974-75	1 745.4	81.8	81.2
1975-76	1 836.6	5.2	5.2
1976-77 (estimate)	1 709.2	-6.9	-6.9
<i>Total Funds for Capital Purposes—</i>			
1972-73	1 523.5	12.8	12.8
1973-74	1 827.2	19.9	19.9
1974-75	2 832.9	55.0	55.0
1975-76	3 127.6	10.4	10.8
1976-77 (estimate)	3 065.2	-2.0	-2.0
TOTAL FUNDS TO STATES FOR RECURRENT AND CAPITAL PURPOSES			
<i>General Purpose Funds—</i>			
1972-73	2 682.9	10.4	14.4
1973-74	2 790.5	4.0	16.7
1974-75	3 600.9	29.0	32.7
1975-76	4 402.6	22.3	24.1
1976-77 (estimate)	5 099.2	15.8	15.8
<i>Specific Purpose Funds—</i>			
1972-73	931.5	31.6	31.6
1973-74	1 570.1	68.6	29.8
1974-75	2 966.9	89.0	87.4
1975-76	4 152.8	40.0	38.8
1976-77 (estimate)	4 193.1	1.0	-1.0

TABLE 1—PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES 1972-73 TO 1976-77—*continued*

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
<i>Total Funds—</i>			
1972-73	3 614.4	15.2	18.4
1973-74	4 360.6	20.6	20.6
1974-75	6 567.8	50.6	50.6
1975-76	8 555.4	30.3	30.9
1976-77 (estimate)	9 292.3	8.6	7.5
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES			
1972-73	2.2	15.7	15.7
1973-74	6.0	170.4	170.4
1974-75	53.9	803.1	803.1
1975-76	109.4	103.1	103.1
1976-77 (estimate)	17.4	-84.1	-84.1
Less REPAYMENTS AND SINKING FUND CONTRIBUTIONS(d)			
1972-73	164.8	8.1	8.1
1973-74	180.1	9.3	9.3
1974-75	198.2	10.1	10.1
1975-76	198.3	0.0	0.0
1976-77 (estimate)	232.5	17.3	17.3
GRAND TOTAL—FUNDS TO STATES AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)			
1972-73	3 451.8	15.6	18.9
1973-74	4 186.5	21.3	21.3
1974-75	6 423.5	53.4	53.4
1975-76	8 466.5	31.8	32.5
1976-77 (estimate)	9 077.2	7.2	6.1

(a) See text above.

(b) Comprising the State Governments' Loan Council borrowing programs and capital grants.

(c) Programs agreed to at the June 1976 Loan Council meeting.

(d) That is, repayments of Commonwealth advances to the States and local government authorities and sinking fund contributions on State Government Loan Council borrowings.

There are two factors, of a kind not adjusted for in the final column of the table above, which have a particular effect on the comparison between 1975-76 and 1976-77. First, payments totalling \$215.6 million were made to the States in June 1976 (under arrangements for the financing of public hospital operating costs—see Chapter IV) which in normal circumstances would have been made in 1976-77. Secondly, the 1975-76 figures include non-recurring amounts totalling \$144.6 million for unemployment relief, including under the Regional Employment Development Scheme. Both these factors have the effect of depressing the percentage increase between 1975-76 and 1976-77 below what it would otherwise be. The following table shows the effects of adjusting for these two factors:

TABLE 2—FUNDS AVAILABLE TO THE STATES AND LOCAL GOVERNMENT
AUTHORITIES—COMPARISONS BETWEEN 1975-76 AND 1976-77(a)

PERCENTAGE INCREASES 1976-77 OVER 1975-76

	Actual Figures	Figures Adjusted for Early Hospital Payments(b)	Figures Also Adjusted for Employment Grants(c)
	%	%	%
<i>General Purpose Funds—</i>			
General Revenue Funds	20.3	20.3	20.3
General Purpose Capital Funds	5.0	5.0	5.0
Sub-total	15.8	15.8	15.8
<i>Specific Purpose Funds—</i>			
Payments of a Revenue Nature(d)	7.2	28.5	31.3
Payments of a Capital Nature	-6.9	-6.9	-6.9
Payments made Direct to Local Authorities	-84.1	-84.1	11.0
Sub-total	-1.2	9.4	13.3
TOTAL OF ABOVE (Gross)	7.4	12.7	14.6
Less Repayments of Commonwealth Advances and Sinking Fund Contributions on State Government Loan Council Borrowings	17.3	17.3	17.3
TOTAL (Net)	7.2	12.6	14.6

(a) Items covered in this table are the same as in Table 1.

(b) That is, hypothetical increases calculated as if hospital payments made in June 1976 which would normally have been paid in 1976-77 (totalling \$215.6 million) were made in 1976-77.

(c) Figures adjusted as outlined in footnote (b) but also excluding from the figures the non-recurring grants to the States and local government authorities for unemployment relief (including under the REDS); these payments totalled \$139.0 million in 1975-76 and are estimated to total \$0.3 million in 1976-77.

(d) Includes payments to the States for on-passing as general purpose assistance to local government authorities.

The figures in the foregoing tables include the State Governments' Loan Council programs but do not include the borrowing programs of State semi-government and local authorities. That reflects the fact that the States' Loan Council programs are 'underwritten' by the Commonwealth and represent an effective charge on the Commonwealth's budget while the authorities' programs do not affect the Commonwealth's budget. It is of interest, however, to show how the magnitudes given in the previous tables are affected if the authorities' programs are included. The following table is designed for that purpose.

TABLE 3—FUNDS AVAILABLE TO THE STATES AND THEIR AUTHORITIES AS
COMMONWEALTH ASSISTANCE AND AS BORROWING PROGRAMS (GROSS BASIS)

	1976-77	Percentage Increase Over 1975-76	
		Actual	Adjusted(a)
	\$ million	%	%
<i>General Purpose Funds—</i>			
General Revenue Funds	3 743.2	20.3	20.3
<i>General Purpose Capital Funds—</i>			
State Government Loan Council Programs(b)	1 356.0	5.0	5.0
Borrowing Programs of Larger State Authorities(c) (d)	960.0	18.6	18.6
Borrowings of Smaller State Authorities (c) (e)	299.1	22.3	22.3
Sub-total	2 615.1	11.5	11.5
Total General Purpose Funds	6 358.3	16.5	16.5
<i>Specific Purpose Payments (f)</i>	4 210.5	-1.2	13.3
TOTAL (Gross)	10 568.9	8.7	15.2

(a) As set out in previous tables and accompanying text.

(b) Borrowing programs plus capital grants.

(c) See Chapter III for explanations of terms "larger" and "smaller" authorities and of Loan Council arrangements in relation thereto.

(d) Program approved at the June 1976 meeting of the Loan Council.

(e) Estimate on basis of advice from State Treasuries.

(f) Includes payments made direct to local government authorities.

Functional Breakdown of Payments to States and Local Authorities and State Governments' Loan Council Programs

The following table shows total payments to the States, State Government Loan Council programs and payments made direct to local authorities in 1974-75 and 1975-76 and the estimated amounts for 1976-77 included under each of the relevant functional headings and sub-headings and also the estimated increases in 1976-77 over 1975-76. The figures given in this table are directly comparable with the functional statements of outlays given in the attachments to the Budget Speech, with a qualification relating to 1974-75 (*see* page 23).

TABLE 4—FUNCTIONAL CLASSIFICATION OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND PAYMENTS
MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET BASIS(a))
(\$ thousands)

Functional Classification	1974-75	1975-76	1976-77 (Estimate)	Increase 1976-77 over 1975-76 (Estimate)
Defence	26 499	34 386	36 670	6.6
Education	1 328 754	1 461 159	1 738 459	19.0
Health	107 794	1 082 786	956 482	(b) -11.7
Social Security and Welfare	119 979	182 431	43 689	(c) -76.1
Housing	390 868	362 882	363 128	0.1
Urban and Regional Development n.e.c. and the Environment	234 778	263 284	123 511	-53.1
Culture and Recreation	12 759	11 974	14 840	23.9
Economic Services—				
Transport	418 523	494 762	518 177	4.7
Water Supply and Electricity	38 691	46 260	33 965	-26.6
Industry Assistance and Development	83 021	109 559	100 181	-8.6
Labour and Employment	4 052	6 180	8 530	38.0
Other Economic Services	65	..	..	..
Total Economic Services	544 352	656 761	660 853	0.6
General Public Services	8 955	7 910	13 324	68.4
Outlays Not Allocated to Function—				
General Revenue Funds	2 503 495	3 111 580	3 722 700	19.6
State Government Loan Council Borrowing Programs	592 141	708 668	744 450	5.0
Capital Grants	345 878	430 333	452 000	5.0
Assistance Related to State Debt	103 612	47 338	46 770	-1.2
Assistance for Local Government(d)	56 657	80 046	140 000	74.9
Natural Disaster Relief	46 956	24 961	20 332	-18.5
Total Not Allocated to Function	3 648 739	4 402 926	5 126 252	16.4
GRAND TOTAL (net basis)	6 423 477	8 466 499	9 077 208	(b)(c)7.2

(a) That is, net of repayments of Commonwealth advances and sinking fund contributions on State Government Loan Council borrowings.

(b) Comparisons affected by early payment of assistance for hospitals running costs.

(c) Comparisons affected by unemployment relief grants.

(d) Comprising grants to the States for local government authorities (recommended by the Grants Commission) and for regional organisations of local government in 1974-75 and 1975-76, and general purpose assistance for local government authorities under the personal income tax sharing arrangements in 1976-77.

CHAPTER II—GENERAL REVENUE FUNDS

General revenue grants have, in one form or another, been paid by the Commonwealth to the States since Federation. Their purpose has been to assist the States, by way of subventions to their annual budgets, in the financing of their recurrent expenditures. They are subject to no conditions as to the purposes for which they may be spent; that is, they are completely 'untied'.

A detailed history of successive arrangements governing this form of assistance is to be found in Chapter II and Appendix II of last year's document. The purpose of this Chapter is to provide a very brief summary of the arrangements which applied up to and including 1975-76, followed by a more detailed description of the new tax sharing arrangements between the Commonwealth and State Governments which are to commence in this financial year.

SUMMARY OF PREVIOUS ARRANGEMENTS

Payments of general revenue assistance to the States in the early years of Federation were governed by provisions in the Constitution relating to the allocation to the States of a portion of customs and excise revenue and of 'surplus revenue'. These were replaced after about 10 years by per capita payments which were in turn replaced, under the Financial Agreement of 1927, by contributions by the Commonwealth to interest and sinking fund on State debt. Although the assistance in respect of State debt charges has the effect of providing general relief to the States' budgets, the assistance is classified in this document as a form of specific purpose payment.

Since 1910-11 the payments referred to above were supplemented by special grants to Western Australia and then later to Tasmania and South Australia; from 1934-35 these grants were paid on the recommendation of the Grants Commission.

In 1942, when uniform income tax arrangements were adopted, the Commonwealth became the sole Government imposing taxes on income. To compensate the States for revenue foregone as a result of their ceasing to impose such taxes, the Commonwealth began paying what were known as 'tax reimbursement grants' to the States. These grants continued until 1958-59, after which they were replaced by what have been termed 'financial assistance grants'. As noted above, and explained in more detail below, the grants are to be replaced, as from and including 1976-77, by new personal income tax sharing arrangements.

In very abbreviated terms, the arrangements which applied over the period 1942-43 to 1975-76 may be summarised as follows:

- When the tax reimbursement grants commenced, both the total grants, and their distribution between States, were mainly related to the amounts of income tax previously being collected by the States.
- From 1948-49, however, a formula applied under which a total grant for each year was determined by increasing the amount payable in the preceding year by reference to increases in the population of the six States and to the increase in average wages.

- Over the period 1948-49 to 1956-57 a proportion of the grants was distributed between the States by reference to the previous income tax collections of the States and a proportion by reference to the respective populations of the States as adjusted for density and numbers of children aged between 5 and 15 years of age (they being factors considered to affect the relative needs of the States); the proportion allocated in the latter manner was gradually increased over the period, and in 1957-58 and 1958-59 the distribution between States was wholly on that basis.
- In every year from 1949-50 to 1958-59 supplementary grants, in addition to those yielded by the formulae, were paid.
- The legislation authorising payment of the tax reimbursement grants made those grants conditional on the States refraining from levying income tax, and permitted reductions to be made in the grants payable to any State which did levy such a tax; this element of the legislation was unsuccessfully challenged before the High Court in 1955-56.
- Over the whole of the period of the tax reimbursement grants the three least populous States continued to receive special grants annually on the recommendation of the Grants Commission.
- The financial assistance grants arrangements were instituted in 1959, and reviewed and amended (in each case so as to increase the grants payable to the States) in 1965, 1970 and 1975.
- The main change compared with the previous arrangements was that the grants each year increased not only in proportion to increases in State populations and in average wages, but by a further, so-called 'betterment', factor; until 1964-65 this factor was calculated as 10 per cent of the average wages increase in the year concerned; it was then fixed at 1.2 per cent, independent of the average wages increase, for the years 1965-66 to 1970-71; at 1.8 per cent for the years 1971-72 to 1975-76 and was to have been increased to 3.0 per cent in 1976-77.
- The grants arrangements have been adjusted from time to time apart from the periodic reviews referred to above; for example, adjustments were made to compensate the States for loss of receipts duty following a High Court decision in 1970-71 and to reduce the grants when pay-roll tax was transferred from the Commonwealth to the States in 1971, when the Commonwealth assumed full responsibility for financing tertiary education from January 1974 and on account of transfers of railways from South Australia and Tasmania to the Commonwealth in 1975.
- Additions were made to the financial assistance grants following withdrawals from the Grants Commission system of South Australia, Western Australia and Tasmania.
- Special revenue assistance, either for particular States or all States, was paid in each of the years 1966-67 to 1974-75 to supplement the financial assistance grants; on some occasions, this was 'built in' to the formula grants.
- In terms of the distribution of the grants between States, the effect of the formula—under which each State's grant has increased in proportion to its population increase each year and by the average wages and betterment

factors which have been common to all States—was, abstracting from other factors, to maintain the relationships between the grants of the States in per capita terms. However, these relationships have also been affected by various adjustments made in the arrangements from time to time, including those referred to above.

- The grants arrangements, as revised following the June 1975 Premiers' Conference and incorporating an increase in the betterment factor in 1976-77 to 3.0 per cent, were to have applied over the five years 1975-76 to 1979-80, with a review before the end of that period.
- The legislation authorising the financial assistance grants—namely, successive States Grants Acts—has not specifically stated that the grants were conditional on the States not levying taxes on income; however, it was made clear by the Commonwealth at the time of each review that the grants were so conditional.
- The State Governments consistently expressed the view, over the whole of the period covered by the foregoing summary, that the arrangements were unsatisfactory from their point of view. In 1970 the six States unanimously proposed that they be given direct access to income tax broadly along the lines of the scheme operating in Canada. In 1975 they proposed—again unanimously—that the general revenue grants arrangements should be based, in effect, on the principle that they should compensate the States for their lack of access to income tax and that, to put that principle into effect, the average wages element in the formula should be replaced by a new 'progression' factor equal to 1.5 times the increase in average wages each year.

The following table shows details of the calculation of the financial assistance grants paid to the States in 1975-76.

TABLE 5—CALCULATION OF FINANCIAL ASSISTANCE GRANTS FOR 1975-76
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75 GRANTS	737 522	548 405	414 446	261 737	(a)273 330	(b)131 871	2 367 311
Plus additions to base grants				(c)21 000	(d)5 000		26 000
Less subtraction from base grants						(c)10 700	10 700
TOTAL BASE GRANTS	737 522	548 405	414 446	282 737	278 330	121 171	2 382 611
Plus additions under formula(e)	141 361	107 409	83 914	54 359	58 709	24 418	470 169
SUB-TOTALS	878 883	655 814	498 360	337 095	337 039	145 589	2 852 780
Additional grants(d)	67 777	50 575	38 432	25 996	25 992	11 227	220 000
TOTAL FINANCIAL ASSISTANCE GRANTS	946 660	706 389	536 792	363 091	363 031	156 816	3 072 780

(a) Excluding 'temporary' addition of \$6.5 million in 1974-75.

(b) Including additional \$15 million paid in 1974-75 and included in 'base' for purposes of calculating grants for 1975-76 and later years.

(c) Net amounts agreed to in relation to railway transfers in South Australia and Tasmania and to the withdrawal of the former State from the Grants Commission system. For details see Table 4, page 14 of last year's document.

(d) Agreed to at June 1975 Premiers' Conference as part of revised grants arrangements—see pages 15 and 16 of last year's document.

(e) Calculated from the Statistician's estimates of increases in State populations in the year ended 31 December 1975 (New South Wales 0.16 per cent, Victoria 0.51 per cent, Queensland 1.07 per cent, South Australia 0.21 per cent, Western Australia 1.78 per cent and Tasmania 0.99 per cent, giving a weighted average of 0.64 per cent for all States combined), the Statistician's estimate of the increase in average wages for Australia as a whole in the year ended 31 March 1976 of 16.87 per cent and the betterment factor of 1.8 per cent.

The financial assistance grants paid to each State in each of the last four years is shown in Table 8.

PERSONAL INCOME TAX SHARING WITH THE STATES

As mentioned above, personal income tax sharing arrangements between the Commonwealth and the States are being introduced and will replace the financial assistance grants.

The tax sharing arrangements with the States represent a central element in the Government's Federalism policy, that policy being based largely on a statement on the matter issued by the Coalition Parties in September 1975. Some of the other main elements in the policy are:

- (i) sharing by local government in the proceeds of personal income tax;
- (ii) a more selective use of specific purpose payments to the States with the absorption of such payments, where appropriate, into general purpose funds;

- (iii) the establishment of an Advisory Council for Inter-Government Relations; and
- (iv) a review of the functions of the different levels of Government and the elimination of unnecessary overlapping, waste and interference.

The way in which a share of Commonwealth personal income tax revenue is to be provided as assistance for local government is explained in Chapter V. At the end of this Chapter there is a brief outline of developments in relation to other aspects of the Government's Federalism policy.

The arrangements for tax sharing, together with other aspects of the Commonwealth Government's Federalism policy, were discussed at Premiers' Conferences in February, April and June 1976.

At the February 1976 Premiers' Conference the Commonwealth set down certain broad elements which it regarded as essential to the successful implementation of its tax sharing proposals, put forward more detailed suggestions on some matters (particularly in regard to 'equalisation' aspects) and raised a number of other important issues to which it believed consideration needed to be given before arrangements could be settled. The States gave their preliminary reactions to the general principles and agreed to set down in more detail their views on the matters raised to facilitate further consideration of the proposed arrangements. It was also agreed that a working group of Commonwealth and State Treasury officers should examine and report on technical and other issues related to the scheme.

The further consideration given to the issues at the April 1976 Conference was on the basis of the joint report submitted by Commonwealth and State Treasury officers in March. Most of the main issues were settled at that Conference, outstanding matters being mainly of a subsidiary kind. These outstanding matters were the subject of a second joint report by Treasury officers, which was discussed at the Premiers' Conference in June 1976.

The tax sharing arrangements are to be introduced in two stages. Under Stage 1, to commence in 1976-77, the Commonwealth will continue to be the sole Government imposing taxes on income but the States will receive a specified proportion of the personal income tax collections made under Commonwealth legislation. Under Stage 2, for which it is expected arrangements will be settled so that it may commence in 1977-78, the Stage 1 arrangement will continue but, in addition, each State will have the right to impose a surcharge or grant a rebate on personal income tax in its State. Any State surcharges or rebates will be collected or paid by the Commonwealth on behalf of the States.

Set out below is a list of points representing the understandings which have been reached between the Commonwealth and State Governments in connection with the scheme as it relates to the State Governments (local government aspects are dealt with in Chapter V). With the exception of point (6)—on which *see* the discussion following the list—these points were settled at the three Premiers' Conferences.

Personal Income Tax Sharing Between the Commonwealth and State Governments: Points of Understanding

- (1) The scheme will be related to personal income tax—not company tax and not including withholding taxes on interest and dividends.
- (2) The scheme will be introduced in two Stages; referred to below as Stage 1 and Stage 2.

Stage 1

- (3) Stage 1 will apply as from the beginning of 1976-77. (Commonwealth legislation for Stage 1 is to be introduced during the 1976 Budget session of Parliament.)
- (4) The States' entitlements under Stage 1 will represent a specified percentage of Commonwealth imposed personal income tax. (State legislation will thus not be required in regard to Stage 1.)
- (5) The 'base' to which the percentage will be applied each year will be net personal income tax collected in the year.
- (6) The percentage figure for 1976-77, and for subsequent years, subject to any decisions made given relevant points recorded below, will be 33.6.
- (7) Personal income tax collections in the Territories will be included in the base figure but with this subject to review in the light of the developments in public finances in the Territories.
- (8) The yield or costs of special surcharges or rebates applied, in appropriate circumstances, by the Commonwealth will not be included in the base figure from which the States' entitlements will be calculated.
- (9) In regard to the possible effects on the States' Stage 1 entitlements of changes by the Commonwealth in its personal income tax legislation, the Commonwealth Government has given a firm assurance to the States that:
 - (a) it will ensure that the States are fully informed of relevant tax changes made by the Commonwealth and of their estimated effects on the States' entitlements;
 - (b) it will participate in a review of the arrangements when there are changes in Commonwealth tax legislation which have effects on the States' entitlements of such significance as to warrant such a review;
 - (c) when post-budget changes in Commonwealth personal income tax legislation with substantial effects on the States' entitlements are made, the Commonwealth will consider, in consultation with the States, appropriate adjustments in the arrangements to offset the effects on the States' entitlements in that particular financial year having regard to other relevant factors impinging on the States' budgetary positions; any necessary consultations with the States on this matter will be arranged at the earliest practicable stage; and
 - (d) longer-term trends in regard to such matters as changes in the relative importance of personal income tax viz-a-viz other taxes will be kept under notice between the Commonwealth and State Governments.

- (10) However, it is agreed that it would not be practicable to devise in advance an automatic formula for defining how changes in Commonwealth tax laws should be reflected in the Stage 1 arrangements.
- (11) There will be a 'guarantee' arrangement to ensure that the States' Stage 1 entitlements in any year are not less, in absolute terms, than in the previous year. This arrangement will be supplemented in the first four years of the new scheme (that is, in the years 1976-77 to 1979-80) by a further undertaking that the entitlements will not be less in a year than the amount which would have been yielded in that year by the financial assistance grants formula as laid down in the *States Grants Act* 1973-75.
- (12) A total entitlement for all States will first be determined, to be then divided between the States.
- (13) The initial per capita relativities between the States in their Stage 1 entitlements will be the relativities in the financial assistance grants in 1975-76.
- (14) Subject to (16) and (17) below, and to any absorption of specific purpose payments, these relativities will be carried forward into subsequent years in such a way as to maintain the proportionate relationships between the per capita entitlements of the States.
- (15) The four less populous States will continue to be free to apply for grants on the recommendation of the Grants Commission in addition to their basic entitlements as yielded under the arrangements summarised above.
- (16) The matter of the relationship between the special grant which Queensland is at present receiving on the recommendation of the Grants Commission and the tax sharing arrangements is regarded as essentially one between the Commonwealth and Queensland Governments and will be considered by those Governments as necessary.
- (17) There will be a periodic review of relativities between all States, advice in relation to this review being sought from an independent review body; the first review will be made before the end of 1980-81 (the same timing as applies to the review of the tax sharing arrangements as a whole—see (35) below).
- (18) Arrangements will be made for the States to be regularly informed, as early as practicable and in confidence as necessary, of relevant estimates in relation to their entitlements.
- (19) In relation to the processes referred to in (9) and (18) as they may be affected by matters which are confidential as a result of their association with the Commonwealth's budget consideration and formulation, the Commonwealth will provide to the States the maximum possible relevant information as is consistent with the security and integrity of its own budget.
- (20) The States will be paid their Stage 1 entitlements on a monthly pro-rata basis, with adjustments during the financial year as necessary as estimates of personal income tax collections in the year are varied (this being similar to the arrangements under which the financial assistance grants are paid).

- (21) There will be full and precise documentation to record the understandings between Governments in relation to Stage 1 but this will not take the form of a formal Agreement.

Stage 2

- (22) Under Stage 2 each State will be able to legislate to impose a surcharge on personal income tax in the State (but not company taxation or withholding tax on dividends and interest) additional to that imposed by the Commonwealth, or to give (at cost to the State) a rebate on personal income tax payable under Commonwealth law and to authorise the Commonwealth to collect the surcharge or grant the rebate as its agent.
- (23) Any State surcharges or rebates will be expressed in percentage terms.
- (24) Assessment provisions, and the basic income tax rate structure, will continue to be uniform throughout Australia, these being matters for the Commonwealth to determine.
- (25) The Commonwealth will at all times remain the sole collecting and administrative agency in the income tax field.
- (26) The level of any State surcharges or rebates will be a matter for consideration by each State; relevant decisions will be taken within an appropriate framework of consultation with the Commonwealth and, as considered appropriate by the surcharging or rebating State, with other States, but ultimately the level of surcharge or rebate will be a decision for each individual State. In exercising these powers the States will accept responsibility to work in parallel with and not in negation of the overall economic management policies of the Commonwealth.
- (27) Equalisation arrangements will be made so that less populous States will be enabled to obtain the same relative advantage from a surcharge as the States with a broader tax base.
- (28) The Grants Commission will be responsible for assessing amounts payable under the arrangements referred to under (27).
- (29) The basis for assessment of equalisation assistance to the less populous States in regard to the yield of State surcharges levied under Stage 2 (*see* points (27) and (28) above) will be that supplementary assistance will be provided to a less populous State levying a surcharge to bring the per capita yield from the surcharge up to the average per capita amount which would be yielded if New South Wales and Victoria levied a surcharge on the same basis. The assessment will be independent of any examination of the overall financial position of the State concerned viz-a-viz other States.
- (30) Detailed proposals to implement Stage 2 will be formulated by an officers' working party. The firm target is to have an appropriate framework established, relevant matters agreed and any necessary legislation or other material prepared in time for Stage 2 to commence from the beginning of 1977-78.

- (31) At an appropriate time the Commonwealth will consider what implications Stage 2 might have in relation to the Territories.
- (32) Interest on future issues of Commonwealth securities will be subject to State income tax surcharges under Stage 2 of the tax sharing scheme; this change will not apply retrospectively to interest on securities already issued.

Implications for Tax Forms and Assessment Notices

- (33) In relation to tax forms, changes will be minimal apart from necessary changes to take account of surcharges or rebates.
- (34) Assessment notices will be changed only to accommodate State surcharges or rebates (any Commonwealth surcharge or rebate would, of course, also be shown), with information on the disposition of Commonwealth tax to States (and local government) provided to taxpayers separately but in conjunction with assessment notices.

Review of Total Tax Sharing Arrangements

- (35) There will be a review of the tax sharing arrangements as a whole periodically, with the first review being made at some time before the end of 1980-81 with any revisions applying as from the beginning of the next financial year after the review; arrangements will be made for the Commonwealth and State Governments to agree, well in advance of the review, on the procedures which are to be followed in connection with it.

Point (6) in the foregoing list records that the States' Stage 1 entitlements will be determined as 33.6 per cent of Commonwealth personal income tax collections each year. It had originally been proposed by the States, and agreed by the Commonwealth at the April 1976 Conference, that the percentage should be determined by reference to the relationship between the financial assistance grants in 1975-76 and personal income tax collections in the same year. An estimate of 33.6 per cent was used at the Premiers' Conference held on 10 June, based on an actual grants figure of \$3072.8 million and an estimate of personal income tax collections of \$9150.0 million. In the event, collections totalled \$9219.4 million, giving a percentage figure of 33.3295. Following representations by the States, the Commonwealth agreed to the adoption of 33.6 per cent, the estimated effect being to add approximately \$30 million to the 1976-77 entitlements as they would have been on the previously agreed basis.

At the time this document was prepared, there were four matters still under examination in relation to the scheme.

First, at the June 1976 Conference the particular needs of the States for information on the possible levels of their entitlements in the period leading up to the presentation of their budgets were noted. The fact that the States' entitlements for a financial year could be affected by decisions made by the Commonwealth Government as part of its budget and that the question of the provision of relevant information to the States before the Commonwealth's budget was brought down raised particularly important and difficult issues was also noted. As noted in

point (19) above, the Commonwealth has agreed to provide to the States the maximum possible information as is consistent with the security and integrity of its own budget. Secondly, it was noted in the discussions on tax sharing that it is possible that, as experience is gained with the scheme, and apart from any implications for State budgetary procedures, changes in some aspects of Commonwealth/State financial arrangements may become necessary or desirable to cope with greater uncertainty and greater variations from year to year in the States' revenues. These two matters are being further examined at officer level.

Thirdly, point (17) in the foregoing list records that there will be a periodic review of relativities between all States in their Stage 1 entitlements and that advice in relation to this review will be sought from an independent review body. Aspects of this matter are being further considered between the Commonwealth and the States. Officers are drawing up guidelines, for consideration by Governments, which might form a basis for the independent review. One matter still to be settled is whether the independent review body should be the Grants Commission or some other body.

Fourthly, the working party on Stage 2 arrangements (*see* point (30)) is continuing its work. It consists of Commonwealth and State Treasury, taxation and legal officers. It is expected to remain in operation at least until draft legislation and any other necessary documentation has been prepared. It will be reporting periodically to the heads of the Commonwealth and State Treasuries who will in turn be reporting, as appropriate, to Governments and seeking any necessary guidance from them. Consistent with decisions taken by Governments, officers' work is proceeding with the aim of enabling Stage 2 to come into operation from the beginning of 1977-78—that is, to enable a State Government, if it so wishes, to apply a surcharge or rebate on tax payable in respect of incomes earned on or after 1 July 1977.

Estimates of the States' Entitlements in 1976-77

As noted above, the States' 1976-77 entitlements are to be calculated as 33.6 per cent of personal income tax collections in that year, excluding the effects of any special surcharges or rebates. The Medibank levy to be introduced from 1 October 1976 is in the nature of a special surcharge applied by the Commonwealth and is thus to be excluded from the figures from which the States' entitlements are to be calculated.

Personal income tax collections in 1976-77 will be considerably affected by the Commonwealth Government's decisions to introduce full indexation of the personal income tax system and to abolish the rebates for dependent children as from the beginning of 1976-77; these changes will be reflected in the States' entitlements. The abolition of the rebates for dependent children represents a switching from one form of 'expenditure' (tax rebates) to another form (child endowment) and does not result in additional funds being available to the Commonwealth. At the June 1976 Conference the Prime Minister indicated that, on these grounds, there would be a good case in principle for proposing adjustments to a tax sharing arrangements so that the States would not receive a share of this additional revenue. However, the Commonwealth Government did not seek

such adjustments, and hence the level of the States' entitlements was effectively increased by the change in Commonwealth arrangements for assistance in respect of dependent children.

The estimate of personal income tax collections in 1976-77 (excluding the effects of the Medibank levy) incorporated in the Budget is \$11 060 million, giving, on application of the percentage of 33.6, an estimate of the States' entitlements in 1976-77 of \$3 716.2 million. It is to be emphasised that these and associated figures quoted in this and other budget documents are *no more than estimates dependent on assumptions and forecasts, including forecasts of increases in employment, average wages and so on in the year ahead, employed at the time they were made and hence must necessarily be subject to a very substantial margin of uncertainty.*

The method of distribution of the total figure between States is in accordance with points (13) and (14) on page 16. In practice, the procedure will be to divide each year's total figure in proportion to the States' estimated populations at 31 December in the financial year concerned but after 'weighting' the populations in terms of the proportionate relationships between the per capita financial assistance grants in 1975-76.

On assumptions concerning increases in State populations and average wages consistent with those used in estimating the States' tax sharing entitlements, the financial assistance grants formula would have yielded an estimated \$3626.8 million in 1976-77—that is, approximately \$89 million less than the amount estimated to be paid under the tax sharing arrangements.

The following table shows the calculations underlying the State by State estimates of their tax sharing entitlements in 1976-77.

TABLE 6—ESTIMATED DISTRIBUTION OF STATES' PERSONAL INCOME TAX SHARING ENTITLEMENTS IN 1976-77

DATA RELATING TO 1975-76

	(1)	(2)	(3)	(4)
	Financial Assistance Grants(a)	Population 31 December 1975(b)	Financial Assistance Grants per Capita(c)	(3) Expressed as Multiple of Figure for Victoria
	\$		\$	%
New South Wales	946 660 152	4 810 900	196.774	1.02740
Victoria	706 389 337	3 688 200	191.527	1.00000
Queensland	536 791 799	2 015 100	266.385	1.39085
South Australia	363 091 278	1 241 700	292.415	1.52676
Western Australia	363 030 612	1 138 300	318.923	1.66516
Tasmania	156 816 460	409 000	383.414	2.00188
Total	3 072 779 638	13 303 200	230.980	—

ESTIMATED DATA RELATING TO 1976-77

	(5)	(6)	(7)	(8)
	Population 31 December 1976(d)	(5) Weighted by (4)	Percentage Distribution of (6) between States	Estimated States' Entitlements Distributed According to (7)
			%	\$ million
New South Wales	4 880 700	5 014 431	30.824	1 145.5
Victoria	3 731 800	3 731 800	22.940	852.5
Queensland	2 034 700	2 829 962	17.396	646.5
South Australia	1 256 600	1 918 527	11.794	438.3
Western Australia	1 167 300	1 943 741	11.948	444.0
Tasmania	414 300	829 379	5.098	189.4
Total	13 485 400	16 267 840	100.000	(e)3 716.2

(a) As calculated by the Statistician in accordance with the provisions of the *States Grants Act 1973-75*.

(b) Estimates of population used by Statistician in calculating the financial assistance grants for 1975-76.

(c) Column (1) divided by column (2).

(d) Forward estimates of populations at 31 December 1976 supplied by the Bureau of Statistics.

(e) For derivation of the States' total entitlement *see* text. Individual States' entitlements rounded to nearest \$100 000.

THE SPECIAL GRANTS

Special grants have been paid to the States on the recommendation of the Grants Commission since 1934-35. The Grants Commission was established under the *Commonwealth Grants Commission Act 1933* and functioned under that Act, to which only minor amendments were made, until September 1973. New legislation, the *Grants Commission Act 1973*, was passed by Parliament in the Autumn 1973 sittings and amendments to that Act were passed in the Autumn sittings of

1975 and 1976. These various changes were mainly related to the Commonwealth's role in the matter of assistance for local government and are therefore dealt with in Chapter V of this document.

Under the legislation as it now stands, the Commission is required to inquire into and report upon:—

- any application made by a State for financial assistance 'for the purpose of making it possible for the State, by reasonable effort, to function at a standard not appreciably below the standards of other States'.
- any other matters related to Commonwealth financial assistance to the States which may be referred to it by the Government.

The Commission's inquiries and reports in relation to special grants are made under the first of these provisions; the wording quoted is based on the principle of financial need as set out by the Commission in its Third Report (1936).

As noted above, the tax sharing arrangements are on the basis that each of the four least populous States may apply for special grants. Queensland is the only applicant State at present. Arrangements under which the other three States concerned have ceased receiving special grants are set out in last year's document.

In arriving at its recommendations, the Commission each year makes a detailed comparison between the financial positions of the claimant States and those of the 'standard' States. Prior to 1959-60 the Commission used a standard derived from the experience of New South Wales, Victoria and Queensland. From 1959-60 the standard States have been New South Wales and Victoria.

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

In 1975-76 special grants totalling \$38.8 million were paid on the recommendations of the Grants Commission, consisting of an advance payment of \$25.0 million to Queensland for 1975-76 plus completion grants of \$11.3 million for Queensland and \$2.5 million for South Australia in respect of 1973-74. The grants were recommended by the Commission in its Forty-second Report presented to Parliament in the Budget Session in 1975, and were authorised by the *States Grants (Special Assistance) Act 1975*.

The Commission has recommended for payment to Queensland in 1976-77 an advance grant for 1976-77 of \$18.0 million and a completion grant in respect of 1974-75 of \$9.0 million. The Commonwealth Government has accepted these recommendations and it is expected that legislation to authorise payment of the grants will be introduced in the Budget sittings of Parliament following tabling of the Commission's Forty-third Report.

The table below shows the *final* amount of special grants paid *in respect* of each of the years 1972-73 to 1974-75 inclusive—that is, the advance grant paid in the year concerned plus the completion grant normally paid two years later. The table also shows the advance payments for 1975-76 and 1976-77. Table 8 shows the grants in terms of amounts actually paid each year.

TABLE 7—SPECIAL GRANTS
(\$ thousands)

—	Queensland			South Australia			Tasmania		
	Advance Payment	Completion Payment(a)	Total	Advance Payment	Completion Payment(a)	Total	Advance Payment	Completion Payment(a)	Total
1972-73	10 000	9 750	19 750	13 500	8 500	22 000	10 000	(b)	10 000
1973-74	10 000	11 300	21 300	15 000	2 500	17 500	10 000	(b)	10 000
1974-75	15 000	9 000	24 000	15 000	(c)10 000	25 000	..	..	..
1975-76	25 000	(d)	(d)	..	..	..	..	..	..
1976-77	18 000	(d)	(d)	..	..	..	..	..	..

(a) Actually paid two years subsequent to year shown, with exception of amount of \$10 million referred to in footnote (c).

(b) No completion grants were or are to be paid to Tasmania in respect of these years.

(c) Amount paid in 1974-75 in accordance with agreement between the Commonwealth and South Australian Governments; represents agreed estimate of completion grant which could have been expected to be recommended by the Grants Commission in respect of 1974-75 if the State had remained claimant. This amount was not, and is not to be, reviewed by the Commission. An additional amount of \$6 434 000, not included in this table, was paid in 1974-75—see page 21 of last year's document.

(d) Not yet determined—see text above.

OTHER GENERAL REVENUE ASSISTANCE

As noted above the Commonwealth Government has from time to time provided general revenue assistance to the States additional to that payable under the tax reimbursement and financial assistance grants arrangements or by way of special grants recommended by the Grants Commission. Between 1949-50 and 1958-59, for instance, the Commonwealth Government made ad hoc grants to each State to supplement the amount yielded by the formula then operating; and additional assistance grants, partly used for general revenue purposes, were paid in the years 1957-58 and 1961-62 to 1963-64. Special revenue assistance of one kind or another was also paid in every year from 1966-67 to 1974-75. The amounts provided in the last three of these years are shown in the table below.

As part of arrangements for the transfer of the non-metropolitan railway system of South Australia and the railway system of Tasmania to the Commonwealth Government (*see* last year's document for further details) the Commonwealth agreed to make special payments of \$10 million and \$5 million respectively to the two States in 1974-75. These payments have been classified as special revenue assistance to the States for purposes of this document and in publications of the Australian Bureau of Statistics. They have, however, not been classified as payments to the States in the statements attached to the Budget Speech, being regarded, for purposes of those statements, as expenditures on the purchase of existing assets and, for this reason, relevant aggregates in this document differ, for 1974-75, from those shown in the statements attached to the Budget Speech.

PAYMENTS OF GENERAL REVENUE FUNDS TO THE STATES

The following table shows payments of general revenue funds to the States from 1972-73 and estimates for 1976-77.

TABLE 8—GENERAL REVENUE FUNDS
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
FINANCIAL ASSISTANCE GRANTS/TAX SHARING ENTITLEMENTS(a)							
1972-73 ..	521 963	396 087	271 946	181 430	196 369	79 498	1 647 293
1973-74 ..	585 507	437 604	318 245	204 918	222 388	91 243	1 859 905
1974-75 ..	737 522	548 405	414 446	261 737	279 830	131 871	2 373 811
1975-76 ..	946 660	706 389	536 792	363 091	363 031	156 816	3 072 780
1976-77 (estimate) ..	1 145 500	852 500	646 500	438 300	444 000	189 400	3 716 200
SPECIAL GRANTS(b)							
1972-73 ..	..	..	10 000	21 000	..	7 600	38 600
1973-74 ..	..	..	10 000	19 900	..	8 650	38 550
1974-75 ..	..	..	24 750	39 934	..	..	64 684
1975-76 ..	..	..	36 300	2 500	..	..	38 800
1976-77 ..	..	..	27 000	..	..	..	27 000
SPECIAL REVENUE ASSISTANCE							
1972-73 ..	15 000	..	..	..	..	..	15 000
1973-74 ..	7 926	6 020	4 228	2 764	2 855	1 207	25 000
1974-75 ..	18 641	13 861	10 475	16 616	7 073	8 333	75 000
TOTAL GENERAL REVENUE FUNDS							
1972-73 ..	536 963	396 087	281 946	202 430	196 369	87 098	1 700 893
1973-74 ..	593 433	443 624	332 472	227 582	225 243	101 101	1 923 455
1974-75 ..	756 163	562 266	449 671	318 287	286 903	140 204	2 513 495
1975-76 ..	946 660	706 389	573 092	365 591	363 031	156 816	3 111 580
1976-77 (estimate) ..	1 145 500	852 500	673 500	438 300	444 000	189 400	3 743 200

(a) Estimated State Government entitlements to a share of Commonwealth personal income tax collections in 1976-77; financial assistance grants in earlier years. For further details concerning the grants in 1975-76 and earlier years see last year's document.

(b) Special grants actually paid to the States in the years shown, including additional amount of \$6 434 000 paid to South Australia in 1974-75. See text and Table 7 for amounts of special grants paid in respect of each year.

OTHER ASPECTS OF THE GOVERNMENT'S FEDERALISM POLICIES

The purpose of this section is to briefly outline developments on three other aspects of the present Government's Federalism policies which have implications, or potential implications, for Commonwealth/State finances.

First there is the 'absorption' of specific purpose programs, by which is meant the replacement of a specific purpose program of assistance to the States, or part thereof, by additions to the States' general purpose funds (either recurrent or capital). A statement on this matter included in a paper circulated by the Commonwealth at the February 1976 Premiers' Conference is quoted on page 32 below.

It was agreed at the April Premiers' Conference that absorption was, as a matter of principle, acceptable as an objective. It was also agreed at that Conference that absorption would not commence before 1977-78 but that any necessary joint work by Commonwealth and State officers would take place over the course of 1976-77.

Secondly, there is the Commonwealth's policy that unnecessary duplication of functions at the Commonwealth and the State levels should be eliminated. One of the matters on which the Administrative Review Committee headed by Sir Henry Bland was asked to report was 'possible means of improving Commonwealth/State administrative arrangements with particular reference to the degree of Commonwealth involvement in the supervision of State expenditure of Commonwealth financial assistance, and to the avoidance of duplication and overlapping of activities'. Decisions made as a result of this and other review procedures are being or will be announced in the context of statements concerning the particular areas to which they relate.

Thirdly, there were discussions at the three Premiers' Conferences this year on the Commonwealth's proposals for an Advisory Council for Inter-Government Relations. It has been agreed that such a Council will be established (with appropriate Commonwealth legislation being passed if necessary). It will comprise members of the Commonwealth and State Parliaments, representatives from local government and private citizens. Costs will be shared between the Commonwealth (45 per cent), the States (45 per cent) and local government (10 per cent). Subjects for investigation and advice by the Council will be referred to it by Premiers' Conferences; subjects so referred may include matters raised initially at the initiative either of local government or the Council itself.

CHAPTER III—GENERAL PURPOSE CAPITAL FUNDS

This Chapter provides information on the general purpose capital funds available to the States and their authorities under the Loan Council arrangements. These comprise borrowings made on behalf of the State Governments (to which the Commonwealth has contributed from its own resources in recent years), interest-free grants made by the Commonwealth to the States and borrowings by State authorities. Relevant statistical material for the period from 1972-73 is presented in Appendix II; statistical information for earlier years is available in Appendix III of 'Payments to or for the States and Local Government Authorities 1975-76'.

The Loan Council, which is constituted under the Financial Agreement, is composed of representatives of the Commonwealth and each State Government. Under the terms of the Financial Agreement borrowings by the Commonwealth and State Governments (except for temporary borrowings and defence borrowings) are subject to approval by the Loan Council. Accordingly, the Loan Council determines annual borrowing programs for the Commonwealth and the States, together with the terms and conditions of loans to finance these programs. Subject to the decisions of the Loan Council, borrowings for and on behalf of the State Governments and conversions, renewals, redemptions and consolidations of the public debt of the States are, with limited exceptions, arranged by the Commonwealth.

STATE GOVERNMENT LOAN COUNCIL PROGRAMS

The Loan Council program for State Governments represents the major source of funds available to the States for capital works. Each State determines the application of its share of the program. A proportion of the total program for State Governments agreed to in the Loan Council is provided as a capital grant by the Commonwealth, which also undertakes to complete the financing of the States' works program by subscribing any shortfall from its own resources.

The capital grants now constitute one-third of each State's total program. Background material on these grants, together with a summary of changes in the proportion of the total program provided as grants, is to be found on page 27 of 'Payments to or for the States and Local Government Authorities 1975-76'; on pages 24 and 25 of that document there is an account of the way in which Commonwealth assistance to the States for housing has in the past been related to the Loan Council arrangements.

For 1975-76, the Loan Council approved a total State Government program of \$1 291 000 000 made up of a basic program of \$1 281 000 000 and a special permanent addition of \$10 million for New South Wales in recognition of the State's relatively low per head share of Loan Council programs compared with other States. (A further special permanent addition was also made for this reason to New South Wales' share of the larger authorities' program for 1975-76.) Of the total program of \$1 291 000 000, \$860 667 000 represented borrowings and \$430 333 000 capital grants provided by the Commonwealth.

The programs agreed to for both South Australia and Tasmania were \$6 million lower than they would otherwise have been to take account of savings

to the States' capital works programs as a result of the transfer to the Commonwealth on 1 July 1975 of Tasmania's railway system and South Australia's non-metropolitan railways.

A total State Government program for 1976-77 of \$1 356 000 000 was approved by the Loan Council at its June 1976 meeting; this represents an increase of 5 per cent in money terms over the 1975-76 program. Of this total, two-thirds, or \$904 000 000, will be represented by borrowings and one-third, or \$452 000 000, will be provided as capital grants to the States. The following table shows the distribution between the States of the 1975-76 and 1976-77 programs.

TABLE 9—STATE GOVERNMENT LOAN COUNCIL PROGRAMS, 1975-76 AND 1976-77—
STATE BY STATE ALLOCATIONS

	1975-76			1976-77			
	Borrowings	Capital Grants(a)	Total	Borrowings	Capital Grants(a)	Total	
						Amount	Percentage of Six State Total(d)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
New South Wales . . .	274 114	137 057	(b) 411 171	287 915	143 958	431 873	31.85
Victoria . . .	217 744	108 871	326 615	228 706	114 354	343 060	25.30
Queensland . . .	114 919	57 459	172 378	120 705	60 352	181 057	13.35
South Australia . . .	112 950	56 475	(c) 169 425	118 637	59 318	177 955	13.12
Western Australia . .	80 197	40 099	120 296	84 235	42 117	126 352	9.32
Tasmania . . .	60 743	30 372	(c) 91 115	63 802	31 901	95 703	7.06
Total . . .	860 667	430 333	1 291 000	904 000	452 000	1 356 000	100.00

(a) Capital grants represent one-third of each State's total program.

(b) Includes special permanent allocation of \$10 million to New South Wales' share of the program agreed at the June 1975 Loan Council meeting.

(c) Reduced in connection with railway transfer arrangements—see text above.

(d) The same percentage allocation applied in 1975-76.

Financing of States' Borrowing Programs and the Capital Grants

As previously mentioned, all borrowings on behalf of the State Governments are, with limited exceptions, arranged by the Commonwealth.

When the proceeds of public borrowings available for this purpose are insufficient to finance the States' programs the Commonwealth makes up the shortfall by subscribing the appropriate amount to a special loan, proceeds of which are allocated to the States. The amounts made available in this way represent State debt. These special loans are raised on terms and conditions similar to those offered in the previous public loan raised in Australia. The effect of this arrangement is that, as necessary, the Commonwealth contributes amounts from its own resources to help finance the Loan Council program of the State Governments.

The borrowing program for the Commonwealth approved by the Loan Council includes an amount equal to the capital grants. The legislation authorising the payment of the capital grants authorises the Treasurer to borrow the amount concerned, or to meet it wholly or in part from Consolidated Revenue Fund.

A summary of the financing of the States' Loan Council programs since 1971-72 is given in Table 114 in Appendix II; Table 115 shows further details of the financing of the programs since 1971-72.

Following previous practice, the Commonwealth has undertaken to support the total States' Loan Council programs of \$1 356 000 000 agreed for 1976-77, conditional on the States agreeing to certain arrangements designed to promote the raising of loans to finance the programs. On this basis, the Commonwealth will support the programs in the following ways:—

- (a) by leaving to the States, to the extent necessary to complete their governmental borrowing programs, the whole of the proceeds derived from public loan raisings by the Commonwealth in Australia (other than the net proceeds of Drought Bonds, Treasury Notes and other borrowings for temporary purposes; amounts required to meet encashments of Special Bonds; and amounts applied to redemption of public securities that cannot be financed out of the National Debt Sinking Fund);
- (b) by arranging, to the maximum possible extent, for the redemption of maturing but unconverted State debt that cannot be met from State sinking funds; and
- (c) by making monthly advances to the States for the first eight months of the financial year against the borrowing component of the program at an annual rate not exceeding \$904 000 000, the position then to be reviewed and a tentative determination made, not later than February 1977, of the amount of any special loan assistance the Commonwealth may provide from its own resources. (The amount of the capital grants component of the program is paid to the States by equal monthly instalments.)

BORROWING PROGRAMS FOR STATE AUTHORITIES

Under the 'Gentlemen's Agreement', originating in 1936, the Loan Council approves an aggregate annual borrowing program for State larger semi-government and local authorities. For 1976-77 larger authorities are defined as those borrowing more than \$800 000 in the financial year, the Loan Council having decided at its June 1976 meeting to increase the limit from the figure of \$700 000 which applied in 1975-76; for information on the limits applying in previous years, *see* page 29 of 'Payments to or for the States and Local Government Authorities 1975-76'. From 1962-63 no overall limit has been set by the Loan Council on borrowings by smaller authorities, that is, authorities borrowing within the financial year up to the amounts mentioned above.

The total program approved is distributed by the Loan Council between the States. Each State determines the distribution between individual larger authorities of its share of the overall borrowing program approved for such authorities. The terms and conditions of loans raised by such authorities are subject to Loan Council approval.

Borrowings by State smaller authorities are also subject to the terms and conditions applying under the 'Gentlemen's Agreement' and it is the responsibility

of the States to ensure that the smaller authorities conform with these terms and conditions.

For 1975-76 the Loan Council approved a total borrowing program for larger State authorities of \$809 675 000. This included a basic program of \$792 600 000 and special permanent additions of:—

- \$10 000 000 for New South Wales on the same basis as the equivalent permanent addition referred to above to its State Government program; and
- \$7 075 000 for Queensland under arrangements agreed at the June 1968 Loan Council meeting in respect of the termination at 30 June 1975 of the issue of variable interest stock by the State's Southern Electric Authority.

At its June 1976 meeting the Loan Council approved a total borrowing program for larger State authorities for 1976-77 of \$960 000 000. This represents an increase of \$150 325 000, or 18.6 per cent, over the 1975-76 programs.

The borrowings of both larger and smaller authorities in each State in 1975-76 and previous years, the shares of the program for larger authorities in each State in 1976-77, and estimated borrowings by smaller authorities in 1976-77, are shown in Table 109 in Appendix II. Table 113 in that Appendix shows the amounts that have been borrowed by local government authorities from within the total borrowings of both larger and smaller authorities. Further reference to the borrowing arrangements for local government authorities is made in Chapter V.

Details of the larger State authorities' programs for 1975-76 and 1976-77 are set out in the following table:—

TABLE 10—LARGER AUTHORITIES' PROGRAMS, 1975-76 AND 1976-77—
STATE BY STATE DISTRIBUTION

	1975-76 Total	1976-77	
		Total	Percentage of Six State Total(b)
	\$'000	\$'000	%
New South Wales	(a)303 720	360 108	37.51
Victoria	256 693	304 351	31.70
Queensland	(a)149 769	177 575	18.50
South Australia	38 122	45 200	4.71
Western Australia	38 264	45 369	4.73
Tasmania	23 107	27 397	2.85
Total	809 675	960 000	100.00

(a) Includes permanent additions of \$10 million to New South Wales and \$7 075 000 to Queensland. See text above.

(b) The distribution of the program between the States is based on the distribution of the 1975-76 program.

TREATMENT OF LOAN COUNCIL PROGRAMS IN THIS AND OTHER BUDGET DOCUMENTS

The advances for housing (to 1970-71) and capital grants (beginning in that year) which have been agreed to in the context of Loan Council discussions represent Commonwealth payments to the States and are so categorised for purposes of this and other Budget documents concerned.

The State Governments' Loan Council borrowing programs are not included in the totals of payments to the States shown in this document. However, as mentioned in Chapter I, the national accounting item 'grants and net advances to the States and Local Government Authorities' used in the statements attached to the Budget Speech and other documents does include these programs. The equivalent aggregate is described in this document as the total of Commonwealth payments to the States, the State Governments' Loan Council borrowing programs and payments to local authorities.

CHAPTER IV—SPECIFIC PURPOSE PAYMENTS TO THE STATES

The Commonwealth has provided financial assistance for certain specific types of expenditure by the States for many years. This Chapter outlines specific purpose payments recently made, presently being made or proposed to be made, to the States. Chapter IV and Appendix IV of last year's document outlined some of the history of such payments, summarised the programs which had been completed in recent years and gave detailed statistical material generally back to the commencement of each program. Table 102 in Appendix I of this document shows aggregate specific purpose payments to each State since 1972-73 classified as to whether they were for recurrent or capital purposes and Table 107 in that Appendix classifies these and other payments by function.

The various payments in this Chapter are grouped under the functional headings used in the Statements attached to the Budget Speech—the only exceptions being that payments included in the 'Not Allocated to Function' category (namely assistance related to State debts, assistance for local government and natural disaster relief) are shown under specific headings in appropriate places in the Chapter and that payments for Aboriginal Advancement are outlined together (in the functional statements these are distributed over a number of functions).

Details further to those provided in this Chapter on specific purpose payments made to the States for 'on-passing' to local government authorities are given in Chapter V.

GENERAL VIEWS OF COMMONWEALTH GOVERNMENTS ON SPECIFIC PURPOSE PAYMENTS

In its financial relations with the States the Labor Government (1972-75) put particular emphasis on this form of assistance. Its attitude is summarised in the following statement made by the then Prime Minister at the June 1973 Premiers' Conference:—

'From now on, we will expect to be involved in the planning of the function in which we are financially involved. We believe that it would be irresponsible for the national Government to content itself with simply providing funds without being involved in the process by which priorities are met, and by which expenditures are planned and by which standards are met.'

The approach of the present Government was set out as follows by the Prime Minister in a document circulated at the February 1976 Premiers' Conference:—

'I turn now to the area of specific purpose payments; a central element in our Federalism Policy.

Our policies in this regard are closely integrated, but there are several particular aspects which warrant separate mention.

Specific purpose assistance has been an area of very rapid growth in recent years. It would accordingly be surprising if, given the overriding need for expenditure restraint, it were not found that there are some programs which are not a justifiable charge on the taxpayer—if they ever were—or in respect of which some savings are possible either in the short or longer term. We have been, and will continue to be, examining this area carefully in close consultation with the States.

Secondly, there are some programs—or parts of programs—which represent areas of expenditure which clearly deserve continuing Commonwealth support but in which there is no obvious need that my Government can see for the Commonwealth to be involved in a *specific* way. These are matters in respect of which priorities should appropriately be left to the States and their authorities to determine.

In such cases, some form of *absorption* of specific purpose funds into general purpose funds would be appropriate.

This matter will be given the most careful examination in close consultation with the States. Without in any way wishing to prejudice the outcome of that examination, I mention the Sewerage Program and that portion of roads assistance which relates to minor local urban and rural roads as examples of the kind of program at which we are looking closely.

The same principle of absorption could apply in the local government area. Again we would welcome the Premiers' views on the scope of absorption of specific purpose assistance into the general revenue assistance to be provided for local government.

Thirdly, we believe, there will be some areas in respect of which a continuing and specific involvement of the Commonwealth will be appropriate. In some of these, however, there is likely to be scope for rationalising the detailed arrangements under which funds are made available to the States.'

ASSISTANCE RELATED TO STATE DEBTS

Payments Under the Financial Agreement

Contributions to Interest on State Debts

Under the Financial Agreement entered into by the Commonwealth and the States in 1927, the Commonwealth makes payments to the States expressed as a contribution towards interest payable on State debts. They are therefore treated here as specific purpose grants, although they have some of the characteristics of grants for general purposes. In fact, the payments superseded the general revenue grants of \$2.50 per head of the population of each State made in the period 1910-11 to 1926-27 under the *Surplus Revenue Act* 1910. (See Appendix II of last year's document.)

Each year the total contribution is \$15 170 000, the amount that was payable in 1926-27 under that Act. The contribution is apportioned between the States in the same way as the 1926-27 *per capita* grant and is to continue for fifty-eight years from 1 July 1927 (that is, until 1985). It is distributed among the States as shown in the following table:—

TABLE 11—INTEREST PAYMENTS ON STATE DEBTS
(\$ thousands)

New South Wales	5 835
Victoria	4 254
Queensland	2 192
South Australia	1 408
Western Australia	947
Tasmania	534
Total	15 170

Sinking Fund Contributions

The Financial Agreement of 1927 established arrangements for the payment of sinking fund contributions, by both the Commonwealth and State Governments, in respect of State debt or debt incurred on behalf of the States. These arrangements, with relatively minor amendments, applied from 1927-28 to 1974-75 and are summarised on page 36 of 'Payments to or for the States and Local Government Authorities 1974-75'. Basically, both the States and the Commonwealth Government made contributions of 0.25 per cent on loans raised by or for the States (although different arrangements applied in respect of some particular kinds of debts or loans) and the States made additional contributions of 4.5 per cent on cancelled debt.

Amendments to the Financial Agreement which were ratified by the Parliaments of the Commonwealth and the States over the course of 1975-76 (the relevant Commonwealth legislation being the *Financial Agreement Act 1976*), and which had retrospective effect to 30 June 1975, provide for new sinking fund arrangements in respect of State debt which may be briefly summarised as follows:—

- (i) Specified contributions were made by the States (\$121.5 million) and by the Commonwealth (\$30.2 million) in 1975-76.
- (ii) For the next nine years (ten in the case of New South Wales) the contributions will equal the amounts referred to in (i) adjusted by a percentage of the difference between each State's net debt at 30 June 1975 and the net debt at 30 June immediately preceding the year of contribution; the percentage is 1.20 for State contributions and 0.28 per cent for Commonwealth contributions.
- (iii) As from and including 1985-86 (1986-87 in the case of New South Wales) the contributions by each State will equal 0.85 per cent of its net debt at the preceding 30 June and the Commonwealth's contributions will be 0.28 per cent.

The Financial Agreement amendments also gave effect to the transfer of \$1 000 million of State debt to the Commonwealth from 30 June 1975 (*see* page 34 of last year's document).

Further details of sinking fund arrangements may be found in the annual reports of the National Debt Commission.

The following table shows the Commonwealth's contributions to the sinking fund on States' debts from 1972-73, including estimated contributions to be made in 1976-77.

TABLE 12—SINKING FUND PAYMENTS UNDER THE FINANCIAL AGREEMENT
1972-73 TO 1976-77
(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1972-73 . . .	9 197	6 809	3 636	3 689	2 715	1 934	27 979
1973-74 . . .	9 675	7 195	3 844	3 896	2 855	2 044	29 509
1974-75 . . .	10 079	7 525	4 012	4 072	2 976	2 141	30 805
1975-76 . . .	9 900	7 500	3 900	4 000	2 800	2 100	30 200
1976-77 (estimate) .	10 500	8 000	4 200	3 900	3 000	2 000	31 600

Reimbursement to South Australia and Tasmania of Sinking Fund Contributions in 1975-76 in connection with Railway Transfers in those States

Formal agreements with South Australia and Tasmania for the transfer of railways to the Commonwealth were signed, and ratified by the Parliaments concerned, in 1975. As part of the agreements, State debt associated with the railways being transferred was taken over by the Commonwealth. Because of technicalities associated with the revised Financial Agreement (which sets out, inter alia, new arrangements for sinking fund payments) it was not practicable to relieve South Australia and Tasmania of sinking fund payments in 1975-76 on the debt transferred in connection with the railway transfers. (The revised Financial Agreement does, however, provide for adjustment to the States' sinking fund contributions in later years.)

The Commonwealth Government therefore undertook to reimburse the two States for the railway portion of their 1975-76 sinking fund contributions. Payments totalling \$1 968 052 were made in 1975-76, of which South Australia received \$1 488 000 and Tasmania \$480 052.

DEFENCE

Housing for Servicemen

Under successive Commonwealth-State Housing Agreements provision was made from 1956-57 to 1970-71 for certain of the funds advanced annually to the States for housing to be devoted to the erection of dwellings for serving members of the Defence Force. (For further details see page 35 of last year's document.)

Present arrangements are governed by an agreement reached between the Commonwealth and States in 1972 and embodied in the *Commonwealth-State Housing Agreement (Servicemen)* 1972. Funds for erection of housing for servicemen in the States are provided under these arrangements by way of advances repayable over 53 years and attracting an interest rate equal to the long-term bond rate when the advances are made.

Amounts advanced to the States under the *Commonwealth-State Housing Agreement (Servicemen)* 1972 and estimated advances in 1976-77 are shown in the table below:—

TABLE 13—ADVANCES FOR HOUSING FOR SERVICEMEN
1972-73 to 1976-77
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73 . . .	3 539	2 019	400	43	161	..	6 163
1973-74 . . .	4 539	2 691	200	..	191	145	7 766
1974-75 . . .	16 350	4 193	5 200	130	784	149	26 805
1975-76 . . .	18 005	6 082	7 500	1 725	698	160	34 170
1976-77 (estimate) .	15 280	4 270	13 300	2 107	1 230	13	36 200

Assistance to State Emergency Services

The Natural Disasters Organisation, which was formally established on 2 July 1974, is responsible for coordinating physical assistance provided by the Commonwealth Government (including that provided by the armed services) with the efforts made by State emergency services and local and voluntary organisations to cope with major natural disasters.

The Organisation also has the function of supervising the provision of assistance to State Emergency Services, for the purpose of strengthening those services. Following is a summary of assistance which is being provided by the Commonwealth:—

- (i) grants are made to the States to meet the cost of salaries of an agreed number of State Emergency Services' personnel at Division or District headquarters (this assistance was first provided in 1974-75);
- (ii) grants are made to subsidise disaster protection—specifically, levee banks, drains and firebreaks—and to provide depots for emergency service units at the local level;
- (iii) under a practice of some years' standing, capital equipment is provided to the State organisations. Equipment valued at \$979 664 was provided in 1975-76 and the estimated value of equipment to be provided in 1976-77 is \$1.305 million;
- (iv) the Commonwealth Government meets the costs of State Government personnel travelling to attend courses at the Civil Defence School at Mt Macedon; and
- (v) other forms of assistance are provided from time to time (for example, \$17 606 was paid by the Commonwealth Government in 1974-75 in respect of the cost of installing telephones at the Queensland State Disaster Headquarters).

Of these forms of assistance, those summarised as (i) and (ii) above are classified as payments to or for the States for purposes of this and other documents; they are both regarded as being recurrent payments for purposes of this

document. The following table shows payments made for these purposes and estimated payments in 1976-77:—

TABLE 14—GRANTS FOR STATE EMERGENCY SERVICES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
SALARIES OF PERSONNEL							
1974-75 . . .	188	..	114	..	..	23	325
1975-76 . . .	278	119	203	..	..	53	653
1976-77 (estimate) .	314	244	243	22	44	53	920
PROTECTION AND OTHER WORKS							
1975-76 . . .	20	..	66	8	..	..	94
1976-77 (estimate) .	40	30	30	5	20	25	150
TOTAL							
1974-75 . . .	188	..	114	..	..	23	325
1975-76 . . .	298	119	269	8	..	53	747
1976-77 (estimate) .	354	274	273	27	64	78	1 070

Special Assistance to Exmouth Shire

In January 1975, the Western Australian Government sought assistance towards the operational costs of the Exmouth Shire, which provides support to the United States Communications Station at North West Cape.

An amount of \$150 000 was paid to Western Australia for the Exmouth Shire in 1975-76 from Department of Defence appropriations. An amount of \$140 000 is being provided against the requirement for further assistance in 1976-77.

EDUCATION

Grants to the States for education began with assistance for the recurrent expenditures of universities in 1951-52. The area of assistance was progressively extended, and the magnitude of Commonwealth assistance in particular areas has also been increased, the most notable example being the assumption by the Commonwealth of full financial responsibility for tertiary education in 1973-74 (previously expenditure in this area had been shared between the Commonwealth and State Governments). As a result of these various developments, payments to the States for education have grown rapidly—for example, from \$259.4 million in 1972-73 to \$1454.8 million in 1975-76, and an estimated \$1730.5 million in 1976-77.

For details of assistance under the various programs since their inception see last year's document, pages 37 through 48, 189 through 198 and 216 through 219.

Recent developments in relation to the four main areas of payments to the States for education—namely for universities, colleges of advanced education, technical and further education and primary and secondary schools—have followed similar lines and those developments are therefore first discussed below in general terms, followed by some more specific details on each of the four individual areas.

Recommendations covering the three calendar years 1976, 1977 and 1978 were received by the then Government from the education Commissions and the Australian Committee on Technical and Further Education in the first half of 1975. It was decided, however, that, for compelling budget reasons, the 1976 calendar year should be treated as a year outside the triennial progression. Programs of assistance for the 1976 calendar year for universities, colleges of advanced education, technical and further education and schools were thus announced in the 1975-76 Budget, the emphasis being on consolidation of improvements which had already been achieved. The main implication was a slowing of new capital expenditure in 1976. The Government decided in November 1975 that the 1976 programs would be continued.

In his statement made on 20 May 1976 on fiscal policy decisions the Treasurer announced that:—

- (1) there would be increases in real terms in the Commonwealth's allocations in each of the four areas in 1977 compared with the approved programs for 1976; the increases were specified as 2 per cent for universities (plus an additional \$2 million for capital expenditure), 5 per cent for colleges of advanced education, 7.5 per cent for technical and further education and 2 per cent for schools. These percentages and others cited below relate to the total programs which are the subject of recommendations by the four education Commissions. In the case of universities and colleges of advanced education these programs relate to institutions in the Territories as well as the States but in the case of technical and further education and schools they relate to the States only;

- (2) the Government had decided to convert the fixed triennial system of the past to a three-year rolling system as from 1977;
- (3) the four education Commissions would be given minimum figures, for planning guidance only, for the second and third years of the initial rolling program (that is, 1978 and 1979)—for universities, colleges and schools the guidance is in terms of 2 per cent growth in real terms per annum; for technical and further education it is in terms of 5 per cent growth in real terms per annum; and
- (4) concurrent with the introduction of the new rolling program system the Government has decided to replace the existing cost supplementation arrangements for universities, colleges, technical and further education institutions and schools with less automatic arrangements in relation to increases in costs.

In relation to (2) and (3) the rolling program system is designed to provide flexibility in budgetary formulation and financial management while at the same time recognising the need for a proper planning framework for the education Commissions and the institutions for which they make recommendations; under a three-year rolling program a firm allocation is determined in the Budget context for the first year of the period and planning guidelines are given for the second and third years of the period. There is, however, no firm financial commitment to the latter two years until each, in turn, becomes 'Year One' of the rolling programs.

In relation to (4) the precise form of the new arrangements to take account of increases in costs has yet to be determined. It is, therefore, not possible to give precise estimates, for the four programs, of total grants in 1976-77 including amounts for cost increases beyond 30 June 1976. The figures in respect of the four areas for 1976-77 given in Tables 15 through 18 below are therefore generally on the basis of estimated June 1976 cost levels and there will be additions to the amounts shown in those tables on account of cost supplementation. An amount of \$60 million has been allowed for in the budget figures in respect of cost supplementation under the four programs concerned. This is a broadly determined figure and it is not possible to give a break-down of it as between the programs concerned or as between States; for purposes of this document, however, an arbitrary allocation of \$45 million to recurrent grants and \$15 million to capital grants has been made.

Universities

Assistance to the States for the recurrent expenditures of universities dates from 1951-52; in 1957-58 assistance was first given for expenditure on capital programs. In 1973-74 the Commonwealth assumed full financial responsibility in this area. The programs of assistance for universities are administered by the Universities Commission, which was established by the *Universities Commission Act 1959*.

Because of the then Government's decision to treat the 1976 calendar year outside the normal triennial progression (*see above*) the Universities Commission submitted a program for the 1976 academic year that was based on guidelines determined by the Government. The assistance to the States under that program was authorised by the *States Grants (Universities) Act 1976*.

As noted above, the Government announced in May that it would provide universities in 1977 with a 2 per cent growth in real terms compared with the program approved for 1976. An additional \$2 million is being provided for capital expenditure. The Universities Commission subsequently presented a Report in respect of a rolling program for the three years 1977-79. The Report takes into account planning guidance provided for universities for 1978 and 1979 under the new rolling program planning arrangements, on the basis of a 2 per cent per annum growth in real terms.

The program as referred to above involves an allocation of financial assistance to the States for universities in 1977 of \$531.7 million at estimated June 1976 price levels. The allocation for 1976-77 is \$540.3 million, again at estimated June 1976 prices.

The following table shows grants to the States for universities since 1972-73 and the estimated grants for 1976-77 at estimated June 1976 prices:—

TABLE 15—GRANTS FOR UNIVERSITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73 . . .	32 155	21 896	10 664	7 898	5 683	2 530	80 826
1973-74 . . .	79 572	53 468	26 169	19 808	14 610	6 415	200 042
1974-75 . . .	149 997	99 798	49 876	38 067	27 978	12 274	377 990
1975-76 . . .	168 831	110 717	57 185	43 107	32 891	13 658	426 389
1976-77 (estimate)(a)	196 639	132 538	69 626	50 665	40 946	15 666	506 080
CAPITAL							
1972-73 . . .	10 522	7 327	2 545	2 697	2 531	842	26 464
1973-74 . . .	16 889	14 128	5 624	7 050	4 581	694	48 966
1974-75 . . .	22 526	17 330	9 821	7 320	7 714	1 279	65 990
1975-76 . . .	21 754	9 516	6 453	3 421	5 094	2 589	48 827
1976-77 (estimate)(a)	11 060	4 980	6 115	4 855	6 245	1 007	34 262
TOTAL							
1972-73 . . .	42 677	29 223	13 209	10 595	8 214	3 372	107 290
1973-74 . . .	96 461	67 596	31 793	26 858	19 191	7 109	249 008
1974-75 . . .	172 523	117 128	59 697	45 387	35 692	13 553	443 980
1975-76 . . .	190 585	120 233	63 638	46 528	37 985	16 247	475 216
1976-77 (estimate)(a)	207 699	137 518	75 741	55 520	47 191	16 673	540 342

(a) Amounts additional to those shown will be paid on account of cost supplementation. *See second full paragraph on page 38.*

Colleges of Advanced Education (Including Teachers Colleges)

Grants to the States for colleges of advanced education began in March 1965 when the Commonwealth Government agreed, as an interim measure, to pay capital grants to the States for colleges of advanced education during the remainder of the 1964-66 period. From the start of the 1967-69 triennium assistance was extended to recurrent grants for such colleges. Grants to the States have been made since 1967-68 for teachers colleges and since 1968-69 for pre-school teachers colleges. Prior to July 1973 these grants were provided under separate programs, but since then they have been absorbed into the program of grants for colleges of advanced education and are subject to the recommendations of the Commission on Advanced Education.

The programs of assistance to the States for colleges are administered by the Commission on Advanced Education, which was established by the *Commission on Advanced Education Act 1971*.

Because of the former Government's decision to treat the 1976 calendar year as a year outside the triennial progression and as a period for consolidating improvements already achieved, the Commission on Advanced Education submitted a program for the 1976 academic year based on guidelines determined by the Government. Funds for the program are appropriated under the *States Grants (Advanced Education) Act 1976*.

The Commission has presented a Report for the 1977-79 three-year rolling program in accordance with the Government's decision to provide the colleges in 1977 with a 5 per cent growth in real terms compared with the program approved for 1976. This provides an allocation of financial assistance for the colleges in 1977 of \$406.9 million at estimated June 1976 price levels. The allocation for 1976-77 is \$441.0 million also at estimated June 1976 price levels.

The Report also takes into account the planning guidance provided for colleges for 1978 and 1979 under the new rolling program planning arrangements, and is based on a 2 per cent per annum growth in real terms.

The following table shows grants to the States for colleges since 1972-73 and estimated grants in 1976-77:—

TABLE 16—GRANTS FOR COLLEGES OF ADVANCED EDUCATION
AND TEACHERS COLLEGES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73	5 525	10 443	2 906	2 638	4 015	1 128	26 655
1973-74	28 935	46 711	14 438	13 518	17 247	3 959	124 808
1974-75	62 122	86 119	27 230	24 531	32 359	6 888	239 249
1975-76	69 089	111 307	33 999	28 838	36 522	7 011	286 766
1976-77 (estimate)(a)	86 805	136 310	46 644	36 859	44 379	8 251	359 248
CAPITAL							
1972-73	9 691	9 275	3 806	3 639	3 554	1 425	31 390
1973-74	7 644	13 680	5 078	6 196	7 222	292	40 112
1974-75	41 197	32 452	13 438	12 579	7 281	2 969	109 916
1975-76	23 716	34 313	9 181	6 886	7 344	5 313	86 753
1976-77 (estimate)(a)	25 089	31 341	10 814	7 354	5 731	1 406	81 735
TOTAL							
1972-73	15 216	19 718	6 712	6 277	7 569	2 553	58 045
1973-74	36 579	60 391	19 516	19 714	24 469	4 251	164 920
1974-75	103 319	118 571	40 668	37 110	39 640	9 857	349 165
1975-76	92 805	145 620	43 180	35 724	43 866	12 324	373 519
1976-77 (estimate) (a)	111 894	167 651	57 458	44 213	50 110	9 657	440 983

(a) Amounts additional to those shown will be paid on account of cost supplementation. See second full paragraph on page 38.

Technical and Further Education

Assistance to the States for technical and further education was first provided in 1964-65. The programs of assistance to the States for institutions of technical and further education are now administered by the Technical and Further Education Commission, established by the *Technical and Further Education Commission Act* 1975, which came into effect in May 1975.

Grants to the States under the technical and further education program are made on the understanding that the States do not reduce the levels of activity financed from their own resources.

Financial assistance to the States for the biennium to June 1976 was provided under a Commonwealth program of \$100 million. That program, later extended to December 1976 and increased to \$131 million, is directed towards enhancing the quality and extending the availability of technical and further education. Funds for the program are appropriated under the *States Grants (Technical and Further Education) Act* 1974.

Under the three-year rolling program arrangements, the Government has decided on an allocation of \$79.6 million (at estimated June 1976 price levels) for 1977 for technical and further education. This represents a growth of 7.5 per cent in real terms compared with 1976.

Planning guidance provided for technical and further education for 1978 and 1979 under the new rolling program planning arrangement is based on 5 per cent per annum growth in real terms. The Technical and Further Education Commission has presented a Report for the 1977-79 three-year period based on the allocation for 1977 and the planning guidelines for 1978 and 1979.

The following table shows actual grants to the States from 1972-73 to 1975-76 and estimated grants in 1976-77:—

TABLE 17—GRANTS FOR TECHNICAL AND FURTHER EDUCATION
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1973-74 . . .	5 801	1 772	715	889	974	117	10 268
1974-75 . . .	10 333	6 794	2 262	2 639	2 168	426	24 622
1975-76 . . .	17 652	9 653	4 643	3 770	3 322	1 087	40 127
1976-77 (estimate)(a)	15 593	12 830	4 523	4 663	3 647	1 087	42 343
CAPITAL							
1972-73 . . .	5 040	3 350	1 910	1 130	1 166	380	12 976
1973-74 . . .	6 873	5 500	1 945	2 063	1 311	689	18 381
1974-75 . . .	5 859	6 585	4 073	2 800	587	471	20 375
1975-76 . . .	8 919	7 376	3 334	1 208	2 876	887	24 600
1976-77 (estimate)(a)	12 767	8 820	4 071	3 723	4 023	2 257	35 661
TOTAL							
1972-73 . . .	5 040	3 350	1 910	1 130	1 166	380	12 976
1973-74 . . .	12 674	7 272	2 660	2 952	2 285	806	28 649
1974-75 . . .	16 192	13 379	6 335	5 439	2 755	897	44 997
1975-76 . . .	26 571	17 029	7 977	4 978	6 198	1 974	64 727
1976-77 (estimate)(a)	28 360	21 650	8 594	8 386	7 670	3 344	78 004

(a) Amounts additional to those shown will be paid on account of cost supplementation. See second full paragraph on page 38.

Schools

The Commonwealth Government has been providing assistance for schools in the States since 1964-65 when it provided grants for science laboratories and equipment. The range of assistance was progressively extended and by 1975-76 it was providing grants for both government and non-government schools in a number of categories: general recurrent grants, general building grants and grants for science laboratories and equipment, primary and secondary school libraries, schools for handicapped children, disadvantaged schools, teacher development, innovatory projects and information programs.

Programs of assistance to the States for schools are administered by the Schools Commission, established by the *Schools Commission Act* 1973. In the 1974-75 biennium, the Commission administered programs approved by the then Government on the recommendation of the Interim Committee for the Australian Schools Commission in its Report entitled 'Schools in Australia'.

Consistent with its policy of budgetary restraint for 1975-76, the Government was unable to support the recommendations of the Schools Commission presented in its Report for the 1976-78 triennium and provided instead in 1976 for a year outside a triennial progression with the aim of consolidating improvements already achieved and slowing new capital expenditure.

The three year rolling program arrangements referred to above apply also to schools in the States as from 1977. Under these arrangements a total of \$545.6 million (at estimated June 1976 prices) is expected to be provided in 1977 as programs of assistance to the States for schools. This represents a 2 per cent growth in real terms over the approved program for 1976.

Planning guidance provided for schools in the States for 1978 and 1979 under the new rolling program planning arrangement is based on a 2 per cent per annum growth in real terms. The Schools Commission has presented a Report for the 1977-79 period based on the allocation for 1977 and the planning guidelines for 1978 and 1979.

The following table shows grants paid to the States for schools since 1972-73 and estimates for 1976-77:—

TABLE 18—GRANTS FOR GOVERNMENT AND NON-GOVERNMENT SCHOOLS—
1972-73 TO 1976-77
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73 . . .	15 046	13 337	6 250	2 529	2 903	914	40 979
1973-74 . . .	28 147	29 125	13 578	6 464	6 389	1 958	85 661
1974-75 . . .	84 749	72 113	35 604	19 017	17 184	5 912	234 579
1975-76 . . .	125 395	100 354	46 162	27 452	23 194	9 327	331 884
1976-77 (estimate)(a)	143 487	121 896	54 801	32 722	31 183	10 304	394 393
CAPITAL							
1972-73 . . .	10 637	9 486	4 366	3 805	3 017	1 708	33 019
1973-74 . . .	30 208	18 011	8 990	9 430	6 810	2 527	75 976
1974-75 . . .	71 707	58 652	27 970	19 159	15 789	6 091	199 368
1975-76 . . .	45 886	49 285	22 363	11 056	10 564	4 477	143 631
1976-77 (estimate)(a)	53 525	45 139	24 079	14 323	13 550	4 238	154 854
TOTAL							
1972-73 . . .	25 683	22 823	10 616	6 334	5 920	2 622	73 998
1973-74 . . .	58 355	47 136	22 568	15 894	13 199	4 485	161 637
1974-75 . . .	156 456	130 765	63 574	38 176	32 973	12 003	433 947
1975-76 . . .	171 281	149 639	68 525	38 508	33 758	13 804	475 515
1976-77 (estimate)(a)	197 012	167 035	78 880	47 045	44 733	14 542	549 247

(a) Amounts additional to those shown will be paid on account of cost supplementation. See second full paragraph on page 38.

Pre Schools and Child Care

Services for children provided in the States began attracting Commonwealth financial support in 1972-73 under the *Child Care Act* 1972. Under that Act payments were made direct to non-profit organisations and local government bodies—that

is, not by way of payments to the States. Payments to the States commenced in 1973-74 under a broader scheme of assistance introduced in that year and have continued since then, as have the direct forms of payment.

In February 1973 the Commonwealth announced the appointment of an Australian Pre-school Committee to examine and make recommendations on the establishment and operation of pre-schools and child care centres throughout Australia and it reported in November of the same year. The assistance provided in 1974-75 and in 1975-76, took into account the recommendations of that body, as well as comments on them from the Social Welfare Commission, the Priorities Review Staff and other interested persons and bodies.

Legislation to establish a Children's Commission as an independent statutory body was passed in June 1975 but the Commonwealth Government decided not to proceed with its establishment. Instead, an Office of Child Care has been set up under the Minister for Social Security to advise on, and administer, programs providing for capital and recurrent assistance for pre-school and child care projects including home care, vacation and after school care projects and various other community initiated projects.

The Government has decided that up to \$73.3 million will be provided in 1976-77 for services for children in the States and it is tentatively estimated that, of that total, approximately \$54.3 million could take the form of payments to the States.

The following table shows payments to the States that have been made and approximate estimates for 1976-77. No commitment as to the provision of the amounts shown for 1976-77 is implied.

TABLE 19—PRE-SCHOOLS AND CHILD CARE

(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1973-74.	1 281	1 226	436	690	385	78	4 096
1974-75.	5 417	6 660	1 734	3 233	2 316	1 017	20 377
1975-76.	9 030	11 452	5 356	5 025	4 390	1 720	36 973
1976-77 (estimate)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	44 000
CAPITAL							
1973-74.	160	288	1 003	514	166	285	2 416
1974-75.	4 819	2 637	3 806	2 773	1 911	1 177	17 123
1975-76.	3 165	1 345	2 584	1 498	1 441	1 764	11 797
1976-77 (estimate)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10 300
TOTAL							
1973-74.	1 441	1 514	1 439	1 204	551	363	6 512
1974-75.	10 236	9 297	5 540	6 006	4 227	2 194	37 500
1975-76.	12 195	12 797	7 940	6 523	5 831	3 484	48 770
1976-77 (estimate)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	54 300

Child Migrant Education

The *Immigration (Education) Act* 1971 authorises payments for the provision of special instruction to migrant children designed to assist those children with English language difficulties to achieve a sufficient command of English to enable them to take part fully in normal classes. Under the Act, funds are provided to State Education Authorities (and also to non-government educational authorities) to pay the salaries of special teachers and to purchase special language teaching equipment. Provision is also made for materials and the in-service training of teachers.

The Commonwealth Government decided that from 1 January 1976 the portion of the program which comes within the ambit of the Schools Commission should be financed from the general recurrent grants program administered by the Commission. Payment of the salaries of special teachers, purchases of special language teaching equipment and the cost of in-service training of teachers have been provided from the Schools Commission general recurrent grants program. Funds provided for materials, teacher exchanges and for the initial special instruction of refugee children continue to be paid under the *Immigration (Education) Act* 1971 as part of the Child Migrant Education program.

Since 1973 the Commonwealth Government has also been providing funds for the construction of portable supplementary classrooms to accommodate the increase in the number of students requiring special language instruction in State and independent schools. This program will cease in 1976-77.

Financial assistance is also provided to the States to reimburse them for the costs of certain adult migrant education services. These are regarded as payments for services rendered and are not, therefore, classified as payments to the States.

Annual figures of payments to the States under the Child Migrant Education Program since 1972-73 and estimated payments in respect of 1976-77 are shown in the following table:—

TABLE 20—GRANTS FOR CHILD MIGRANT EDUCATION
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73.	1 521	1 819	98	326	138	53	3 956
1973-74.	2 238	2 732	165	587	157	135	6 014
1974-75.	3 890	4 482	255	810	229	179	9 845
1975-76.	2 720	3 559	195	514	233	149	7 370
1976-77 (estimate)	90	44	2	7	2	2	147
CAPITAL							
1973-74.	90	550	50	165	100	40	995
1974-75.	475	709	106	92	89	6	1 478
1975-76.	405	943	11	275	-9	45	1 670
1976-77 (estimate)	7	5	..	31	..	..	43
TOTAL							
1972-73.	1 521	1 819	98	326	138	53	3 956
1973-74.	2 328	3 282	215	752	257	175	7 009
1974-75.	4 365	5 191	361	902	318	185	11 323
1975-76.	3 125	4 502	206	789	224	194	9 040
1976-77 (estimates)	97	49	2	38	2	2	190

Educational Research

The Education Research and Development Committee was established in April 1970 to advise the Minister for Education on priorities in educational research, to make recommendations for the financial support of educational research projects proposed to it and to commission research. The Committee is also required to advise the Minister on any other means for the improvement of educational research, its development and the application of results in Australia. Grants to the States for these purposes are made under the *Education Research Act 1970*.

The Government has decided to convert the fixed triennial system of the past to a three year rolling system as from 1977 and, on this basis, \$1.1 million has been allocated to the Committee for 1976-77. Of this, it is estimated that \$960,000 will be made available to the States.

Under the *Education Research Act 1970* payments are also being made to the States for research commissioned by the Minister for Education. In addition, grants are provided for fellowships tenable overseas, and payments are made in the Australian Capital Territory. These payments are in addition to the activities of the Education Research and Development Committee.

The following table shows grants to the States for educational research since 1972-73 and estimated grants in 1976-77:—

TABLE 21—GRANTS FOR RECURRENT EXPENDITURES ON EDUCATIONAL RESEARCH
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73. . . .	91	87	60	13	17	7	275
1973-74. . . .	97	142	109	18	26	14	406
1974-75. . . .	151	227	296	58	33	21	786
1975-76. . . .	253	431	190	116	59	14	1 062
1976-77 (estimate) .	314	359	192	135	48	28	1 076

HEALTH

The Commonwealth has been providing assistance to the States for health services and facilities since 1949-50, when it began providing grants for the control of tuberculosis. Grants of relatively minor amounts have also been made for blood transfusion services since 1953-54, for the disposal of ships' garbage since 1966-67 and for nursing homes and certain health education services since 1970-71.

In recent years, however, the level and extent of Commonwealth assistance to the States for health have increased dramatically, with a number of new continuing programs being initiated. The most significant of these is the Medibank scheme for sharing net operating costs of recognised hospitals in the States.

Payments to the States for health purposes have consequently risen rapidly—from \$20.9 million in 1972-73 to \$1082.5 million in 1975-76. The estimated payments in 1976-77 are \$956.1 million. However, payments made in 1975-76 included prepayments of \$215.6 million, under interim arrangements for financing hospital operating costs attributable to the first three months of 1976-77 (*see below*). Adjusted for these prepayments the payments to the States would have amounted to \$867.0 million in 1975-76 in the normal course of events and the estimated payments in 1976-77 would have been \$1171.7 million.

Health Insurance Program ('Medibank')

Section 30 of the *Health Insurance Act* 1973 authorised the Government to enter into agreements with State Governments 'for the provision of hospital services' by the States.

South Australia and Tasmania entered into such agreements with effect from 1 July 1975, Victoria and Western Australia from 1 August 1975, Queensland from 1 September 1975 and New South Wales from 1 October 1975.

Under these arrangements the States provide free standard ward public hospital treatment without means test and free public hospital outpatient services. There are agreed arrangements in respect of charges in wards other than standard wards.

In very much abbreviated terms, the agreements provided that the Commonwealth meet 50 per cent of the net recurrent costs of hospitals referred to as 'recognised' hospitals in the agreements.

On 25 May 1976, the Commonwealth suspended hospital payments to the States under the *Health Insurance Act* following legal advice that the agreements that had been negotiated with the States were invalid. Up to that date, the Commonwealth had made payments totalling \$575.2 million in respect of the operating costs of hospitals covered by the agreements.

As an interim measure until new cost-sharing arrangements are negotiated with the States, Parliament passed the *States Grants (Hospital Operating Costs) Act* 1976 which authorised the payment of up to \$315 million to the States to meet 50 per cent of net operating costs of hospitals incurred before 1 October 1976.

As a special measure of help to the States in the light of the total situation in regard to the Medibank arrangements, the Treasurer authorised the payment in 1975-76 of \$294.5 million to the States. This payment represented an estimate of the amount that would have been paid to the States from 25 May 1976 to 30 September 1976 had the former agreements not been declared invalid. Of the payment, an estimated \$215.6 million would have been paid in ordinary circumstances in 1976-77.

It is expected that new cost-sharing arrangements will operate from 1 October 1976. On that assumption, and having regard to the effects on the net operating costs of recognised hospitals of other announced changes to Medibank, it is estimated that payments to the States under this item in 1976-77 will amount to \$730 million.

The following table shows payments made to the States in 1975-76, under both the *Health Insurance Act* and the *States Grants (Hospital Operating Costs) Act* taken together, and the estimated payments to be made in 1976-77, from 1 October 1976, under new arrangements.

TABLE 22—PAYMENTS FOR RECURRENT COSTS OF STATE PUBLIC HOSPITALS
(\$ million)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1975-76	317	230	103	92	97	31	870(a)
1976-77 (estimate)	278	180	97	69	84	22	730

(a) Includes prepayments of \$215.6 million; see above.

Hospitals Development Program

The Commonwealth is continuing to provide assistance to the States under the Hospitals Development Program. It is expected that \$108 million will be made available to the States in 1976-77.

The program, which commenced in 1973-74 with an initial allocation of funds for capital grants to the States towards the cost of hospital projects in capital cities, provides Commonwealth assistance towards an approved program of construction of public hospitals, mental hospital facilities, public nursing homes and health hostels.

The following table shows grants made for these purposes since the program's inception in 1973-74 and estimated grants in 1976-77:—

TABLE 23—CAPITAL GRANTS FOR DEVELOPMENT OF PUBLIC HOSPITALS
AND OTHER HEALTH INSTITUTIONS
(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74 . . .	689	150	250	441	695	140	2 365
1974-75 . . .	8 830	7 330	5 084	3 236	4 326	1 500	30 306
1975-76 . . .	37 700	27 280	15 280	12 900	11 900	2 090	107 150
1976-77 (estimate) .	36 000	27 000	17 000	13 000	12 000	3 000	108 000

Nursing Homes

The *States Grants (Nursing Homes) Act* 1969 provided for the Commonwealth Government to share on a \$1 for \$1 basis with the States capital costs incurred over the five-year period 1969-70 to 1973-74 on approved nursing homes wholly or mainly for aged persons of limited means, with the Commonwealth's contribution being limited to a maximum of \$5 million. The final grants under this Act were paid in 1974-75.

Because of an urgent need for additional public nursing home accommodation in Brisbane, the former Government decided in August 1975 to make a special grant of \$1 725 000, on a \$1 for \$1 basis, to Queensland towards the cost of Stage 2 of the Wynnum public nursing home. Payments to the end of 1975-76 for this project amounted to \$1 073 000. Provision has been made in the 1976-77 Budget for an estimated final payment of \$652 000.

Grants paid to the States since 1972-73 towards the construction of nursing homes and the estimated payment to Queensland in 1976-77 are shown in the following table:—

TABLE 24—GRANTS FOR CAPITAL EXPENDITURES ON NURSING HOMES
(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1972-73	149	240	465	..	166	1 019
1973-74	512	145	..	..	..	658
1974-75 . . .	108	112	148	..	..	..	368
1975-76	925	..	..	..	925
1976-77 (estimate)	652	..	..	..	652

Community Health Facilities and Services

The Government is continuing to provide grants in 1976-77 to the States and other eligible organisations under the Community Health Program which commenced in 1973.

Under this scheme, the Commonwealth meets 75 per cent of capital costs and 90 per cent of operating costs of approved projects administered by the States. In addition, the Commonwealth meets the full cost of those community health projects that have an Australia-wide application.

Grants were also paid to the States under the *Mental Health and Related Services Assistance Act 1973*, for the period 1973-74 to 1975-76. Assistance for projects encompassed by that Act has now been subsumed within the Community Health Program.

The following table shows payments that have been made to the States under both programs taken together since 1973-74 and estimated payments in 1976-77:—

TABLE 25—GRANTS FOR COMMUNITY HEALTH FACILITIES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1973-74 . . .	1 808	1 462	734	597	548	121	5 270
1974-75 . . .	9 371	2 883	1 891	820	697	528	16 190
1975-76 . . .	19 284	7 712	3 643	1 976	1 738	1 265	35 618
1976-77 (estimate) .	26 460	9 380	4 300	4 200	2 900	1 900	49 140
CAPITAL							
1973-74 . . .	3 616	2 924	1 468	1 195	1 096	242	10 541
1974-75 . . .	4 916	2 093	1 282	1 597	3 306	498	13 692
1975-76 . . .	5 146	3 151	1 778	1 864	1 139	689	13 767
1976-77 (estimate) .	2 940	5 820	3 100	900	2 400	600	15 760
TOTAL							
1973-74 . . .	5 424	4 386	2 202	1 792	1 644	363	15 811
1974-75 . . .	14 287	4 976	3 173	2 417	4 003	1 026	29 882
1975-76 . . .	24 430	10 863	5 421	3 840	2 877	1 954	49 385
1976-77 (estimate) .	29 400	15 200	7 400	5 100	5 300	2 500	64 900

Tuberculosis Control

Under the *Tuberculosis Act 1948*, the States have been reimbursed, since 1949-50, for approved expenditures they incurred in the diagnosis, treatment and control of tuberculosis. The Government has decided that, as the incidence of tuberculosis has been brought under control in Australia, there is no longer a need for Commonwealth assistance. The States have been notified that reimbursement of their capital and maintenance expenditure on tuberculosis control will cease as from 31 December 1976. (Costs incurred by recognised hospitals in treating tuberculosis patients were subsumed within the Medibank hospital arrangements.)

The following table shows payments from 1972-73 and estimated payments in 1976-77. (This estimate includes provision to reimburse the States for the approved expenditures they incur up to 31 December 1976.)

TABLE 26—GRANTS FOR TUBERCULOSIS CONTROL
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73 . . .	3 609	3 322	1 932	811	797	334	10 805
1973-74 . . .	3 347	3 628	2 247	988	785	252	11 247
1974-75 . . .	3 923	4 128	2 979	1 114	992	434	13 570
1975-76 . . .	3 030	4 604	1 822	685	647	548	11 335
1976-77 (estimate) .	1 362	2 111	1 161	344	356	530	5 864
CAPITAL							
1972-73 . . .	50	16	27	243	20	32	388
1973-74 . . .	22	..	22	395	..	2	441
1974-75 . . .	34	10	56	31	..	..	131
1975-76 . . .	2	2	203	30	..	4	241
1976-77 (estimate) .	17	140	..	..	..	..	157
TOTAL							
1972-73 . . .	3 659	3 338	1 959	1 054	817	366	11 193
1973-74 . . .	3 369	3 628	2 269	1 383	785	254	11 688
1974-75 . . .	3 957	4 138	3 035	1 145	992	434	13 701
1975-76 . . .	3 032	4 606	2 025	714	647	551	11 575
1976-77 (estimate) .	1 379	2 251	1 161	344	356	530	6 021

School Dental Scheme

The Commonwealth has been co-operating with the States since 1973 in an Australia-wide School Dental Service for all primary school children.

The State Governments are responsible for administering the scheme. Since the scheme's inception the Commonwealth has been meeting the full capital and operating costs of training facilities for dental therapists, as well as the full capital costs and 75 per cent of operating costs of school dental clinics. From 1 July 1976, however, the Commonwealth's contribution will be 90 per cent of the capital cost of new facilities. Capital facilities commenced before that date will continue to be fully funded by the Commonwealth. Also from 1 July 1976, the Commonwealth will meet 90 per cent of the operating costs of training facilities and 65 per cent of the operating costs of clinics.

The amounts paid to the States under the scheme since its commencement in 1973-74 and the estimated payments for 1976-77 are shown in the following table:—

TABLE 27—GRANTS FOR SCHOOL DENTAL SCHEME
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1973-74.	658	550	278	1 066	391	818	3 761
1974-75.	979	916	629	1 700	758	1 239	6 221
1975-76.	1 845	1 351	998	2 549	2 271	1 547	10 561
1976-77 (estimate)	2 117	2 285	2 159	2 268	2 745	1 458	13 032
CAPITAL							
1973-74.	685	794	192	895	661	549	3 776
1974-75.	3 214	3 181	2 352	2 247	1 309	69	12 372
1975-76.	2 115	2 044	5 299	825	2 855	317	13 455
1976-77 (estimate)	3 878	986	2 429	3 044	1 241	479	12 056
TOTAL							
1973-74.	1 343	1 344	470	1 961	1 052	1 367	7 537
1974-75.	4 193	4 097	2 981	3 947	2 067	1 308	18 593
1975-76.	3 961	3 395	6 297	3 373	5 126	1 864	24 016
1976-77 (estimate)	5 995	3 271	4 588	5 312	3 986	1 937	25 088

Health Education Campaigns

The Commonwealth is continuing to sponsor, in conjunction with the States, the National Drug Education Program. Funds have been provided to support State and national projects of drug education since 1970-71. It is estimated that \$675 000 will be made available to the States for this purpose in 1976-77.

Grants to the States for health education campaigns between 1972-73 and 1975-76 also include expenditure relating to a five-year program of national anti-smoking education which ceased in the latter year. The grants made to the States under both programs since 1972-73 and the estimated grants for drug education in 1976-77 are shown in the following table:—

TABLE 28—GRANTS FOR HEALTH EDUCATION CAMPAIGNS
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73.	163	100	75	52	49	30	469
1973-74.	227	125	155	76	99	60	742
1974-75.	284	174	118	88	106	64	834
1975-76.	222	160	132	69	88	23	695
1976-77 (estimate)	208	148	128	65	81	45	675

Blood Transfusion Service

Grants have been made to the States since 1953-54 for the purpose of assisting Blood Transfusion Services conducted by the Australian Red Cross Society.

Since 1973-74 the annual operating costs of the Service in the States have been met with the Commonwealth agreeing to reimburse each State 35 per cent of the Society's costs, conditional upon the State meeting, in the first place, 95 per cent of those costs. It was agreed in 1975-76 that approved capital expenditure for the Service be shared between the Commonwealth and the States on a \$1 for \$1 basis.

As announced in the Budget Speech, beginning in 1976-77, the basis of the Commonwealth's contribution will change. The Society will contribute, within each State Division, the lower of 5 per cent of operating costs of the Service or 10 per cent of its previous year's income from donations. Any reduction in the Society's previous share will be taken up by the Commonwealth. Approved capital costs in the States will continue to be shared equally by the Commonwealth and the States.

Grants paid since 1972-73 and estimates for 1976-77 are shown in the following table:—

TABLE 29—GRANTS FOR EXPENDITURES ON BLOOD TRANSFUSION SERVICES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73 . . .	267	367	212	160	134	30	1 170
1973-74 . . .	588	506	304	252	183	37	1 870
1974-75 . . .	590	642	416	365	358	57	2 428
1975-76 . . .	1 357	1 009	547	567	330	94	3 905
1976-77 (estimate) .	1 659	1 176	734	662	398	100	4 730
CAPITAL							
1975-76 . . .	34	75	29	6	12	5	160
1976-77 (estimate) .	134	68	36	23	23	5	288
TOTAL							
1972-73 . . .	267	367	212	160	134	30	1 170
1973-74 . . .	588	506	304	252	183	37	1 870
1974-75 . . .	590	642	416	365	358	57	2 428
1975-76 . . .	1 391	1 084	576	573	342	99	4 065
1976-77 (estimate) .	1 793	1 244	770	685	421	105	5 018

Health Planning Agencies

The Government has decided to continue, in 1976-77, the provision of grants, for the support of State health planning agencies, which commenced in 1973-74. As in previous years, these grants will be provided on a \$2 for \$1 basis. The maximum amount available for this purpose in 1976-77 has been increased by \$60 000 to \$560 000. The grants will be paid by the Hospitals and Health Services Commission out of funds allocated to it from the Budget.

Payments to the States under this program and estimated grants in 1976-77 are shown in the following table:—

TABLE 30—GRANTS FOR RECURRENT EXPENDITURES BY HEALTH PLANNING AGENCIES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74 . . .	180	..	65	50	81	..	376
1974-75 . . .	116	52	53	87	127	..	435
1975-76 . . .	200	20	70	75	110	25	500
1976-77 (estimate) .	230	24	84	62	120	40	560

Home Dialysis Scheme

Since 1974-75 the Commonwealth has undertaken to make available, to all who need them, home dialysis equipment and supplies. They are provided through State public hospital dialysis and transplantation centres. As from 1 October 1976 the cost of the scheme is to be shared equally with the States as part of Medibank hospital arrangements.

The following table shows the grants that have been made available for home dialysis under the scheme and the estimated payments that will be made in 1976-77 to meet those commitments entered into by the Commonwealth up to 30 September 1976. The estimated payments in 1976-77 are tentative and no commitment to the provision of the amounts shown is implied.

TABLE 31—GRANTS FOR THE PROVISION OF HOME DIALYSIS SUPPLIES AND EQUIPMENT
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75 . . .	75	140	30	30	30	5	310
1975-76 . . .	187	29	48	40	23	..	327
1976-77 (estimate) .	804	784	156	85	75	15	1 918

Control of Arboencephalitis

Following the outbreak of Australian Arboencephalitis (formerly known as Murray Valley Encephalitis) early in 1974, the Commonwealth has provided funds to New South Wales, Victoria and South Australia to assist in a mosquito eradication campaign along the Murray Valley Basin. As previously announced, the Government has decided to continue providing funds in 1976-77 to combat the disease, not only for mosquito abatement programs, but also for co-ordination, research and teaching purposes.

Grants paid to the States under these arrangements and estimated grants in 1976-77 are set out in the following table:—

TABLE 32—GRANTS FOR THE CONTROL OF AUSTRALIAN ARBOENCEPHALITIS
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75 . . .	16	120	..	15	..	..	151
1975-76 . . .	3	55	..	..	..	..	58
1976-77 (estimate) .	10	55	..	5	..	..	70

Disposal of Ships' Garbage

Financial assistance has been offered to each State for the provision of facilities for the disposal of overseas ships' garbage with a view to improving existing measures against the entry of exotic diseases into Australia. The offer provides for the Commonwealth to meet the full capital cost of incinerators and ancillary structures and half the cost of access roads, excluding land costs, at selected ports. The cost of maintaining and operating the incinerators and transporting garbage is, however, met by the States. Grants paid since 1972-73 and estimated grants in 1976-77 are shown in the following table:—

TABLE 33—GRANTS FOR CAPITAL EXPENDITURES ON THE DISPOSAL OF SHIPS' GARBAGE
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	765	..	..	10	7	782
1973-74	6	..	..	25	..	31
1974-75	15	18	..	52	..	85
1975-76	29	..	..	47	..	76
1976-77 (estimate)	8	..	8

SOCIAL SECURITY AND WELFARE

Welfare Services for the Aged

Under two Acts effective from June 1969—the *States Grants (Home Care) Act 1969* and the *States Grants (Paramedical Services) Act 1969*—the Commonwealth is making grants to the States for certain services provided wholly or mainly to aged persons—specifically for home care services, senior citizens centres and paramedical services.

Home Care Services

Under the *States Grants (Home Care) Act 1969* the Commonwealth shares with participating States the cost of approved house-keeping or other domestic assistance provided wholly or mainly for aged persons in their homes. Until July 1973 the Commonwealth's grants were on a \$1 for \$1 basis with the States, but they have been on a \$2 for \$1 basis since then. Grants provided for this purpose from 1972-73 and estimates for 1976-77 are shown in the following table:—

TABLE 34—GRANTS FOR HOME CARE SERVICES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73 . . .	212	390	248	41	13	12	916
1973-74 . . .	296	370	312	169	23	49	1 218
1974-75 . . .	611	441	1 245	563	116	124	3 100
1975-76 . . .	717	2 178	1 693	653	87	340	5 668
1976-77 (estimate) .	1 200	1 700	1 900	1 800	200	200	7 000

Senior Citizens Centres

Under the *States Grants (Home Care) Act 1969*, the Commonwealth also shares with participating States up to a maximum of two-thirds of the capital cost of approved senior citizens centres and the cost of the salaries of welfare officers employed by such centres. The basis of sharing capital costs with the States was altered in August 1973, from a \$1 for \$1 basis up to one-third of the capital cost to a \$2 for \$1 basis up to two-thirds of the capital cost.

Grants provided for this purpose since 1972-73 and estimates for 1976-77 are shown in the following table:—

TABLE 35—GRANTS FOR SENIOR CITIZENS CENTRES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73 . . .	1	16	3	9	5	..	34
1973-74 . . .	4	36	18	2	15	..	74
1974-75 . . .	226	51	11	16	15	..	319
1975-76 . . .	369	222	..	30	27	..	648
1976-77 (estimate) .	327	258	28	38	49	..	700
CAPITAL							
1972-73 . . .	102	223	184	132	67	28	736
1973-74 . . .	242	163	55	55	123	13	651
1974-75 . . .	349	150	153	363	28	154	1 197
1975-76 . . .	964	1 292	392	566	344	3	3 561
1976-77 (estimate) .	1 100	1 400	700	300	470	30	4 000
TOTAL							
1972-73 . . .	103	239	187	140	73	28	771
1973-74 . . .	245	198	72	57	138	13	725
1974-75 . . .	575	201	164	379	43	154	1 516
1975-76 . . .	1 333	1 514	392	596	371	3	4 209
1976-77 (estimate) .	1 427	1 658	728	338	519	30	4 700

Paramedical Services

The Commonwealth shares on a \$1 for \$1 basis with participating States the cost of approved paramedical services, such as chiropody, occupational therapy, physiotherapy and speech therapy, provided wholly or mainly for aged persons in their homes. All States have indicated their willingness to participate, but to date only Victoria, South Australia and Tasmania have provided paramedical services in circumstances which qualify for assistance under the arrangement. Grants up to specified amounts are made in the first instance through the *States Grants (Paramedical Services) Act 1969*. However, where a State has an approved requirement for funds in excess of the limits prescribed by that Act, provision may be made for a supplementary grant through an Appropriation Act.

Annual figures of grants paid to the States for paramedical services since 1972-73 and estimates for 1976-77 are shown in the following table:—

TABLE 36—GRANTS FOR PARAMEDICAL SERVICES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	61	..	14	..	2	77
1973-74	131	..	30	..	3	164
1974-75	242	..	112	..	8	362
1975-76	233	..	167	..	10	410
1976-77 (estimate) .	..	270	..	290	..	13	573

Dwellings for Pensioners

Since 1969-70 the Commonwealth has made grants to the States for the purpose of providing self-contained dwelling units at reasonable rentals to be let to single persons who were receiving an aged pension or a Service pension by reason of age and who were eligible for supplementary assistance. The grants were apportioned among the States according to the numbers of aged pensioners receiving supplementary assistance in 1969.

The *States Grants (Dwellings for Pensioners) Act 1974* continued the scheme but with the eligibility conditions widened to include single invalid and Class B widow pensioners and single repatriation pensioners who are permanently unemployable or suffering from tuberculosis. Grants totalling \$30 million are being made available over the three year period commencing July 1974 and allocated among the States in proportion to the total number of age, invalid and Class B widow pensioners in receipt of supplementary assistance in each State. Rents of units provided under the extended scheme are to be not less than the maximum rate of supplementary assistance paid to pensioners. The final payments under this scheme are to be paid in 1976-77.

Payments made to the States under the scheme since 1972-73 and estimated payments for 1976-77 are shown in the following table:—

TABLE 37—GRANTS FOR CAPITAL EXPENDITURES ON PENSIONERS' DWELLINGS
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73 . . .	2 705	1 478	1 250	380	519	138	6 470
1973-74 . . .	2 546	650	1 331	146	307	22	5 002
1974-75 . . .	3 000	1 343	1 314	193	198	..	6 048
1975-76 . . .	6 858	2 827	1 133	1 124	614	560	13 117
1976-77 (estimate) .	2 352	3 419	2 023	1 473	1 288	280	10 835

Assistance for Deserted Wives

Under the *States Grants (Deserted Wives) Act 1968*, which became effective from 1 January 1968, the Commonwealth has been sharing on a \$1 for \$1 basis with the States the cost of helping certain mothers of families without a breadwinner where the mothers are ineligible for a Class A widows pension or, as from 3 July 1973, a supporting mothers' benefit.

Assistance is provided during the first six months after the date of the event which gives rise to eligibility (e.g. the birth of a child or separation) and the main groups of mothers assisted under the Act are deserted wives, deserted defacto wives, deserting wives, wives of prisoners, and unmarried mothers. After the first six months these groups of mothers may qualify for either a Class A widows pension or a supporting mothers benefit.

The grant to a State is equal to half the cost of the approved assistance paid by the State to each eligible person but is not to exceed half the amount that would have been payable to such a person under the Social Services Act had she been eligible for a Class A widows pension or a supporting mothers' benefit.

The following table shows payments made to the States from 1972-73 and estimated payments for 1976-77:—

TABLE 38—GRANTS FOR DESERTED WIVES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	2 290	2 861	1 736	776	1 746	338	9 748
1973-74	1 769	1 574	1 346	1 534	1 171	260	7 654
1974-75	1 879	1 256	1 179	1 045	1 152	421	6 932
1975-76	2 344	2 016	1 935	1 509	1 459	458	9 721
1976-77 (estimate) .	2 600	2 400	2 300	1 700	1 300	400	10 700

Employment Grants

Grants to the States totalling \$30 million were paid to the States in 1975-76 under a scheme of unemployment relief which commenced in March 1975 and ended in November of that year. There is no provision in the 1976-77 Budget for similar payments to be made to the States this year.

For further details *see* page 63 of last year's document.

Regional Employment Development Scheme

This scheme, which was initiated in 1974-75 and for which no new projects have been approved since September 1975 provided grants to various bodies, including State Government Departments, State semi-government bodies and local government authorities. For purposes of this document grants to State departments and State semi-government authorities are classified as payments to the States.

Such payments totalled \$15.0 million in 1975-76 and are estimated to total approximately \$4000 in 1976-77. Further details, both on the scheme generally and the amounts of grants, are given in Chapter V.

Rehabilitation Centre—Hobart

The Commonwealth and Tasmanian Governments agreed in 1974 to share the costs of establishing and operating a joint rehabilitation centre for handicapped persons in Hobart. The arrangement provides for the Commonwealth Government to meet up to half the capital cost of building and equipping the centre and to contribute 40 per cent of the annual running costs. Construction commenced in 1975-76 and the Commonwealth's contribution in that year was \$214 000. The Commonwealth Government is expected to contribute \$600 000 in 1976-77.

ABORIGINAL ADVANCEMENT

Since 1968-69 the Commonwealth Government has provided assistance to the States for Aboriginal advancement, particularly in the fields of housing, education and health. Details of the payments are included in the statements attached to the Budget Speech and in Tables 4 and 107 in this document under the various functional headings appropriate to the specific kinds of assistance involved. In other relevant tables in this document, however, all payments for this purpose are grouped together.

Payments to the States for Aboriginal programs rose from \$3.7 million in 1968-69 to over \$39 million in 1975-76. In 1976-77 the estimate is for \$29.4 million reflecting a year of consolidation and re-assessment of the schemes for providing assistance to Aboriginals, particularly in housing.

The Commonwealth Government also provides considerable assistance for Aboriginal advancement in the States, by way of direct assistance to Aboriginal organisations, local government authorities (*see* Chapter V) and other bodies.

It is also relevant to mention that progressively the States have been invited to transfer certain of their Aboriginal advancement functions to the Commonwealth Government. These transfers have been completed in all States except Queensland.

The following table shows payments made to the States since 1972-73 and estimated payments in 1976-77:—

TABLE 39—PAYMENTS FOR ABORIGINAL ADVANCEMENT
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73.	1 929	331	2 269	694	1 377	49	6 649
1973-74.	1 678	358	975	1 003	2 634	23	6 670
1974-75.	2 316	494	1 701	1 501	7 096	34	13 142
1975-76.	2 860	875	2 952	2 167	8 034	61	16 949
1976-77 (estimate)	2 778	1 236	3 533	2 722	8 166	69	18 504
CAPITAL							
1972-73.	2 821	439	5 431	1 046	5 509	105	15 351
1973-74.	3 725	590	8 982	3 696	8 457	131	25 580
1974-75.	5 474	1 636	8 661	4 058	3 874	204	23 907
1975-76.	5 321	482	7 205	3 558	5 273	216	22 055
1976-77 (estimate)	3 330	165	3 455	724	3 145	75	10 893
TOTAL							
1972-73.	4 750	770	7 700	1 740	6 886	154	22 000
1973-74.	5 403	948	9 957	4 699	11 091	154	32 250
1974-75.	7 791	2 130	10 362	5 558	10 970	238	37 049
1975-76.	8 180	1 358	10 157	5 725	13 307	277	39 004
1976-77 (estimate)	6 108	1 401	6 987	3 446	11 310	144	29 396

HOUSING

Under successive arrangements between the Commonwealth and the States, assistance has been made available to the States in one form or another since 1945-46 for the provision of housing for families of low or moderate means. A detailed account of successive arrangements, together with statistics covering the whole period, is to be found on pages 66 through 68, 200, 201 and 224 of last year's document. Following is a very brief outline:—

- The Loan Council in each year from 1945-46 to 1970-71 agreed to a total ('works and housing') program for each State from which each State nominated the amount it would receive as advances from the Commonwealth Government under successive Commonwealth-State Housing Agreements.
- These advances were repayable over 53 years and over most of the period they were provided at concessional rates of interest.
- The 1945 Agreement included provision for the Commonwealth Government to contribute three-fifths of any loss incurred in a financial year by the State in connection with the administration of its housing projects. Queensland is the only State at present receiving such contributions.
- In 1971-72 and 1972-73 there were no specific advances for housing, the States meeting these expenditures from within their ordinary Loan Council borrowing programs in the same way as they met other expenditures.
- In lieu of the former interest subsidy on housing advances, the Commonwealth provided from 1971-72 specific revenue grants under the *States Grants (Housing) Act* 1971 (amended in 1973 to take account of the new arrangements—see below).
- In 1972-73 the States were advanced \$6.55 million under the *Housing Assistance Act* 1973, specifically for additional rental dwellings, to supplement the programs they had undertaken and financed from their normal Loan Council borrowings. These advances were provided at an interest rate of 4 per cent per annum and are repayable over 53 years.
- Since 1973-74 the Commonwealth has, under a new Agreement applying for the five years 1973-74 to 1977-78, advanced funds to the States for welfare housing outside, and in addition to, Loan Council arrangements. The State Government Loan Council programs since 1973-74 have been, as a result, lower than they would otherwise have been (that is, 'offsets' were made).

Advances made under the 1973 Agreement are being repaid, with interest, over fifty-three years. The rate of interest on advances allocated to a State housing authority is 4 per cent per annum and on advances allocated to Home Builders' Accounts the interest rate is 4½ per cent per annum.

The Agreement contains conditions to ensure that the assistance provided by the Commonwealth Government will be used for the benefit of those families and persons most in need.

The *Housing Agreement Act* 1974, passed by Parliament in the Budget sittings in 1974, amended the 1973 Act to permit the allocation to a State's Home

Builders' Account, in special circumstances, of more than 30 per cent of the total amount advanced to that State, to liberalise an aspect of the means test provision in relation to loans financed from Home Builders' Accounts and to permit the determination of supplementary advances to a State during a financial year.

The following table shows payments made to the States for housing from 1972-73 and approved payments for 1976-77:—

TABLE 40—PAYMENTS TO THE STATES FOR HOUSING 1972-73 TO 1976-77
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT GRANTS(a)							
1972-73.	2 292	1 679	669	1 093	771	388	6 892
1973-74.	2 292	1 679	651	1 093	771	388	6 874
1974-75.	2 292	1 679	766	1 093	771	388	6 989
1975-76.	2 292	1 679	753	1 093	771	388	6 976
1976-77 (estimate).	1 848	1 347	1 318	941	627	314	6 395
ADVANCES							
1972-73.	3 500	1 500	350	500	400	300	6 550
1973-74.	86 000	53 500	17 400	32 750	13 000	16 000	218 650
1974-75.	123 411	98 159	43 810	56 360	37 440	26 220	385 400
1975-76.	123 411	98 159	31 010	56 360	33 440	22 220	364 600
1976-77 (estimate).	123 411	98 159	37 410	56 360	35 440	24 220	375 000
TOTAL PAYMENTS							
1972-73.	5 792	3 179	1 019	1 593	1 171	688	13 442
1973-74.	88 292	55 179	18 051	33 843	13 771	16 388	225 524
1974-75.	125 703	99 838	44 576	57 453	38 211	26 608	392 389
1975-76.	125 703	99 838	31 763	57 453	34 211	22 608	371 576
1976-77 (estimate).	125 259	99 506	38 728	57 301	36 067	24 534	381 395

(a) Includes contributions towards rental losses under the Commonwealth-State Housing Agreement 1945.

URBAN AND REGIONAL DEVELOPMENT NEC AND THE ENVIRONMENT

Payments to the States included under this functional heading comprise mainly those being made under programs initiated in 1973-74 and for which the Minister for Environment, Housing and Community Development is responsible; however, several other amounts are included, including some for Aboriginal advancement.

Payments under this functional heading grew from \$55.8 million in 1973-74 to \$234.8 million in 1974-75 and \$263.3 million in 1975-76. Payments in 1976-77 are expected to total approximately \$123.5 million. (These figures are net of repayments.)

Payments in 1975-76 for most of the urban and regional development programs and for certain programs falling within other functional headings were made mainly under the authority of the *Urban and Regional Development (Financial Assistance) Act 1974*.

For details of the purposes of this Act and of payments made in previous years see page 69 of last year's document.

Growth Centres and Related Projects

A total of \$60.8 million was paid to the States in 1975-76 for development of new metropolitan and regional growth centres and for other urban and regional development projects. The Commonwealth is reviewing policy in relation to growth centres. For the purpose of retaining the Commonwealth's options while this review is under way provision is made in the 1976-77 Budget for these purposes of \$19.1 million.

Albury-Wodonga

Total payments to New South Wales and Victoria in 1975-76 for Albury-Wodonga amounted to \$35.1 million comprising \$34.3 million in the form of loans and \$0.8 million in the form of grants. The payments were mainly for land acquisition, land development and headworks, office and housing construction, studies and investigations, the running costs of the Albury-Wodonga Development Corporation and assistance to local councils.

An amount of \$15 million has been provided in the Budget for financial assistance towards expenditure on Albury-Wodonga during 1976-77.

Other Growth Centres and Related Projects—General

Payments for growth centres other than Albury-Wodonga in 1975-76 amounted to \$25.7 million including final payments in respect of approved 1974-75 programs of \$3.5 million.

An amount of \$4.1 million has been provided in the Budget for 1976-77 for growth centres, other than Albury-Wodonga, and related projects.

Developments in respect of specific growth centres, in relation to which arrangements have been entered into with the States, are outlined below. These growth centres are among those specified in the *Growth Centres (Financial Assistance) Act 1973*.

Macarthur (Sydney South-West Sector)

Arrangements were entered into with the New South Wales Government during 1974-75 for the provision of financial assistance towards the development of the Sydney South-West Sector of Campbelltown, Camden, Appin and Holsworthy. Payments in 1975-76 amounted to \$15.7 million, including \$3.3 million for the 1974-75 program. The payments comprised \$14.9 million in the form of loans and \$0.8 million by way of grants and were mainly for land acquisition and development works and running expenses of the Macarthur Development Board and departments and authorities implementing the development.

An amount of \$2 million has been provided in the Budget for financial assistance towards expenditure on the Macarthur growth centre in 1976-77.

Bathurst-Orange

Arrangements were also entered into with the New South Wales Government during 1974-75 for the provision of financial assistance towards the development of the Bathurst-Orange growth centre. Payments in 1975-76 amounted to \$8.3

million, comprising \$7.8 million in the form of loans and \$0.5 million by way of grants. The payments were mainly for land acquisition and development works by, and the running expenses of, the Bathurst-Orange Development Corporation and for assistance to local councils.

An amount of \$2 million has been included in the Budget for financial assistance towards expenditure on the Bathurst-Orange growth centre in 1976-77.

Monarto

Payments in 1975-76 under the *Urban and Regional Development (Financial Assistance) Act 1974* amounted to \$0.7 million, including final payments of \$0.2 million in respect of the 1974-75 program. The payments in 1975-76 comprised \$0.6 million in the form of loans and \$0.1 million by way of grants and were mainly for investigations and design and land acquisition.

Western Australia—Moore River Study

An agreement was negotiated with the State in 1974-75 under the *Urban and Regional Development (Financial Assistance) Act 1974* for a study of the Moore River area near Perth as to its suitability for urban development. Payments in 1975-76 amounted to \$474 000, all by way of grant. An amount of \$26 000 has been included in the 1976-77 Budget for an estimated final payment in respect of the approved 1975-76 study program.

Tasmania—Strategic Development Study

Payments in 1973-74 were \$35 000. An amount of \$315 265 was allocated under the *Urban and Regional Development (Financial Assistance) Act 1974* in respect of expenditure during 1974-75 on Stage 2 of this study. Payments in 1974-75 totalled \$311 500 and were in the form of grants. Payments in 1975-76 totalled \$496 000 and were also in the form of grants.

Tasmania—Tamar Open Space Land

A grant of \$88 000 was paid to Tasmania in 1974-75 under the *Urban and Regional Development (Financial Assistance) Act 1974* for the acquisition of land for parks and reserves and a further grant of \$10 000 was paid in 1975-76. An amount of \$70 000 has been included in the Budget for financial assistance to the State in 1976-77 for this purpose.

Summary of Payments

The following table shows the amounts provided to each State for growth centres and related projects and those proposed for 1976-77. Further details are given at Table 118 in Appendix III.

TABLE 41—PAYMENTS FOR GROWTH CENTRES AND RELATED PROJECTS^(a)
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74—							
Grants . . .	497	445	..	355	..	35	1 332
Loans . . .	133	1 055	..	4 059	..	..	5 247
Total . . .	630	1 500	..	4 414	..	35	6 579
1974-75—							
Grants . . .	506	340	..	842	..	400	2 088
Loans . . .	29 702	24 479	..	4 978	..	..	59 158
Total . . .	30 208	24 819	..	5 819	..	400	61 246
1975-76—							
Grants . . .	1 774	245	..	105	474	506	3 104
Loans . . .	42 736	22 296	..	1 399	..	..	66 431
Total . . .	44 510	22 541	..	1 504	474	506	69 535
1976-77 (estimate)							
Grants . . .	..	..	..	..	26	70	96
Loans . . .	(b)7 758	(b)	..	982	..	..	(b)32 801
Total . . .	(b)7 758	(b)	..	982	26	70	(b)32 897

(a) Includes capitalised interest—See Appendix III. Amounts quoted in the text do not include capitalised interest.

(b) Total estimated payments for 1976-77 amounting to \$32.897 million includes \$24.06 million for Albury-Wodonga (of which \$9.06 million represents capitalised interest) which cannot be split between New South Wales and Victoria. Figure shown for New South Wales represents assistance for other growth centres in the State.

Area Improvement Program

This program commenced in 1973-74 with the provision of \$7.4 million in funds for expenditure on approved projects for alleviation of urban problems in certain local government areas of the western regions of Sydney and Melbourne. Further amounts of \$13.8 million and \$15.0 million were provided in 1974-75 and 1975-76 respectively for these two regions as well as an additional eleven regions in various States.

The Budget includes provision for \$0.6 million for Area Improvement Programs in 1976-77, this being the level of funds required for the Commonwealth to meet its formal commitment to projects commenced in previous years.

The following table shows details of payments made under this program and estimates for 1976-77:—

TABLE 42—ASSISTANCE FOR AREA IMPROVEMENT(a)

(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1973-74	347	92	..	..	..	..	439
1974-75	389	268	159	44	272	..	1 132
1975-76	537	557	177	51	113	..	1 436
CAPITAL							
1973-74	4 653	2 308	..	..	..	..	6 961
1974-75	5 111	4 340	2 341	383	469	..	12 644
1975-76	5 574	4 339	2 315	602	730	..	13 560
1976-77 (estimate)(b)	120	18	468	..	..	..	606
TOTAL							
1973-74	5 000	2 400	..	..	..	..	7 400
1974-75	5 500	4 608	2 500	427	741	..	13 776
1975-76	6 111	4 896	2 492	653	843	..	14 996
1976-77 (estimate)(b)	120	18	468	..	..	..	606

(a) The assistance provided in 1973-74, 1974-75 and 1975-76 was wholly by way of non-repayable grants and it is expected that the assistance in 1976-77 will be in the same form.

(b) For purposes of this document the 1976-77 estimates are assumed to be wholly capital.

Urban Flood Mitigation

The Commonwealth Government agreed during 1974-75 to provide \$200 000 to Victoria for flood mitigation works at Seymour. An amount of \$100 000 was paid to the State in 1975-76, and it is estimated that the balance will be paid in 1976-77.

An amount of \$2.1 million was provided to Queensland in 1975-76 under the *Urban and Regional Development (Financial Assistance) Act 1974* to assist with the construction of certain flood mitigation works on various creeks in the Brisbane metropolitan area. An amount of \$1.84 million is provided in the Budget for 1976-77 for these works.

Assistance for Land Acquisition and Development in Urban Areas

The object of this program has been to make land available for residential and associated uses at fair prices and to facilitate the planning and development of new urban areas.

An amount of \$53.6 million was provided in the Budget for 1975-76. Total payments to the States in 1975-76, in respect of expenditure by land commissions/urban land councils on approved programs of land acquisition and development, amounted to \$48.6 million, including final payments of \$3.8 million in respect of the 1974-75 programs.

An amount of \$15.1 million is provided in the Budget for 1976-77 including \$0.8 million for estimated final payments in respect of approved 1975-76 programs.

The following table shows the amounts provided to each State for land acquisition and development and those proposed for 1976-77. Further details are given in Table 119 in Appendix III.

TABLE 43—PAYMENTS FOR LAND ACQUISITION AND DEVELOPMENT
IN URBAN AREAS^(a)
(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74—							
Grants . .	..	..	..	..	..	..	..
Loans . .	..	3 531	..	8 000	..	..	11 531
Total . .	..	3 531	..	8 000	..	..	11 531
1974-75—							
Grants . .	..	993	..	1 933	1 886	..	4 813
Loans . .	820	8 010	..	17 620	9 833	..	36 282
Total . .	820	9 003	..	19 553	11 720	..	41 095
1975-76—							
Grants . .	27	3 417	..	500	956	..	4 900
Loans . .	11 727	12 237	..	19 435	6 133	..	49 531
Total . .	11 754	15 654	..	19 935	7 089	..	54 432
1976-77 (estimate)—							
Grants . .	..	..	..	..	..	..	..
Loans . .	4 361	5 230	..	10 725	4 923	263	25 503
Total . .	4 361	5 230	..	10 725	4 923	263	25 503

(a) Includes capitalised interest—See table in Appendix III. Amounts quoted in the text do not include capitalised interest.

Woolloomooloo Redevelopment

An agreement was concluded in 1974-75 with the New South Wales Government under which up to \$17 million will be provided by way of grant for acquisition of 3.2 hectares of property and planning and site development in the Woolloomooloo basin in Sydney. Payments commenced in 1975-76 and a total amount of \$5.8 million was paid to the State in that financial year. An amount of \$10.3 million has been included in the Budget for estimated payments to the State in 1976-77.

In addition to the provision of financial assistance, the Commonwealth Government agreed to transfer at no cost to the State 2.6 hectares of Commonwealth Government property in the Woolloomooloo basin valued in excess of \$11 million.

Air Quality Monitoring

Under the *States Grants (Air Quality Monitoring) Act* 1976 the Commonwealth Government provided \$200 000 to the States in 1975-76, on a \$1 for \$1 matching basis, for the purchase of equipment for air quality monitoring. Payments made to each State are shown in Appendix V.

Captains Flat—Pollution Abatement Works

Under the *Captains Flat (Abatement of Pollution) Agreement Act 1975* the Commonwealth Government is providing financial assistance to New South Wales for approved programs of works to abate the pollution of the Molonglo River from the mine waste dumps at Captains Flat. Financial assistance of up to \$2.5 million is being provided for expenditure on capital works and up to \$100 000 will be provided on a \$1 for \$1 matching basis for expenditure on maintenance of the works. The financial assistance for capital works is 80 per cent by way of grant and 20 per cent by way of loans, and for maintenance will be wholly by way of grant.

Payments amounting to \$890 000 were made in 1975-76 for capital works. An amount of \$1 200 000 has been included in the Budget for estimated payments in respect of capital works in 1976-77.

National Sewerage Program

In 1973-74 the Commonwealth Government embarked upon a program of assistance to the States designed to eliminate the backlog of sewerage works in principal urban areas (defined as the six capital cities, together with Wollongong, Newcastle, the Gold Coast and Launceston). Payments made in 1973-74 for projects under this program totalled \$27.9 million.

Further funds were provided in 1974-75 and 1975-76 for this program, including amounts for extending the assistance to smaller cities and for research, training, monitoring and planning. Funds totalling \$117.7 million and \$113.2 million were disbursed to the States in 1974-75 and 1975-76 respectively. The Budget includes provision of \$50 million for the National Sewerage Program in 1976-77. Relevant figures are shown in the following table:—

TABLE 44—PAYMENTS UNDER NATIONAL SEWERAGE PROGRAM
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GRANTS FOR RECURRENT PURPOSES							
1973-74.	..	..	..	..	..	..	..
1974-75.	113	243	60	256	155	24	851
1975-76.	487	164	251	136	155	4	1 196
1976-77 (estimate)(a)	290	420	320	220	340	110	1 700
GRANTS FOR CAPITAL WORKS							
1973-74.	..	..	..	..	..	..	..
1974-75.	12 600	10 391	3 256	1 725	3 735	477	32 184
1975-76.	12 840	10 620	4 103	1 710	3 720	595	33 588
1976-77 (estimate)(a)	5 910	5 130	300	300	2 700	150	14 490
ADVANCES FOR CAPITAL WORKS							
1973-74.	11 200	9 300	2 007	1 598	3 800	..	27 905
1974-75.	29 400	28 196	9 598	4 025	11 715	1 743	84 678
1975-76.	29 960	24 780	9 664	3 990	8 680	1 389	78 463
1976-77 (estimate)(a)	13 790	11 970	700	700	6 300	350	33 810
TOTAL PAYMENTS FOR CAPITAL WORKS							
1973-74.	11 200	9 300	2 007	1 598	3 800	..	27 905
1974-75.	42 000	38 587	12 854	5 750	15 450	2 221	116 862
1975-76.	42 800	35 400	13 767	5 700	12 400	1 984	112 051
1976-77 (estimate)(a)	19 700	17 100	1 000	1 000	9 000	500	48 300
TOTAL PAYMENTS							
1973-74.	11 200	9 300	2 007	1 598	3 800	..	27 905
1974-75.	42 113	38 830	12 914	6 006	15 605	2 245	117 713
1975-76.	43 287	35 564	14 018	5 836	12 555	1 988	113 247
1976-77 (estimate)(a)	19 990	17 520	1 320	1 220	9 340	610	50 000

(a) The figures shown for 1976-77 are approximate estimates only; the State by State figures of grants for recurrent purposes are notional only and no commitment as to the provision of these amounts is implied.

CULTURE AND RECREATION

The Commonwealth Government first provided grants to the States for cultural and recreational purposes in 1973-74. An estimated \$14.7 million will be made available for these purposes in 1976-77.

Assistance for Leisure, Recreation and Similar Purposes

National Fitness Program

From 1941 to 1974 the Commonwealth provided assistance for national fitness activities in the States under the *National Fitness Act* 1941; however, these expenditures were not classified as payments to the States. Payments being made under a new arrangement, which commenced in 1975-76 are, however, so classified. These payments, which totalled \$600 000 in 1975-76 and which will be maintained at the same level in 1976-77, assist in meeting operational expenses associated with national fitness activities.

Capital Assistance for Leisure and Cultural Facilities

A program of capital assistance grants on a cost-sharing basis with State, local government and voluntary bodies for the development of community sporting and recreation complexes was commenced in 1973-74, and expanded in 1974-75 to cover a wider range of community leisure facilities including arts/cultural facilities. Grants estimated to total \$9.5 million will be made to the States in 1976-77; some will be for on-passing to local government authorities (*see* Chapter V) and voluntary bodies.

Assistance for Current Expenditure on Community Recreation

Various payments under this heading were made over the period 1973-74 to 1975-76, on which see page 78 of last year's document.

Summary of Payments

The following table shows grants to the States since 1973-74 for leisure, recreation and similar purposes and estimated grants, on a notional basis, for these purposes in 1976-77:—

TABLE 45—PAYMENTS FOR LEISURE, RECREATION AND SIMILAR PURPOSES
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
<i>National Fitness—</i>							
1975-76.	118	118	94	94	94	84	600
1976-77 (estimate)	118	118	94	94	94	84	600
<i>Community Recreation—</i>							
1973-74.	20	20	20	105	20	20	205
1974-75.	..	20	..	..	1	..	21
1975-76.	9	102	24	4	11	86	237
<i>Youth Affairs—</i>							
1973-74.	..	..	..	..	13	..	13
1974-75.	9	9	6	8	10	7	49
1975-76.	..	..	..	..	..	..	..
<i>Total Recurrent Expenditure—</i>							
1973-74.	20	20	20	105	33	20	218
1974-75.	9	29	6	8	10	7	70
1975-76.	127	219	118	98	104	170	837
1976-77 (estimate)	118	118	94	94	94	84	600
CAPITAL							
<i>Leisure Facilities—</i>							
1973-74.	..	478	238	160	219	180	1 274
1974-75.	1 217	800	766	620	1 728	439	5 570
1975-76.	1 744	1 510	1 060	625	404	318	5 661
1976-77 (estimate)	2 570	1 730	870	2 750	788	650	9 358
<i>Arts/Cultural Facilities—</i>							
1974-75.	..	10	..	..	..	..	10
1975-76.	18	50	..	..	40	112	220
1976-77 (estimate)	110	..	..	..	12	..	122
<i>Total Capital Expenditure—</i>							
1973-74.	..	478	238	160	219	180	1 274
1974-75.	1 217	810	766	620	1 728	439	5 580
1975-76.	1 762	1 560	1 060	625	445	430	5 881
1976-77 (estimate)	2 680	1 730	870	2 750	800	650	9 480
TOTAL RECURRENT AND CAPITAL							
1973-74.	20	498	258	265	252	200	1 492
1974-75.	1 227	839	772	628	1 738	446	5 649
1975-76.	1 889	1 779	1 178	723	549	600	6 718
1976-77 (estimate)	2 798	1 848	964	2 844	894	734	10 080

Grants For Nature Conservation Purposes

The 1973-74 and 1974-75 Budgets included provisions for payments to the States for the purchase of land for nature conservation purposes, but no such payments were in fact made. (It is noted, however, that an amount of \$4.3 million was expended in 1974-75 on the acquisition of land in the States by the Commonwealth Government itself.)

An amount of approximately \$1.3 million was paid to the States in 1975-76 under the *States Grants (Nature Conservation) Act 1974* for the acquisition of land for nature conservation purposes and a further \$3.2 million will be provided for this purpose in 1976-77, to meet commitments given to the State Governments. In addition, an amount of \$75 000 will be provided to Tasmania in 1976-77 to assist the State in meeting some of the costs of work associated with a wilderness area.

Payments to the States in 1975-76 and estimated payments in 1976-77 are set out in the following table:—

TABLE 46—PAYMENTS FOR NATURE CONSERVATION PURPOSES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1975-76	445	35	88	579	35	86	1 268
1976-77 (estimate)	600	1 250	400	300	250	510	3 310

National Estate

The Commonwealth Government established a Committee of Inquiry into the National Estate in May 1973; it presented its report to the Government in August 1974. It recommended, inter alia, the institution of a program of Commonwealth Government assistance for the restoration, preservation and improvement of landscapes and buildings of special significance and the establishment of an Australian Heritage Commission as a continuing body to provide advice in respect of these matters. The Commission was established by the *Australian Heritage Commission Act 1975*.

All grants under this program (other than in the Territories) take the form, in the first instance, of payments to the States. They are paid to the States in accordance with Agreements concluded under the *Urban and Regional Development (Financial Assistance) Act 1974*.

The following table shows the grants paid since the program commenced in 1973-74. The estimated payments for 1976-77 represent the provision of finance for projects in the 1975-76 program that were not completed in that year.

TABLE 47—GRANTS FOR EXPENDITURE ON THE NATIONAL ESTATE
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74	..	150	33	45	60	..	288
1974-75	1 612	1 471	791	981	1 156	1 032	7 043
1975-76	946	550	567	506	523	795	3 887
1976-77 (estimate)	..	687	183	246	215	19	1 350

ECONOMIC SERVICES—TRANSPORT

The Commonwealth has been making payments to the States for transport purposes continuously since 1923-24, when it began providing grants for roads. The estimated total payments, *net* of repayments, are \$516.6 million for this function in 1976-77 and, of this, \$456.1 million is for roads and bridges and \$64.6 million is provided for urban public transport. Payments being made in each of these areas, as well as for shipping and harbours and railway projects, are outlined below.

Roads

Commonwealth assistance for expenditure on roads has taken two main forms—general assistance and assistance for specific roads or specific road projects. Payments of the latter kind (such as those for beef roads and the sealing of the Eyre Highway) were subsumed in the general program of roads assistance introduced in 1974-75. (See page 81 and the relevant section of Appendix IV of last year's document for an historical description of the Commonwealth's assistance for roads.)

In November 1973 the Government received from the Commonwealth Bureau of Roads a 'Report on Roads in Australia 1973' which contained recommendations for a program of expenditure on roads in the States over the five years 1974-75 to 1978-79.

The Government, in formulating proposals for a new program, was guided to a considerable extent by the program laid down in the Bureau's report, although the program adopted differed significantly from that recommended by the Bureau. The Government's proposals, providing for \$1 126 million over the three year period 1974-75 to 1976-77, were embodied in three Acts—the *National Roads Act* 1974, the *Roads Grants Act* 1974 and the *Transport (Planning and Research) Act* 1974. Further details are given on pages 81 through 86 of last year's document.

However, actual advances under all three Acts over the last two years have varied from the amounts incorporated in schedules to the Acts for three reasons.

First, provision is made for transfer of grants, subject to the Commonwealth's approval, on request by the States. Such transfers, or schedule variations, can be between categories of expenditure within the *National Roads Act* 1974 or within the *Roads Grants Act* 1974, between these two Acts, and from one year to another. During 1974-75 and 1975-76 the Minister for Transport approved a number of applications for transfer.

Secondly, additional roads grants totalling \$30 million were provided in 1974-75 following the February 1975 Premiers' Conference as a short term measure to assist employment in the roads sector. The additional grants were authorised by the *Appropriation Act (No. 4)* 1974-75.

Finally, additional grants of \$64 million were announced in the context of the 1975-76 Budget in order to offset the higher than expected cost escalation effects on the 1975-76 road appropriations. These additional grants were authorised by the *Roads Acts Amendment Act* 1976.

The following table shows the distribution of road grants actually paid to the States in 1975-76:—

TABLE 48—PAYMENTS FOR ROADS IN 1975-76(a)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
National Highways—							
Construction	39 530	16 800	22 100	18 993	11 695	7 140	116 258
Maintenance	7 200	1 600	5 900	2 110	2 845	590	20 245
Export and Major Commercial Roads	2 470	4 800	2 405	1 058	900	470	12 103
Sub-total	49 200	23 200	30 405	22 161	15 440	8 200	148 606
Rural Arterial and Developmental Roads	15 430	5 660	11 700	1 770	9 180	2 600	46 340
Rural Local Roads	16 480	11 750	16 340	5 300	10 855	4 230	64 955
MITERS(b)	4 254	2 710	2 555	1 956	1 640	600	13 715
Urban Arterial Roads	44 260	42 560	16 863	8 290	23 076	4 020	139 069
Urban Local Roads	3 880	3 200	1 947	1 287	1 094	250	11 658
Beef Roads	..	..	9 170	..	..	..	9 170
Sub-total	84 304	65 880	58 575	18 603	45 845	11 700	284 907
Transport Planning and Research	2 728	2 909	1 069	719	940	198	8 563
Total	136 232	91 989	90 049	41 484	62 225	20 097	442 076

(a) Payments made under the *National Roads Act* 1974 and the *Roads Grants Act* 1974 (as amended by the *Appropriation Act* (No. 4) 1974-75 and the *Roads Acts Amendment Act* 1976) and the *Transport (Planning and Research) Act* 1974.

(b) Minor Traffic Engineering and Road Safety Improvements.

For 1976-77, an additional grant of \$35.8 million (to offset cost escalation) has been announced. It is expected that enabling legislation to appropriate these additional funds will be enacted during the latter half of 1976. The Government has also decided, as a budgetary measure, that approvals for assistance to projects under the *Transport (Planning and Research) Act* 1974 will be held to an amount, including the carryover from 1975-76, of \$8 million in 1976-77.

The following table shows the estimated distribution of roads grants to the States in 1976-77:—

TABLE 49—ESTIMATED PAYMENTS FOR ROADS IN 1976-77(a)
(\$ thousands)

—	New South Wales	Victoria	Queens-land	South Australia	Western Australia (c)	Tasmania	Total
National Roads Act 1974 .	59 200	30 800	33 600	20 000	12 910	10 100	166 610
Roads Grants Act 1974 .	66 800	52 800	49 600	15 600	37 590	8 700	231 090
Transport (Planning and Research) Act 1974(b) .	3 000	2 100	1 200	600	800	300	8 000
Proposed Additional 1975-76 Grant	11 300	7 500	7 500	3 200	4 600	1 700	35 800
Total(b)	140 300	93 200	91 900	39 400	55 900	20 800	441 500

(a) Includes an additional \$35.8 million to offset cost escalation which has not yet been allocated between road categories encompassed by the *National Roads Act 1974* and *Roads Grants Act 1974*.

(b) Includes a distribution of the unallocated amount payable on the same basis as the apportionment of the allocated amount under the Act. No commitment to the provision of these amounts is implied.

(c) Transfer of \$390 000 from *National Roads Act 1974* to *Roads Grants Act 1974* approved for 1976-77.

The *Roads Grants Act 1974* also sets down annual quotas for expenditure by each State from its own resources; these were determined after consideration of estimates made by the Commonwealth Bureau of Roads of finance which might be available for roads from State Government sources. However, provision is made for the States to carry forward, annually, excesses or deficiencies in expenditure from their own resources so that in effect the States must meet only the three year total quota.

The *Roads Acts Amendment Act 1976* increased the 1975-76 quotas commensurate with increases in Commonwealth assistance of \$64 million for that year. Similar increases are expected to be made to the 1976-77 quotas as a result of the proposed additional grant of \$35.8 million for this year (not included in Table 50). No quota increase was made in 1974-75 as a result of the additional \$30 million made available in that year.

The current quotas are as follows:—

TABLE 50—ROADS GRANTS 1974-75 TO 1976-77—QUOTAS TO BE MET FROM STATE SOURCES
(\$ thousands)

—	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1974-75	124 600	83 300	36 300	25 400	23 800	8 500	301 900
1975-76	146 800	110 400	50 100	33 500	33 500	11 200	385 500
1976-77(a)	124 600	104 200	49 100	31 400	33 600	10 400	353 300
Total	396 000	297 900	135 500	90 300	90 900	30 100	1 040 700

(a) Excludes a proposed increase which is expected to be commensurate with the additional \$35.8 million in grants for roads in 1976-77 to offset cost escalation.

The following table shows the amounts paid to each State for roads under the *Commonwealth Aid Roads Act* 1969, and the amounts paid since 1974-75 under the *National Roads Act* 1974, the *Roads Grants Act* 1974, the *Transport (Planning and Research) Act* 1974, the *Appropriation Act (No. 4)* 1974-75 and the *Roads Acts Amendment Act* 1976, with estimated amounts for 1976-77:—

TABLE 51—GRANTS UNDER GENERAL ROADS ACTS(a)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1969-70 . . .	57 060	38 160	34 740	21 000	32 940	9 100	193 000
1970-71 . . .	64 980	43 460	39 560	23 500	36 270	10 230	218 000
1971-72 . . .	74 500	49 820	45 360	25 500	39 250	10 820	245 250
1972-73 . . .	85 590	57 240	52 110	28 000	43 910	12 150	279 000
1973-74 . . .	98 270	65 720	59 830	31 000	48 030	13 950	316 800
1974-75 . . .	115 792	75 951	75 372	31 888	50 449	18 585	368 037
1975-76 . . .	136 232	91 989	90 049	41 484	62 225	20 097	442 076
1976-77 (estimate)(b)	140 300	93 200	91 900	39 400	55 900	20 800	441 500

(a) That is, under the *Commonwealth Aid Roads Act* 1969; *National Roads Act* 1974; *Roads Grants Act* 1974; and the *Transport (Planning and Research) Act* 1974 (with supplementation under the *Appropriation Act (No. 4)* 1974-75 and the *Roads Acts Amendment Act* 1976).

(b) See footnotes (a) and (b) to Table 49.

Second Hobart Bridge

Following agreement in 1975 between the Commonwealth and Tasmanian Governments, a Joint Committee on the Second Hobart Bridge was established. The first stage of the Committee's work is to carry out the technical investigations associated with the bridge. In relation to these studies, the Commonwealth provided an amount of \$63 000 in 1975-76, and a further \$650 000 will be provided for in the 1976-77 Budget.

Railway Construction Projects

For many years the Commonwealth has been providing financial assistance to various States for expenditure on specific major rail standardisation and other railway projects; South Australia and Western Australia are currently receiving financial assistance for such projects. Under the program of assistance for urban public transport initiated in 1973-74 the Commonwealth Government is providing grants to the States for urban railway projects (see below under 'Urban Public Transport').

Following is a summary of assistance being provided to South Australia and Western Australia.

(a) *South Australia*

Under the *Adelaide to Crystal Brook Railway Act* 1974 the Commonwealth is continuing to provide financial assistance to the State for the construction of a standard gauge railway to link Adelaide with the east-west railway at Crystal

Brook, pending legislation to enable the Australian National Railways to replace the State as the constructing authority for the project, following the transfer of the non-metropolitan South Australian railways to the Commonwealth. Under the Act, the Commonwealth is providing initially all the finance for the project with the State to repay 30 per cent of this by equal annual instalments of capital and interest over a period of fifty years.

(b) *Western Australia*

Under the *Railway Agreement (Western Australia) Act 1961-1971* financial assistance is being provided to Western Australia for the construction of a standard gauge railway from Kwinana to Koolyanobbing, with an extension to Kalgoorlie, and for the purchase of rolling stock for the railway. While the project is associated with the development of an iron and steel industry at Kwinana using iron ore from Koolyanobbing, the extension of the railway eastward to Kalgoorlie also provides a standard gauge link between Perth and the Trans-Australian Railway. Details of the assistance are given on page 87 of last year's document.

The table below shows payments to the States for railway projects from 1972-73 including estimated payments in 1976-77:—

TABLE 52—PAYMENTS FOR RAILWAY CONSTRUCTION PROJECTS
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1972-73	556	1 250	1 156	2 962
1973-74	319	508	..	827
1974-75(a)	909	151	..	1 060
1975-76(a)	4 960	..	..	4 960
1976-77 (estimate)	2 000	225	..	2 225

(a) Excludes payments for railway projects under the program of assistance for urban public transport. (See below.)

Railway Intersystem Passenger Vehicles

A common 'pool' of passenger vehicles was formed for the operation of the direct standard gauge passenger service between Sydney and Perth (the 'Indian Pacific' service) and the 'Trans-Australian' service between Perth and Port Pirie. The purchase of these vehicles was initially financed by the Australian National Railways. The other railway authorities involved (New South Wales, South Australia and Western Australia) are repaying a share of the cost of the rolling stock, with interest on outstanding balances, over a period of 35 years. The total debt has been divided between the three State systems and the ANR in proportion to operating distances. Following the transfer of the non-metropolitan South Australian railways to the Commonwealth on 1 July 1975, the South Australian portion of the debt has been taken over by the Australian National Railways. It is expected, however, that there will be no advances made to the States for this purpose in 1976-77.

The following table shows advances made from 1972-73 to 1974-75 and estimates for 1975-76:—

TABLE 53—ADVANCES FOR RAILWAY INTERSYSTEM PASSENGER VEHICLES
(\$ thousands)

	New South Wales	South Australia	Western Australia	Total
1972-73 . . . . .	..	..	784	784
1973-74	267	94	720	1 081
1974-75	580	205	459	1 244
1975-76 (estimate)	12	..	66	78

Urban Public Transport

Under an agreement concluded with all States in 1974 the Commonwealth is meeting two-thirds of the cost of approved urban public transport projects in the States. The program is for five years until 1977-78 and the purpose is to assist in the upgrading of urban public transport, including railways.

The *States Grants (Urban Public Transport) Act 1974* and the *Urban Public Transport (Research and Planning) Act 1974* were enacted to give effect to this agreement and together authorised payments of grants of \$72.91 million to the States for projects approved in 1973-74. However, owing to a lack of legislative authority, funds could not be disbursed until 1974-75. The *Appropriation (Urban Public Transport) Act 1974* appropriated a further \$66.11 million for projects approved to commence in 1974-75.

No new projects have been approved for commencement either in 1975-76 or 1976-77.

Under the terms of the Urban Public Transport Agreement (incorporated as a Schedule to the *States Grants (Urban Public Transport) Act 1974*), the Commonwealth is also committed to meet two-thirds of approved cost increases due to cost escalation but is not committed to meeting cost increases caused through faulty planning or faulty cost estimation. In addition to estimated assistance of \$44.6 million on approved projects in 1976-77, a further \$20 million is provided in the Budget to meet the Commonwealth's share of approved cost increases on those projects approved in the 1973-74 and 1974-75 programs.

The following table shows payments made to the States since 1974-75 and estimated payments in 1976-77:—

TABLE 54—GRANTS UNDER URBAN PUBLIC TRANSPORT ASSISTANCE PROGRAM
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	14 863	18 867	2 126	6 215	2 829	359	45 259
1975-76	5 694	9 529	8 986	6 757	750	2 380	34 096
1976-77 (estimate)(a)	29 432	16 056	11 040	5 580	1 692	800	64 600

(a) Includes provision for \$20 million to be made available to meet the Commonwealth's share in 1976-77 of approved cost escalation increases on previously approved projects; this amount is apportioned between the States on the basis of expenditures to 30 June 1976. No commitment to the payment of these apportioned amounts is implied.

Shipping and Harbours

Construction of a Dry Dock at Newcastle

It was announced on 13 March 1973 that the Commonwealth would negotiate with the New South Wales Government for the construction of a graving dock at Newcastle. Expenditure in 1975-76, on a feasibility study and preliminary works associated with the construction of the dock, totalled \$1 164 000. A further \$350 000 is included in the Budget to meet expenditure commitments incurred by New South Wales, as constructing authority for the project.

King Island Harbour Works

Under the *King Island Harbour Agreement Act 1973* the Commonwealth Government provided financial assistance to Tasmania of \$1 355 000 towards the cost of constructing port facilities at Grassy Harbour, King Island. The financial assistance comprised \$677 500 by way of a grant and \$677 500 in the form of a loan repayable over fifteen years.

An initial payment of \$1 113 000 was made to the State in 1972-73. No payments were made in 1973-74 or 1974-75. Final payments of \$121 000 by way of grants and \$121 000 as loans were made in 1975-76.

Tasman Bridge Disaster

Following this disaster, which occurred in Hobart on 5 January 1975 when the Australian National Line's vessel, the 'Lake Illawarra', hit the Tasman Bridge with consequent loss of life and serious damage to the Bridge, the Commonwealth Government undertook to reimburse the State for the full amounts of expenditures incurred by it and its authorities, subject to the various expenditures being accepted by the Commonwealth as attributable to the bridge collapse and reasonable and subject to certain procedures for consultation between the

Commonwealth and State Governments. As well as the reconstruction of the Tasman Bridge the agreed measures include:—

- emergency services provided immediately after the disaster;
- the provision of temporary bridging across the river;
- the maintenance and upgrading of roads to cope with additional traffic caused by the loss of the use of the Tasman Bridge;
- the obtaining of ferries, the building of ferry terminals and the construction of additional facilities in connection with bus services on the eastern shore;
- contributions towards the recurrent costs of ferry and bus operations; and
- the provision of additional State Government services on the eastern shore.

The *Tasman Bridge Restoration Act 1975* and the *Tasman Bridge Restoration Act (No. 2) 1975*, in conjunction with complementary legislation passed by the Tasmanian Parliament, ratified the Joint Tasman Bridge Restoration Agreement between the Commonwealth and Tasmanian Governments which provides, inter alia, for a Joint Tasman Bridge Restoration Commission, the functions of which include the restoration of the Tasman Bridge. The administrative costs of the Commission are being met by the Commonwealth Government.

In June 1975 the then Commonwealth Government, following an investigation of, and report on, proposals for a further permanent bridge across the Derwent River by a Joint Commonwealth/State Government expert advisory Committee, undertook to provide financial assistance for the construction of a new permanent bridge at Dowsing Point and for the restructuring of the Tasman Bridge so as to provide an additional traffic lane.

Assistance for these various purposes, other than the new permanent bridge, is classified in this document under the heading 'Tasman Bridge Disaster'. With regard to the new bridge *see* elsewhere in this Chapter under the heading 'Second Hobart Bridge'.

Assistance provided for these purposes in 1974-75 and 1975-76, and estimates for 1976-77, are as follows:—

TABLE 55—GRANTS FOR TASMAN BRIDGE DISASTER
(\$ thousands)

	1974-75	1975-76	1976-77 (estimate)
State Expenditures Eligible for Reimbursement—			
Restoration of the Tasman Bridge	156	5 838	6 800
Widening of the Bridge		506	4 000
Temporary Bridge	336	2 760	500
Government Services on the Eastern Shore	294	713	400
Roads	1 559	6 078	1 900
Other Transport Services and Facilities(a)	2 212	2 672	1 100
Other(b)	101	206	100
Total	4 658	18 775	14 800
Payment by Commonwealth to the State(c)	6 000	17 700	14 500

(a) Comprises capital expenditure on ferry and bus terminals, the operating costs of landing barges provided by the Defence Force and assistance for the operation of ferry and additional bus services.

(b) Includes assistance for original investigations of proposal for second bridge across the Derwent River and other miscellaneous items, including emergency expenditures.

(c) Differs from State expenditure because of 'leads and lags' and unavoidable estimating errors involved in payment arrangements.

ECONOMIC SERVICES—WATER SUPPLY AND ELECTRICITY

Ross River Dam

Under the *Queensland Grant (Ross River Dam) Act* 1974 the Commonwealth Government is to provide grants of up to \$2.56 million to Queensland towards the cost of construction of Stage 2 of the Ross River Dam, which will augment the supply of water to Townsville. An amount of \$1.4 million was paid to the State in 1975-76 and it is estimated that the balance of \$1.16 million will be paid in 1976-77. Details of the assistance provided for Stage 1 of this project are given in last year's document at page 208.

Urban Water Supply

Amounts of \$4.4 million and \$8.9 million were provided to South Australia in 1974-75 and 1975-76 respectively under the *Urban and Regional Development (Financial Assistance) Act* 1974 to assist with the construction of water treatment plants in the Adelaide metropolitan area. Further assistance totalling \$9.42 million is provided in the Budget for 1976-77 for these works.

Gladstone Power Station

Under the *Gladstone Power Station Agreement Act* 1970 financial assistance is being provided to Queensland by way of loans to help finance the construction of a thermal power station at Gladstone in Central Queensland. The amount to be provided for the project is proportionate to the total cost of the power station in the ratio of 80 to 155. Payments to 30 June 1976 amounted to \$112.06 million including a payment of \$39 million in 1975-76 and it is estimated that a further \$26.5 million will be made available in 1976-77.

ECONOMIC SERVICES—INDUSTRY ASSISTANCE AND DEVELOPMENT

Softwood Forestry

Under the *Softwood Forestry Agreements Act* 1967 financial assistance was provided to all States for a program of increased planting of softwood forests over the five-year period ended on 30 June 1971. The assistance to each State was by way of interest-bearing loans repayable over twenty-five years, with repayments and the payment of interest to commence approximately ten years after the date of each advance. Total payments to the States under this Act amounted to \$17.7 million.

Under the *Softwood Forestry Agreements Act* 1972 financial assistance was provided for a further five-year planting program ending on 30 June 1976. As under the previous Agreement, the assistance was provided by way of interest bearing loans repayable over twenty-five years, with repayments and the payment of interest to commence approximately ten years after the date of each advance.

Total payments of \$29.26 million were made to the States under this Agreement to 30 June 1976, including \$7.94 million in 1975-76.

The Commonwealth agreed in May 1976 to the extension of assistance to the softwood forestry program for a further year up to a limit of \$6 million which will be allocated to the States in accordance with the principles applying to the previous agreements. In addition a further \$1.454 million will be provided to meet eligible expenditure up to 30 June 1976 under the 1972 Agreement.

The following table shows payments that have been made to the States for this purpose since 1972-73 and estimated payments in 1976-77:—

TABLE 56—ADVANCES FOR SOFTWOOD FORESTRY
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	3 237	1 542	2 160	400	1 020	1 101	9 459
1973-74	2 000	..	1 535	252	416	672	4 875
1974-75	2 100	889	2 340	341	685	769	7 124
1975-76	2 456	900	2 250	566	864	901	7 937
1976-77 (estimate)(a)	2 350	1 782	1 525	100	715	982	7 454

(a) Preliminary estimates only. No commitment to payment of these amounts is implied.

Trawl and Danish Seine Fishery Assistance

The Commonwealth Government agreed in August 1974 to provide assistance to the New South Wales Government, on a dollar for dollar sharing basis, for the assessment of the trawl and Danish seine fisheries in the State with a view to formulating practical and constructive management policies. Assistance is being provided over the three years 1974-75 to 1976-77. An initial contribution of \$35 000 was paid in 1974-75, \$8547 was paid in 1975-76 and a further \$35 000 is expected to be paid in 1976-77.

Dairy Adjustment Program

The original scheme for this purpose was authorised by the *Marginal Dairy Farms Agreement Act 1970*, which enabled an amount of \$25 million to be made available to States, partly as grants and partly as loans, to assist in the reconstruction of dairy farms. The scheme aimed to assist low income dairy farmers to leave the industry by facilitating the sale of their farms, to make other holdings more profitable by assisting in the purchase of marginal dairy farms, and to encourage diversification of production into the most practicable economic land use on newly amalgamated holdings.

In April 1974, the Commonwealth Government announced a two-year \$28 million dairy adjustment assistance scheme, subsequently embodied in the *Dairy Adjustment Act 1974*, under which the original scheme was continued and broadened to remove limits on vendor participation, to encourage amalgamation by lifting restraints on farm size after build-up, to help diversification out of dairying, and to provide an extended range of assistance for those remaining in the industry. The widened program, which was to run to 30 June 1976, also embraced assistance to aid prospectively viable suppliers and factories to change over to refrigerated whole milk supply, and to help relocation of farmers who decide to leave the industry.

In June 1976 a further \$3.5 million was appropriated for the Dairy Adjustment Program through the *Dairy Adjustment Amendment Act* 1976. This Act enabled the Program to extend beyond 30 June 1976, widened the provisions for diversification assistance, and authorised carry-on loans (a form of assistance not previously available under the Program). States will match the amounts the Commonwealth contributes for the purpose of carry-on loans.

The following table shows payments that have been paid to the States for this purpose since 1972-73, and estimated payments in 1976-77:—

TABLE 57—PAYMENTS FOR DAIRY ADJUSTMENT PROGRAM
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GRANTS							
1972-73	250	45	1 000	..	138	15	1 448
1973-74	125	72	328	..	70	12	607
1974-75	250	1 171	304	100	185	34	2 044
1975-76	255	2 388	1 249	88	496	167	4 643
1976-77 (estimate)(a)	417	1 523	465	99	222	311	3 037
ADVANCES							
1972-73	250	45	1 000	..	139	15	1 449
1973-74	125	73	328	..	..	12	538
1974-75	750	4 371	704	400	450	216	6 892
1975-76	409	7 677	2 453	217	1 831	1 486	14 073
1976-77 (estimate)(a)	681	4 823	903	424	837	2 795	10 463
TOTAL PAYMENTS							
1972-73	500	90	2 000	..	277	30	2 897
1973-74	250	145	656	..	70	24	1 145
1974-75	1 000	5 543	1 008	500	635	250	8 936
1975-76	664	10 065	3 702	305	2 327	1 653	18 716
1976-77 (estimate)(a)	1 098	6 346	1 368	523	1 059	3 106	13 500

(a) The 1976-77 allocation by States is still subject to agreement. No commitment to the provision of these amounts is implied.

Fruitgrowing Industry Reconstruction

In 1972 the States were offered \$4.6 million in financial assistance under the *States Grants (Fruitgrowing Reconstruction) Act* 1972 towards a scheme for the removal of fruit trees deemed to be surplus to long-term market requirements. The Act has been amended twice to extend the closing dates for lodgement of applications for assistance and for the removal of trees, and the Commonwealth Government will be introducing further amending legislation to increase the limit on assistance to \$5.6 million and to extend the closing date for applications to 31 December 1976 and for the removal of trees to 30 June 1977.

Payments to the States, including estimated payments in 1976-77, are shown in the following table:—

TABLE 58—GRANTS FOR FRUITGROWING RECONSTRUCTION
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73 . . .	140	100	10	25	..	100	375
1973-74 . . .	500	430	..	57	18	650	1 655
1974-75 . . .	..	71	119	105	32	750	1 077
1975-76 . . .	..	102	41	20	29	200	392
1976-77 (estimate) .	120	800	60	150	40	330	1 500

Apple Exports

In early 1974 the Commonwealth agreed to join with the Governments of Queensland, Western Australia and Tasmania, on a dollar for dollar matching basis, in underwriting the financial returns on apples exported 'at risk' during 1974 to the United Kingdom and Europe, and in December 1974 agreed to provide similar assistance in respect of the 1975 season, with the scheme being extended to include Victoria and South Australia.

In February 1976 the Commonwealth decided to provide up to \$500 000 to continue the matching assistance for the 1976 season, with the scheme including all States.

The following table shows payments under these schemes and estimates for 1976-77:—

TABLE 59—PAYMENTS FOR APPLE EXPORT ASSISTANCE
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75 . . .	..	..	8	..	516	1 590	2 114
1975-76 . . .	..	65	14	..	259	572	910
1976-77 (estimate) .	2	35	5	4	113	343	500

Eradication of Bovine Brucellosis and Tuberculosis

From January 1970 the Commonwealth Government has joined with the States in an intensified national campaign for the eradication of bovine brucellosis and tuberculosis. The Government has agreed to provide about \$11.2 million during 1976-77 as payments to the States for this purpose but the individual States' shares are yet to be determined by the Australian Agricultural Council.

From July 1973 the Commonwealth Government also joined the mainland States in a scheme to partially compensate owners of livestock slaughtered following positive reaction to bovine tuberculosis tests. The Government has

accepted the recommendation of the Industries Assistance Commission that this scheme be continued from 1 January 1976 and has decided to liberalise the basis for compensation payments after 1 July 1976. In addition, the Government has accepted the Commission's recommendation that a brucellosis slaughter compensation scheme be introduced from 1 July 1976. It is anticipated that \$6 million will be paid to the States for tuberculosis and brucellosis compensation in 1976-77.

The following table shows payments that have been made under these schemes since 1972-73 and payments estimated to be made in 1976-77:—

TABLE 60—GRANTS FOR CURRENT EXPENDITURES ON THE ERADICATION OF BOVINE BRUCELLOSIS AND TUBERCULOSIS
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	1 250	1 150	885	235	380	100	4 000
1973-74	1 952	1 681	470	551	343	137	5 134
1974-75	2 012	2 064	1 661	350	498	238	6 823
1975-76	2 186	2 459	2 190	637	601	423	8 496
1976-77 (estimate)(a)	4 906	5 113	3 768	1 931	1 265	214	17 197

(a) The 1976-77 allocation by States is still subject to agreement. No commitment to the provision of these amounts is implied.

Exotic Animal Diseases Eradication

Under long-standing agreements between the Commonwealth Government and the States in respect of outbreaks of a number of exotic animal diseases, \$120 100 will be paid to Victoria in 1976-77 to cover the Commonwealth Government's share of the cost of eradicating an outbreak of fowl plague in Victoria during 1975-76.

Assistance to the Beef Industry

In 1975-76 the Commonwealth undertook to provide up to \$19.6 million under the *States Grants (Beef Industry) Act 1976* to match State contributions for a joint scheme to provide carry-on finance, at concessional rates of interest, to specialist beef producers who, whilst judged to be viable under normal market conditions, lacked finance and were unable to obtain carry-on funds from normal

sources. Under the extension of the scheme the Commonwealth has agreed to finance approvals of up to \$15 million for the scheme in 1976-77.

TABLE 61—ADVANCES FOR BEEF INDUSTRY ASSISTANCE.
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1975-76	2 892	1 164	6 374	289	479	100	11 298
1976-77 (estimate) (a)	3 840	1 545	8 463	383	636	133	15 000

(a) The 1976-77 allocation by States is still subject to agreement. No commitment to the provision of these amounts is implied.

Canned Fruits Industry Assistance

In March 1976 the Commonwealth provided loans amounting to \$2 456 567 under the *States Grants (Fruit Canneries) Act 1976* to the Governments of New South Wales, Victoria and South Australia. As in the case of earlier loans provided in the period 1970 to 1972, details of which are on page 208 of last year's document, these loans were for on-lending to the co-operative fruit canneries to enable acceleration of payments to growers for 1974-75 deliveries of apricots, peaches and pears. The liquidity problems of co-operative canneries, which have led to their difficulties in making payments to growers, have resulted from oversupply of fruit, declining export markets and rapidly rising costs.

The loans to the States are to be repaid in four equal half-yearly instalments, commencing on 31 December 1976, with interest at the rate of 10 per cent per annum.

Rural Reconstruction

In accordance with an agreement reached between the Commonwealth Government and the States in 1971, and extended in 1973, assistance was made available under the *States Grants (Rural Reconstruction) Act 1971*, partly as grants and partly as loans, for the purpose of a rural reconstruction scheme. The Act provided for the scheme to operate to 30 June 1976. The scheme embraced debt reconstruction, farm build-up and the rehabilitation of those farmers in necessitous circumstances who are obliged to seek alternative employment.

This scheme will be extended, as an interim measure pending the Government's consideration of an Industries Assistance Commission report, to 31 December 1976.

Payments to 30 June 1976 totalled \$189.3 million and a further \$27 million is being provided for payment in 1976-77.

The following table shows the payments that have been made to the States since 1972-73 and estimated payments in 1976-77:—

TABLE 62—PAYMENTS FOR RURAL RECONSTRUCTION
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GRANTS							
1972-73.	3 375	3 392	1 825	1 525	2 033	550	12 700
1973-74.	2 625	1 900	1 842	1 075	1 325	175	8 942
1974-75.	3 000	1 658	929	500	908	200	7 195
1975-76.	1 812	1 675	1 475	1 275	1 138	125	7 500
1976-77 (estimate)	2 550	975	975	1 175	850	225	6 750
ADVANCES							
1972-73.	10 125	10 178	5 475	4 575	6 097	1 650	38 100
1973-74.	7 875	5 700	5 525	3 225	3 975	525	26 825
1974-75.	9 000	4 976	2 787	1 500	2 723	600	21 586
1975-76.	5 437	5 025	4 425	3 825	3 413	375	22 500
1976-77 (estimate)	7 650	2 925	2 925	3 525	2 550	675	20 250
TOTAL PAYMENTS							
1972-73.	13 500	13 570	7 300	6 100	8 130	2 200	50 800
1973-74.	10 500	7 600	7 367	4 300	5 300	700	35 767
1974-75.	12 000	6 634	3 716	2 000	3 631	800	28 781
1975-76.	7 250	6 700	5 900	5 100	4 550	500	30 000
1976-77 (estimate)	10 200	3 900	3 900	4 700	3 400	900	27 000

Agricultural Extension Services Grants

From 1948-49 annual grants have been made to the States to promote improved practices in the dairy industry and from 1952-53 further grants have been provided for expansion in the States of agricultural advisory services generally. In addition to the payments to the States, a small amount is expended directly by the Commonwealth Government on projects nominated by the States but of common interest.

The following table shows the payments to each State from 1972-73 and estimated payments in 1976-77:—

TABLE 63—GRANTS FOR AGRICULTURAL EXTENSION SERVICES(a)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73.	1 680	1 490	1 380	690	680	380	6 300
1973-74.	1 797	1 601	1 525	760	771	348	6 802
1974-75.	2 145	1 877	1 583	856	843	419	7 723
1975-76.	2 359	2 022	1 826	944	958	517	8 625
1976-77 (estimate)	2 579	2 291	2 097	1 068	1 082	560	9 676

(a) Excludes expenditure incurred directly by the Commonwealth Government on projects common to a number of States.

Minor Agricultural Research

Annual grants have been made to the States since 1960-61 to finance special investigation and extension projects of a new, short-term nature on a \$1 for \$1

matching basis with the States and/or industry. As with the extension services grants, some projects common to several States are financed by direct grants to industry bodies.

Grants that have been paid to the States since 1972-73 and estimated grants in 1976-77 are shown in the following table:—

TABLE 64—GRANTS FOR MINOR AGRICULTURAL RESEARCH^(a)
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73.	82	19	37	13	..	..	151
1973-74.	99	23	12	17	..	..	151
1974-75.	82	22	14	16	..	..	134
1975-76.	81	63	17	20	..	..	181
1976-77 (estimate).	69	68	17	26	..	..	180

(a) Excludes expenditure incurred directly by the Commonwealth Government on projects common to a number of States.

Bundaberg Irrigation Works

The *Queensland Grant (Bundaberg Irrigation Works) Act 1970* provided for grants of up to \$17.2 million to Queensland for the construction of the Monduran Dam on the Kolan River and associated works to regulate the flows of both the Kolan and Burnett Rivers. All but \$11 336 of the \$17.2 million was paid by 30 June 1976; it is expected that the remaining amount will be paid in 1976-77.

Lock to Kimba Pipeline

Under the *South Australia Grant (Lock to Kimba Pipeline) Act 1973* grants of up to \$2.1 million were provided to South Australia towards the cost of constructing a pipeline on the Eyre Peninsula of South Australia. The purpose of the scheme was to provide water for stock and domestic use in the area between the towns of Lock and Kimba.

The full amount has been paid, including a final payment of \$305 000 in 1975-76. Annual payments from 1972-73 to 1975-76 are given in Appendix V.

Tailem Bend to Keith Pipeline

The *South Australia Grant (Tailem Bend to Keith Pipeline) Act 1969* provides for grants of up to \$6 million to South Australia for the construction of a pipeline and certain associated works, to carry water from Tailem Bend to Keith. Total payments to 30 June 1976 amounted to \$5.3 million, including a payment of \$3500 in 1975-76, and it is estimated that a further \$400 000 will be paid in 1976-77.

Eton (Mackay) Irrigation Scheme

Under the *Queensland Grant (Kinchant Dam) Act 1973* grants of up to \$5 million are being provided to Queensland towards the cost of construction of the Kinchant Dam—the main storage for the Eton (Mackay) Irrigation Scheme. Payments to 30 June 1976, including a payment of \$2 million in 1975-76, totalled \$4.2 million. It is estimated that the balance of \$0.8 million will be paid in 1976-77.

Clare Weir

Under the *Queensland Grant (Clare Weir) Act 1974* grants of up to \$3 million are being provided to Queensland towards the cost of construction of the Clare Weir on the Burdekin River. Total payments to 30 June 1976 amounted to \$0.45 million, and it is estimated that further payments of \$2.55 million will be made in 1976-77.

Ord River Irrigation Project

Details of the earlier legislation under which grants totalling \$12.2 million were made to Western Australia for Stage I of the Ord River Irrigation Project are given in Appendix IV of last year's document.

The *Western Australia Agreement (Ord River Irrigation) Act 1968* provides for financial assistance of up to \$48.2 million to Western Australia for Stage II of the Ord River Irrigation Project. The financial assistance is on the basis of a grant for the construction of the dam, and interest-bearing loans for the irrigation works. Each loan is repayable over a period of fifteen years commencing approximately nine and a half years after the end of the financial year during which payment was made.

Financial assistance made available for Stage II to 30 June 1976 amounted to \$24.3 million which includes payments totalling \$111 000 in 1975-76. The payments to date comprise \$21.8 million in the form of grants for the construction of the dam and \$2.5 million in the form of loans towards the cost of construction of the irrigation works. It is estimated that \$50 000 will be paid in 1976-77 as part of the loan component of the financial assistance.

Dartmouth Dam

Under the *Dartmouth Reservoir Agreement Act 1970* the Commonwealth is providing financial assistance to New South Wales, Victoria and South Australia by way of loans towards their shares of the cost of constructing the Dartmouth Reservoir. The reservoir is being constructed under the River Murray Waters Agreement, to which the three States and the Commonwealth are parties, and that Agreement provided for the cost of construction to be shared equally by the four parties.

The Dartmouth Reservoir Agreement provides that the Commonwealth make payments to the three States of amounts equal to one half of the amounts that each State is required from time to time to provide to the River Murray Commission in respect of the cost of the construction of the Dartmouth Reservoir. The total amount of the financial assistance is limited to \$8.8 million to each State.

Payments to the three States to 30 June 1976 amounted to \$20.8 million, which includes payments amounting to \$8.4 million in 1975-76. It is estimated that the balance of \$5.6 million will be paid in 1976-77.

Namoi River Weirs

The Commonwealth has offered a \$2 million grant as financial assistance to New South Wales as a contribution towards the cost of construction of three

weirs on the Namoi River. The weirs are designed to improve the availability of water supplies for irrigated cotton growing. The 1976-77 Budget includes an allocation of \$1 million for this purpose.

Water Resources Assessment

In 1964-65 the Commonwealth Government agreed to provide grants to the States in order to accelerate their programs of surface water measurement and investigation of underground water resources. The surface water program is aimed at completing a basic network of stream gauges throughout Australia; the underground investigations involve a general speeding up of the work of locating and measuring underground water resources. From 1974 the assistance was increased to allow for assessment of the quality of water resources. The Commonwealth Government has agreed to support this program for a further three years (1976-77 to 1978-79) and to provide \$6.7 million in 1976-77. The following table shows payments made to the States since 1972-73 and estimates for 1976-77:—

TABLE 65—GRANTS FOR THE ASSESSMENT OF WATER RESOURCES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	1 779	453	563	161	710	71	3 736
1973-74	1 182	762	770	371	1 300	71	4 455
1974-75	1 467	850	878	413	1 667	135	5 410
1975-76	1 499	891	932	468	1 981	140	5 911
1976-77 (estimate) .	1 630	1 136	952	727	2 000	213	6 658

Water Hyacinth

The Commonwealth has decided to participate with New South Wales, Victoria and South Australia in a two-year plan to control the water hyacinth infestation in the Gingham watercourse in the Gwydir River System in New South Wales. In 1976-77 a Commonwealth grant of \$35 000 will be made to New South Wales for the purpose. The Commonwealth will provide further assistance by an acceleration of the CSIRO research program into the biological control of water hyacinth.

Flood Mitigation

Under the *New South Wales Grant (Flood Mitigation) Act* 1971 grants were provided to New South Wales over the seven-year period ending 30 June 1976 towards the cost of flood mitigation works on various coastal rivers in the State. Assistance of \$8 million was previously provided under the *New South Wales Grant (Flood Mitigation) Act* 1964 (see Appendix IV of last year's document).

The grants were to assist in financing the cost of a program of additional works on the rivers covered under the previous legislation and of flood mitigation works on the Bellinger, Manning, Hawkesbury, Moruya and Hastings Rivers and the Cudgen, Cudgera and Mooball Creeks. Payments to 30 June 1976 amounted to \$9 million, including a final payment of \$2 million in 1975-76.

In addition, during 1974-75, the Commonwealth provided a grant of \$120 000 to Queensland for restoration of levees along the Proserpine River damaged as a result of severe flooding early in 1974. Under legislation expected to be passed this year, the Commonwealth Government will provide a grant of \$374 000 to Queensland towards the cost of construction of a flood mitigation scheme on the Proserpine River. The grant is conditional on the State Government and the Proserpine River Improvement Trust matching the Commonwealth Government's contribution. It is estimated that \$148 000 will be paid in 1976-77 and the balance over the following two years.

Soil Conservation

The *States Grants (Soil Conservation) Act 1974* provided for an interim two-year program of financial assistance to the States for soil conservation programs. Commencing in 1974-75 an amount of \$2.5 million was made available over the two years. New South Wales did not participate in the scheme.

In 1976-77 the balance of the funds provided under the Act remains available to reimburse the States for expenditure incurred on approved programs undertaken prior to 30 June 1976.

The following table shows grants paid since 1974-75 and estimated grants payable in 1976-77:—

TABLE 66—GRANTS FOR SOIL CONSERVATION
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	129	..	25	..	..	154
1975-76	467	623	42	74	25	1 231
1976-77 (estimate) .	..	64	237	43	136	10	490

Brigalow Lands Development Scheme

The *Brigalow Lands Agreement Act 1962* approved an agreement with Queensland for the provision of financial assistance to that State for the development of 11 176 000 acres described as Areas 1, 2 and 3 in the Fitzroy River Basin. The principal purpose of the assistance is to increase the production of beef cattle.

The Act provides for assistance, subject to an overall limit of \$23 million, to finance expenditure incurred by the State on specified works during the thirteen years ending 30 June 1975. The assistance is in the form of interest-bearing loans repayable over twenty years. There is provision for the 'capitalisation' of interest payments—that is, for interest accruing in a year to be added to the amount of principal outstanding rather than paid to the Commonwealth. Amounts of such 'capitalised' interest are included in the relevant tables in this document as interest payments notionally made to the Commonwealth, with equivalent amounts advanced to the State. Payments, on this basis, have totalled \$18.39 million to 30 June 1976 (of which \$1.64 million represents capitalised interest). Not all eligible expenditure has yet been reimbursed to the State and it is estimated that a total of \$0.75 million will be paid in 1976-77.

West Indian Dry-wood Termite Eradication

Following the discovery of an infestation of West Indian dry-wood termites in Maryborough, Queensland, the Commonwealth Government agreed in 1973 to share, on a \$1 for \$1 basis with the Queensland Government, the cost of the fumigation program recommended by a joint Commonwealth/State committee set up to investigate the matter. Because of circumstances beyond its control, the Queensland Government could not fully implement the type of fumigation program envisaged and the offer ceased to apply on 1 July 1975. An amount of \$8517 was paid to Queensland in 1975-76, as the Commonwealth's share of the fumigation program undertaken by the State authorities.

Tourism Development

Grants for this program were initiated in 1972 on the basis of a \$1 for \$1 matching of State expenditures on the development of tourist attractions—such as Australiana and pioneer settlements, the preservation of historic sites and buildings, fauna sanctuaries and the like—considered to have particular appeal to overseas visitors. The scheme was amended in 1973 to remove the matching requirement and the criterion of appeal to overseas visitors and to cover, inter alia, such things as pioneer settlements, information and interpretative centres, visitor facilities, marinas, jetties and other basic infrastructure necessary for the development of tourist attractions.

The Government has decided to terminate this scheme. The amounts provided in 1976-77 relate to expected expenditure on outstanding commitments from previous years.

The following table shows payments made under this program and estimated payments for 1976-77:—

TABLE 67—CAPITAL GRANTS FOR DEVELOPMENT OF TOURIST ATTRACTIONS
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	..	..	..	50	..	..	50
1973-74	..	50	..	..	10	38	98
1974-75	228	236	188	172	46	210	1 081
1975-76	543	511	140	177	313	145	1 829
1976-77 (estimate)	74	59	147	312	50	191	833

ECONOMIC SERVICES—LABOUR AND EMPLOYMENT

Coal Mining Industry—Long Service Leave

In those States where coal-miners have been awarded long service leave by industrial tribunals, the State Governments reimburse employers the cost of this leave. The Commonwealth Government, in turn, reimburses the States for the amounts paid and the administrative costs incurred by them in giving effect to these arrangements.

The funds required for these purposes are obtained from an excise imposed on coal production under the *Coal Excise Act* 1949. The rate is currently 4.4

cents per tonne. Amounts equivalent to the proceeds of the excise collections are appropriated to a Trust Fund under the *States Grants (Coal Mining Industry Long Service Leave) Act 1949*. Payments are made to the States from the Trust Fund.

The following table shows payments to the States since 1972-73 and estimated payments in 1976-77:—

TABLE 68—GRANTS FOR COAL MINING INDUSTRY LONG SERVICE LEAVE
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73 . . .	1 604	..	316	..	90	2	2 012
1973-74 . . .	1 782	..	410	..	139	16	2 347
1974-75 . . .	2 478	..	429	..	161	5	3 073
1975-76 . . .	2 779	..	454	..	167	6	3 407
1976-77 (estimate) .	3 250	..	525	..	190	5	3 970

Apprenticeship Training

The Commonwealth Government and the States agreed late in 1971-72 to collaborate in a scheme to improve supervision and advisory services in relation to the training of apprentices in industry. Provision of \$0.2 million is made in 1976-77 to subsidise the employment by the States of apprenticeship training supervisors. In addition, provision of \$4.36 million is also made in 1976-77 to meet costs incurred by the States in employing an estimated 850 apprentices, surplus to requirements, in establishments where training facilities are available.

A notional distribution of payments to the States for 1976-77 is included in the following table; no commitment to the provision of these amounts is implied.

TABLE 69—GRANTS FOR APPRENTICESHIP TRAINING
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73 . . .	..	72	25	19	11	2	129
1973-74 . . .	108	92	52	44	44	11	351
1974-75 . . .	161	227	212	93	65	41	799
1975-76 . . .	757	852	471	159	455	79	2 773
1976-77 (estimate) .	1 570	1 297	580	431	546	136	4 560

GENERAL PUBLIC SERVICES

Law, Order and Public Safety

Legal Aid

The Commonwealth Government established a legal aid service, operated by the Australian Legal Aid Office, in July 1973. In addition to direct involvement in legal aid in that form, the Commonwealth Government has, in the period 1973-74 to 1975-76, made grants totalling \$4.481 million to the States to assist the functioning of existing legal aid schemes in the States.

The way in which legal aid will be provided in the States in the future is at present the subject of consideration between the Commonwealth and State Governments. Meanwhile, and without prejudice to the results of that review, the 1976-77 budget estimates have been prepared on the basis of maintaining the current level of staffing and activity. As part of these costs, an amount of \$1 million is allowed for as payments to the States in 1976-77. It has been notionally assumed that the State by State allocation of the total amount will be the same as in 1975-76, but there is no commitment in that respect.

The following table shows the grants to the States from 1973-74 and notional estimates for 1976-77:—

TABLE 70—RECURRENT GRANTS FOR LEGAL AID
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74.	732	557	296	187	166	62	2 000
1974-75.	404	408	161	273	164	71	1 481
1975-76.	331	276	131	89	124	49	1 000
1976-77(a)	331	276	131	89	124	49	1 000

(a) Notional estimates only and no commitment to the provision of these amounts is implied; see text above.

Family Law

The *Family Law Act* 1975, which came into operation on 5 January 1976, provides for Family Courts to be established in each State, either by the Commonwealth or by the State where it wishes to do so. Only Western Australia has chosen to establish its own Court and, under the provisions of the Act, Commonwealth assistance will be provided for its establishment and operation. An amount of \$760 000 was provided in 1975-76 and it is estimated that \$960 000 will be paid to Western Australia in 1976-77.

Promotion of Road Safety Practices

In each year from 1947-48 grants have been made to the States to assist in the financing of public education programs for the promotion of road safety practices. Since 1970-71 the annual grants to the States have totalled \$150 000 and the distribution between States has also remained constant. The amounts are set out in the following table:—

TABLE 71—ANNUAL GRANTS FOR THE PROMOTION OF ROAD SAFETY PRACTICES
1970-71 TO 1976-77
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
Each year 1970-71 to 1976-77.	37	30	28	19	25	11	150

Research Grants

Since 1965-66 the Commonwealth has made grants to the States for research projects on the recommendation of the Australian Research Grants Committee. An outline of developments over the period 1965 to 1975 was given in Appendix IV of last year's document.

From 1976-77 onwards, the previous fixed triennial funding arrangements are to be replaced by the introduction of a three year rolling program.

An amount of \$11.2 million will be made available to the States in 1976-77 to finance research projects. This includes \$2.1 million to reimburse the universities for expenditure incurred on the Commonwealth's behalf in 1975-76.

The following table shows grants made since 1972-73 and estimates for 1976-77:—

TABLE 72—GRANTS FOR RESEARCH PROJECTS
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	2 112	1 620	641	851	370	172	5 767
1973-74	2 092	1 540	700	955	410	204	5 901
1974-75	2 584	1 821	853	1 369	470	227	7 324
1975-76	2 340	1 553	706	950	320	130	6 000
1976-77 (estimate)(a)	4 374	2 903	1 319	1 776	599	243	11 214

(a) The State distribution is notional only; it assumes that the proportional distribution will be the same as for 1975-76, but there is no commitment in that regard.

ASSISTANCE FOR LOCAL GOVERNMENT

Commencing in 1976-77 local government authorities will participate, with the States, in a new scheme of tax sharing. Details of this scheme as well as other schemes of assistance, insofar as they affect local government authorities, are given in Chapter V.

ASSISTANCE FOR NATURAL DISASTER RELIEF

When natural disasters causing damage and destruction occur in a State, the Commonwealth stands ready to join with the State Government concerned on a \$1 for \$1 basis in meeting expenditure on the immediate relief of personal hardship and distress, except where such expenditure is of a very minor nature. Such expenditures may cover provision of food, clothing, shelter and repair of homes to make them habitable and secure.

In respect of 'major' disasters, the Commonwealth also assists with expenditures on other agreed relief and restoration measures when the expenditures are considered to be beyond the capacity of the State concerned to meet from its own resources. In specific terms, the Commonwealth meets all expenditures by a State

in a year on agreed measures necessitated by major disasters in excess of a certain base amount set for that State. The annual base amount which has applied for each State since 1971 is as follows:—

	\$ million
New South Wales	5.0
Victoria	3.5
Queensland	2.0
South Australia	1.5
Western Australia	1.5
Tasmania	0.6

For these purposes, 'major' disasters are regarded as those necessitating expenditures on agreed relief and restoration measures in excess of one-tenth of the State's base annual expenditure.

The relief and restoration measures for each disaster are agreed having regard to the particular circumstances applying. However, assistance for the following measures has been applicable when warranted in respect of the types of disasters indicated:—

- (a) relief of personal hardship and distress (cyclones, floods, storms, bushfires);
- (b) grants for the restoration of Government, local and semi-government authority assets and facilities; semi-government and local authorities are expected to bear a proportion of the cost of restoring their assets—generally one-quarter of the expenditure involved up to the first \$100,000 for each authority (as in (a));
- (c) loan assistance on concessional terms to primary producers to enable them to get back into operation where finance is not available from other sources and where they can, with such assistance, continue to operate successfully (drought, floods, bushfires);
- (d) rail rebates for primary producers for certain purposes and free carriage of food, clothing, etc. (as in (c));
- (e) subsidies on road transport of fodder and stock (as in (c));
- (f) loans on concessional terms to small business enterprises (floods); and
- (g) loans on concessional terms to churches, sporting bodies and other non-profit voluntary organisations (floods).

The Commonwealth usually does not provide grant assistance for the repair or restoration of private assets damaged or destroyed as a result of a natural disaster. Major exceptions have been where widespread damage has occurred; e.g. bushfires in Tasmania in 1967 and flooding in Queensland in the early part of 1974.

Table 121 in Appendix III shows payments that have been made to each State since 1972-73 in respect to various types of disaster (drought, flood, storm and cyclone and bushfires. Reflecting the differing incidence of disasters, the amounts vary considerably from one State to another and from one year to another.

In 1974-75, the Commonwealth provided a record \$53.2 million as natural disaster relief assistance to affected States, mainly for floods in New South Wales, Victoria and Queensland. In the following year all mainland States received assistance. Recently the Commonwealth has agreed to support Victoria and Western Australia in the provision of drought relief but, on the basis of present estimates, no assistance would be payable to Victoria in 1976-77 because expenditures by the State are not expected to exceed the State's base amount of \$3.5 million.

The following table shows payments to the States from 1972-73, including estimated payments in 1976-77. Details of payments for natural disaster relief and restoration purposes in previous years are included in Table 120 in Appendix III. Table 122 gives a more detailed breakdown of payments in 1973-74 to 1975-76.

TABLE 73—PAYMENTS FOR NATURAL DISASTER RELIEF AND RESTORATION
1972-73 TO 1976-77(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GRANTS FOR RECURRENT PURPOSES							
1972-73.	..	40	32	..	..	..	72
1973-74.	19	22	3 990	..	..	..	4 031
1974-75.	622	355	113	..	..	..	1 090
1975-76.	637	35	52	..	83	..	807
1976-77 (estimate)	115	..	75	..	1 000	..	1 190
PAYMENTS FOR CAPITAL PURPOSES							
1972-73.	..	..	-74	..	..	-3	-77
1973-74.	281	..	23 869	..	..	-3	24 147
1974-75.	15 822	9 452	26 721	114	..	..	52 109
1975-76.	13 268	6 215	6 400	108	4 264	-7	30 248
1976-77 (estimate)	8 385	..	10 625	..	5 000	..	24 010
TOTAL PAYMENTS							
1972-73.	..	40	-42	..	..	-3	-5
1973-74.	300	22	27 859	..	..	-3	28 178
1974-75.	16 444	9 807	26 834	114	..	..	53 199
1975-76.	13 905	6 250	6 452	108	4 347	-7	31 055
1976-77 (estimate)	8 500	..	10 700	..	6 000	..	25 200

(a) Excludes the cost of emergency services provided by the Defence Force and Commonwealth contributions to official disaster relief appeals in the States. The latter totalled \$600 000 in 1973-74. Figures are after allowing for refunds received in year in respect of payments in previous years; for an explanation see the schedule of refunds following Table 120 in Appendix III.

CHAPTER V—PAYMENTS TO OR FOR LOCAL GOVERNMENT AUTHORITIES

Local government authorities in Australia are established under Acts of the State Parliaments for the purpose of providing certain public services within defined geographical boundaries. The functions of these authorities, which are generally prescribed by State legislation, differ significantly between States and, indeed, within States.

Prior to 1973 no Commonwealth assistance was provided specifically for local government. Successive Commonwealth Governments had taken the view that as local authorities were constituted and functioned under State laws, it was the responsibility of the State Governments to assess and provide for the needs of local government in the light of local government's overall responsibilities and the revenue raising resources available to it. The Commonwealth, for its part, provided general purpose funds to the States to assist in the financing of all the States' expenditure responsibilities, including this particular area.

(There were, however, over this period, a number of Commonwealth programs—mostly of a relatively minor kind—under which local authorities were among the bodies eligible for assistance either directly or through the States. Details of these programs are included later in this Chapter.)

The major developments concerning Commonwealth assistance for local government in recent years are summarised below.

While the borrowing arrangements of local government authorities do not involve Commonwealth payments to or for such authorities, this Chapter includes material on such funds because of their relevance in the general context of Commonwealth/State/Local Government financial relations.

Then follows an outline of various Commonwealth programs involving payments to or for local government authorities. The Chapter ends with a summary of the various forms of such payments.

DEVELOPMENTS OVER THE PERIOD 1972-1975

General Purpose Assistance Provided on Advice of the Grants Commission

The Labor Government which was elected in December 1972 took the view that the Commonwealth should be involved in the provision of financial assistance specifically for local government and put forward a number of proposals designed to achieve this objective.

Most important of these was a proposal that the Commonwealth provide general purpose funds for local government bodies and that these funds be provided in such a way as to promote financial equality between local authorities and regional groupings of such authorities.

In 1973 the Commonwealth Parliament passed the *Grants Commission Act* 1973 repealing the *Grants Commission Act* 1933. The Act, inter alia, laid down procedures for regional organisations of local government to apply for financial assistance from the Commonwealth and for such applications to be the subject of inquiry and report by the Grants Commission.

After consideration of written and oral submissions and evidence from interested parties, the Commission recommended grants for local government totalling \$56 345 000 in 1974-75 and \$79 908 000 in 1975-76, and further recommended that the grants be paid without conditions attached to their use by local government authorities. The Commonwealth accepted the Grants Commission's recommendations in both years. The payments were made in the first instance to State Governments for transmission to individual local government authorities in the amounts specified. The payments made to each State are set out in Table 74 below.

Proposals for Constitutional Change

Following discussions in the Australian Constitutional Convention, the then Prime Minister proposed at a Heads of Government meeting in October 1973 that the Financial Agreement be amended to allow local government representation on the Loan Council and to allow the Commonwealth to borrow on behalf of local government authorities and to provide the funds so obtained direct to those bodies. The States would not agree to these proposals.

Subsequently, on 18 May 1974, two proposals aimed at enabling the Commonwealth to borrow on behalf of, and to provide assistance direct to, local authorities were put to referendum at the Commonwealth's initiative. Both proposals were defeated.

Proposals for Constitutional change in regard to local government continue to be under consideration in the context of the Constitutional Convention.

LOCAL GOVERNMENT ASSISTANCE UNDER THE NEW TAX SHARING ARRANGEMENTS
As noted in Chapter II, the sharing of personal income tax between the Commonwealth, the States and local government represents a central element in the Government's Federalism policies.

Following discussions at the February and April 1976 Premiers' Conferences as to how local government might share in the proceeds of personal income tax and the consideration of reports by the Grants Commission and a committee of Commonwealth and State officers, agreement was reached at the June 1976 Premiers' Conference on a new scheme of general purpose assistance for local government.

Under this scheme:—

- an amount of \$140 million (an increase of 75.2 per cent on the amount provided in 1975-76 under the previous scheme) will be provided to the States in 1976-77 for distribution to local government;
- a percentage figure would be determined by relating the amount of \$140 million to personal income tax collections in 1975-76;
- in 1977-78 and each subsequent year the amounts of general purpose assistance to local government will be determined by applying a percentage to Commonwealth personal income tax collections in the immediately preceding year (excluding the effects of any Commonwealth or State surcharges or rebates);

- the total amount of \$140 million in 1976-77 will be distributed among the States on the basis of a percentage distribution recommended by the Grants Commission (*see* Table 74 below);
- each State will be required to devote a *minimum* of 30 per cent of each years' assistance to 'element A' grants which are to be distributed among all local authorities in the State on a basis which takes into account the population within the borders of each authority but may also take into account area, population density or other factors as may be proposed by a State and agreed to by the Commonwealth. However, each State is to be free to devote more than 30 per cent of the assistance to 'element A' grants if it wishes; and
- the remaining assistance within each State is to be devoted to 'element B' grants to be distributed among local authorities, having regard to their respective financial needs, on the recommendation of State Grants Commissions.

The States have agreed to Commonwealth proposals that State Grants Commissions should be established, by legislation, as independent tribunals and that their reports should be public documents. However, it was recognised that there would not be time for all States to establish such bodies this year. In addition, some States wished to operate for a period under less formal arrangements so that legislation might be drawn up in the light of experience.

The Commonwealth agreed that, for the current year and the next, the States will be able to operate Grants Commissions under administrative arrangements with legislative arrangements applying thereafter.

At the June 1976 Premiers' Conference the Commonwealth expressed the view that it would be desirable if the distribution of assistance in each State could be such that no individual authority received a lesser amount of assistance in 1976-77 than it did under the previous scheme in 1975-76. The States agreed that this would be an objective.

One matter which is being further examined is whether the percentage distribution of the total local government assistance between the States which is to apply in 1976-77 should also apply in subsequent years (subject to the overall review of the tax sharing arrangements as a whole which is to take place before the end of 1980-81) or whether the matter should be further examined by the Commonwealth Grants Commission.

The following table shows the amount of assistance paid to each State in 1974-75 and 1975-76, and the amount to be paid in 1976-77, for on-passing as general purpose assistance to local government authorities.

TABLE 74—GRANTS TO STATES FOR ON-PASSING AS GENERAL PURPOSE ASSISTANCE FOR LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75(a)	21 359	14 630	8 954	4 774	4 959	1 669	56 345
1975-76(a)	29 257	20 242	13 808	6 785	7 524	2 292	79 908
1976-77(b)	51 289	35 398	24 222	11 925	13 162	4 004	140 000

(a) Amounts recommended by the Grants Commission.

(b) Allocation between States based on a percentage distribution recommended by the Grants Commission.

BORROWING ARRANGEMENTS FOR LOCAL GOVERNMENT AUTHORITIES

As explained in Chapter III, the borrowings of Commonwealth and State Government authorities, including those of local government authorities, come within the purview of the Loan Council under the 'Gentlemen's Agreement' originating in 1936. The Loan Council determines maximum interest rates and other terms and conditions of loans raised by authorities and also approves annual overall programs for 'larger' authorities (at present those borrowing more than \$800 000 in a year) in each State. These borrowings are arranged by the individual authorities, with guarantees and other assistance being provided in some cases by the State Governments.

Borrowings by Local Government Authorities in 1975-76 and 1976-77

The table below shows aggregate borrowings by all 'larger' and 'smaller' authorities in 1975-76 and the amounts borrowed within these aggregates by local government authorities, together with corresponding estimates for 1976-77. (Figures for earlier years are given in Appendix II.) It will be seen that a considerable proportion of, but not all, borrowings in the 'smaller' authorities category are made by local government authorities. It will be seen also that the amounts of borrowings by local government authorities vary markedly between the States (after taking account of differences in population). This reflects a number of factors including, importantly, variations between the States in the range of functions allocated to local government. As an example, the particularly high figures for Queensland reflect, in part, large borrowings by the Brisbane City Council, which carries out a number of functions (e.g., metropolitan omnibus services and sewerage) which in other States are undertaken by semi-government authorities.

TABLE 75—NEW MONEY BORROWINGS BY COMMONWEALTH
AND STATE AUTHORITIES
(\$ thousands)

	'Larger' Authorities(a)		'Smaller' Authorities(b)		All Local Government Authorities(c)
	Total	Local Government Authorities	Total	Local Government Authorities	
1975-76 ACTUAL					
Commonwealth Government	74 597	597	..	..	597
New South Wales	(d)303 720	(e)104 220	65 439	(e)59 627	(e)163 847
Victoria	256 692	21 835	63 281	41 208	63 043
Queensland	(d)149 769	76 169	54 739	25 928	102 097
South Australia	38 120	5 300	18 201	11 531	16 831
Western Australia	38 264	5 175	33 890	22 670	27 845
Tasmania	23 107	8 007	9 116	6 496	14 503
Total States	809 672	220 706	244 666	167 460	388 166
Grand Total	884 269	221 303	244 666	167 460	388 763
1976-77 ESTIMATES(f)					
Commonwealth Government	483 768	1 268	..	..	1 268
New South Wales	360 108	(e)121 108	78 130	(e)65 000	(e)186 108
Victoria	304 351	20 200	79 000	49 000	69 200
Queensland	177 575	80 400	62 576	34 213	114 613
South Australia	45 200	4 300	25 000	17 500	21 800
Western Australia	45 369	8 050	41 930	27 500	35 550
Tasmania	27 397	9 826	12 500	8 500	18 326
Total States	960 000	243 884	299 136	201 713	445 597
Grand Total	1 443 768	245 152	299 136	201 713	446 865

(a) In 1975-76 'larger' authorities were those borrowing more than \$700 000; in 1976-77 they are those borrowing more than \$800 000. The aggregate of these borrowings in each State is subject to approval by the Loan Council. All borrowings by Commonwealth Government authorities, whatever their magnitude, are however, included in the 'larger' authorities category.

(b) In 1975-76 'smaller' authorities were those borrowing \$700 000 or less; in 1976-77 they are those borrowing \$800 000 or less. No aggregate limit on these borrowings is imposed by the Loan Council. See footnote (a).

(c) The total of borrowings by local government authorities in both the 'larger' and 'smaller' authorities categories.

(d) Includes special permanent addition to the State's larger authorities' borrowing program.

(e) Includes borrowing by County Councils.

(f) Amounts shown for borrowings by all 'larger' authorities are the programs approved at the June 1976 meeting of the Loan Council. Other amounts shown are tentative estimates made by the Commonwealth and State Treasuries.

COMMONWEALTH PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES

There are no Commonwealth programs of direct payments to local government authorities designed for the specific purpose of providing financial assistance to these authorities.

There are, however, a number of programs under which local government authorities are among bodies that are eligible for, and that have received, Commonwealth assistance paid direct to them. The programs concerned are summarised

below. Wide variations between the States in the amounts paid for particular programs reflect, amongst other things, differences in the extent to which the activities concerned are carried out by local government bodies rather than by private organisations or by State Government departments or agencies.

Pre-school and Child Care Services

Under the Childhood Services Program grants are made direct to local government authorities and community organisations towards the cost of the establishment and operation of a range of care and associated services for children, including educational services for young children.

In 1975-76 grants paid directly to local government authorities under the Childhood Services Program totalled \$6.4 million. It was not possible at the time this document was prepared to provide useful estimates of the amounts which might be made available to local government authorities in 1976-77.

Grants made direct to local government authorities in the years 1973-74 to 1975-76 are shown in the following table:—

TABLE 76—PRE-SCHOOL AND CHILD CARE SERVICES
GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1973-74 . . .	..	..	..	..	4	..	4
1974-75 . . .	68	44	25	..	12	138	287
1975-76 . . .	187	202	18	..	189	177	773
CAPITAL							
1973-74 . . .	149	76	37	3	90	86	441
1974-75 . . .	584	491	471	155	369	108	2 178
1975-76 . . .	1 458	2 194	472	580	436	455	5 595
TOTAL							
1973-74 . . .	149	76	37	3	94	86	445
1974-75 . . .	652	535	496	155	381	247	2 465
1975-76 . . .	1 645	2 396	490	580	625	632	6 368

Nursing Homes

In 1974-75 the Commonwealth Government introduced a scheme under which religious, charitable and other non-profit organisations conducting nursing homes may receive assistance from the Commonwealth Government in meeting deficits incurred in running the homes. Local government authorities operating nursing homes on a non-profit basis are eligible to participate in this scheme.

Only one local government authority—in Western Australia—is participating in the scheme so far. That authority received \$121 000 in 1975-76 in respect of a new 30 bed nursing home it opened in October 1975. It is estimated that an amount of \$173 000 will be provided to meet the home's operating deficit in 1976-77.

Home Nursing

Under the *Home Nursing Subsidy Act* 1956 organisations (other than profit making bodies and bodies conducted or controlled by a State Government) conducting home nursing services are eligible for annual subsidies depending on the numbers of nurses employed on home nursing duties. The amount of Commonwealth Government assistance cannot exceed the amount received by the organisation from a State Government or a local government authority.

Local government authorities in Tasmania and New South Wales have received assistance under this scheme. The only local government authorities expected to participate in 1976-77, however, are in New South Wales. The amounts of grants that have been paid to such authorities since 1972-73 and estimates for 1976-77 are shown in the following table:—

TABLE 77—GRANTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES
FOR HOME NURSING

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (estimate)
New South Wales	72	89	139	163	199
Tasmania	1	2	2	..	..
Total	73	91	141	163	199

Aged or Disabled Persons Homes

Under the *Aged or Disabled Persons Homes Act* 1954 local government authorities, along with religious, charitable and certain other organisations, are eligible to receive assistance for the capital and operating costs associated with the provision of certain kinds of accommodation for the aged.

The Act was amended in 1957 to put the assistance on a \$2 for \$1 basis, and in 1967 it was amended to include local government authorities as eligible organisations for purposes of the scheme (organisations conducted or controlled by the Commonwealth or State Governments remain ineligible).

The rate of subsidy was increased to \$4 for \$1 in December 1974 up to a maximum subsidy of \$7800 for a single unit and \$9000 for a double unit. Earlier this year the Government decided to reduce the subsidy rate to \$2 for \$1 while increasing the maximum subsidy limit to \$10 200 for a single unit and \$11 850 for a double unit.

In 1969 the Act was amended to provide for the payment of personal care subsidies of \$20 a month in respect of persons aged eighty years and over resident in accommodation provided by an approved organisation. The subsidy is presently \$60 a month. In 1973 the subsidy was also extended to persons aged less than eighty years.

No personal care subsidies have yet been paid to local government authorities, but it is expected that \$128 000 will be paid to such authorities in 1976-77 out of total estimated payments of \$11 million.

The greater part of the capital grants under this Act is paid to organisations other than local government authorities. In 1975-76 local government authorities received \$2.8 million out of total capital grants of \$34.7 million. For 1976-77 it is estimated that local government authorities will receive \$3.3 million out of total estimated payments under the Act of \$20 million.

The following table shows the grants that have been paid to local government authorities in each State since 1972-73 together with estimates for 1976-77:—

TABLE 78—GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES FOR EXPENDITURE ON AGED OR DISABLED PERSONS HOMES

(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1976-77 (estimate) .	13	105	6	4	..	..	128
CAPITAL							
1972-73 . . .	124	427	20	175	..	..	746
1973-74 . . .	304	380	22	57	..	..	763
1974-75 . . .	43	672	61	367	21	68	1 232
1975-76 . . .	290	877	91	1 008	369	125	2 760
1976-77 (estimate) .	848	450	269	1 670	37	41	3 315
TOTAL							
1972-73 . . .	124	427	20	175	..	..	746
1973-74 . . .	304	380	22	57	..	..	763
1974-75 . . .	43	672	61	367	21	68	1 232
1975-76 . . .	290	877	91	1 008	369	125	2 760
1976-77 (estimate) .	861	555	275	1 674	37	41	3 443

Aged Persons Hostels

Under the *Aged Persons Hostels Act 1972*, local government authorities, along with religious, charitable and other organisations, are eligible to receive assistance for the capital costs associated with the provision of hostel accommodation for the aged.

Subject to certain conditions, the Commonwealth Government meets the cost of providing hostel accommodation by eligible organisations up to a maximum of \$15 300 a person. The Government also pays an additional grant of up to \$2400 a person for the purchase of land; a further \$250 a person is available for furnishings.

1975-76 was the first year in which local government authorities received assistance under the Act. The following table shows grants paid to local government authorities in 1975-76 together with estimates for 1976-77:—

TABLE 79—GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES
UNDER THE AGED PERSONS HOSTELS ACT
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1975-76	..	284	77	..	..	..	361
1976-77 (estimate)	..	1 300	140	..	..	..	1 440

Delivered Meals Subsidy

Under the *Delivered Meals Subsidy Act* 1970 eligible organisations—which include local government authorities but not Commonwealth and State Government Departments or agencies—can receive assistance for the provision of what are known as ‘meals on wheels’ services. Since 1974 assistance has been at the rate of 30 cents for meals with an approved vitamin C supplement and 25 cents for meals without such a supplement.

The table below shows grants that have been paid to local government authorities under this scheme since 1972-73 and estimated grants in 1976-77. The lack of grants to local government authorities in some States reflects, in part, a greater degree of activity by private, voluntary bodies in those States. In 1975-76 total payments under the Act were \$1.8 million, of which \$0.5 million was paid to local government authorities. For 1976-77 it is estimated that local government bodies will receive \$0.7 million out of total estimated payments under the Act of \$2.0 million.

TABLE 80—GRANTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES
FOR DELIVERED MEALS
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73	58	124	..	..	7	..	189
1973-74	104	287	..	..	24	..	415
1974-75	126	366	..	..	30	..	522
1975-76	130	341	..	..	40	..	511
1976-77 (estimate)	138	500	..	..	38	..	676

Handicapped Persons Assistance

The *Handicapped Persons Assistance Act* 1974 replaced the *Sheltered Employment (Assistance) Act* and the *Handicapped Children (Assistance) Act*.

Under the Act, local government authorities and voluntary non-profit bodies are eligible to receive assistance for the accommodation and employment and training of disabled people. Capital grants are provided on a \$4 for \$1 basis; assistance with rent is also on a \$4 for \$1 basis and assistance for staffing is on a \$1 for \$1 basis.

In addition a training fee of \$500 is paid to eligible sheltered workshops for each former employee who, after completing more than six months sheltered employment, graduates to, and retains normal employment for 12 months or more.

Only one local government authority, in New South Wales, has received assistance under the scheme. Payments to date and estimated payments for 1976-77 are shown in the following table:—

TABLE 81—GRANTS MADE DIRECT TO
LOCAL GOVERNMENT AUTHORITIES FOR
HANDICAPPED PERSONS

(\$ thousands)

—	Recurrent	Capital	Total
1972-73	4	14	18
1973-74	4	1	5
1974-75	3	1	4
1975-76	9	33	42
1976-77 (estimate)	46	48	94

Regional Employment Development Scheme

This scheme, first introduced in September 1974, provided more than 81 000 separate jobs of varying duration.

The aim of the scheme was to provide for financial assistance towards expenditures by local government authorities, State Government Departments, semi-government authorities, and non-government bodies such as community, sporting and recreational organisations and charitable bodies on projects of economic and/or social benefit providing employment for persons who would have otherwise remained out of work.

In 1975-76 payments to local government authorities in the States under the scheme amounted to \$94.0 million out of total expenditures during the year of \$123.4 million. The scheme has now ceased but it is estimated that there will be a carry over in 1976-77 of \$350 000 in respect of expenditure incurred in 1975-76 for which claims have not yet been lodged. Of this amount, it is expected that payments to local government authorities in the States will total \$339 000. Details are set out in the following table:—

TABLE 82—PAYMENTS UNDER THE REGIONAL EMPLOYMENT DEVELOPMENT SCHEME
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75—							
Payments to State Government Departments and Semi-Government Authorities . . .	..	4 292	1 916	1 113	608	534	8 463
Payments to Local Government Authorities . . .	21 278	4 435	7 523	3 596	4 895	1 841	(b)43 567
Payments to Other Bodies(a) . . .	6 434	279	543	138	315	646	8 354
Total . . .	27 712	9 006	9 982	4 846	5 817	3 020	(b)60 384
1975-76—							
Payments to State Government Departments and Semi-Government Authorities . . .	207	5 404	2 781	3 294	1 840	1 521	15 047
Payments to Local Government Authorities . . .	42 830	14 210	17 322	6 363	7 283	5 986	93 994
Payments to Other Bodies(a) . . .	7 734	1 722	1 923	1 048	539	1 396	14 362
Total . . .	50 771	21 336	22 026	10 704	9 663	8 903	123 403
1976-77 (estimate)—							
Payments to State Government Departments and Semi-Government Authorities . . .	..	2	..	1	1	..	4
Payments to Local Government Authorities . . .	25	6	300	3	3	2	339
Payments to Other Bodies(a) . . .	5	1	..	1	..	..	7
Total . . .	30	9	300	5	4	2	350

(a) That is, non-government bodies.

(b) Excludes \$13 000 paid to local government authorities in the Northern Territory.

Homeless Persons Assistance

Under the *Homeless Persons (Assistance) Act 1974* capital grants are made to voluntary agencies, local and statutory authorities, over a three-year period, for approved projects to upgrade and replace existing inadequate accommodation, and to build new facilities, for homeless men and women. Assistance is also provided towards the cost of accommodation and meals, and to meet half the salaries of welfare officers performing approved services for homeless persons.

In 1975-76 a grant of \$102 000 was made to a local government authority in Victoria. In 1976-77 it is expected that a grant of \$4000 will be made to the same local government authority.

Aboriginal Advancement

The Commonwealth provides direct grants to local government authorities (and also Aboriginal Councils) under its Special Works Projects Scheme for the employment and/or training of Aborigines. It also makes grants for other purposes from time to time on an ad hoc basis. Local government authorities have also received portions of grants which the Commonwealth has made to the States for Aboriginal advancement (*see below*).

Grants for Aboriginal advancement made direct to local government authorities in 1973-74, 1974-75 and 1975-76 and estimates for 1976-77 are shown in the following table. Payments in 1972-73 totalled only \$9000.

TABLE 83—GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES FOR
ABORIGINAL ADVANCEMENT
(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74—							
Special Works Projects . . .	1 223	175	904	296	411	30	3 039
Other . . .	94	..	166	..	..	..	260
Total . . .	1 317	175	1 070	296	411	30	3 299
1974-75—							
Special Works Projects . . .	1 608	196	1 939	225	594	..	4 562
Other . . .	17	..	95	..	..	..	112
Total . . .	1 625	196	2 034	225	594	..	4 674
1975-76—							
Special Works Projects . . .	576	359	1 437	270	768	..	3 410
Other . . .	48	..	..	..	..	..	48
Total . . .	624	359	1 437	270	768	..	3 458
1976-77 (estimate)—							
Special Works Projects . . .	395	130	511	24	350	..	1 410
Other(a) . . .	..	..	..	..	..	..	..
Total . . .	395	130	511	24	350	..	1 410

(a) This assistance is provided on an ad hoc basis. No estimates for the year ahead can be made.

Arts

Local government authorities are eligible to receive assistance for community arts activities under a program administered by the Community Arts Committee of the Australia Council. Grants in 1973-74, 1974-75 and 1975-76 to local government authorities are shown in the following table. As these grants depend on the consideration of applications made during the course of a year, no estimate of grants likely to be paid to local government authorities in 1976-77 can be made at this stage.

TABLE 84—GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES
FOR COMMUNITY ARTS ACTIVITIES

(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74 . . .	14	8	..	..	..	..	22
1974-75 . . .	34	23	5	..	4	..	66
1975-76 . . .	46	46	..	5	4	..	101

Aerodrome Local Ownership Plan

Assistance is provided to local government authorities and to other bodies under the Aerodrome Local Ownership Plan to establish, develop and maintain local aerodromes on their own initiative and to take over aerodromes owned by the Commonwealth. Funds are provided on a \$1 for \$1 basis by the Commonwealth for both developmental and maintenance works proposals which meet the relevant criteria. Where an authority takes over a Government owned aerodrome, the Commonwealth meets 100 per cent of the cost of any approved 'pre-transfer' works necessary to bring the aerodrome up to an acceptable standard. The following table shows the payments made to local authorities in each State under the Aerodrome Local Ownership Plan since 1972-73 and estimated payments in 1976-77:—

TABLE 85—GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES
FOR AERODROMES

(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73 . . .	230	53	149	12	33	9	486
1973-74 . . .	240	68	163	10	51	8	541
1974-75 . . .	259	77	221	16	47	12	632
1975-76 . . .	361	97	236	39	105	15	854
1976-77 (estimate) .	405	130	244	35	110	17	941
CAPITAL							
1972-73 . . .	101	25	178	25	46	7	382
1973-74 . . .	244	24	84	..	18	14	383
1974-75 . . .	404	34	83	7	20	7	555
1975-76 . . .	166	93	216	21	47	7	550
1976-77 (estimate) .	188	104	218	21	65	4	600
TOTAL							
1972-73 . . .	331	78	327	37	79	16	868
1973-74 . . .	484	92	247	10	69	22	924
1974-75 . . .	663	111	304	23	67	19	1 187
1975-76 . . .	527	190	452	60	152	22	1 404
1976-77 (estimate) .	593	234	462	56	175	21	1 541

Water Supplies—Townsville

In 1967 the Commonwealth Government agreed to provide advances to the Townsville City Council to assist in the provision of additional reservoirs and water mains in order to ensure adequate water supplies to the defence housing and barracks complex at West Townsville. Advances totalling \$1 255 000 were made during 1967-68 and 1968-69. Interest of \$303 000 accruing during the first five years was capitalised. The loan is repayable over 40 years and bears interest at the long term bond rate prevailing when the advances were made. Loan repayments commenced in 1973-74.

PAYMENTS TO STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES

As explained above, the funds provided by the Commonwealth as general purpose assistance for local government take the form of payments to the State Governments for on-passing to individual local authorities. There are also other programs of payments to the States under which portions of the funds provided are passed on to local government authorities. However, it should be noted that the degree of influence exerted by the Commonwealth over the particular amounts paid to local authorities varies considerably among different programs as does the availability of information relating to those amounts. In some cases (for example, employment grants) the amounts passed on to local government authorities are wholly at the discretion of the State Governments.

Each of the programs concerned is summarised, in general terms, in Chapter IV. The purpose of this section is to outline the way in which local government is involved and to provide available details of the amounts paid to the States for on-passing to local government authorities. As with the programs of direct payments, differences between the States in the amounts of payments in this category which have been made to local government authorities reflect, in part, differences in the extent to which the functions concerned are undertaken by local government authorities rather than by State Government departments or agencies or private bodies.

It is emphasised that the payments referred to in this Section are included in the totals of payments to the States shown in this document.

Because of the lag, in some cases, between payment of the funds concerned to the States and their allocation by the States, the amounts of funds paid to the States for local government authorities under a particular program in any year are not necessarily precisely equal to the amounts paid to authorities in that year. The figures provided below generally relate to payments made to the States for local government authorities but, in some cases, they relate to amounts paid by the States to authorities.

Special Assistance to Exmouth Shire

As mentioned in Chapter IV the Western Australian Government sought financial assistance towards the operational costs of Exmouth Shire which was established with the main purpose of servicing the United States Naval Communications Station at North West Cape. An amount of \$150 000 was paid to the Western Australian Government on a \$1 for \$1 basis for on-passing to the Shire in 1975-76 from Department of Defence Appropriations. This grant was additional to that provided to the Shire as a result of Grants Commission recommendations. Provision has been made for a further payment of \$140 000 in 1976-77 under similar conditions.

Pre-school and Child Care Services

Commonwealth Government assistance for services for children is outlined in Chapter IV and earlier in this Chapter in the section on 'Commonwealth Payments Made Direct to Local Government Authorities'. Briefly, the position is that, in addition to direct grants to local government and private bodies, grants will continue to be made to the States. Some of the grants to the States are for

on-passing to local government authorities. At the time this document was prepared, it was not possible to provide useful estimates of the amounts which might be made available to local government authorities in this way in 1976-77.

The following table shows payments made in the years 1973-74 to 1975-76 for these purposes:—

TABLE 86—PRE-SCHOOL AND CHILD CARE SERVICES—GRANTS TO STATES
FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74 . . .	..	284	..	..	..	..	284
1974-75 . . .	547	2 758	41	..	166	..	3 512
1975-76 . . .	1 674	5 468	..	50	870	32	8 094

Home Care Services and Senior Citizens Centres

Grants for these purposes are provided under the *States Grants (Home Care) Act* 1969. Local government authorities are amongst the bodies eligible for assistance. Of the total grants of \$9.9 million paid to the States under this Act in 1975-76, \$5.6 million, or about 57 per cent, were for local government authorities. Assistance under the Act is not available to State Government Departments or agencies.

Grants that have been provided since 1972-73 to each State Government for on-passing to local government authorities in respect of *home care services*, together with estimates for 1976-77, are shown in the following table:—

TABLE 87—HOME CARE SERVICES—GRANTS TO STATES FOR
ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1972-73	390	..	..	..	..	390
1973-74	370	..	..	..	..	370
1974-75 . . .	330	441	973	475	6	253	2 478
1975-76	2 125	..	6	27	..	2 158
1976-77 (estimate) .	..	1 700	..	..	..	..	1 700

The grants that have been paid since 1972-73 to each State for on-passing to local government authorities in respect of *senior citizens centres*, and estimates for 1976-77 are shown in the following table:—

TABLE 88—SENIOR CITIZENS CENTRES—GRANTS TO STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

—	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1972-73 . . .	1	16	3	4	5	..	29
1973-74 . . .	4	35	18	..	15	..	72
1974-75 . . .	226	51	11	16	15	..	319
1975-76 . . .	263	175	..	7	18	..	463
1976-77 (estimate) .	290	258	10	28	49	..	635
CAPITAL							
1972-73 . . .	102	223	3	132	67	28	555
1973-74 . . .	242	158	30	47	123	13	613
1974-75 . . .	349	146	113	363	28	154	1 153
1975-76 . . .	941	1 132	..	567	304	2	2 946
1976-77 (estimate) .	1 100	1 400	300	300	470	20	3 590
TOTAL							
1972-73 . . .	103	239	6	136	72	28	584
1973-74 . . .	246	193	48	47	138	13	685
1974-75 . . .	575	197	124	379	43	154	1 472
1975-76 . . .	1 204	1 307	..	574	322	2	3 409
1976-77 (estimate) .	1 390	1 658	310	328	519	20	4 225

Employment Grants

As outlined in Chapter IV the Commonwealth Government has made assistance available to the States for the purposes of assisting employment during the period December 1971 to November 1975. Portions of these grants were passed on, at the discretion of the States, to local government authorities.

The following table gives details of the grants passed on to local government from 1972-73 to 1975-76:—

TABLE 89—EMPLOYMENT—GRANTS TO THE STATES PASSED ON TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

—	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1972-73. . . .	18 631	7 020	11 224	5 720	..	2 692	45 287
1973-74. . . .	4 164	4 340	2 102	3 659	..	390	14 655
1974-75. . . .	7 668	1 330	3 503	1 373	421	549	14 844
1975-76. . . .	6 068	3 170	3 018	1 802	481	350	14 889

Aboriginal Advancement

Grants to the States for Aboriginal advancement are for specific projects and programs approved by the Commonwealth Government; some of these projects have been undertaken by local government authorities. The following table shows payments made since 1972-73. No payments are expected to be made in 1976-77.

TABLE 90—ABORIGINAL ADVANCEMENT—GRANTS TO STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1972-73 . .	890	37	1 155	140	691	..	2 913
1973-74 . .	..	112	..	10	16	..	138
1974-75 . .	..	..	..	..	152	..	152
1975-76 . .	11	353	237	..	..	..	601

Growth Centres

Payments have been made since 1973-74 to New South Wales and Victoria for on-passing to local government authorities in the Albury-Wodonga area and since 1974-75 to New South Wales for on-passing to authorities in the Bathurst-Orange area.

The payments were in respect of expenditures in those years on the construction and up-grading of certain specific facilities such as roads, bridges, drainage, water supply, sewerage, parks and reserves. The financial assistance was provided two-thirds by way of loans and one-third by way of grants.

The following table shows the amounts on-passed to local government authorities from 1973-74 to 1975-76. Further payments are expected to be made in 1976-77 but estimates are not available at this stage.

TABLE 91—GROWTH CENTRES—PAYMENTS TO THE STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	1973-74	1974-75	1975-76
ALBURY-WODONGA			
New South Wales . .	200	923	1 566
Victoria	100	1 020	736
BATHURST-ORANGE			
New South Wales . .	..	593	1 355
TOTAL			
New South Wales . .	200	1 516	2 921
Victoria	100	1 020	736
Total	300	2 536	3 657

Area Improvement Program

This program commenced in 1973-74 with assistance for the western regions of Sydney and Melbourne and was expanded in 1974-75 to cover 13 regions. The assistance has been used by State and local government authorities for a wide variety of purposes (*see* Chapter IV).

The following table shows grants on-passed to local government authorities by the States since 1973-74 together with estimates for 1976-77. Almost all of the grants provided since 1973-74 have been for capital purposes and this is expected to be the case again in 1976-77.

TABLE 92—AREA IMPROVEMENT PROGRAM—GRANTS TO STATES FOR
ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74	4 420	2 065	..	..	..	..	6 485
1974-75	5 500	4 608	2 500	427	741	..	13 776
1975-76	6 111	4 896	2 492	653	843	..	14 996
1976-77 (estimate) .	120	18	468	..	..	..	606

Urban Flood Mitigation

—Victoria

The Commonwealth Government agreed during 1974-75 to provide assistance to Victoria for flood mitigation works at Seymour. The total grant of \$100 000 paid to the State in 1975-76 was passed on to local government. The same amount is to be made available for the same purpose in 1976-77.

—Queensland

An amount of \$2.1 million provided to Queensland in 1975-76 to assist with the construction of certain flood mitigation works on various creeks in the Brisbane metropolitan area was all passed on to the Brisbane City Council. An amount of \$1.84 million is provided in the 1976-77 Budget for the same purpose.

National Sewerage Program

This program commenced in 1973-74 to assist the States in the elimination of backlog sewerage works in principal urban areas and was extended in 1974-75 to include smaller cities and research, training, monitoring and planning activities. For further details *see* Chapter IV.

The following table shows amounts for 1973-74 to 1975-76 which have been passed on by the States to local government authorities to undertake capital works projects approved under the program. Estimates for 1976-77 are not yet available.

TABLE 93—NATIONAL SEWERAGE PROGRAM—PAYMENTS TO STATES PASSED ON TO LOCAL GOVERNMENT AUTHORITIES FOR CAPITAL WORKS PURPOSES(a)

(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74	..	..	2 000	..	..	..	2 000
1974-75	5 500	4 500	12 800	..	550	2 200	25 550
1975-76	5 200	4 150	13 800	..	..	2 000	25 150
Total	10 700	8 650	28 600	..	550	4 200	52 700

(a) Details of amounts passed on to local government authorities from payments to the States for recurrent purposes (see Table 44) are not available.

Community Facilities—Townsville

To assist the integration into the community of West Townsville of servicemen stationed with their families in this area, the Commonwealth Government agreed, in July 1972, to provide a loan towards the cost of developing community facilities in the area. The loan is being paid as advances carrying an interest rate equivalent to the long-term bond rate at the time of payment of each advance and repayable over thirty years. Interest accruing from the date of the first advance on 28 June 1973 until 15 December 1975 has been capitalised and treated as a further advance. The loan is being made to the Queensland Government for on-lending to the Townsville City Council. By 30 June 1975, \$428 000 had been advanced to the Queensland Government and, in accordance with the loan agreement, further advances may be approved by the Treasurer in respect of escalation costs incurred in providing the facilities. Repayments of principal and payment of interest commenced during 1975-76.

Capital Assistance for Leisure Facilities

Payments to the States under this program (see Chapter IV) have included payments for on-passing to local government authorities in respect of community leisure facilities sponsored by those authorities. Of the total grants of \$9.5 million which are expected to be paid to the States in 1976-77, \$5.5 million is estimated to be for on-passing to local government authorities. The following table provides details of payments since 1973-74, together with estimates for 1976-77:—

TABLE 94—CAPITAL ASSISTANCE FOR LEISURE FACILITIES—GRANTS TO STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES

(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74	..	311	..	..	102	..	413
1974-75	346	695	213	292	202	231	1 979
1975-76	1 656	1 597	676	694	482	408	5 513
1976-77 (estimate)	1 990	1 730	340	410	630	400	5 500

National Estate

National Estate projects supported from funds provided to the States under the *Urban and Regional Development (Financial Assistance) Act 1974* have included many projects undertaken by local government authorities. Assistance provided to the States from the 1975-76 National Estate program for projects undertaken by local government authorities is estimated to be approximately \$0.76 million out of a total program of \$3.0 million. To the extent that funds are required in 1976-77 to complete these projects provision will be made in the estimate of \$1.35 million for that year.

Roads Assistance Program

The Commonwealth provides grants to the States for expenditure on the construction and maintenance of roads, including roads which are the responsibility of local government authorities. Although the relevant Commonwealth legislation does not determine any particular amount which the State must provide to local government, in each State amounts determined by the State are passed on to the local government authorities for expenditure on roads which are the responsibility of those authorities. Comprehensive details of the amounts that local government authorities have received from the States are not available.

Urban Public Transport

The only amounts under this program which have been passed on to local government authorities were \$138 667 in 1974-75 and \$614 912 in 1975-76 out of payments to the Queensland Government. These amounts were passed on to the Brisbane City Council for the acquisition of buses. A further \$66 421 is to be made available for this purpose in 1976-77.

Tourism Development

As noted in Chapter IV, Commonwealth Government grants under the scheme of assistance for the development of tourist attractions have been terminated. The following table provides details of payments since 1973-74 and estimated payments in 1976-77 on outstanding commitments to be made to States for on-passing to local government authorities.

TABLE 95—DEVELOPMENT OF TOURIST ATTRACTIONS—GRANTS TO STATES
FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES

(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74 . .	..	50	..	..	..	..	50
1974-75 . .	100	236	..	58	..	3	397
1975-76 . .	100	173	43	134	116	33	599
1976-77 (estimate) .	..	59	25	60	..	..	144

Regional Organisations Assistance Program

Amounts of \$312 000 and \$138 000 were provided in 1974-75 and 1975-76 respectively for a program of payments to the States to provide assistance to regional organisations of local government; the assistance was made available to meet basic administrative costs and other approved regional purposes. This program is to be discontinued as from 1976-77. The following table shows amounts provided to individual States in 1974-75 and 1975-76:—

TABLE 96—GRANTS TO THE STATES FOR ON-PASSING AS ASSISTANCE FOR
REGIONAL ORGANISATIONS OF LOCAL GOVERNMENT

(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75 . . .	100	76	..	66	46	24	312
1975-76 . . .	44	29	..	24	32	8	138

PAYMENTS UNDER THE AUSTRALIAN ASSISTANCE PLAN

The Australian Assistance Plan was introduced on a pilot basis in 1973-74. Regional Councils for Social Development were established in all States, composed of representatives of Commonwealth, State and local Governments, voluntary bodies engaged in social welfare activities and employer and trade union organisations.

Considerable evaluation of the Plan has been carried out and the Government believes that it is a worthwhile experiment in social planning and local action in determining welfare priorities.

In the context of its Federalism policies the Government has decided that this program is appropriate for administration and financing at the State or local government level.

It was recognised, however, that it would be unreasonable to expect State and local Governments to make the necessary arrangements to take over the scheme immediately. To give time for arrangements to be worked out, the Commonwealth Government will continue to finance, at the present grant levels, all 37 Regional Councils for Social Development and their staffs for a maximum period of 12 months from 1 July 1976. Commitments on projects already approved but not totally financed will also be met.

Grants are being made for four purposes:

- (i) to encourage bodies to work towards the establishment of a Regional Council in their area;
- (ii) to meet the staffing and other general administrative expenses of the Councils;
- (iii) for the Councils to meet the costs of welfare projects, as approved by the Commonwealth Government on the recommendation of the Councils. These grants are limited to a total of \$2 per head of population residing in the area covered by the Council concerned; and
- (iv) to meet costs associated with the employment of community development officers by the Regional Councils.

Grants for the third and fourth purposes may be made to local government authorities, although in all cases such grants are made by the Regional Councils out of funds they have received from the Commonwealth Government.

Payments to Regional Councils which have subsequently been passed on to local government authorities from 1973-74 to 1975-76, and estimates of such payments for 1976-77, are shown in the following table:—

TABLE 97—PAYMENTS TO LOCAL GOVERNMENT AUTHORITIES UNDER THE AUSTRALIAN ASSISTANCE PLAN
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1973-74	..	60	..	..	..	..	60
1974-75	89	103	4	..	..	12	208
1975-76	44	90	24	..	1	..	159
1976-77 (estimate)	14	50	..	..	..	..	64
CAPITAL							
1973-74	..	4	..	..	..	..	4
1974-75	..	33	..	..	..	..	33
1975-76	..	93	..	..	35	..	128
1976-77 (estimate)	..	9	..	..	..	..	9
TOTAL							
1973-74	..	64	..	..	..	..	64
1974-75	89	136	4	..	..	12	241
1975-76	44	183	24	..	36	..	287
1976-77 (estimate)	14	59	..	..	..	..	73

PAYMENTS TO LOCAL GOVERNMENT AUTHORITIES IN THE NORTHERN TERRITORY

Two local government authorities have been established under the Northern Territory Local Government Ordinance—the Corporation of the City of Darwin in 1957 and the Corporation of the Municipality of Alice Springs in 1971. The relationship between the Commonwealth Government and these authorities corresponds with that between the State Governments and their local government authorities, and Commonwealth Government assistance to these two authorities can be regarded as the equivalent of assistance received by other local government authorities from the State Governments. This assistance is, therefore, of quite a different character from other forms of assistance referred to earlier in this Chapter.

Initial establishment grants were provided to both Corporations. Continuing operational subsidies are provided to the Corporations to meet the difference between income from ratepayers and the cost of providing municipal services at what are regarded as reasonable standards. These subsidies are subject to quinquennial review.

Capital assistance is also provided to the Corporations and takes the form of matched and unmatched grants for capital works generally.

Additional financial assistance was given to the Corporation of the City of Darwin in 1974-75 to meet the cost of emergency services provided by the Corporation following Cyclone Tracy. The two authorities have also received assistance under various specific programs (e.g. for Aboriginal advancement). These forms of assistance are not included in the table which follows.

Payments made since 1972-73 and estimated payments in 1976-77 are shown in the following table:—

TABLE 98—PAYMENTS TO LOCAL GOVERNMENT AUTHORITIES
IN THE NORTHERN TERRITORY
(\$ thousands)

	Operating Subsidies	Capital Grants	Total
1972-73	503	844	1 347
1973-74	491	1 127	1 618
1974-75	547	439	986
1975-76	455	1 291	1 746
1976-77 (estimate)	510	1 490	2 000

SUMMARY OF VARIOUS FORMS OF COMMONWEALTH GOVERNMENT PAYMENTS
TO OR FOR LOCAL GOVERNMENT AUTHORITIES

The following table gives a summary of the various forms of Commonwealth Government payments made to or for local government authorities between 1972-73 and 1975-76 together with estimates for 1976-77. *The amounts shown in this table need to be interpreted very carefully, in the light of the comments provided in the foregoing text.*

TABLE 99—SUMMARY OF COMMONWEALTH GOVERNMENT PAYMENTS
TO OR FOR LOCAL GOVERNMENT AUTHORITIES

(\$ thousands)					
Program	1972-73	1973-74	1974-75	1975-76	1976-77 (estimate)
General Purpose Assistance for Local Government	..	..	56 345	79 908	140 000
Direct Payments—					
Pre-Schools and Child Care	..	445	2 465	6 368	(a)
Nursing Homes	..	..	..	121	173
Home Nursing	73	91	141	163	199
Aged or Disabled Persons Homes	746	763	1 232	2 760	3 443
Aged Persons Hostels	..	..	..	361	1 440
Delivered Meals Subsidy	189	415	522	511	676
Handicapped Persons Assistance	18	5	4	42	94
Regional Employment Development Scheme	..	..	43 567	93 994	339
Homeless Persons Assistance	..	..	..	102	4
Aboriginal Advancement	9	3 299	4 674	3 458	1 410
Arts	..	22	66	101	(a)
Aerodrome Local Ownership Plan	868	924	1 187	1 404	1 541
Water Supplies, Townsville	303	..	..	..	..
	2 206	5 964	53 858	109 385	(a)17 420
Other Payments through States(b)—					
Assistance for Exmouth Shire	..	..	..	150	140
Pre-Schools and Child Care	..	284	3 512	8 094	(a)
Home Care Services	390	370	2 478	2 158	1 700
Senior Citizens Centres	584	685	1 472	3 409	4 225
Employment Grants	45 287	14 655	14 844	14 889	..
Aboriginal Advancement	2 913	138	152	601	..
Growth Centres	..	300	2 536	3 657	(a)
Area Improvement Program	..	6 485	13 776	14 996	606
Urban Flood Mitigation	..	..	..	2 200	1 940
Sewerage National Program	..	2 000	25 550	25 150	(a)
Community Facilities, Townsville	60	301	67	..	..
Capital Assistance for Leisure Facilities	..	413	1979	5 513	5 500
National Estate	..	..	925	760	(a)
Roads(c)	na	na	na	na	na
Urban Public Transport	..	..	139	615	66
Tourism Development	..	50	397	599	144
Regional Organisations Assistance Program	..	..	312	138	..
	(d)49 234	(d)25 681	(d)68 139	(d)82 929	(a)(d)35 770
Australian Assistance Plan	..	64	241	287	73
Northern Territory(e)	1 347	1 618	986	1 746	2 000
Total	(d)52 787	(d)33 327	(d)179 569	(d)274 255	(a) (d) 195 263

(a) In respect of the individual items indicated, the Departments/agencies concerned have not been able to make estimates for 1976-77. The aggregate figure shown represents rough Commonwealth Treasury estimates.

(b) General purpose assistance to local government is paid, in the first instance, to the States but is shown as a separate category in this table because of its particular importance.

(c) It is not possible to show amounts under this heading. See text.

(d) Not including assistance for roads—See footnote (c).

(e) Payments set out in Table 98 only. Does not include payments under various specific programs (e.g. Aboriginal advancement).

APPENDIX I—SUMMARY TABLES

TABLE NO.	SUBJECT
100	Payments to or for the States and State Government Loan Council Borrowing Programs, 1975-76.
101	Payments to or for the States and State Government Loan Council Borrowing Programs, Estimates 1976-77.
102	Summary of Payments to or for the States, State Government Loan Council Programs and Payments made direct to Local Government Authorities, 1972-73 to 1976-77.
103	Summary of Payments to or for the States, State Government Loan Council Programs and Payments made direct to Local Government Authorities Per Head of Population, 1972-73 to 1976-77.
104	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Funds for Recurrent and Capital Purposes, 1972-73 to 1975-76.
105	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Funds for Recurrent and Capital Purposes Per Head of Population, 1972-73 to 1976-77.
106	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Grants and Loans—1972-73 to 1976-77.
107	Functional Classification of Payments to or for the States and State Government Loan Council Programs and Payments made direct to Local Government Authorities—Net Basis, 1964-65 to 1976-77.

TABLE 100—COMMONWEALTH GOVERNMENT PAYMENTS TO THE STATES
AND LOAN COUNCIL BORROWINGS (a), 1975-76
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Financial Assistance Grants ..	946 660	706 389	536 792	363 091	363 031	156 816	3 072 780
Special Grants ..	..	..	36 300	2 500	..	..	38 800
Total General Revenue Funds	946 660	706 389	573 092	365 591	363 031	156 816	3 111 580
GENERAL PURPOSE CAPITAL FUNDS(b)							
State Government Loan Council Borrowing Programs ..	274 114	217 744	114 919	112 950	80 197	60 743	860 667
Capital Grants ..	137 057	108 871	57 459	56 475	40 099	30 372	430 333
Total ..	411 171	326 615	172 378	169 425	120 296	91 115	1 291 000
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES							
Payments under Financial Agree- ment—							
Interest on State Debt ..	5 835	4 254	2 192	1 408	947	534	15 170
Sinking Fund on State Debt ..	9 900	7 500	3 900	4 000	2 800	2 100	30 200
S.A. and Tas. Railway Sinking Fund Reimbursement ..	..	..	..	1 488	..	480	1 968
State Emergency Services ..	298	119	269	8	..	53	747
Assistance for Exmouth Shire ..	..	..	..	..	150	..	150
Universities ..	168 831	110 717	57 185	43 107	32 891	13 658	426 389
Colleges of Advanced Education ..	69 089	111 307	33 999	28 838	36 522	7 011	286 766
Technical and Further Education ..	17 652	9 653	4 643	3 770	3 322	1 087	40 127
Schools ..	125 395	100 354	46 162	27 452	23 194	9 327	331 884
Pre-schools and Child Care ..	9 030	11 452	5 356	5 025	4 390	1 720	36 973
Child Migrant Education ..	2 720	3 559	195	514	233	149	7 370
Educational Research ..	253	431	190	116	59	14	1 062
Medibank—Public Hospital Running Costs ..	317 177	229 570	102 820	92 367	96 745	31 000	869 679
Community Health ..	19 284	7 712	3 643	1 976	1 738	1 265	35 618
Tuberculosis Control ..	3 030	4 604	1 822	685	647	548	11 335
School Dental Scheme ..	1 845	1 351	998	2 549	2 271	1 547	10 561
Health Education ..	222	160	132	69	88	23	695
Blood Transfusion Services ..	1 357	1 009	547	567	330	94	3 905
Health Planning Agencies ..	200	20	70	75	110	25	500
Home Dialysis Scheme ..	187	29	48	40	23	..	327
Control of Arboencephalitis ..	3	55	..	..	..	..	58
Home Care Services ..	717	2 178	1 693	653	87	340	5 668
Senior Citizens Centres ..	369	222	..	30	27	..	648
Paramedical Services ..	..	233	..	167	..	10	410
Assistance for Deserted Wives ..	2 344	2 016	1 935	1 509	1 459	458	9 721
Employment Grants ..	11 700	8 200	5 000	2 400	2 000	700	30 000
Regional Employment Development Scheme ..	207	5 404	2 781	3 294	1 840	1 521	15 047
Social Policy Planning Units ..	45	22	..	56	36	32	191
Aboriginal Advancement ..	2 860	875	2 952	2 167	8 034	61	16 949
Housing ..	2 292	1 679	753	1 093	771	388	6 976
Area Improvement ..	537	557	177	51	113	..	1 436
Sewerage ..	487	164	251	136	155	4	1 196
Leisure and Recreation ..	127	219	118	98	104	170	837
Tasman Bridge Disaster ..	..	..	..	..	..	1 400	1 400
Apple Export Assistance ..	..	65	14	..	259	572	910
Bovine Brucellosis and T.B. Eradi- cation ..	2 186	2 459	2 190	637	601	423	8 496
Agricultural Extension Services ..	2 359	2 022	1 826	944	958	517	8 625
Minor Agricultural Research ..	81	63	17	20	..	..	181
Trawl and Danish Seine Fishery ..	9	..	..	..	..	..	9
Locust Control ..	377	..	21	..	..	..	398
West Indian Dry Wood Termite ..	..	..	9	..	..	..	9
Assistance for A.P.P.M. Ltd ..	..	..	..	..	..	650	650
Coal Mining Industry—Long Service Leave ..	2 779	..	454	..	167	6	3 407
Apprenticeship Training ..	757	852	471	159	455	79	2 773
Legal Aid ..	331	276	131	89	124	49	1 000
Family Courts ..	..	..	..	..	760	..	760
Road Safety Practices ..	37	30	28	19	25	11	150
Research Grants ..	2 340	1 553	706	950	320	130	6 000
Assistance for Local Government ..	29 257	20 242	13 808	6 785	7 524	2 292	79 908
Regional Organisations Assistance ..	44	29	..	24	32	8	138
Natural Disaster Relief ..	637	35	52	..	83	..	807
Total Specific Purpose Pay- ments—Recurrent	815 187	653 251	299 558	235 335	232 394	80 456	2 316 184

TABLE 100—COMMONWEALTH GOVERNMENT PAYMENTS TO THE STATES
AND LOAN COUNCIL BORROWINGS (a), 1975-76—continued
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES							
Housing for Servicemen ..	18 005	6 082	7 500	1 725	698	160	34 170
Universities ..	21 754	9 516	6 453	3 421	5 094	2 589	48 827
Colleges of Advanced Education ..	23 716	34 313	9 181	6 886	7 344	5 313	86 753
Technical and Further Education ..	8 919	7 376	3 334	1 208	2 876	887	24 600
Schools ..	45 886	49 285	22 363	11 056	10 564	4 477	143 631
Pre-Schools and Child Care ..	3 165	1 345	2 584	1 498	1 441	1 764	11 797
Child Migrant Education ..	405	943	11	275	—	45	1 670
Hospitals ..	37 700	27 280	15 280	12 900	11 900	2 090	107 150
Nursing Homes ..	..	..	925	..	..	..	925
Community Health ..	5 146	3 151	1 778	1 864	1 139	689	13 767
Tuberculosis Control ..	2	2	203	30	..	4	241
School Dental Scheme ..	2 115	2 044	5 299	825	2 855	317	13 455
Blood Transfusion Services ..	34	75	29	6	12	5	160
Disposal of Ships Garbage ..	..	29	..	..	..	..	76
Senior Citizens Centres ..	964	1 292	392	566	47	..	3 561
Dwellings for Pensioners ..	6 858	2 827	1 133	1 124	344	3	13 117
Rehabilitation Centre—Hobart ..	..	..	..	..	614	560	214
Aboriginal Advancement ..	5 321	482	7 205	3 558	5 273	216	22 055
Housing ..	123 411	98 159	31 010	56 360	33 440	22 220	364 600
Urban Flood Mitigation ..	..	100	2 060	..	..	..	2 160
Growth Centres ..	44 510	22 541	..	1 504	474	506	69 535
Area Improvement ..	5 574	4 339	2 315	602	730	..	13 560
Land Acquisition ..	11 754	15 654	..	19 935	7 089	..	54 432
Woolloomooloo Redevelopment ..	5 813	..	..	..	..	..	5 813
Air Quality Monitoring ..	33	33	33	33	33	25	191
Captains Flat Project ..	890	..	..	..	..	..	890
Sewerage ..	42 800	35 400	13 767	5 700	12 400	1 984	112 051
Leisure and Cultural Facilities ..	1 762	1 560	1 060	625	445	430	5 881
Nature Conservation ..	445	35	88	579	35	86	1 268
National Estate ..	946	550	567	506	523	795	3 887
Roads ..	136 232	91 989	90 049	41 484	62 225	20 097	442 076
Second Hobart Bridge ..	..	..	..	..	..	63	63
Railway Projects ..	..	..	..	4 960	..	..	4 960
Railways — Intersystem Passenger Vehicles ..	12	..	..	..	..	..	78
Urban Public Transport ..	5 694	9 529	8 986	6 757	750	2 380	34 096
King Island Harbour Works ..	..	..	..	..	..	242	242
Tasman Bridge Disaster ..	..	..	..	..	..	16 300	16 300
Newcastle Dry Dock ..	1 164	..	1 402	..	..	..	1 164
Ross River Dam ..	..	..	1 402	..	..	..	1 402
Urban Water Supply ..	..	..	..	8 931	..	..	8 931
Gladstone Power Station ..	..	..	39 000	..	..	..	39 000
Softwood Forestry ..	2 456	900	2 250	566	864	901	7 937
Dairy Adjustment Program ..	664	10 065	3 702	305	2 327	1 653	18 716
Fruit Growing Industry ..	..	102	41	20	29	200	392
Canned Fruit Industry ..	338	1 706	..	413	..	..	2 457
Beef Industry Assistance ..	2 892	1 164	6 374	289	479	100	11 298
Rural Reconstruction ..	7 250	6 700	5 900	5 100	4 550	500	30 000
Bundaberg Irrigation Works ..	..	..	2 500	..	..	..	2 500
Lock-Kimba Pipeline ..	..	..	..	305	..	..	305
Tailem Bend Pipeline ..	..	..	..	4	..	..	4
Eton (Mackay) Irrigation Scheme ..	..	..	1 999	..	..	..	1 999
Clare Weir ..	..	..	349	..	..	..	349
Ord River Project ..	..	..	..	..	111	..	111
Dartmouth Dam ..	2 800	2 800	..	2 800	..	..	8 400
Water Resources Assessment ..	1 499	891	932	468	1 981	140	5 911
Flood Mitigation ..	1 966	..	..	..	..	..	1 966
Soil Conservation ..	..	467	623	42	74	25	1 231
Brigalow Lands Development Scheme ..	..	..	2 200	..	..	..	2 200
Tourism Development ..	543	511	140	177	313	145	1 829
Natural Disaster Relief ..	13 268	6 215	6 400	108	4 264	—7	30 248
Total Specific Purpose Payments—Capital ..	594 706	457 452	307 417	205 515	183 394	88 118	1 836 602
TOTAL PAYMENTS(c)							
	2 493 610	1 925 963	1 237 526	862 916	818 918	355 762	7 694 699
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS							
General Purpose ..	1 357 831	1 033 004	745 470	535 016	483 327	247 931	4 402 580
Specific Purpose ..	1 409 893	1 110 703	606 975	440 850	415 788	168 574	4 152 786
Total ..	2 767 724	2 143 707	1 352 445	975 866	899 115	416 505	8 555 366

(a) Commonwealth payments to States and State Governments' Loan Council borrowing programs. Excludes payments made direct to local government authorities, details of which are given in Chapter V.

(b) See Chapter III, under heading 'Treatment of Loan Council Programs in this and other Budget Documents'.

(c) Comprises all the amounts shown above, with the exception of the Loan Council borrowing programs. See reference in footnote (b).

TABLE 101—COMMONWEALTH GOVERNMENT PAYMENTS TO THE STATES
AND LOAN COUNCIL BORROWINGS (a), ESTIMATES 1976-77(b)

(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Personal Income Tax Entitlement ..	1 145 500	852 500	646 500	438 300	444 000	189 400	3 716 200
Special Grants .. .. .	..	..	27 000	..	..	..	27 000
Total General Revenue Funds	1 145 500	852 500	673 500	438 300	444 000	189 400	3 743 200
GENERAL PURPOSE CAPITAL FUNDS(c)							
State Government Loan Council Borrowing Programs	287 915	228 706	120 705	118 637	84 235	63 802	904 000
Capital Grants	143 958	114 354	60 352	59 318	42 117	31 901	452 000
Total	431 873	343 060	181 057	177 955	126 352	95 703	1 356 000
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES							
Payments under Financial Agree- ment—							
Interest on State Debt	5 835	4 254	2 192	1 408	947	534	15 170
Sinking Fund on State Debt ..	10 500	8 000	4 200	3 900	3 000	2 000	31 600
State Emergency Services	354	274	273	27	64	78	1 070
Assistance for Exmouth Shire ..					140		140
Universities	196 639	132 538	69 626	50 665	40 946	15 666	506 080
Colleges of Advanced Education ..	86 805	136 310	46 644	36 859	44 379	8 251	359 248
Technical and Further Education ..	15 593	12 830	4 523	4 663	3 647	1 087	42 343
Schools	143 487	121 896	54 801	32 722	31 183	10 304	394 393
Education—Allowance for Cost Escalation	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	45 000
Pre-Schools and Child Care	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	44 000
Child Migrant Education	90		2	7	2		147
Educational Research	314	359	192	135	48	28	1 076
Medibank—Public Hospital Running Costs	278 000	180 000	97 000	69 000	84 000	22 000	730 000
Community Health	26 460	9 380	4 300	4 200	2 900	1 900	49 140
Tuberculosis Control	1 362	2 111	1 161	344	356	530	5 864
School Dental Scheme	2 117	2 285	2 159	2 268	2 745	1 458	13 032
Health Education	208	148	128	65	81	45	675
Blood Transfusion Services	1 659	1 176	734	662	398	100	4 730
Health Planning Agencies	230	24	84	62	120	40	560
Home Dialysis Scheme	804	784	156	85	75	15	1 918
Control of Arboencephalitis	10	55		5			70
Home Care Services	1 200	1 700	1 900	1 800	200	200	7 000
Senior Citizens Centres	327	258	28	38	49		700
Paramedical Services		270		290		13	573
Assistance for Deserted Wives ..	2 600	2 400	2 300	1 700	1 300	400	10 700
Regional Employment Development Scheme		2		1	1		4
Aboriginal Advancement	2 778	1 236	3 533	2 722	8 166	69	18 504
Housing	1 848	1 347	1 318	941	627	314	6 395
Sewerage	290	420	320	220	340	110	1 700
Leisure and Recreation	118	118	94	94	94	84	600
Tasman Bridge Disaster						750	750
Apple Export Assistance	2	35	5	4	113	343	500
Bovine Brucellosis and T.B. Era- dication	4 906	5 113	3 768	1 931	1 265	214	17 197
Exotic Diseases Eradication		120					120
Agricultural Extension Services ..	2 579	2 291	2 097	1 068	1 082	560	9 676
Minor Agricultural Research	69	68	17	26			180
Trawl and Danish Seine Fishery ..	35						35
Water Hyacinth Control	35						35
Coal Mining Industry—Long Service Leave	3 250		525		190	5	3 970
Apprenticeship Training	1 570	1 297	580	431	546	136	4 560
Legal Aid	331	276	131	89	124	49	1 000
Family Courts					960		960
Road Safety Practices	37	30	28	19	25	11	150
Research Grants	4 374	2 903	1 319	1 776	599	243	11 214
Assistance for Local Government ..	51 289	35 398	24 222	11 925	13 162	4 004	140 000
Natural Disaster Relief	115		75		1 000		1 190
Total Specific Purpose Payments—Recurrent	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2 483 969

TABLE 101—COMMONWEALTH GOVERNMENT PAYMENTS TO THE STATES
AND LOAN COUNCIL BORROWINGS(a), ESTIMATES 1976-77(b)—continued
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES							
Housing for Servicemen ..	15 280	4 270	13 300	2 107	1 230	13	36 200
Universities ..	11 060	4 980	6 115	4 855	6 245	1 007	34 262
Colleges of Advanced Education ..	25 089	31 341	10 814	7 354	5 731	1 406	81 735
Technical and Further Education ..	12 767	8 820	4 071	3 723	4 023	2 257	35 661
Schools ..	53 525	45 139	24 079	14 323	13 550	4 238	154 854
Education—Allowance for Cost							
Escalation ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	15 000
Pre-Schools and Child Care ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10 300
Child Migrant Education ..	7	5		31			43
Hospitals ..	36 000	27 000	17 000	13 000	12 000	3 000	108 000
Nursing Homes ..			652				652
Community Health ..	2 940	5 820	3 100	900	2 400	600	15 760
Tuberculosis Control ..	17	140					157
School Dental Scheme ..	3 878	986	2 429	3 044	1 241	479	12 056
Blood Transfusion Services ..	134	68	36	23	23	5	288
Disposal of Ships Garbage ..					8		8
Senior Citizens Centres ..	1 100	1 400	700	300	470	30	4 000
Dwellings for Pensioners ..	2 352	3 419	2 023	1 473	1 288	280	10 835
Rehabilitation Centre—Hobart ..						600	600
Aboriginal Advancement ..	3 330	165	3 455	724	3 145	75	10 893
Housing ..	123 411	98 159	37 410	56 360	35 440	24 220	375 000
Growth Centres(e) ..	7 758	n.a.		982	26	70	32 897
Area Improvement ..	120	18	468				606
Urban Flood Mitigation ..		100	1 840				1 940
Land Acquisition ..	4 361	5 230		10 725	4 923	263	25 503
Woolloomooloo Redevelopment ..	10 328						10 328
Captains Flat Project ..	1 200						1 200
Sewerage ..	19 700	17 100	1 000	1 000	9 000	500	48 300
Leisure and Cultural Facilities ..	2 680	1 730	870	2 750	800	650	9 480
Nature Conservation ..	600	1 250	400	300	250	510	3 310
National Estate ..		687	183	246	215	19	1 350
Roads ..	140 300	93 200	91 900	39 400	55 900	20 800	441 500
Second Hobart Bridge ..						650	650
Railway Projects ..				2 000	225		2 225
Urban Public Transport ..	29 432	16 056	11 040	5 580	1 692	800	64 600
Newcastle Dry Dock ..	350						350
Tasman Bridge Disaster ..						13 750	13 750
Ross River Dam ..			1 158				1 158
Urban Water Supply ..				9 420			9 420
Gladstone Power Station ..			26 500				26 500
Softwood Forestry ..	2 350	1 782	1 525	100	715	982	7 454
Dairy Adjustment Program ..	1 098	6 346	1 368	523	1 059	3 106	13 500
Fruitgrowing Industry ..	120	800	60	150	40	330	1 500
Beef Industry Assistance ..	3 840	1 545	8 463	383	636	133	15 000
Rural Reconstruction ..	10 200	3 900	3 900	4 700	3 400	900	27 000
Bundaberg Irrigation Works ..			11				11
Tailem Bend Pipeline ..				400			400
Eton (Mackay) Irrigation Scheme ..			814				814
Clare Weir ..			2 551				2 551
Ord River Project ..					50		50
Dartmouth Dam ..	1 875	1 875		1 875			5 625
Namoi River Weirs ..	1 000						1 000
Water Resources Assessment ..	1 630	1 136	952	727	2 000	213	6 658
Flood Mitigation ..			148				148
Soil Conservation ..		64	237	43	136	10	490
Brigalow Lands Development Scheme ..			750				750
Tourism Development ..	74	59	147	312	50	191	833
Natural Disaster Relief ..	8 385		10 625		5 000		24 010
Total Specific Purpose Payments—Capital ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 709 165
TOTAL PAYMENTS(d)							
	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8 388 334
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS							
General Purpose ..	1 577 373	1 195 560	854 557	616 255	570 352	285 103	5 099 200
Specific Purpose ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4 193 134
Total ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9 292 334

(a) Commonwealth payments to States and State Governments' Loan Council borrowing programs. Excludes payments made direct to local government authorities, details of which are given in Chapter V.

(b) Important qualifications attach to some of the figures shown in this table. See text.

(c) See Chapter III, under heading 'Treatment of Loan Council Programs in this and other Budget Documents'.

(d) Comprises all the amounts shown above with the exception of the Loan Council borrowing programs. See reference in footnote (c).

(e) See footnote (b) to Table 41.

**TABLE 102—SUMMARY OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT
AUTHORITIES, 1972-73 TO 1976-77**

(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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PAYMENTS TO OR FOR THE STATES AND STATE LOAN COUNCIL PROGRAMS

GENERAL REVENUE FUNDS

1972-73	536 963	396 087	281 946	202 430	196 369	87 098	1 700 893
1973-74	593 433	443 624	332 473	227 582	225 243	101 100	1 923 455
1974-75	756 163	562 266	449 671	318 287	286 903	140 204	2 513 495
1975-76	946 660	706 389	573 092	365 591	363 031	156 816	3 111 580
1976-77 (estimate) ..	1 145 500	852 500	673 500	438 300	444 000	189 400	3 743 200

GENERAL PURPOSE CAPITAL FUNDS(a)

1972-73	312 336	250 520	124 181	134 628	91 716	68 619	982 000
1973-74	269 629	220 527	115 223	117 212	80 393	64 016	867 000
1974-75	334 309	272 179	153 567	146 188	100 247	80 929	1 087 419
1975-76	411 171	326 615	172 378	169 425	120 296	91 115	1 291 000
1976-77	431 873	343 060	181 057	177 955	126 352	95 703	1 356 000

TOTAL GENERAL PURPOSE FUNDS

1972-73	849 299	646 607	406 127	337 058	288 085	155 717	2 682 893
1973-74	863 062	664 151	447 696	344 794	305 636	165 116	2 790 455
1974-75	1 090 472	834 445	603 238	464 475	387 150	221 133	3 600 914
1975-76	1 357 831	1 033 004	745 470	535 016	483 327	247 931	4 402 580
1976-77 (estimate) ..	1 577 373	1 195 560	854 557	616 255	570 352	285 103	5 099 200

SPECIFIC PURPOSE PAYMENTS—RECURRENT

1972-73	136 001	106 211	57 270	38 125	35 084	17 305	389 998
1973-74	203 303	177 755	84 862	63 903	57 866	22 211	609 898
1974-75	422 088	352 710	164 380	122 879	116 288	43 142	1 221 486
1975-76	815 187	653 251	299 558	235 335	232 394	80 456	2 316 184
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2 483 969

SPECIFIC PURPOSE PAYMENTS—CAPITAL

1972-73	160 793	112 046	113 744	53 059	78 613	23 237	541 490
1973-74	300 380	208 964	185 206	118 399	109 087	38 209	960 243
1974-75	564 297	437 370	297 349	196 705	176 133	73 590	1 745 445
1975-76	594 706	457 452	307 417	205 515	183 394	88 118	1 836 602
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1 709 165

TOTAL SPECIFIC PURPOSE PAYMENTS

1972-73	296 794	218 257	171 014	91 184	113 697	40 542	931 488
1973-74	503 683	386 719	270 068	182 302	166 953	60 420	1 570 141
1974-75	986 385	790 080	461 729	319 584	292 421	116 732	2 966 931
1975-76	1 409 893	1 110 703	606 975	440 850	415 788	168 574	4 152 786
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4 193 134

TOTAL PAYMENTS(b)

1972-73	912 808	677 749	484 389	327 688	333 279	145 007	2 880 920
1973-74	1 183 667	901 132	639 528	447 509	418 002	182 069	3 771 903
1974-75	1 849 864	1 439 716	957 512	684 798	611 503	282 913	5 826 304
1975-76	2 493 610	1 925 963	1 237 526	862 916	818 918	355 762	7 694 699
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8 388 334

TOTAL PAYMENTS AND LOAN COUNCIL BORROWING PROGRAMS(c)

1972-73	1 146 093	864 864	577 141	428 242	401 782	196 259	3 614 381
1973-74	1 366 745	1 050 870	717 764	527 096	472 589	225 536	4 360 596
1974-75	2 076 857	1 624 525	1 064 967	784 059	679 571	337 865	6 567 845
1975-76	2 767 724	2 143 707	1 352 445	975 866	899 115	416 505	8 555 366
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9 292 334

TABLE 102—SUMMARY OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT
AUTHORITIES, 1972-73 TO 1976-77—*continued*

(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES

1972-73	604	629	650	212	94	17	2 206
1973-74	2 466	1 018	1 376	366	598	140	5 964
1974-75	24 564	6 338	10 423	4 366	5 992	2 177	53 858
1975-76	46 297	18 805	19 869	8 286	9 362	6 765	109 385
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17 420

TOTAL PAYMENTS TO OR FOR THE STATES,
STATE LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT
TO LOCAL GOVERNMENT AUTHORITIES (GROSS)

1972-73	1 146 697	865 493	577 791	428 454	401 876	196 276	3 616 587
1973-74	1 369 211	1 051 888	719 140	527 462	473 187	225 676	4 366 560
1974-75	2 101 421	1 630 863	1 075 390	788 425	685 563	340 042	6 621 703
1975-76	2 814 021	2 162 512	1 372 314	984 152	908 477	423 270	8 664 751
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9 309 754

REPAYMENTS (d)

1972-73	52 873	38 764	25 339	21 531	17 273	8 976	164 758
1973-74	57 333	42 155	26 748	23 120	18 253	12 495	180 105
1974-75	61 076	54 353	28 456	24 854	19 260	10 227	198 226
1975-76	64 220	45 608	30 254	25 120	19 507	13 541	198 252
1976-77 (estimate) ..	88 942	50 263	32 850	25 462	21 406	13 623	232 546

TOTAL PAYMENTS TO OR FOR THE STATES,
STATE LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT
TO LOCAL GOVERNMENT AUTHORITIES (NET)

1972-73	1 093 824	826 729	552 452	406 923	384 603	187 300	3 451 829
1973-74	1 311 878	1 009 733	692 392	504 342	454 934	213 181	4 186 455
1974-75	2 040 345	1 576 510	1 046 934	763 571	666 303	329 815	6 423 477
1975-76	2 749 801	2 116 904	1 342 060	959 032	888 970	409 729	8 466 499
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9 077 208

- (a) See Chapter III, under heading 'Treatment of Loan Council Programs in this and other Budget Documents'.
 (b) Comprises all the amounts shown above, with the exception of the borrowing program component of general purpose capital funds. See reference in footnote (a).
 (c) Total payments to or for the States and State Loan Council borrowing programs on a net basis (i.e., excluding payments made direct to local government authorities) are given in Appendix IV, Table 131.
 (d) That is, repayments of Commonwealth advances to the States and local government authorities and sinking fund payments on State Loan Council borrowings. See Appendix IV. Repayments of Commonwealth advances made direct to local government authorities (not included in Appendix IV) were \$16 000, \$17 000, \$18 000 and are estimated to be \$19 000 in 1973-74 to 1976-77 respectively.

**TABLE 103—SUMMARY OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT
AUTHORITIES, 1972-73 TO 1976-77(a)**

\$ Per Head of Population

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
PAYMENTS TO OR FOR THE STATES AND STATE LOAN COUNCIL PROGRAMS							
GENERAL REVENUE FUNDS							
1972-73	114.35	110.67	148.66	169.31	184.52	220.56	132.61
1973-74	125.26	122.60	170.97	187.94	207.65	253.38	148.02
1974-75	157.96	153.32	226.24	258.35	257.54	346.87	190.53
1975-76	196.32	191.17	285.12	294.52	319.09	383.41	233.69
1976-77 (estimate)..	234.77	228.20	330.88	349.05	380.79	458.48	277.58
GENERAL PURPOSE CAPITAL FUNDS							
1972-73	66.51	70.00	65.48	112.60	86.18	173.76	76.56
1973-74	56.91	60.94	59.25	96.80	74.12	160.44	66.72
1974-75	69.84	74.22	77.26	118.66	89.99	200.22	82.43
1975-76	85.27	88.39	85.76	136.49	105.74	222.78	96.96
1976-77	88.51	91.83	88.95	141.72	108.36	231.67	100.55
TOTAL GENERAL PURPOSE FUNDS							
1972-73	180.86	180.66	214.13	281.92	270.71	394.32	209.17
1973-74	182.18	183.54	230.22	284.74	281.77	413.82	214.73
1974-75	227.79	227.54	303.50	377.01	347.53	547.09	272.96
1975-76	281.59	279.57	370.88	431.01	424.83	606.19	330.65
1976-77 (estimate)..	323.28	320.04	419.83	490.77	489.15	690.15	378.13
SPECIFIC PURPOSE PAYMENTS—RECURRENT							
1972-73	28.96	29.68	30.20	31.89	32.97	43.82	30.41
1973-74	42.91	49.12	43.64	52.77	53.35	55.67	46.93
1974-75	88.17	96.18	82.70	99.74	104.39	106.73	92.59
1975-76	169.06	176.79	149.03	189.59	204.27	196.71	173.95
1976-77 (estimate)..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	184.20
SPECIFIC PURPOSE PAYMENTS—CAPITAL							
1972-73	34.24	31.31	59.97	44.37	73.87	58.84	42.22
1973-74	63.40	57.75	95.24	97.78	100.57	95.76	73.89
1974-75	117.88	119.27	149.60	159.66	158.11	182.06	132.31
1975-76	123.33	123.80	152.94	165.56	161.20	215.45	137.93
1976-77 (estimate)..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	126.74
TOTAL SPECIFIC PURPOSE PAYMENTS							
1972-73	63.20	60.98	90.17	76.26	106.84	102.66	72.62
1973-74	106.32	106.87	138.88	150.55	153.92	151.43	120.83
1974-75	206.05	215.45	232.30	259.40	262.50	288.80	224.90
1975-76	292.39	300.60	301.98	355.15	365.46	412.16	311.89
1976-77 (estimate)..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	310.94
TOTAL PAYMENTS							
1972-73	194.39	189.36	255.40	274.08	313.17	367.20	224.61
1973-74	249.85	249.03	328.87	369.57	385.36	456.31	290.26
1974-75	386.43	392.59	481.74	555.84	548.93	699.93	441.65
1975-76	517.13	521.24	615.68	695.17	719.80	869.83	577.90
1976-77 (estimate)..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	622.04
TOTAL PAYMENTS AND LOAN COUNCIL BORROWING PROGRAMS							
1972-73	244.07	241.64	304.30	358.18	377.54	496.98	281.80
1973-74	288.49	290.42	369.11	435.29	435.69	565.26	335.56
1974-75	433.84	442.99	535.81	636.41	610.03	835.89	497.86
1975-76	573.98	580.16	672.86	786.16	790.29	1 018.35	642.54
1976-77 (estimate)..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	689.07

**TABLE 103—SUMMARY OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT
AUTHORITIES, 1972-73 TO 1976-77—continued**

\$ Per Head of Population

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES							
1972-73	0.13	0.18	0.34	0.18	0.09	0.04	0.17
1973-74	0.52	0.28	0.71	0.30	0.55	0.35	0.46
1974-75	5.13	1.73	5.24	3.54	5.38	5.39	4.08
1975-76	9.60	5.09	9.89	6.68	8.23	16.54	8.22
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.29
TOTAL PAYMENTS TO OR FOR THE STATES, STATE LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)							
1972-73	244.20	241.82	304.65	358.36	377.63	497.03	281.97
1973-74	289.02	290.70	369.81	435.60	436.24	565.60	336.02
1974-75	438.98	444.72	541.05	639.96	615.41	841.27	501.94
1975-76	583.58	585.25	682.74	792.84	798.52	1 034.89	650.75
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	690.36
REPAYMENTS							
1972-73	11.26	10.83	13.36	18.01	16.23	22.73	12.85
1973-74	12.10	11.65	13.76	19.09	16.83	31.12	13.86
1974-75	12.76	14.82	14.32	20.17	17.29	25.30	15.03
1975-76	13.32	12.34	15.05	20.24	17.15	33.11	14.89
1976-77 (estimate) ..	18.23	13.45	16.14	20.28	18.36	32.98	17.24
TOTAL PAYMENTS TO OR FOR THE STATES, STATE LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET)							
1972-73	232.94	230.99	291.29	340.35	361.40	474.30	269.12
1973-74	276.91	279.05	356.06	416.50	419.41	534.29	322.16
1974-75	426.22	429.89	526.73	619.78	598.12	815.97	486.92
1975-76	570.26	572.91	667.69	772.60	781.37	1 001.78	635.86
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	673.12

(a) See footnotes to previous table.

**TABLE 104—TOTAL PAYMENTS TO OR FOR THE STATES AND STATE
GOVERNMENT LOAN COUNCIL PROGRAMS—DISSECTION
BETWEEN FUNDS FOR RECURRENT AND CAPITAL PURPOSES,
1972-73 TO 1976-77(a)
(\$ thousands)**

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
FUNDS FOR RECURRENT PURPOSES							
1972-73	672 964	502 298	339 216	240 555	231 453	104 403	2 090 891
1973-74	796 736	621 379	417 335	291 485	283 109	123 311	2 533 353
1974-75	1 178 251	914 976	614 051	441 166	403 191	183 346	3 734 981
1975-76	1 761 847	1 359 640	872 650	600 926	595 425	237 272	5 427 764
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6 227 169
FUNDS FOR CAPITAL PURPOSES							
1972-73	473 129	362 566	237 925	187 687	170 329	91 856	1 523 490
1973-74	570 009	429 491	300 429	235 611	189 480	102 225	1 827 243
1974-75	898 606	709 549	450 916	342 893	276 380	154 519	2 832 864
1975-76	1 005 877	784 067	479 795	374 940	303 690	179 233	3 127 602
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3 065 165

(a) Gross basis, i.e. *before* deducting repayments of Commonwealth advances to the States and sinking fund payments on State Loan Council borrowings. Note that this table also excludes payments made direct to local government authorities. See footnotes to previous tables in this Appendix.

**TABLE 105—TOTAL PAYMENTS TO OR FOR THE STATES AND STATE
GOVERNMENT LOAN COUNCIL PROGRAMS—DISSECTION
BETWEEN FUNDS FOR RECURRENT AND CAPITAL
PURPOSES, 1972-73 TO 1976-77(a)
\$ Per Head of Population**

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
FUNDS FOR RECURRENT PURPOSES							
1972-73	143.31	140.34	178.85	201.20	217.49	264.38	163.02
1973-74	168.18	171.72	214.61	240.72	261.00	309.05	194.95
1974-75	246.13	249.50	308.94	358.09	361.93	453.60	283.12
1975-76	365.38	367.97	434.15	484.11	523.36	580.13	407.64
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	461.77
FUNDS FOR CAPITAL PURPOSES							
1972-73	100.76	101.30	125.45	156.98	160.05	232.61	118.78
1973-74	120.32	118.69	154.49	194.58	174.68	256.20	140.61
1974-75	187.71	193.49	226.86	278.32	248.10	382.28	214.74
1975-76	208.60	212.20	238.70	302.05	266.93	438.22	234.89
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	227.30

(a) See footnotes to previous tables in this Appendix.

TABLE 106—TOTAL PAYMENTS TO OR FOR THE STATES AND STATE
GOVERNMENT LOAN COUNCIL PROGRAMS—DISSECTION
BETWEEN GRANTS AND LOANS,
1972-73 TO 1976-77
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
COMMONWEALTH GOVERNMENT PAYMENTS—GRANTS							
1972-73	875 812	660 941	460 246	320 981	323 376	140 704	2 782 060
1973-74	1 070 362	824 332	581 830	396 521	394 196	164 715	3 431 952
1974-75	1 633 464	1 263 474	856 693	592 102	547 012	251 907	5 144 655
1975-76	2 252 576	1 742 859	1 132 569	764 157	763 215	329 010	6 984 391
1976-77 (estimate) ..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7 785 202
COMMONWEALTH GOVERNMENT PAYMENTS—LOANS (GROSS)							
1972-73	36 996	16 808	24 143	6 707	9 903	4 303	98 860
1973-74	113 305	76 800	57 698	50 988	23 806	17 354	339 951
1974-75	216 397	176 242	100 819	92 696	64 491	31 006	681 649
1975-76	241 033	183 104	104 957	98 759	55 704	26 752	710 308
1976-77 (estimate) ..	n.a.	n.a.	92 816	84 375	57 813	29 431	603 132
TOTAL COMMONWEALTH GOVERNMENT LOANS AND LOAN COUNCIL BORROWINGS (GROSS)(a)							
1972-73	270 281	203 923	116 895	107 261	78 406	55 555	832 321
1973-74	296 383	226 538	135 934	130 575	78 393	60 821	928 644
1974-75	443 393	361 051	208 274	191 957	132 559	85 958	1 423 190
1975-76	515 147	400 848	219 876	211 709	135 901	87 495	1 570 975
1976-77 (estimate) ..	n.a.	n.a.	213 521	203 012	142 048	93 233	1 507 132

(a) Figures on a net basis are given in Appendix IV, Table 130.

TABLE 107—FUNCTIONAL CLASSIFICATION OF PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENT LOAN COUNCIL PROGRAMS, AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET BASIS(a)), 1964-65 TO 1976-77

(\$ thousands)

Functional Classification	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
Defence	12 272	7 024	7 488	6 787	6 532	9 045	8 761	6 522	5 608	7 174	26 499	34 386	36 670
Education	61 179	63 625	76 825	99 143	105 344	144 828	174 951	204 892	259 427	622 977	1 328 754	1 461 159	1 738 459
Health	13 997	19 329	17 740	17 238	18 555	18 876	17 811	18 045	20 982	51 760	107 794	1 082 786	956 482
Social Security and Welfare ..	22	22	23	251	1 335	3 512	10 067	43 637	127 408	34 165	119 979	182 431	43 689
Housing	93 719	107 194	109 167	110 903	115 216	121 698	131 320	-6 703	7 455	222 811	390 868	362 882	363 128
Urban and Regional Development n.e.c. and the Environment	380	750	1 952	417	..	59	584	-1	963	55 765	234 778	263 284	123 511
Culture and Recreation .. ..	..	..	..	..	..	..	..	..	..	1 802	12 759	11 974	14 840
Economic Services—													
Transport	157 615	175 797	182 298	198 633	206 829	218 099	233 840	259 249	288 735	322 608	418 523	494 762	518 177
Water Supply and Electricity ..	..	..	..	5 903	3 852	9 700	3 211	2 500	15 803	23 602	38 691	46 260	33 965
Industry Assistance and Development	10 068	13 979	14 976	41 079	23 667	30 238	50 374	79 781	94 329	70 586	83 021	109 559	100 181
Labour and Employment	1 023	893	922	1 344	1 338	1 050	1 205	1 613	2 165	2 722	4 052	6 180	8 530
Other Economic Services .. ..	..	..	..	..	..	..	..	..	..	278	65	..	..
Total Economic Services	168 706	190 669	198 196	246 959	235 686	259 087	288 630	343 143	401 032	419 796	544 352	656 761	660 853
General Public Services	100	1 478	2 154	3 270	2 995	3 562	4 320	4 491	5 917	8 051	8 955	7 910	13 324
Outlays Not Allocated to Function—													
General Revenue Funds	713 069	799 121	877 435	956 946	1 049 585	1 189 219	1 480 198	1 537 178	1 700 893	1 923 455	2 503 495	3 111 580	3 722 700
State Government Loan Council Borrowing Programs	400 342	405 497	436 895	460 003	483 531	517 875	366 383	549 620	601 266	447 910	592 141	708 668	744 450
Capital Grants .. .. .	..	..	..	..	..	..	200 000	219 100	248 539	278 307	345 878	430 333	452 000
Assistance Related to State Debts	31 816	32 931	34 121	35 557	36 789	38 441	51 224	64 501	77 661	90 578	103 612	47 338	46 770
Assistance for Local Government .. .. .	..	..	..	..	..	..	..	..	..	..	56 657	80 046	140 000
Natural Disaster Relief	100	21 740	21 073	27 954	19 729	10 777	14 998	2 152	-5 322	21 904	46 956	24 961	20 332
Total Not Allocated to Function	1 145 327	1 259 289	1 369 524	1 480 460	1 589 634	1 756 312	2 112 803	2 372 551	2 623 037	2 762 154	3 648 739	4 402 926	5 126 252
Grand Total	1 495 702	1 649 380	1 783 069	1 965 428	2 075 297	2 316 979	2 749 247	2 986 577	3 451 829	4 186 455	6 423 477	8 466 499	9 077 208

(a) That is, net of repayments of Commonwealth advances and sinking fund contribution on State Government Loan Council borrowings.

APPENDIX II—TABLES OF GENERAL PURPOSE CAPITAL FUNDS

TABLE NO.	SUBJECT
108	General Purpose Capital Funds for State Governments, 1972-73 to 1976-77.
109	Semi-Government and Local Authority Borrowings, 1972-73 to 1976-77.
110	Semi-Government and Local Authority Borrowings, per Head of Population, 1972-73 to 1976-77.
111	General Purpose Capital Funds for State Governments, and State Semi-Government and Local Authority Borrowings, 1972-73 to 1976-77.
112	General Purpose Capital Funds for State Governments, and State Semi-Government and Local Authority Borrowings, per Head of Population, 1972-73 to 1976-77.
113	Borrowings by Local Government Authorities, 1972-73 to 1976-77.
114	Summary of the Financing of State Government Loan Council Programs, 1971-72 to 1975-76.
115	Details of the Financing of State Government Loan Council Programs, 1971-72 to 1975-76.

**TABLE 108—GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS
1972-73 TO 1976-77(a)
(\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
APPROVED LOAN COUNCIL BORROWING PROGRAMS							
1972-73 ..	233 285	187 115	92 752	100 554	68 503	51 252	733 461
1973-74 ..	183 078	149 738	78 236	79 587	54 587	43 467	588 693
1974-75 ..	226 996	184 809	107 455	99 261	68 068	54 952	741 541
1975-76 ..	274 114	217 744	114 919	112 950	80 197	60 743	860 667
1976-77(b) ..	287 915	228 706	120 705	118 637	84 235	63 802	904 000
CAPITAL GRANTS							
1972-73 ..	79 051	63 405	31 429	34 074	23 213	17 367	248 539
1973-74 ..	86 551	70 789	36 987	37 625	25 806	20 549	278 307
1974-75 ..	107 313	87 370	46 112	46 927	32 179	25 977	345 878
1975-76 ..	137 057	108 871	57 459	56 475	40 099	30 372	430 333
1976-77(b) ..	143 958	114 354	60 352	59 318	42 117	31 901	452 000
TOTAL GENERAL PURPOSE CAPITAL FUNDS							
1972-73 ..	312 336	250 520	124 181	134 628	91 716	68 619	982 000
1973-74 ..	269 629	220 527	115 223	117 212	80 393	64 016	867 000
1974-75 ..	334 309	272 179	153 567	146 188	100 247	80 929	1 087 419
1975-76 ..	411 171	326 615	172 378	169 425	120 296	91 115	1 291 000
1976-77(b) ..	431 873	343 060	181 057	177 955	126 352	95 703	1 356 000

- (a) For an explanation of the amounts shown in this table, see Chapter III, particularly under the heading 'Treatment of Loan Council Programs in This and Other Budget Documents'.
(b) Amounts approved at the June 1976 meeting of the Loan Council.

TABLE 109—SEMI-GOVERNMENT AND LOCAL AUTHORITY BORROWINGS
1972-73 TO 1976-77
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total States	Commonwealth Government	Total
BORROWINGS BY LARGER AUTHORITIES(a)									
1972-73(b)	175 485	168 717	93 822	25 050	34 159	15 193	512 426	45 276	557 702
1973-74	199 949	182 667	106 609	26 850	33 233	15 679	564 987	29 915	594 902
1974-75	244 767	213 907	138 495	31 768	37 887	19 256	686 080	78 157	764 237
1975-76	303 720	256 692	149 769	38 120	38 264	23 107	809 672	74 597	884 269
1976-77(c)	360 108	304 351	177 575	45 200	45 369	27 397	960 000	483 768	1 443 768
BORROWINGS BY SMALLER AUTHORITIES(a)									
1972-73(b)	42 477	30 927	26 128	7 039	20 556	3 645	130 772	..	130 772
1973-74	46 948	35 817	32 117	9 461	25 470	3 025	152 838	..	152 838
1974-75	52 921	44 313	39 854	11 817	25 920	5 100	179 926	..	179 926
1975-76	65 439	63 281	54 739	18 201	33 890	9 116	244 666	..	244 666
1976-77 (est.)(d)	78 130	79 000	62 576	25 000	41 930	12 500	299 136	..	299 136
BORROWINGS BY ALL SEMI-GOVERNMENT AND LOCAL AUTHORITIES									
1972-73	217 962	199 644	119 950	32 089	54 715	18 838	643 198	45 276	688 474
1973-74	246 897	218 484	138 726	36 311	58 703	18 704	717 825	29 915	747 740
1974-75	297 688	258 220	178 349	43 585	63 807	24 356	866 006	78 157	944 163
1975-76	369 159	319 973	204 508	56 321	72 154	32 223	1 054 338	74 597	1 128 935
1976-77 (est.)	438 238	383 351	240 151	70 200	87 299	39 897	1 259 136	483 768	1 742 904

(a) See Chapter III under the heading 'Borrowing Programs for State Authorities'.

(b) Following a decision of the Loan Council in March 1973 to increase the borrowing programs of the larger authorities by \$27.5 million, a number of smaller authorities were permitted to borrow in excess of \$400 000. This excess was charged against the increase of \$27.5 million and is included in the borrowings of the larger authorities in 1972-73.

(c) Borrowing programs approved by the Loan Council in June 1976.

(d) Tentative estimates by State Treasuries.

TABLE 110—SEMI-GOVERNMENT AND LOCAL AUTHORITY BORROWINGS,
1972-73 TO 1976-77, PER HEAD OF POPULATION(a)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
	\$	\$	\$	\$	\$	\$	\$
BORROWINGS BY LARGER AUTHORITIES							
1972-73	37.37	47.14	49.47	20.95	32.10	38.47	39.95
1973-74	42.21	50.48	54.82	22.17	30.64	39.30	43.48
1974-75	51.13	58.33	69.68	25.79	34.01	47.64	52.01
1975-76	62.99	69.47	74.51	30.71	33.63	56.50	60.81
1976-77	73.80	81.47	87.24	36.00	38.91	66.32	71.19
BORROWINGS BY SMALLER AUTHORITIES							
1972-73	9.95	8.64	13.78	5.89	19.32	9.23	10.20
1973-74	9.91	9.90	16.52	7.81	23.48	7.58	11.76
1974-75	11.05	12.08	20.05	9.59	23.27	12.62	13.64
1975-76	13.57	17.13	27.23	14.66	29.79	22.29	18.38
1976-77 (estimate)	16.01	21.15	30.74	19.91	35.96	30.26	22.18
BORROWINGS BY ALL SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
1972-73	46.42	55.78	63.24	26.84	51.41	47.70	50.15
1973-74	52.12	60.38	71.34	29.99	54.12	46.88	55.24
1974-75	62.19	70.41	89.73	35.38	57.28	60.26	65.65
1975-76	76.56	86.60	101.75	45.37	63.42	78.78	79.18
1976-77 (estimate)	89.82	102.62	117.98	55.91	74.87	96.58	93.37

(a) See footnotes to Table 109.

**TABLE 111—GENERAL PURPOSE CAPITAL FUNDS FOR STATE
GOVERNMENTS AND STATE SEMI-GOVERNMENT AND
LOCAL AUTHORITY BORROWINGS, 1972-73 TO 1976-77**
(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS(a)							
1972-73 ..	312 336	250 520	124 181	134 628	91 716	68 619	982 000
1973-74 ..	269 629	220 527	115 223	117 212	80 393	64 016	867 000
1974-75 ..	334 309	272 179	153 567	146 188	100 247	80 929	1 087 419
1975-76 ..	411 171	326 615	172 378	169 425	120 296	91 115	1 291 000
1976-77 ..	431 873	343 060	181 057	177 955	126 352	95 703	1 356 000
BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES(b)							
1972-73 ..	217 962	199 644	119 950	32 089	54 715	18 838	643 198
1973-74 ..	246 897	218 484	138 726	36 311	58 703	18 704	717 825
1974-75 ..	297 688	258 220	178 349	43 585	63 807	24 357	866 006
1975-76 ..	369 159	319 973	204 508	56 321	72 154	32 223	1 054 338
1976-77 (est.) ..	438 238	383 351	240 151	70 200	87 299	39 897	1 259 136
TOTAL OF GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS AND BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
1972-73 ..	530 298	450 164	244 131	166 717	146 431	87 457	1 625 198
1973-74 ..	516 526	439 011	253 949	153 523	139 096	82 720	1 584 825
1974-75 ..	631 997	530 399	331 916	189 773	164 054	105 286	1 953 425
1975-76 ..	780 330	646 588	376 886	225 746	192 450	123 338	2 345 338
1976-77 (estimate) ..	870 111	726 411	421 208	248 155	213 651	135 600	2 615 136

(a) See footnotes to Table 108.

(b) See footnotes to Table 109.

**TABLE 112—GENERAL PURPOSE CAPITAL FUNDS FOR STATE
GOVERNMENTS AND STATE SEMI-GOVERNMENT AND
LOCAL AUTHORITY BORROWINGS, PER HEAD OF
POPULATION, 1972-73 TO 1976-77**

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
	\$	\$	\$	\$	\$	\$	\$
GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS							
1972-73 ..	66.51	70.00	65.48	112.60	86.18	173.76	76.56
1973-74 ..	56.91	60.94	59.25	96.80	74.12	160.44	66.72
1974-75 ..	69.84	74.22	77.26	118.66	89.99	200.22	82.43
1975-76 ..	85.27	88.39	85.76	136.49	105.74	222.78	96.96
1976-77 (estimate) ..	88.51	91.83	88.95	141.72	108.36	231.67	100.55
BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
1972-73 ..	46.42	55.78	63.24	26.84	51.41	47.70	50.15
1973-74 ..	52.12	60.38	71.34	29.99	54.12	46.88	55.24
1974-75 ..	62.19	70.41	89.73	35.38	57.28	60.26	65.65
1975-76 ..	76.56	86.60	101.75	45.37	63.42	78.78	79.18
1976-77 (estimate) ..	89.82	102.62	117.98	55.91	74.87	96.58	93.37
TOTAL GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS AND STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES BORROWINGS							
1972-73 ..	112.93	125.78	128.72	139.44	137.47	221.47	126.71
1973-74 ..	109.03	121.32	130.59	126.78	128.23	207.32	121.96
1974-75 ..	132.02	144.63	166.99	154.04	147.27	260.48	148.08
1975-76 ..	161.83	174.99	187.51	181.86	169.16	301.56	176.14
1976-77 (estimate) ..	178.33	194.45	206.93	197.62	183.23	328.25	193.92

TABLE 113—BORROWINGS BY LOCAL GOVERNMENT AUTHORITIES(a)
1972-73 TO 1976-77
(\$ thousands)

	New South Wales(b)	Victoria	Queensland	South Australia	Western Australia	Tasmania	Six State Total	Northern Territory	Total
'LARGER' AUTHORITIES(c)									
1972-73 ..	60 385	20 939	56 913	5 309	5 289	4 810	153 645	426	154 071
1973-74 ..	65 449	18 600	60 434	4 598	4 550	5 874	159 505	515	160 020
1974-75 ..	85 217	22 238	83 516	6 000	4 575	7 295	208 841	516	209 357
1975-76 ..	104 220	21 835	76 169	5 300	5 175	8 007	220 706	597	221 303
1976-77 (est.)(d)	121 108	20 200	80 400	4 300	8 050	9 826	243 884	1 268	245 152
'SMALLER' AUTHORITIES(e)									
1972-73 ..	34 906	20 019	14 478	4 389	13 754	3 124	90 670	..	90 670
1973-74 ..	39 091	22 374	17 038	6 221	16 270	2 717	103 711	..	103 711
1974-75 ..	47 586	27 950	19 288	7 617	17 265	3 416	123 122	..	123 122
1975-76 ..	59 627	41 208	25 928	11 531	22 670	6 496	167 460	..	167 460
1976-77 (est.)(d)	65 000	49 000	34 213	17 500	27 500	8 500	201 713	..	201 713
TOTAL									
1972-73 ..	95 291	40 958	71 391	9 698	19 043	7 934	244 315	426	244 741
1973-74 ..	104 540	40 974	77 472	10 819	20 820	8 591	263 216	515	263 731
1974-75 ..	132 803	50 188	102 804	13 617	21 839	10 710	331 961	516	332 477
1975-76 ..	163 847	63 043	102 097	16 831	27 845	14 503	388 166	597	388 763
1976-77 (est.)(d)	186 108	69 200	114 613	21 800	35 550	18 326	445 597	1 268	446 865

(a) On the interpretation of the figures shown in this table, see Chapter V, under the heading 'Borrowing Arrangements for Local Government Authorities'.

(b) Includes County Councils.

(c) That is, borrowings by local government authorities from within the totals approved for larger authorities. See footnote (a) to Table 75.

(d) Estimates supplied by State Treasuries; tentative only.

(e) That is, borrowings by local government within the smaller authorities category. See footnote (b) to Table 75.

TABLE 114—SUMMARY OF THE FINANCING OF STATE GOVERNMENT
LOAN COUNCIL PROGRAMS, 1971-72 TO 1975-76(a)

	Total Programs	Amounts Met from Public Loan Raisings and Overseas Borrowings		Amounts Met from Consolidated Revenue Fund			
		Amount	Percentage of Total Programs	Special Loans	Capital Grants Met Direct from Consolidated Revenue Fund	Total	
						Amount	Percentage of Total Programs
	\$'000	\$'000	per cent	\$'000	\$'000	\$'000	per cent
1971-72 ..	(b)892 000	860 330	96	31 670	..	31 670	4
1972-73 ..	(b)982 000	857 000	87	91 000	34 000	125 000	13
1973-74 ..	(b)867 000	867 000	100	..	..	..	..
1974-75 ..	(b)1 087 419	793 190	73	274 969	19 260	294 229	27
1975-76 ..	(b)1 291 000	1 291 000	100	..	..	..	..

(a) For further details of the financing of State Government Loan Council programs, including the derivation of the amounts shown above for those years, see following table.

(b) Includes capital grants of \$219.1 million in 1971-72, \$248 539 000 in 1972-73, \$278 307 000 in 1973-74, \$345 878 000 in 1974-75 and \$430 333 000 in 1975-76.

**TABLE 115—DETAILS OF THE FINANCING OF STATE GOVERNMENT
LOAN COUNCIL PROGRAMS, 1971-72 TO 1975-76(a)**
(\$ thousands)

	1971-72	1972-73	1973-74	1974-75	1975-76
SPECIAL LOANS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES					
Commonwealth Government Subscriptions to Special Loans	61 670	91 000	260 000	477 000	..
Less—Amounts used by Commonwealth Government—					
for advances for welfare housing .. .. .	..	..	..	(b)-130 365	..
for War Service Land Settlement and other purposes .. .. .	..	..	..	-416	..
for redemptions	-30 000	..	-260 000	-71 250	..
(A)	31 670	91 000	..	274 969	..
LOAN RAISINGS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES					
Public Loans raised in Australia—					
Cash loans	753 013	779 392	(c) 1155 460	(c) 646 034	1 676 610
Special Bonds/Savings Bonds	139 178	109 189	454 182	343 041	1 362 443
State Domestic Raisings	24 484	68 440	48 523	21 093	5 918
Overseas Loans applied direct to Borrowing Programs and Housing Advances	26 158	27 878	..	42 278	197 476
Total Loan Raisings	942 834	984 899	1 658 165	1 052 446	3 242 447
Less Amounts Used—					
for redemptions	-112 325	-115 507	-498 279	-414 448	-1 251 280
			(d)		(e)
by Australian Government (War Service Land Settlement, Other)	-6 961	-5 104	-6 136	-2 593	-335 567
for capital grant for government schools	-6 660	-13 340	..	..	..
for capital grant for works program	-175 658	-208 486	-278 307	..	-430 333
for advances for welfare housing .. .. .	..	..	-218 650	(b)-168 833	-364 600
Less—Amounts carried forwarded .. .. .	..	..	(c)-68 100	..	..
(B)	641 230	642 461	588 693	466 572	860 667
CAPITAL GRANTS					
Capital Grants—					
Financed from proceeds of Treasury Note issue	43 442	6 053	..	326 618	..
Financed from other loan proceeds	175 658	208 486	278 307	..	430 333
Financed direct from Consolidated Revenue Fund .. .. .	..	34 000	..	19 260	..
(C)	219 100	248 539	278 307	345 878	430 333
TOTAL PROGRAMS					
TOTAL PROGRAMS (A + B + C)	892 000	982 000	867 000	1 087 419	1 291 000

(a) See Chapter III under heading 'Financing of State Borrowing Programs and the Capital Grants' for an outline of the arrangements for financing the States' Loan Council programs.

(b) Advances for welfare housing also financed from proceeds of Treasury Note issue (\$10 802 000 and direct from Consolidated Revenue Fund (\$75 400 000).

(c) Includes \$68 100 000 proceeds of cash loan held in Loan Fund to finance the approved Loan Council borrowing program for 1974-75.

(d) Includes \$37 773 000 proceeds of cash loan applied to redemption of Treasury Notes.

(e) Includes \$965 267 000 cash proceeds applied to the redemption of Treasury Notes.

APPENDIX III—TABLES OF SPECIFIC PURPOSE PAYMENTS

TABLE NO.	SUBJECT
116	Schools, Grants for, 1972-73 to 1976-77.
117	Aboriginal Advancement, Payments for, by Function, 1972-73 to 1976-77.
118	Growth Centres and Related Projects, Details of Payments for, 1973-74 to 1976-77.
119	Land Acquisition and Development, Payments for, 1973-74 to 1976-77.
120	Natural Disasters, Payments for, 1972-73 to 1976-77.
121	Natural Disasters, Payments for by type of Disaster, 1972-73 to 1976-77.
122	Natural Disaster Relief, Further Details of Assistance for, 1973-74 to 1975-76.

TABLE 116—GRANTS FOR SCHOOLS, 1972-73 TO 1976-77

(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GRANTS FOR RECURRENT PURPOSES							
GOVERNMENT SCHOOLS							
1973-74	7 108	9 455	4 788	2 695	2 176	527	26 749
1974-75	44 019	35 859	17 410	10 913	7 342	2 333	117 876
1975-76	71 860	51 855	24 355	17 985	14 179	6 429	186 663
1976-77 (estimate) ..	77 676	63 895	26 635	20 111	16 508	6 007	210 832
NON-GOVERNMENT SCHOOLS							
1972-73	15 046	13 337	6 250	2 529	2 903	914	40 979
1973-74	20 144	18 083	8 317	3 480	3 832	1 321	55 177
1974-75	36 407	31 798	15 916	6 185	8 608	2 797	101 711
1975-76	45 808	42 175	19 161	7 085	7 335	2 068	123 632
1976-77 (estimate)(a)	57 279	51 236	24 410	10 368	12 218	3 302	158 813
JOINT PROGRAMS							
1973-74	895	1 587	473	289	381	110	3 735
1974-75	4 323	4 456	2 278	1 919	1 234	782	14 992
1975-76	7 727	6 324	2 646	2 382	1 680	830	21 589
1976-77 (estimate)(a)	8 532	6 765	3 756	2 243	2 457	995	24 748
TOTAL							
1972-73	15 046	13 337	6 250	2 529	2 903	914	40 979
1973-74	28 147	29 125	13 578	6 464	6 389	1 958	85 661
1974-75	84 749	72 113	35 604	19 017	17 184	5 912	234 579
1975-76	125 395	100 354	46 162	27 452	23 194	9 327	331 884
1976-77 (estimate)(a)	143 487	121 896	54 801	32 722	31 183	10 304	394 393
GRANTS FOR CAPITAL PURPOSES							
GOVERNMENT SCHOOLS							
1972-73	8 406	7 346	3 082	3 505	2 430	1 474	26 243
1973-74	25 788	12 647	6 346	8 556	5 566	2 087	60 990
1974-75	61 886	50 368	22 575	17 353	12 644	5 190	170 016
1975-76	35 587	38 279	18 298	9 735	7 929	3 958	113 786
1976-77 (estimate) ..	41 844	34 877	19 824	12 461	11 424	3 664	124 094
NON-GOVERNMENT SCHOOLS							
1972-73	2 231	2 140	1 284	300	587	234	6 776
1973-74	4 420	5 364	2 644	874	1 244	440	14 986
1974-75	9 450	8 071	5 320	1 731	3 014	807	28 393
1975-76	10 083	10 779	3 847	1 102	2 472	466	28 749
1976-77 (estimate) ..	11 561	10 135	4 133	1 740	2 035	545	30 149
JOINT PROGRAMS							
1974-75	371	213	75	75	131	94	959
1975-76	216	227	218	219	163	53	1 096
1976-77 (estimate)(a)	120	127	122	122	91	29	611
TOTAL							
1972-73	10 637	9 486	4 366	3 805	3 017	1 708	33 019
1973-74	30 208	18 011	8 990	9 430	6 810	2 527	75 976
1974-75	71 707	58 652	27 970	19 159	15 789	6 091	199 368
1975-76	45 886	49 285	22 363	11 056	10 564	4 477	143 631
1976-77 (estimate)(a)	53 525	45 139	24 079	14 323	13 550	4 238	154 854

(a) Includes certain unallocated programs which, for the purposes of this document, have been apportioned between States on a pro-rata basis.

TABLE 117—PAYMENTS FOR ABORIGINAL ADVANCEMENT, BY FUNCTION
1972-73 TO 1976-77 (Estimated)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
EDUCATION							
Recurrent Payments							
1972-73	229	167	293	279	193	6	1 167
1973-74	482	275	193	489	732	4	2 174
1974-75	546	262	361	614	1 582	3	3 367
1975-76	904	212	866	990	1 979	27	4 978
1976-77 (estimate)..	892	626	857	1 236	2 039	32	5 682
Capital Payments							
1972-73	98	60	981	156	425	..	1 720
1973-74	101	..	988	625	505	..	2 218
1974-75 .. ..	..	67	249	108	799	..	1 224
1975-76	505	87	971	377	25	1	1 966
1976-77 (estimate)..	..	25	108	221	281	..	635
Total Payments							
1972-73	327	227	1 274	435	618	6	2 887
1973-74	583	275	1 180	1 113	1 237	4	4 392
1974-75	546	329	610	722	2 381	3	4 591
1975-76	1 408	298	1 837	1 367	2 005	28	6 944
1976-77 (estimate)..	892	651	964	1 457	2 320	32	6 316

HEALTH							
Recurrent Payments							
1972-73	369	27	465	155	292	7	1 315
1973-74	802	51	754	356	1 330	11	3 304
1974-75	1 142	96	1 285	785	3 452	22	6 780
1975-76	1 538	220	1 746	880	5 188	14	9 586
1976-77 (estimate)..	1 660	360	2 536	1 121	5 330	16	11 023
Capital Payments							
1972-73	22	2	764	105	638	..	1 531
1973-74	164	33	1 489	627	2 726	..	5 038
1974-75	155	54	723	241	2 608	..	3 780
1975-76	160	22	1 847	250	2 180	5	4 464
1976-77 (estimate)..	120	15	868	30	1 144	..	2 177
Total Payments							
1972-73	391	29	1 229	260	930	7	2 846
1973-74	965	84	2 243	983	4 056	11	8 342
1974-75	1 297	150	2 007	1 026	6 059	22	10 561
1975-76	1 698	242	3 593	1 130	7 368	19	14 050
1976-77 (estimate)..	1 780	375	3 404	1 151	6 474	16	13 200

SOCIAL SECURITY AND WELFARE							
Recurrent Payments							
1972-73	1 331	137	1 511	260	892	36	4 167
1973-74	394	32	28	158	572	9	1 192
1974-75	469	137	55	82	2 063	9	2 816
1975-76	313	444	340	295	867	8	2 267
1976-77 (estimate)..	226	250	140	365	797	21	1 799

TABLE 117—PAYMENTS FOR ABORIGINAL ADVANCEMENT, BY FUNCTION
1972-73 TO 1976-77 (Estimated)—*continued*
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
Capital Payments							
1972-73	77	..	..	9	386	5	477
1973-74	210	..	85	235	1 078	..	1 608
1974-75	83	..	..	..	467	..	550
1975-76	38	..	132	..	185	..	355
1976-77 (estimate)..	..	..	25	30	17	..	72
Total Payments							
1972-73	1 408	137	1 511	269	1 278	41	4 644
1973-74	604	32	113	393	1 650	9	2 800
1974-75	552	137	55	82	2 530	9	3 366
1975-76	351	444	472	295	1 052	8	2 622
1976-77 (estimate)..	226	250	165	395	814	21	1 871

HOUSING

Recurrent Payments							
1974-75	159	..	..	20	..	..	179
1975-76 .. ..	..	..	..	..	..	12	12
1976-77 (estimate)..	..	..	..	..	..	..	..
Capital Payments							
1972-73	2 624	357	3 003	690	4 000	60	10 734
1973-74	3 000	557	4 820	2 158	4 000	119	14 654
1974-75	5 187	1 514	6 964	3 587	..	204	17 456
1975-76	4 615	373	2 200	2 932	2 882	210	13 212
1976-77 (estimate)..	3 200	125	954	443	1 703	75	6 500
Total Payments							
1972-73	2 624	357	3 003	690	4 000	60	10 734
1973-74	3 000	557	4 820	2 158	4 000	119	14 654
1974-75	5 346	1 514	6 964	3 607	..	204	17 636
1975-76	4 615	373	2 200	2 932	2 882	222	13 224
1976-77 (estimate)..	3 200	125	954	443	1 703	75	6 500

URBAN AND REGIONAL DEVELOPMENT N.E.C. AND THE ENVIRONMENT

Recurrent Payments							
1975-76	105	..	..	..	..	..	105
1976-77 (estimate)..	..	..	..	..	..	..	..
Capital Payments							
1972-73 .. ..	..	20	683	86	60	40	889
1973-74	250	..	1 601	51	148	13	2 063
1974-75	50	..	724	122	..	..	896
1975-76	3	..	2 054	..	..	..	2 057
1976-77 (estimate)..	10	..	1 500	..	..	..	1 510
Total Payments							
1972-73 .. ..	..	20	683	86	60	40	889
1973-74	250	..	1 601	51	148	13	2 063
1974-75	50	..	724	122	..	..	896
1975-76	108	..	2 054	..	..	..	2 162
1976-77 (estimate)..	10	..	1 500	..	..	..	1 510

TABLE 117—PAYMENTS FOR ABORIGINAL ADVANCEMENT, BY
FUNCTION 1972-73 TO 1976-77 (ESTIMATED)—*continued*

(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
TOTAL—ALL FUNCTIONS							
Recurrent Payments							
1972-73	1 929	331	2 269	694	1 377	49	6 649
1973-74	1 678	358	975	1 003	2 634	23	6 670
1974-75	2 316	494	1 701	1 501	7 096	34	13 142
1975-76	2 860	875	2 952	2 167	8 034	61	16 949
1976-77 (estimate)..	2 778	1 236	3 533	2 722	8 166	69	18 504
Capital Payments							
1972-73	2 821	439	5 431	1 046	5 509	105	15 351
1973-74	3 725	590	8 982	3 696	8 457	131	25 580
1974-75	5 474	1 636	8 661	4 058	3 874	204	23 907
1975-76	5 321	482	7 205	3 558	5 273	216	22 055
1976-77 (estimate)..	3 330	165	3 455	724	3 145	75	10 893
Total Payments							
1972-73	4 750	770	7 700	1 740	6 886	154	22 000
1973-74	5 402	948	9 957	4 699	11 090	154	32 250
1974-75	7 791	2 130	10 362	5 558	10 970	238	37 049
1975-76	8 180	1 358	10 157	5 725	13 307	277	39 004
1976-77 (estimate)..	6 108	1 401	6 987	3 446	11 310	144	29 396

TABLE 118—DETAILS OF PAYMENTS FOR GROWTH CENTRES
AND RELATED PROJECTS(a)

(\$ thousands)

	1973-74	1974-75	1975-76	1976-77 (estimates)
ALBURY-WODONGA				
To New South Wales—				
Grants—				
Studies and Investigations	430	..	522	
Local Councils Assistance	67	308		
Loans—				
Land Acquisition .. ..	..	16 165	9 400	
Development Works .. ..	..	85	2 625	
Studies and Investigations .. ..	..	558	439	
Running Expenses .. ..	..	272	551	
Major Headworks .. ..	..	..	754	
Dwelling Construction .. ..	..	..	257	
Office and Commercial Development .. ..	..	..	279	
Local Councils Assistance	133	615	1 044	
Total of Above	630	18 003	15 871	
Capitalised Interest(b) .. ..	..	474	2 620	
Total	630	18 477	18 493	(c)
To Victoria—				
Grants—				
Studies and Investigations	412	..	245	
Local Councils Assistance	33	340		
Loans—				
Land Acquisition	988	21 859	11 517	
Development Works .. ..	..	571	2 262	
Studies and Investigations .. ..	..	283	515	
Running Expenses .. ..	..	477	708	
Major Headworks .. ..	..	..	842	
Dwelling Construction .. ..	..	..	697	
Office and Commercial Development .. ..	..	..	1 851	
Contribution to State Electricity Authority .. ..	..	..	135	
Local Councils Assistance	67	680	491	
Total of Above	1 500	24 210	19 263	
Capitalised Interest(b) .. ..	..	609	3 278	
Total	1 500	24 819	22 541	(c)
Total Payments for Albury-Wodonga (including Capitalised Interest) ..	2 130	43 296	41 034	24 060

MACARTHUR (SYDNEY SOUTH-WEST SECTOR)

To New South Wales—				
Grants—				
Land Acquisition .. ..	..	..	800	
Loans—				
Land Acquisition .. ..	..	4 103	7 435	
Development Works .. ..	..	2 278	6 533	
Studies and Investigations .. ..	..	..	55	
Running Expenses .. ..	..	300	895	
Total of Above .. ..	..	6 682	15 718	(d)2 000
Capitalised Interest(b) .. ..	..	19	1 328	2 408
Total .. ..	..	6 701	17 046	4 408

TABLE 118—DETAILS OF PAYMENTS FOR GROWTH CENTRES
AND RELATED PROJECTS(a)—continued

(\$ thousands)

	1973-74	1974-75	1975-76	1976-77 (estimates)
BATHURST-ORANGE				
To New South Wales—				
Grants—				
Land Acquisition .. .. .	..	..	..	..
Local Councils Assistance .. .. .	..	198	452	
Loans—				
Land Acquisition .. .. .	..	4 420	4 919	
Development Works .. .. .	..	..	1 782	
Running Expenses .. .. .	..	..	286	
Local Councils Assistance .. .. .	..	395	903	
Total of Above .. .. .	..	5 013	8 342	(d)2 000
Capitalised Interest(b) .. .. .	..	17	629	1 350
Total .. .. .	..	5 030	8 971	3 350
MONARTO				
To South Australia—				
Grants—				
Land Acquisition	181	300	105	
Development Works	13	455	..	
Studies and Investigations	118	42	..	
Establishment Contribution	43	45	..	
Loans—				
Land Acquisition	4 058	2 473	16	
Development Works .. .. .	..	134	37	
Studies and Investigations .. .. .	..	906	505	
Running Expenses .. .. .	..	1 018	..	
Total of Above	4 413	5 373	663	..
Capitalised Interest(b)	1	447	841	982
Total	4 414	5 819	1 504	982
To Western Australia—				
Grants—				
Moore River Study .. .. .	..	..	474	26
Total .. .. .	..	..	474	26
To Tasmania—				
Grants—				
Strategic Development Study	35	312	496	..
Tamar Open Space Land .. .. .	..	88	10	70
Total of Above	35	400	506	70
TOTAL PAYMENTS—GROWTH CENTRES AND RELATED PROJECTS				
Grants	1 332	2 088	3 104	
Loans (including Capitalised Interest)	5 247	59 158	66 431	
Total	6 579	61 246	69 535	(d)32 897

(a) For purposes of this document all payments to the States for growth centres and related projects are treated as being of a capital nature.

(b) Capitalised Interest: These amounts represent interest payments which have been deferred and added to the amount of principal outstanding and on which interest thus accrues. Amounts of capitalised interest are shown in this and other Budget documents as interest payments notionally made by the State concerned to the Commonwealth and advances notionally made by the Commonwealth to the State.

(c) Split of the estimated payments and capitalised interest between New South Wales and Victoria not available.

(d) Estimates of the grants and loans components are not yet available.

**TABLE 119—PAYMENTS TO THE STATES FOR LAND ACQUISITION
AND DEVELOPMENT**
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77 (estimates) (b)
NEW SOUTH WALES				
Grants—Land Acquisition .. .. .	..	..	27	
Loans—				
Land Acquisition .. .. .	..	820	8 612	
Development Works .. .. .	..	..	2 378	
Running Expenses .. .. .	..	..	142	
Total of Above .. .. .	..	820	11 159	2 922
Capitalised Interest(a) .. .. .	..	..	595	1 439
Total .. .. .	..	820	11 754	4 361
VICTORIA				
Grants—Land Acquisition .. .. .	..	993	3 417	
Loans—				
Land Acquisition	3 500	7 703	4 486	
Development Works .. .. .	..	..	5 807	
Running Expenses .. .. .	..	..	768	
Total of Above	3 500	8 696	14 478	2 752
Capitalised Interest(a)	31	307	1 176	2 478
Total	3 531	9 003	15 654	5 230
SOUTH AUSTRALIA				
Grants—Land Acquisition .. .. .	..	1 933	500	
Loans—				
Land Acquisition	8 000	15 109	5 614	
Development Works .. .. .	..	1 100	9 600	
Running Expenses .. .. .	..	435	1 191	
Total of Above	8 000	18 578	16 905	6 000
Capitalised Interest(a) .. .. .	..	975	3 030	4 725
Total	8 000	19 553	19 935	10 725
WESTERN AUSTRALIA				
Grants—Land Acquisition .. .. .	..	1 886	956	
Loans—				
Land Acquisition .. .. .	..	9 800	1 745	
Development Works .. .. .	..	..	3 213	
Running Expenses .. .. .	..	30	163	
Total of Above .. .. .	..	11 716	6 077	3 175
Capitalised Interest(a) .. .. .	..	3	1 012	1 748
Total .. .. .	..	11 720	7 089	4 923
TASMANIA				
Loans—Land Acquisition .. .. .	..	..	..	250
Capitalised Interest(a) .. .. .	..	..	..	13
Total .. .. .	..	..	..	263
TOTAL PAYMENTS				
Grants .. .. .	..	4 813	4 900	
Loans (including Capitalised Interest)	11 531	36 282	49 531	
Total	11 531	41 095	54 432	25 503

(a) For an explanation of Capitalised Interest—see footnote (b) to the previous Table "Details of Payments for Growth Centres and Related Projects".

(b) Estimates of the grants and loans components and of loans by purpose are not available.

TABLE 120—PAYMENTS FOR NATURAL DISASTERS 1972-73 TO 1976-77(a)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
PAYMENTS OF A RECURRENT NATURE							
1972-73 .. .. .	..	40	(b)32	..	..	..	72
1973-74	19	22	(d)3 990	..	..	..	4 031
1974-75	622	355	113	..	..	..	1 090
1975-76	637	35	52	..	83	..	807
1976-77 (estimate) ..	115	..	75	..	1 000	..	1 190
PAYMENTS OF A CAPITAL NATURE—GRANTS							
1972-73 .. .. .	..	..	(b)-74	..	..	(c)-3	-77
1973-74	65	..	(d)20 213	..	..	(e)-3	20 275
1974-75	13 840	8 983	25 509	114	..	..	48 446
1975-76	12 596	5 937	6 319	108	4 197	(f)-7	29 150
1976-77 (estimate) ..	7 565	..	10 285	..	..	..	17 850
PAYMENTS OF A CAPITAL NATURE—LOANS							
1972-73 .. .. .	..	..	..	..	..	..	..
1973-74	216	..	3 656	..	..	..	3 872
1974-75	1 982	469	1 212	..	..	..	3 663
1975-76	672	278	81	..	67	..	1 098
1976-77 (estimate) ..	820	..	340	..	5 000	..	6 160
TOTAL PAYMENTS							
1972-73 .. .. .	..	40	(b)-42	..	..	(c)-3	-5
1973-74	300	22	(d)27 859	..	..	(e)-3	28 178
1974-75	16 444	9 807	26 834	114	..	..	53 199
1975-76	13 905	6 250	6 452	108	4 347	(f)-7	31 055
1976-77 (estimate) ..	8 500	..	10 700	..	(g)6 000	..	25 200

(a) Excludes the cost of emergency services provided by the Defence Force.

Certain refunds of payments to the States for natural disaster relief and restoration measures have been received in financial years subsequent to the disasters to which they relate. These refunds have been taken into account in the financial years in which they have been received from the States, as indicated below:

Year Refund Received	From State	Disaster to which Refunds are Related and Original Purpose	Amount of Refund Received
(b) 1972-73 ..	Queensland ..	Drought relief in 1971-72— Recurrent grants (net reimbursement) ..	\$ -46 000
		Flood relief in 1971-72—(Capital grants) ..	76 000
		Cyclone relief in 1971-72— Recurrent grants	14 000
		Capital grants (net reimbursement) ..	-2 000
(c) 1972-73 ..	Tasmania ..	Bushfire relief in 1967-68—Capital grants ..	3 000
(d) 1973-74 ..	Queensland ..	Drought, flood and cyclone relief in 1971-72— Recurrent grants (net reimbursement) ..	-1 000
		Capital grants	48 000
(e) 1973-74 ..	Tasmania ..	Bushfire relief in 1967-68—Capital grants ..	3 000
(f) 1975-76 ..	Tasmania ..	Bushfire relief in 1967-68—Capital grants ..	7 000
(g) 1976-77 ..	Western Australia ..	Cyclone relief in 1975-76—Capital grants ..	1 130 000

TABLE 121—PAYMENTS FOR NATURAL DISASTERS, BY TYPE OF DISASTER,
1972-73 TO 1976-77(a)
(\$ thousands)

—	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
DROUGHT							
1972-73 .. .. .	..	..	46	..	..	..	46
1973-74	38	..	..	..	..	..	38
1974-75	114	..	..	..	..	..	114
1975-76 .. .. .	..	..	..	..	..	..	..
1976-77 (estimate)..	..	..	..	..	6 000	..	6 000
FLOOD, STORM AND CYCLONE							
1972-73 .. .. .	..	40	-88	..	..	..	-48
1973-74	262	22	27 859	..	..	..	28 143
1974-75	15 586	9 807	26 834	114	..	..	52 341
1975-76	13 318	6 250	6 452	108	4 347	..	30 475
1976-77 (estimate)..	8 330	..	10 700	..	..	..	19 030
BUSHFIRE							
1972-73 .. .. .	..	..	..	..	..	-3	-3
1973-74 .. .. .	..	..	..	..	..	-3	-3
1974-75	744	..	..	..	..	..	744
1975-76	587	..	..	..	..	-7	580
1976-77 (estimate)..	170	..	..	..	..	..	170
ALL NATURAL DISASTERS							
1972-73 .. .. .	..	40	-42	..	..	-3	-5
1973-74	300	22	27 859	..	..	-3	28 178
1974-75	16 444	9 807	26 834	114	..	..	53 199
1975-76	13 905	6 250	6 452	108	4 347	-7	31 055
1976-77 (estimate)..	8 500	..	10 700	..	6 000	..	25 200

(a) Excludes the cost of emergency assistance provided by the Defence Force. Amounts shown are payments made in each financial year less refunds made within the same financial year; refunds made in subsequent years are deducted in the year in which they were received (also see footnotes to Table 120).

TABLE 122—FURTHER DETAILS OF NATURAL DISASTER RELIEF ASSISTANCE TO THE STATES 1973-74 TO 1975-76
(\$ thousands)

	New South Wales			Victoria			Queensland			South Aus- tralia(h)	Western Aus- tralia(j)	Total		
	1973-74	1974-75	1975-76	1973-74	1974-75	1975-76	1973-74	1974-75	1975-76	1974-75	1975-76	1973-74	1974-75	1975-76
<i>Expenditures by States in Year(a)</i>														
Personal hardship and distress ..	922	670	852	(e)58	479	25	5 287	122	70	..	120	6 267	1 271	1 067
Housing repair and rebuilding ..	..	..	..	..	..	..	5 120	6825	..	..	..	5 120	6 825	..
Rail and road freight subsidies ..	828	153	1	..	7	28	..	..	..	..	..	828	160	29
Fodder airdrop subsidies ..	..	..	65	..	..	..	..	..	..	..	..	..	..	65
Loans to primary producers ..	581	2 490	947	..	643	425	161	662	46	..	..	742	3 795	1 514
Loans to small business ..	31	110	..	..	..	..	3 495	615	..	..	..	3 526	725	..
Loans to sporting clubs ..	..	24	22	..	..	..	..	29	63	..	..	..	53	85
Assistance to surf lifesaving clubs ..	..	14	-1	..	..	..	..	..	..	..	..	..	14	-1
Assistance to independent schools ..	..	37	..	..	..	..	..	..	..	..	..	..	37	..
Restoration of State, local and semi-government assets ..	4 978	16 299	13 794	..	11 673	9 441	17 443	19 484	7 534	1 134	4 587	22 421	48 590	35 429
Emergency protection works and repairs to essential services ..	380	585	608	..	156	175	..	..	..	588	9	380	1,329	794
Assistance to local government authorities for fire fighting costs ..	..	214	53	..	..	..	..	..	..	..	..	..	214	53
Assistance to tertiary education institutions(b) ..	..	24	..	..	..	..	106	524	102	..	..	106	548	102
Total	7 720	20 620	16 341	58	12 958	10 094	31 612	28 261	7 815	1 722	4 717	39 390	63 561	39 137
<i>Less—</i>														
Expenditure in Year attributable to States(c) ..	5 000	5 048	5 003	29	3 500	3 500	2 000	2 000	2 000	1 500	1 500	7 029	12 048	12 003
Expenditure in Year to be reimbursed in subsequent years(d) ..	3 490	2 618	51	7	(f) -342	2	1706	1 133	481	(i)108	(f) 1 130	5 203	3 517	-426
Refunds of overpayments in respect of previous years ..	..	..	..	..	..	342	47	..	15	..	..	(k)50	..	(k)364
<i>Plus—</i>														
Amounts paid in Year in respect of previous years ..	1 070	3 490	2 618	..	7	..	..	1 706	1 133	..	..	1 070	5 203	3 859
Payments to States in Year ..	300	16 444	13 905	22	9 807	6 250	(g)27 859	26 834	6 452	114	4 347	(k)28 178	53 199	(k)31 055

(a) Preliminary estimates by State Treasuries of expenditures on measures agreed between the Commonwealth and State Governments in respect of eligible disasters. Subject to revision.

(b) This assistance was administered, in part, by the Universities Commission and the Commission on Advanced Education but was paid through State Treasury accounts.

(c) The amounts shown represent the 'base-line' amounts, except that for Victoria for 1973-74 which represents half the cost of the relief of personal hardship and distress. See Chapter IV for explanations.

(d) For unavoidable administrative reasons payments to the States in a year are not equal to the amounts payable to them in respect of that year.

(e) Final cost of relief of personal hardship and distress to those affected by flooding in the State in early 1973 for which the Commonwealth agreed to provide assistance on a dollar for dollar basis.

(f) Refers to overpayment to State in year concerned, adjusted in subsequent year.

(g) The Commonwealth and State Governments provided \$600,000 and \$500,000 respectively as donations to official disaster appeal funds. These amounts are not shown in this table. The Commonwealth's contribution was paid direct to the funds and did not take the form of payments to the State.

(h) No expenditure on approved measures in 1973-74 or 1975-76.

(i) Paid to South Australia in 1975-76.

(j) No expenditure on approved measures in 1973-74 or 1974-75.

(k) Includes refunds received from Tasmania of \$2,900 in 1973-74; \$6 765 in 1975-76 and from South Australia of \$127 in 1975-76.

**APPENDIX IV—ADVANCES, DEBT CHARGES, NET ADVANCES, NET PAYMENTS
AND STATE GOVERNMENT DEBT OUTSTANDING**

TABLE NO.	SUBJECT
	Advances to States, Debt Charges on Advances and Net Advances, 1972-73 to 1976-77:
123	Six States Combined
124	New South Wales
125	Victoria
126	Queensland
127	South Australia
128	Western Australia
129	Tasmania
130	Total Commonwealth Government Loans to States and State Government Loan Council Borrowings—Net Basis, by States, 1972-73 to 1976-77.
131	Payments to the States and Loan Council Borrowings—Net Basis, by States, 1972-73 to 1976-77.
132	State Government Debt Outstanding, 1972 to 1976.

**TABLE 123—SIX STATES COMBINED—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES**
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	733 461	588 693	741 541	860 667	904 000
<i>Commonwealth Government Loans—</i>					
Special Budgetary Assistance	15 000	..	..	..	..
Housing for Servicemen	6 163	7 766	26 805	34 170	36 200
Housing(b)	6 550	218 650	385 400	364 600	375 000
Growth Centres .. ..	..	5 247	59 158	66 431	32 801
Land Acquisition .. ..	..	11 531	36 282	49 531	25 503
Captains Flat Project .. ..	..	..	..	178	240
Sewerage .. ..	..	27 905	84 678	78 463	33 810
Community Facilities—Townsville ..	60	301	67	..	..
Railway Projects	1 546	359	326	1 488	732
Railways—Intersystem Passenger Vehicles	784	1 081	1 244	78	..
King Island Harbour Works	557	..	..	121	..
King Island Shipping Service .. ..	..	..	1 309	..	..
Julius Dam .. ..	..	..	2 000	..	..
Urban Water Supply .. ..	..	..	4 400	6 252	6 594
Gladstone Power Station	14 000	26 607	32 449	39 000	26 500
Blowering Reservoir .. ..	..	..	—198	..	..
Softwood Forestry	9 459	4 875	7 124	7 937	7 454
Dairy Adjustment Program	1 449	538	6 892	14 073	10 463
Canned Fruit Industry	1 902	..	..	2 457	..
Beef Industry Assistance .. ..	..	..	..	11 298	15 000
Rural Reconstruction	38 100	26 825	21 586	22 500	20 250
Ord River Project	409	1 405	313	33	50
Dartmouth Dam	2 025	2 850	7 500	8 400	5 625
W.A. Water Supply	158	..	..	..	..
Brigalow Lands Development Scheme ..	698	139	651	2 200	750
Natural Disasters .. ..	..	3 872	3 663	1 098	6 160
Total Commonwealth Government Loans	98 860	339 951	681 649	710 308	603 132
TOTAL ADVANCES	832 321	928 644	1 423 190	1 570 975	1 507 132

**TABLE 123—SIX STATES COMBINED—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—continued**
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	132 195	140 783	149 400	151 999	159 550
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance .. .. .	..	..	10 000	..	20 500
Housing for Servicemen	555	592	631	681	740
Aboriginal Advancement	19	19	18	19	20
Housing	16 721	17 367	19 157	21 918	24 767
Growth Centres .. .. .	..	..	..	..	17
Sewerage .. .. .	..	..	6	99	438
Community Facilities—Townsville .. .. .	..	..	..	24	4
Exmouth Township	14	14	9	19	14
Beef Cattle Roads	570	570	570	570	570
Railway Projects	3 839	4 030	4 857	3 948	4 137
Railways—Intersystem Passenger Vehicles	146	153	181	185	234
King Island Harbour Works .. .. .	..	37	37	37	45
King Island Shipping Service .. .. .	..	..	44	87	87
Coal Loading Facilities	287	187	175	95	13
Northern Harbours	98	98	98	98	98
Derby Jetty	53	53	53	53	53
Weipa Development	63	66	69	73	77
Natural Gas	1 875	1 875	1 875	1 875	1 875
Julius Dam .. .. .	..	..	141	66	73
Urban Water Supply .. .. .	..	..	..	..	32
Hydro-electricity .. .. .	..	2 989	..	2 989	2 989
Blowering Reservoir .. .. .	..	42	259	712	1 303
Dairy Adjustment Program	7	22	65	572	1 535
Canned Fruit Industry .. .. .	..	1 801	889	525	948
Sugar Industry	2 045	2 147	2 254	2 367	2 486
Rural Reconstruction .. .. .	..	..	183	1 937	3 527
Chowilla Reservoir .. .. .	..	5	18	60	99
War Service Land Settlement	293	304	316	328	340
W.A. Water Supply .. .. .	..	..	..	42	150
Brigalow Lands Development Scheme	661	661	661	762	938
Natural Disasters	5 317	6 274	6 243	6 094	4 868
Total Repayments of Commonwealth Government Loans	32 563	39 306	48 809	46 235	72 977
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	164 758	180 089	198 209	198 234	232 527
NET ADVANCES(d) (Advances less Repayments)					
Loan Council Borrowings	601 266	447 910	592 141	708 668	744 450
Commonwealth Government Loans	66 297	300 645	632 840	664 073	530 155
TOTAL NET ADVANCES	667 563	748 555	1 224 981	1 372 741	1 274 605

**TABLE 123—SIX STATES COMBINED—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued***
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i> ..	567 067	603 771	662 809	694 689	822 000
<i>Interest on Commonwealth Government Loans—</i>					
Special Budgetary Assistance ..	650	1 578	2 463	1 813	1 813
Housing for Servicemen ..	4 007	4 501	5 775	8 300	11 850
Aboriginal Advancement ..	16	16	18	17	16
Housing ..	73 343	77 282	88 146	105 032	119 338
Growth Centres ..	..	1	1 566	8 698	13 804
Land Acquisition ..	..	31	1 285	5 813	10 404
Community Facilities—Townsville ..	..	..	..	19	39
Exmouth Township ..	23	22	13	26	19
Captains Flat Project ..	..	..	..	..	11
Sewerage ..	..	..	2 257	10 791	19 771
Beef Cattle Roads ..	279	251	222	193	165
Railway Projects ..	5 795	5 682	5 487	4 256	4 192
Railways—Intersystem Passenger Vehicles ..	247	257	316	322	371
King Island Harbour Works ..	..	34	33	31	40
King Island Shipping Service ..	..	..	59	118	118
Coal Loading Facilities ..	38	24	14	6	2
Northern Harbours ..	43	38	33	28	23
Derby Jetty ..	17	14	12	9	7
Weipa Development ..	163	160	156	152	149
Natural Gas ..	858	747	636	526	415
Julius Dam ..	..	..	107	182	175
Urban Water Supply ..	..	..	..	418	1 256
Hydro-electricity ..	1 492	1 452	1 311	1 264	1 077
Blowering Reservoir ..	1 072	1 072	1 062	1 041	997
Dairy Adjustment Program ..	141	450	524	543	647
Canned Fruit Industry ..	578	392	295	230	261
Sugar Industry ..	976	874	817	654	536
Rural Reconstruction ..	1 958	4 196	5 881	7 150	8 036
Ord River Project ..	29	110	172	187	192
Dartmouth Dam ..	..	74	264	781	1 578
Chowilla Reservoir ..	77	77	77	64	72
W.A. Water Supply ..	705	707	707	706	701
War Service Land Settlement ..	928	917	905	893	882
Brigalow Lands Development Scheme ..	664	670	648	610	829
Total Interest on Commonwealth Government Loans ..	94 099	101 629	121 261	160 873	199 786
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS ..	661 166	705 400	784 070	855 562	1 021 786

(a) For purposes of these tables advances comprise the State Governments' Loan Council borrowing programs and Commonwealth Government loans to the States. See Chapter I of this document and footnote (d) below. Important qualifications attach to the 1976-77 estimates in some cases; see relevant sections of the text.

(b) Comprising special housing advances totalling \$6 550 000 made in 1972-73 and advances from 1973-74 under the Housing Agreement 1973. Does not include advances for housing for servicemen.

(c) Includes sinking fund contributions on State debt made by the Commonwealth Government, which are included in this document as payments for the States. Amounts shown equal total receipts of the Sinking Funds on the States' Debts controlled by the National Debt Commission. For details of these receipts, see Table No. 5 in the Annual Report of the Commission for the year ending 30 June 1976.

(d) Figures derived from those shown above by subtracting sinking fund payments from Loan Council borrowings and repayments of Commonwealth Government loans from the amounts of those loans each year. As explained in Chapter I, national accounting estimates of Commonwealth Government outlays published by the Treasury and by the Australian Bureau of Statistics show advances (including the State Governments' Loan Council borrowing programs) on a net basis. The figures shown here coincide with those shown in the national accounting estimates. The figures shown in some of the other sections of this document are on a gross basis—that is, before deducting repayments.

(e) Includes interest on the States' domestic raisings.

**TABLE 124—NEW SOUTH WALES—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES**

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	233 285	183 078	226 996	274 114	287 915
<i>Commonwealth Government Loans—</i>					
Special Budgetary Assistance	15 000	..	..	..	..
Housing for Servicemen	3 539	4 539	16 350	18 005	15 280
Housing(b)	3 500	86 000	123 411	123 411	123 411
Growth Centres .. ..	..	133	29 702	42 736	(e)n.a.
Land Acquisition .. ..	..	..	820	11 727	4 361
Captains Flat Project .. ..	..	..	..	178	240
Sewerage .. ..	..	11 200	29 400	29 960	13 790
Railways—Intersystem Passenger Vehicles .. ..	..	267	580	12	..
Blowering Reservoir .. ..	..	..	—198	..	..
Softwood Forestry	3 237	2 000	2 100	2 456	2 350
Dairy Adjustment Program	250	125	750	409	681
Canned Fruit Industry	670	..	..	338	..
Beef Industry Assistance .. ..	..	..	..	2 892	3 840
Rural Reconstruction	10 125	7 875	9 000	5 437	7 650
Dartmouth Dam	675	950	2 500	2 800	1 875
Natural Disasters .. ..	..	216	1 982	672	820
Total Commonwealth Government Loans	36 996	113 305	216 397	241 033	n.a.
TOTAL ADVANCES	270 281	296 383	443 393	515 147	n.a.
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	44 100	46 903	50 096	51 517	54 938
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance .. ..	..	..	..	..	20 500
Housing for Servicemen	192	209	224	247	274
Housing	5 854	6 092	6 780	7 690	8 671
Growth Centres .. ..	..	..	..	..	17
Sewerage .. ..	..	..	..	36	163
Railway Projects	96	96	96	96	96
Railways—Intersystem Passenger Vehicles	37	37	44	45	62
Coal Loading Facilities	273	174	162	81	..
Blowering Reservoir .. ..	..	42	259	712	1 303
Dairy Adjustment Program .. ..	..	..	..	52	81
Canned Fruit Industry .. ..	..	536	..	..	85
Rural Reconstruction .. ..	..	..	183	612	1 032
Chowilla Reservoir .. ..	..	5	18	60	99
War Service Land Settlement	142	147	153	159	165
Natural Disasters	2 179	3 092	3 061	2 913	1 456
Total Repayments of Commonwealth Government Loans	8 773	10 430	10 980	12 703	34 004
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	52 873	57 333	61 076	64 220	88 942

**TABLE 124—NEW SOUTH WALES—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued***
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
NET ADVANCES(d) (Advances <i>less</i> Repayments)					
Loan Council Borrowings	189 185	136 175	176 900	222 597	232 977
Commonwealth Government Loans ..	28 223	102 875	205 417	228 330	n.a.
TOTAL NET ADVANCES ..	217 408	239 050	382 317	450 927	n.a.
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings</i> ..	186 481	198 106	216 934	231 187	270 000
<i>Interest on Commonwealth Government Loans—</i>					
Special Budgetary Assistance .. ..	..	928	1 813	1 813	1 813
Housing for Servicemen	1 448	1 673	2 542	4 045	5 815
Housing	25 292	27 095	30 849	36 459	41 200
Growth Centres .. ..	..	..	510	4 579	n.a.
Land Acquisition .. ..	..	..	..	595	1 439
Captains Flat Project .. ..	..	..	..	..	11
Sewerage .. ..	..	..	617	4 197	7 478
Railway Projects	191	186	181	176	171
Railways—Intersystem Passenger Vehicles	65	63	79	77	115
Coal Loading Facilities	33	20	11	3	..
Blowering Reservoir	1 072	1 072	1 062	1 041	997
Dairy Adjustment Program .. ..	..	44	65	74	84
Canned Fruit Industry .. ..	..	30	..	..	34
Rural Reconstruction	730	1 274	1 785	2 246	2 548
Dartmouth Dam .. ..	..	25	88	260	526
Chowilla Reservoir	77	77	77	64	72
War Service Land Settlement	450	445	439	433	428
Total Interest on Commonwealth Government Loans	29 358	32 932	40 118	56 062	n.a.
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS ..	215 839	231 038	257 052	287 249	n.a.

(a), (b), (c) and (d) See corresponding footnotes to Table 123.

(e) Not available. See the relevant section of Chapter IV.

**TABLE 125—VICTORIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES**
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	187 115	149 738	184 809	217 744	228 706
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	2 019	2 691	4 193	6 082	4 270
Housing(b)	1 500	53 500	98 159	98 159	98 159
Growth Centres .. .. .	..	1 055	24 479	22 296	(e) n.a.
Land Acquisition .. .. .	..	3 531	8 010	12 237	5 230
Sewerage .. .. .	..	9 300	28 196	24 780	11 970
Softwood Forestry	1 542	..	889	900	1 782
Dairy Adjustment Program	45	73	4 371	7 677	4 823
Canned Fruit Industry	849	..	..	1 706	..
Beef Industry Assistance .. .. .	..	..	..	1 164	1 545
Rural Reconstruction	10 178	5 700	4 976	5 025	2 925
Dartmouth Dam	675	950	2 500	2 800	1 875
Natural Disasters .. .. .	..	..	469	278	..
Total Commonwealth Government Loans	16 808	76 800	176 242	183 104	n.a.
TOTAL ADVANCES	203 923	226 538	361 051	400 848	n.a.
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	32 416	34 688	36 427	36 565	39 029
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance .. .. .	..	..	10 000	..	..
Housing for Servicemen	172	184	198	211	224
Housing	5 204	5 389	5 855	6 580	7 363
Sewerage .. .. .	..	..	..	35	147
Railway Projects	96	96	96	96	96
Dairy Adjustment Program .. .. .	..	..	..	314	833
Canned Fruit Industry .. .. .	..	916	889	525	760
Rural Reconstruction .. .. .	..	..	..	388	852
War Service Land Settlement	151	157	163	169	175
Natural Disasters	725	725	725	725	784
Total Repayments of Common- wealth Government Loans	6 348	7 467	17 926	9 043	11 234
TOTAL SINKING FUND PAY- MENTS AND REPAYMENTS OF LOANS	38 764	42 155	54 353	45 608	50 263
NET ADVANCES(d) (Advances less Repayments)					
<i>Loan Council Borrowings</i>	154 699	115 050	148 382	181 179	189 677
<i>Commonwealth Government Loans</i>	10 460	69 333	158 316	174 061	n.a.
TOTAL NET ADVANCES	165 159	184 383	306 698	355 240	n.a.

TABLE 125—VICTORIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings</i> ..	139 711	149 034	163 993	175 627	210 000
<i>Interest on Commonwealth Government Loans—</i>					
Special Budgetary Assistance ..	650	650	650	..	..
Housing for Servicemen	1 140	1 378	1 588	1 908	2 515
Housing	20 920	21 735	24 342	28 750	32 538
Growth Centres .. .. ..	..	..	609	3 278	n.a.
Land Acquisition .. .. ..	..	31	307	1 176	2 478
Sewerage .. .. ..	..	..	608	3 882	6 580
Railway Projects	191	186	181	176	171
Dairy Adjustment Program .. ..	..	12	17	21	117
Canned Fruit Industry	578	340	295	230	186
Rural Reconstruction	358	975	1 374	1 654	1 772
Dartmouth Dam .. .. ..	..	25	88	260	526
War Service Land Settlement ..	478	472	466	460	454
Total Interest on Commonwealth Government Loans	24 315	25 804	30 525	41 795	n.a.
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS ..	164 026	174 838	194 518	217 422	n.a.

(a), (b), (c) and (d) See corresponding footnotes to Table 123.
(e) Not available. See the relevant section of Chapter IV.

**TABLE 126—QUEENSLAND—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES**
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	92 752	78 236	107 455	114 919	120 705
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	400	200	5 200	7 500	13 300
Housing(b)	350	17 400	43 810	31 010	37 410
Sewerage .. ..	..	2 007	9 599	9 664	700
Community Facilities—Townsville ..	60	301	67	..	..
Julius Dam .. ..	..	..	2 000	..	..
Gladstone Power Station	14 000	26 607	32 449	39 000	26 500
Softwood Forestry	2 160	1 535	2 340	2 250	1 525
Dairy Adjustment Program	1 000	328	704	2 453	903
Beef Industry Assistance .. ..	..	..	..	6 374	8 463
Rural Reconstruction	5 475	5 525	2 787	4 425	2 925
Brigalow Lands Development Scheme ..	698	139	651	2 200	750
Natural Disasters .. ..	..	3 656	1 212	81	340
Total Commonwealth Government Loans	24 143	57 698	100 819	104 957	92 816
TOTAL ADVANCES	116 895	135 934	208 274	219 876	213 521
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments of Loan Council Borrowings(c)</i>	16 815	17 907	19 097	19 828	21 223
<i>Repayments on Commonwealth Government Loans—</i>					
Housing for Servicemen	141	147	154	164	179
Aboriginal Advancement	19	19	18	19	20
Housing	1 491	1 545	1 684	1 978	2 223
Sewerage .. ..	..	..	..	8	36
Community Facilities—Townsville ..	..	..	..	24	4
Beef Cattle Roads	570	570	570	570	570
Railway Projects	1 501	1 585	1 673	1 767	1 865
Coal Loading Facilities	13	13	13	13	13
Weipa Development	63	66	69	73	77
Julius Dam .. ..	..	..	141	66	73
Dairy Adjustment Program .. ..	..	5	38	46	263
Sugar Industry	2 045	2 147	2 254	2 367	2 486
Rural Reconstruction .. ..	..	..	..	484	622
Brigalow Lands Development Scheme ..	661	661	661	762	938
Natural Disasters	2 020	2 067	2 067	2 067	2 239
Total Repayments of Commonwealth Government Loans	8 524	8 825	9 342	10 408	11 608
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	25 339	26 732	28 439	30 236	32 831
NET ADVANCES(d) (Advances less Repayments)					
<i>Loan Council Borrowings</i>	75 937	60 329	88 358	95 091	99 482
<i>Commonwealth Government Loans</i> ..	15 619	48 873	91 477	94 549	81 208
TOTAL NET ADVANCES	91 556	109 202	179 835	189 640	180 690

TABLE 126—QUEENSLAND—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i> ..	72 930	77 206	84 025	87 147	106 000
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	1 041	1 061	1 206	1 806	2 710
Aboriginal Advancement	16	16	18	17	16
Housing	6 102	6 337	7 360	9 097	10 400
Sewerage .. ..	..	..	155	943	1 869
Community Facilities—Townsville .. ..	..	..	..	19	39
Beef Cattle Roads	279	251	222	193	165
Railway Projects	1 417	1 333	1 245	1 151	1 053
Coal Loading Facilities	5	4	3	3	2
Weipa Development	163	160	156	152	149
Julius Dam .. ..	..	..	107	182	175
Dairy Adjustment Program	117	348	408	405	383
Sugar Industry	976	874	817	654	536
Rural Reconstruction	396	775	1 150	1 315	1 385
Brigalow Lands Development Scheme	664	670	648	610	829
Total Interest on Commonwealth Government Loans	11 176	11 829	13 495	16 547	19 711
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS ..	84 106	89 035	97 520	103 694	125 711

(a), (b), (c), (d) and (e) See corresponding footnotes to Table 123.

TABLE 127—SOUTH AUSTRALIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	100 554	79 587	99 261	112 950	118 637
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	43	..	130	1 725	2 107
Housing(b)	500	32 750	56 360	56 360	56 360
Growth Centres .. ..	..	4 059	4 978	1 399	982
Land Acquisition .. ..	..	8 000	17 620	19 435	10 725
Sewerage .. ..	..	1 598	4 025	3 990	700
Railway Projects	131	60	237	1 488	600
Railways—Intersystem Passenger Vehicles .. ..	..	94	205	..	..
Urban Water Supply .. ..	..	..	4 400	6 252	6 594
Softwood Forestry	400	252	341	566	100
Dairy Adjustment Program .. ..	..	..	400	217	424
Canned Fruit Industry	383	..	..	413	..
Beef Industry Assistance .. ..	..	..	..	289	383
Rural Reconstruction	4 575	3 225	1 500	3 825	3 525
Dartmouth Dam	675	950	2 500	2 800	1 875
Total Commonwealth Government Loans	6 707	50 988	92 696	98 759	84 375
TOTAL ADVANCES	107 261	130 575	191 957	211 709	203 012
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	17 158	18 311	19 477	20 137	19 724
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	12	12	13	13	15
Housing	2 054	2 139	2 398	2 797	3 214
Sewerage .. ..	..	..	..	5	23
Railway Projects	350	352	1 006	..	2
Railways—Intersystem Passenger Vehicles	13	13	16	..	..
Natural Gas	1 875	1 875	1 875	1 875	1 875
Urban Water Supply .. ..	..	..	..	..	32
Dairy Adjustment Program .. ..	..	..	..	87	45
Canned Fruit Industry .. ..	..	349	..	..	103
Rural Reconstruction .. ..	..	..	..	137	360
Natural Disasters	69	69	69	69	69
Total Repayments of Commonwealth Government Loans	4 373	4 809	5 377	4 983	5 738
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	21 531	23 120	24 854	25 120	25 462
NET ADVANCES(d) (Advances less Repayments)					
<i>Loan Council Borrowings</i>	83 396	61 276	79 784	92 813	98 913
<i>Commonwealth Government Loans</i>	2 334	46 179	87 319	93 776	78 637
TOTAL NET ADVANCES	85 730	107 455	167 103	186 589	177 550

TABLE 127—SOUTH AUSTRALIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings (e)</i> ..	74 163	79 372	87 403	85 973	105 000
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	44	46	48	80	265
Housing	11 081	11 751	13 391	15 898	18 100
Growth Centres .. ..	..	1	447	841	n.a.
Land Acquisition .. ..	..	..	975	3 030	4 725
Sewerage .. ..	..	..	75	647	952
Railway Projects	941	925	921	35	186
Railways—Intersystem Passenger Vehicles	23	22	28	..	..
Natural Gas	858	747	636	526	415
Urban Water Supply .. ..	..	..	..	418	1 256
Dairy Adjustment Program .. ..	..	10	2	8	15
Canned Fruit Industry .. ..	..	22	..	..	41
Rural Reconstruction	157	421	565	714	866
Dartmouth Dam .. ..	..	25	88	260	526
Total Interest on Commonwealth Government Loans	13 104	13 970	17 176	22 457	n.a.
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS ..	87 267	93 342	104 579	108 430	n.a.

(a), (b), (c), (d) and (e) See corresponding footnotes to Table 123.

TABLE 128—WESTERN AUSTRALIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	68 503	54 587	68 068	80 197	84 235
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	161	191	784	698	1 230
Housing(b)	400	13 000	37 440	33 440	35 440
Land Acquisition .. ..	..	..	9 833	6 133	4 923
Sewerage .. ..	..	3 800	11 715	8 680	6 300
Railway Projects	735	299	89	..	132
Railways—Intersystem Passenger Vehicles	784	720	459	66	..
Softwood Forestry	1 020	416	685	864	715
Dairy Adjustment Program	139	..	450	1 831	837
Beef Industry Assistance .. ..	..	..	..	479	636
Rural Reconstruction	6 097	3 975	2 723	3 413	2 550
Ord River Project	409	1 405	313	33	50
W.A. Water Supply	158	..	..	..	..
Natural Disasters .. ..	..	..	..	67	5 000
Total Commonwealth Government Loans	9 903	23 806	64 491	55 704	57 813
TOTAL ADVANCES	78 406	78 393	132 559	135 901	142 048
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	13 754	14 565	15 336	14 831	15 818
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	36	38	40	43	47
Housing	1 491	1 546	1 671	1 928	2 187
W.A. Water Supply .. ..	..	..	..	42	150
Sewerage .. ..	..	..	6	14	57
Exmouth Township	14	14	9	19	14
Railway Projects	1 724	1 818	1 903	1 989	2 078
Railways—Intersystem Passenger Vehicles	96	104	121	140	172
Northern Harbours	98	98	98	98	98
Derby Jetty	53	53	53	53	53
Dairy Adjustment Program	7	17	23	53	183
Rural Reconstruction .. ..	..	..	..	297	549
Total Repayments of Commonwealth Government Loans ..	3 519	3 688	3 924	4 676	5 588
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	17 273	18 253	19 260	19 507	21 406
NET ADVANCES(d) (Advances Less Repayments)					
<i>Loan Council Borrowings</i>	54 749	40 022	52 732	65 366	68 417
<i>Commonwealth Government Loans</i>	6 384	20 118	60 567	51 028	52 225
TOTAL NET ADVANCES	61 133	60 140	113 299	116 394	120 642

TABLE 128—WESTERN AUSTRALIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i> ..	53 979	57 531	63 561	68 077	81 000
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	325	334	370	425	492
Housing	6 215	6 449	7 352	8 953	10 300
Land Acquisition .. ..	..	..	3	1 012	1 748
Sewerage .. ..	..	..	796	1 011	2 635
Exmouth Township	23	22	13	26	19
Railway Projects	2 942	2 908	2 820	2 718	2 611
Railways—Intersystem Passenger Vehicles	159	171	209	245	256
Northern Harbours	43	38	33	28	23
Derby Jetty	17	14	12	9	7
Dairy Adjustment Program	24	31	30	29	40
Rural Reconstruction	302	652	871	1 052	1 257
Ord River Project	29	110	172	187	192
W.A. Water Supply	705	707	707	706	701
Total Interest on Commonwealth Government Loans	10 784	11 436	13 388	16 401	20 281
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	64 763	68 967	76 949	84 478	101 281

(a) (b), (c), (d) and (e) See corresponding footnotes to Table 123.

**TABLE 129—TASMANIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES**
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	51 252	43 467	54 952	60 743	63 802
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen .. ..	..	145	149	160	13
Housing(b)	300	16 000	26 220	22 220	24 220
Land Acquisition .. ..	..	..	..	..	263
Sewerage .. ..	..	..	1 743	1 389	350
Railway Projects	680	..	..	..	..
King Island Harbour Works	557	..	..	121	..
King Island Shipping Service .. ..	..	..	1 309	..	..
Softwood Forestry	1 101	672	769	901	982
Dairy Adjustment Program	15	12	216	1 486	2 795
Beef Industry Assistance .. ..	..	..	..	100	133
Rural Reconstruction	1 650	525	600	375	675
Total Commonwealth Government Loans	4 303	17 354	31 006	26 752	29 431
TOTAL ADVANCES	55 555	60 821	85 958	87 495	93 233
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	7 952	8 409	8 967	9 121	8 818
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	2	2	2	2	2
Housing	627	655	771	946	1 109
Sewerage .. ..	..	..	..	1	12
Railway Projects	72	83	83	..	..
King Island Harbour Works .. ..	..	37	37	37	45
King Island Shipping Service .. ..	..	..	44	87	87
Hydro-electricity .. ..	..	2 989	..	2 989	2 989
Rural Reconstruction .. ..	..	..	..	18	111
Dairy Adjustment Program .. ..	..	..	3	20	130
Natural Disasters	323	320	320	320	320
Total Repayments of Commonwealth Government Loans	1 024	4 086	1 260	4 420	4 805
TOTAL SINKING FUND PAYMENTS AND REPAY- MENTS OF LOANS	8 976	12 495	10 227	13 541	13 623
NET ADVANCES(d) (Advances less Repayments)					
<i>Loan Council Borrowings</i>	43 300	35 058	45 985	51 622	54 984
<i>Commonwealth Government Loans</i>	3 279	13 268	29 746	22 332	24 626
TOTAL NET ADVANCES	46 579	48 326	75 731	73 954	79 610

TABLE 129—TASMANIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings (e)</i> ..	39 793	42 522	46 892	46 678	50 000
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	9	9	22	36	53
Housing	3 734	3 915	4 851	5 874	6 800
Land Acquisition .. ..	..	..	..	..	13
Sewerage .. ..	..	..	6	110	257
Railway Projects	113	144	139	..	..
King Island Harbour Works.. ..	..	34	33	31	40
King Island Shipping Service.. ..	..	..	59	118	118
Hydro-electricity	1 492	1 451	1 311	1 264	1 077
Dairy Adjustment Program .. ..	..	5	2	6	8
Rural Reconstruction	15	99	136	169	207
Total Interest on Commonwealth Government Loans	5 363	5 657	6 559	7 608	8 573
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS ..	45 156	48 179	53 451	54 286	58 573

(a), (b), (c), (d) and (e) See corresponding footnotes to Table 123.

TABLE 130—TOTAL COMMONWEALTH GOVERNMENT LOANS
TO THE STATES AND LOAN COUNCIL BORROWINGS—
NET BASIS

(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1972-73	217 408	165 159	91 556	85 730	61 133	46 579	667 563
1973-74	239 050	184 383	109 202	107 455	60 140	48 326	748 555
1974-75	382 317	306 698	179 835	167 103	113 299	75 731	1 224 981
1975-76	450 927	355 240	189 640	186 589	116 394	73 954	1 372 741
1976-77 (estimate)..	n.a.	n.a.	180 690	177 550	120 642	79 610	1 274 605

TABLE 131—TOTAL COMMONWEALTH GOVERNMENT PAYMENTS
TO THE STATES AND LOAN COUNCIL BORROWINGS—
NET BASIS(a)

(\$ thousands)

—	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1972-73	1 093 220	826 100	551 802	406 711	384 509	187 283	3 449 623
1973-74	1 309 412	1 008 715	691 032	503 976	454 336	213 041	4 180 507
1974-75	2 015 781	1 570 172	1 036 528	759 205	660 311	327 638	6 369 636
1975-76	2 703 504	2 098 099	1 322 209	950 746	879 608	402 964	8 357 132
1976-77 (estimate)..	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9 059 807

(a) Comprises amounts of net Commonwealth Government loans to the States, Loan Council borrowings and grants to the States, both for current and capital purposes.

TABLE 132—STATE GOVERNMENT—DEBT OUTSTANDING(a)
(\$ thousands)

As at 30 June	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SECURITIES ON ISSUE ON BEHALF OF STATES(b)							
1972	3 359 428	2 488 348	1 355 720	1 332 003	981 377	709 921	10 226 797
1973	3 528 573	2 632 910	1 427 778	1 409 675	1 029 879	751 990	10 780 804
1974	3 654 352	2 746 611	1 485 983	1 473 280	1 070 881	787 618	11 218 725
1975	3 503 752	2 654 272	1 444 116	1 421 319	1 025 539	764 762	10 813 759
1976	3 721 001	2 834 042	1 538 731	1 389 513	1 090 467	753 797	11 327 551
COMMONWEALTH GOVERNMENT LOANS OUTSTANDING(c)							
1972	734 650	593 711	269 516	298 001	238 472	117 873	2 252 223
1973	762 789	603 647	284 989	300 335	244 786	121 152	2 317 696
1974	865 457	671 890	333 520	346 514	264 793	134 420	2 616 591
1975	1 070 503	829 383	424 439	433 833	325 183	164 166	3 247 501
1976	1 298 280	1 002 404	518 649	527 609	375 815	186 498	3 909 246
TOTAL OF ABOVE							
1972	4 094 078	3 082 059	1 625 236	1 630 004	1 219 849	827 794	12 479 020
1973	4 291 362	3 236 557	1 712 767	1 710 010	1 274 665	873 142	13 098 550
1974	4 519 809	3 418 501	1 819 503	1 819 794	1 335 674	922 038	13 835 316
1975	4 574 255	3 483 655	1 868 555	1 855 152	1 350 722	928 928	14 061 260
1976	5 019 656	3 836 446	2 057 380	1 916 472	1 466 507	940 345	15 236 797

- (a) The figures shown in this table need to be interpreted carefully. Three points particularly need to be borne in mind. First, that considerable portions of the amounts of debt shown would, as a result of State Government loans to semi-government or local authorities or to private businesses, voluntary bodies or individuals, in turn be owed by such bodies or individuals to the States. Secondly, the amounts of debt outstanding would, to some extent, be 'offset' by State Government holdings of securities and other financial assets. Thirdly, the amounts shown do not include the debt of State semi-government or local authorities, or State Government debt taking forms other than securities on issue or loans outstanding to the Commonwealth Government.
- (b) Figures taken directly from the Budget Paper 'Securities on Issue 30 June 1976'. The difference between the value of securities on issue at the end of one year and the value at the end of the previous year is approximately equal to net Loan Council borrowings in that year as shown in Table 123 (that is, borrowings less sinking fund payments) but is not exactly equal to that magnitude for two reasons. First, redemption and repurchase of securities outstanding on behalf of the States from the States' sinking funds in any year do not coincide precisely with the total amounts of sinking fund contributions in that year—that is, the balances of the sinking funds may increase or fall in the year. Secondly, the value of securities on issue overseas is affected by currency revaluations (See 'Securities on Issue 30 June 1976', page 6.) Additionally, in 1974-75 and 1975-76, the figures are affected by the take-over from the States by the Commonwealth of liability in respect of debt totalling \$1,186.5 million under the 1976 amendments to the Financial Agreement and Railways Agreements with South Australia and Tasmania.
- (c) The difference between loans outstanding at the end of one year and those outstanding at the end of the previous year is equal to net Commonwealth Government loans to the States, as shown in Table 123 with one qualification—namely that movements in loans outstanding under Commonwealth-State Housing Agreements are also affected by sales of houses by the States to the Director of War Services Homes (see, for example, the Auditor-General's Report for 1970-71, page 43.)

**APPENDIX V—COMMONWEALTH PAYMENTS TO OR FOR THE STATES AND
STATE GOVERNMENT LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77**

TABLE NO.

133	Six States Combined.
134	New South Wales.
135	Victoria.
136	Queensland.
137	South Australia.
138	Western Australia.
139	Tasmania.

**TABLE 133—SIX STATES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)**

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Entitlement(c)	1 647 293	1 859 905	2 373 811	3 072 780	3 716 200
Special Grants	38 600	38 550	64 684	38 800	27 000
Special Revenue Assistance	15 000	25 000	75 000	..	..
Total	1 700 893	1 923 455	2 513 495	3 111 580	3 743 200
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	733 461	588 693	741 541	860 667	904 000
Capital Grants	248 539	278 307	345 878	430 333	452 000
Total	982 000	867 000	1 087 419	1 291 000	1 356 000

TABLE 133—SIX STATES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	15 170	(e)15 053	(e)15 287	15 170	15 170
Sinking Fund on State Debt	27 979	29 509	30 805	30 200	31 600
Debt Charges Assistance	34 512	46 016	57 520	..	..
S.A. and Tas. Railway Sinking Fund					
Reimbursement .. ..	..	..	..	1 968	..
State Emergency Services .. ..	..	..	325	747	1 070
Assistance for Exmouth Shire .. ..	..	..	..	150	140
Universities	80 826	200 042	377 990	426 389	506 080
Colleges of Advanced Education	26 655	124 808	239 249	286 766	359 248
Technical and Further Education .. ..	..	10 268	24 622	40 127	42 343
Schools	40 979	85 661	234 579	331 884	394 393
Education—Allowance for Cost Escalation	..	..	..	..	45 000
Pre-school and Child Care .. ..	..	4 096	20 377	36 973	44 000
Child Migrant Education	3 956	6 014	9 845	7 370	147
Educational Research	275	406	786	1 062	1 076
Medibank—Public Hospital Running Costs	..	..	..	869 679	730 000
Community Health .. ..	..	5 270	16 190	35 618	49 140
Tuberculosis Control	10 805	11 247	13 570	11 335	5 864
School Dental Scheme .. ..	..	3 761	6 221	10 561	13 032
Health Education	469	742	834	695	675
Blood Transfusion Services	1 170	1 870	2 428	3 905	4 730
Health Planning Agencies .. ..	..	376	435	500	560
Home Dialysis Scheme .. ..	..	..	310	327	1 918
Control of Arboencephalitis .. ..	..	..	151	58	70
Home Care Services	916	1 218	3 100	5 668	7 000
Senior Citizens Centres	34	74	319	648	700
Paramedical Services	77	164	362	410	573
Assistance for Deserted Wives	9 748	7 654	6 932	9 721	10 700
Employment Grants	103 821	12 000	40 003	30 000	..
Regional Employment Development Scheme	..	..	8 463	15 047	4
Social Policy Planning Units .. ..	..	120	190	191	..
Aboriginal Advancement	6 649	6 670	13 142	16 949	18 504
Housing	6 892	6 874	6 989	6 976	6 395
Area Improvement .. ..	..	439	1 132	1 436	..
Sewerage .. ..	..	..	851	1 196	1 700
Leisure and Recreation .. ..	..	218	70	837	600
Perth Underground Railway Study .. ..	..	188	89	..	..
Tasman Bridge Disaster .. ..	..	..	456	1 400	750
Fisheries Development .. ..	..	168	..	..	..
Cattle Tick Control	484	..	..	..	..
Apple Export Assistance .. ..	..	..	2 114	910	500
Bovine Brucellosis and T.B. Eradication	4 000	5 134	6 823	8 496	17 197
Exotic Diseases Eradication .. ..	..	..	..	..	120
Agricultural Extension Services	6 300	6 802	7 723	8 625	9 676
Minor Agricultural Research	151	151	134	181	180
Trawl and Danish Seine Fishery .. ..	..	..	35	9	35
Apple, Pear and Canning Fruit Industries	..	327	..	..	..
Adjustment Assistance to Canneries .. ..	..	1 500	..	..	..
Locust Control .. ..	..	..	396	398	..
West Indian Dry Wood Termite .. ..	..	..	..	9	..
Water Hyacinth Control .. ..	..	..	..	..	35
Assistance for A.P.P.M. Ltd. .. ..	..	..	..	650	..
Coal Mining Industry—Long Service Leave	2 012	2 347	3 073	3 407	3 970
Apprenticeship Training	129	351	799	2 773	4 560
Burdekin River Regional Study .. ..	..	153	34	..	..
Pilbara Feasibility Study .. ..	..	125	31	..	..
Legal Aid .. ..	..	2 000	1 481	1 000	1 000
Family Courts .. ..	..	..	..	760	960
Road Safety Practices	150	150	150	150	150
Research Grants	5 767	5 901	7 324	6 000	11 214
Assistance for Local Government .. ..	..	..	56 345	79 908	140 000
Regional Organisations Assistance .. ..	..	..	312	138	..
Natural Disaster Relief	72	4 031	1 090	807	1 190
Total Specific Purpose					
Payments—Recurrent	389 998	609 898	1 221 486	2 316 184	2 483 969

TABLE 133—SIX STATES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	6 163	7 766	26 805	34 170	36 200
Universities	26 464	48 966	65 990	48 827	34 262
Colleges of Advanced Education	31 390	40 112	109 916	86 753	81 735
Technical and Further Education	12 976	18 381	20 375	24 600	35 661
Schools	33 019	75 976	199 368	143 631	154 854
Education—Allowance for Cost Escalation .. .. .	..	..	..	..	15 000
Pre-schools and Child Care .. .. .	..	2 416	17 123	11 797	10 300
Child Migrant Education .. .. .	..	995	1 478	1 670	43
Mental Health Institutions	3 430	2 249	..	..	..
Hospitals .. .. .	..	2 365	30 306	107 150	108 000
Nursing Homes	1 019	658	368	925	652
Community Health .. .. .	..	10 541	13 692	13 767	15 760
Tuberculosis Control	388	441	131	241	157
School Dental Scheme .. .. .	..	3 776	12 372	13 455	12 056
Blood Transfusion Services .. .. .	..	..	..	160	288
Disposal of Ships Garbage	782	31	85	76	8
Senior Citizens Centres	736	651	1 197	3 561	4 000
Dwellings for Pensioners	6 470	5 002	6 048	13 117	10 835
Rehabilitation Centre—Hobart .. .. .	..	..	..	214	600
Aboriginal Advancement	15 351	25 580	23 907	22 055	10 893
Housing	6 550	218 650	385 400	364 600	375 000
Growth Centres .. .. .	..	6 579	61 246	69 535	32 897
Area Improvement .. .. .	..	6,961	12,644	13 560	606
Urban Flood Mitigation .. .. .	..	..	..	2 160	1 940
Land Acquisition .. .. .	..	11 531	41 095	54 432	25 503
Woolloomooloo Redevelopment .. .. .	..	..	..	5 813	10 328
Air Quality Monitoring .. .. .	..	..	..	191	..
Captains Flat Project .. .. .	..	..	..	890	1 200
Sewerage .. .. .	..	27 905	116 862	112 051	48 300
Community Facilities—Townsville	60	301	67	..	..
Exmouth Township	28	..	..	..	..
Leisure and Cultural Facilities .. .. .	..	1274	5 580	5 881	9 480
Nature Conservation .. .. .	..	..	..	1 268	3 310
National Estate .. .. .	..	288	7 043	3 887	1 350
Roads	279 000	316 800	368 037	442 076	441 500
Roads—Safety Improvements .. .. .	..	3 000	..	..	..
Beef Cattle Roads	7 750	5 168	279	..	..
Eyre and Barkly Highway Maintenance	64	64	..	..	..
Eyre Highway—Sealing	625	625	..	..	..
Second Hobart Bridge .. .. .	..	..	..	63	650
Railway Projects	2 962	827	1 060	4 960	2 225
Railways—Intersystem Passenger Vehicles	784	1 081	1 244	78	..
Urban Public Transport .. .. .	..	..	45 259	34 096	64 600
King Island Harbour Works	1 113	..	..	242	..
W.A.—Darwin Shipping Service	2 500	1 000	..	..	..
King Island Shipping Service .. .. .	..	..	1 309	..	..
Newcastle Dry Dock .. .. .	..	..	2 018	1 164	350
Tasman Bridge Disaster .. .. .	..	..	5 544	16 300	13 750
Julius Dam .. .. .	..	..	2 000	..	..
Ross River Dam	1 500	..	..	1 402	1 158
Urban Water Supply .. .. .	..	..	4 400	8 931	9 420
Gladstone Power Station	14 000	26 607	32 449	39 000	26 500

TABLE 133—SIX STATES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
Softwood Forestry	9 459	4 875	7 124	7 937	7 454
Dairy Adjustment Program	2 897	1 145	8 936	18 716	13 500
Fruitgrowing Industry	375	1 655	1 077	392	1 500
Canned Fruit Industry	1 902	..	..	2 457	..
Beef Industry Assistance .. .. .	..	..	..	11 298	15 000
Rural Reconstruction	50 800	35 767	28 781	30 000	27 000
Copeton Dam	4 000	2 000	132	..	..
Cressy-Longford Irrigation Works	101	..	..	..	..
King River Dam	36	15	20	..	..
Bundaberg Irrigation Works	4 425	3 114	2 000	2 500	11
Lock-Kimba Pipeline	420	540	835	305	..
Tailem Bend Pipeline	756	14	12	4	400
Millewa Pipeline	600	800	600	..	..
Fairbairn Dam	1 988	622	315	..	..
Blowering Reservoir .. .. .	..	..	-198	..	..
Glenlyon Dam .. .. .	..	..	879	..	..
Lower Dawson River Weirs .. .. .	..	95	455	..	..
Eton (Mackay) Irrigation .. .. .	..	387	1 799	1 999	814
Clare Weir .. .. .	..	..	100	349	2 551
Ord River Project	748	1 443	348	111	50
Dartmouth Dam	2 025	2 850	7 500	8 400	5 625
W.A. Water Supply	158	..	..	..	..
Namoi River Weirs .. .. .	..	..	..	..	1 000
Water Resources Assessment	3 736	4 455	5 410	5 911	6 658
Salinity Reduction	33	7	11	..	..
Flood Mitigation	1 212	1 484	2 437	1 966	148
Soil Conservation .. .. .	..	..	154	1 231	490
Brigalow Lands Development Scheme	698	139	651	2 200	750
Tourism Development	50	98	1 081	1 829	833
Migrant Centres	24	24	180	..	..
Natural Disaster Relief	-77	24 147	52 109	30 248	24 010
Total Specific Purpose Payments— Capital	541 490	960 243	1 745 445	1 836 602	1 709 165

TOTAL PAYMENTS(f)

	2 880 920	3 771 903	5 826 304	7 694 699	8 388 334
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TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS

General Purpose(g)	2 682 893	2 790 455	3 600 914	4 402 580	5 099 200
Specific Purpose	931 488	1 570 141	2 966 931	4 152 786	4 193 134
Total	3 614 381	4 360 596	6 567 845	8 555 366	9 292 334

(a) That is, Commonwealth payments to State Governments and the State Governments' Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapter V.

(b) Important qualifications attach to the 1976-77 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; the States' personal income tax sharing entitlements in 1976-77.

(d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Documents'.

(e) A short payment was made to South Australia in 1973-74 which was adjusted for in 1974-75.

(f) Comprising general revenue funds, specific purpose payments and the general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (d).

(g) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

TABLE 134—NEW SOUTH WALES—COMMONWEALTH PAYMENTS
AND LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Entitlement(c)	521 963	585 507	737 522	946 660	1 145 500
Special Revenue Assistance	15 000	7 926	18 641	..	..
Total	536 963	593 433	756 163	946 660	1 145 500
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	233 285	183 078	226 996	274 114	287 915
Capital Grants.. .. .	79 051	86 551	107 313	137 057	143 958
Total	312 336	269 629	334 309	411 171	431 873

TABLE 134—NEW SOUTH WALES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—*continued*

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreements—					
Interest on State Debt	5 835	5 835	5 835	5 835	5 835
Sinking Fund on State Debt	9 197	9 675	10 079	9 900	10 500
Debt Charges Assistance	11 399	15 199	18 999		
State Emergency Services			188	298	354
Universities	32 155	79 572	149 997	168 831	196 639
Colleges of Advanced Education	5 525	28 935	62 122	69 089	86 805
Technical and Further Education		5 801	10 333	17 652	15 593
Schools	15 046	28 147	84 749	125 395	143 487
Education—Allowance for Cost Escalation					n.a.
Pre-schools and Child Care		1 281	5 417	9 030	n.a.
Child Migrant Education	1 521	2 238	3 890	2 720	90
Educational Research	91	97	151	253	314
Medibank—Public Hospital Running Costs				317 177	278 000
Community Health		1 808	9 371	19 284	26 460
Tuberculosis Control	3 609	3 347	3 923	3 030	1 362
School Dental Scheme		658	979	1 845	2 117
Health Education	163	227	284	222	208
Blood Transfusion Services	267	588	590	1 357	1 659
Health Planning Agencies		180	116	200	230
Home Dialysis Scheme			75	187	804
Control of Arboencephalitis			16	3	10
Home Care Services	212	296	611	717	1 200
Senior Citizens Centres	1	4	226	369	327
Assistance for Deserted Wives	2 290	1 769	1 879	2 344	2 600
Employment Grants	37 220	4 530	15 100	11 700	
Regional Employment Development Scheme				207	
Social Policy Planning Units		20	20	45	
Aboriginal Advancement	1 929	1 678	2 316	2 860	2 778
Housing	2 292	2 292	2 292	2 292	1 848
Area Improvement		347	389	537	
Sewerage			113	487	290
Leisure and Recreation		20	9	127	118
Cattle Tick Control	484				
Bovine Brucellosis and T.B. Eradication	1 250	1 952	2 012	2 186	4 906
Apple Export Assistance					2
Agricultural Extension Services	1 680	1 797	2 145	2 359	2 579
Minor Agricultural Research	82	99	82	81	69
Trawl and Danish Seine Fishery			35	9	35
Apple, Pear and Canning Fruit Industries		5			
Adjustment Assistance to Canneries		136			
Locust Control				377	
Water Hyacinth Control					35
Coal Mining Industry—Long Service Leave	1 604	1 782	2 478	2 779	3 250
Apprenticeship Training		108	161	757	1 570
Legal Aid		732	404	331	331
Road Safety Practices	37	37	37	37	37
Research Grants	2 112	2 092	2 584	2 340	4 374
Assistance for Local Government			21 359	29 257	51 289
Regional Organisations Assistance			100	44	
Natural Disaster Relief		19	622	637	115
Total Specific Purpose Payments— Recurrent	136 001	203 303	422 088	815 187	n.a.

TABLE 134—NEW SOUTH WALES—COMMONWEALTH PAYMENTS
AND LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	3 539	4 539	16 350	18 005	15 280
Universities	10 522	16 889	22 526	21 754	11 060
Colleges of Advanced Education	9 691	7 644	41 197	23 716	25 089
Technical and Further Education	5 040	6 873	5 859	8 919	12 767
Schools	10 637	30 208	71 707	45 886	53 525
Education—Allowance for Cost Escalation .. ..	..	..	..	..	n.a.
Pre-Schools and Child Care .. ..	..	160	4 819	3 165	n.a.
Child Migrant Education .. ..	..	90	475	405	7
Mental Health Institutions	873	1 203	..	..	..
Hospitals .. ..	..	689	8 830	37 700	36 000
Nursing Homes .. ..	..	..	108	..	..
Community Health .. ..	..	3 616	4 916	5 146	2 940
Tuberculosis Control	50	22	34	2	17
School Dental Scheme .. ..	..	685	3 214	2 115	3 878
Blood Transfusion Services .. ..	..	..	..	34	134
Senior Citizens Centres	102	242	349	964	1 100
Dwellings for Pensioners	2 705	2 546	3 000	6 858	2 352
Aboriginal Advancement	2 821	3 725	5 474	5 321	3 330
Housing	3 500	86 000	123 411	123 411	123 411
Growth Centres .. ..	..	630	30 208	44 510	(g) 7 758
Area Improvement .. ..	..	4 653	5 111	5 574	120
Land Acquisition .. ..	..	..	820	11 754	4 361
Woolloomooloo Redevelopment .. ..	..	..	..	5 813	10 328
Air Quality Monitoring .. ..	..	..	..	33	..
Captains Flat Project .. ..	..	..	..	890	1 200
Sewerage .. ..	..	11 200	42 000	42 800	19 700
Leisure and Cultural Facilities .. ..	..	..	1 217	1 762	2 680
Nature Conservation .. ..	..	..	..	445	600
National Estate .. ..	..	..	1 612	946	..
Roads	85 590	98 270	115 792	136 232	140 300
Roads—Safety Improvements .. ..	..	1 080	..	..	..
Railways—Intersystem Passenger Vehicles .. ..	..	267	580	12	..
Urban Public Transport .. ..	..	..	14 863	5 694	29 432
Newcastle Dry Dock .. ..	..	..	2 018	1 164	350
Softwood Forestry	3 237	2 000	2 100	2 456	2 350
Dairy Adjustment Program	500	250	1 000	664	1 098
Fruit Growing Industry	140	500	..	..	120
Canned Fruit Industry	670	..	..	338	..
Beef Industry Assistance .. ..	..	..	..	2 892	3 840
Rural Reconstruction	13 500	10 500	12 000	7 250	10 200
Copeton Dam	4 000	2 000	132	..	..
Blowering Reservoir .. ..	..	..	—198	..	..
Glenlyon Dam .. ..	..	..	439	..	..
Dartmouth Dam	675	950	2 500	2 800	1 875
Namoi River Weirs .. ..	..	..	..	..	1 000
Water Resources Assessment	1 779	1 182	1 467	1 499	1 630
Flood Mitigation	1 212	1 484	2 317	1 966	..
Tourism Development .. ..	..	..	228	543	74
Migrant Centres	10	2	..	..	..
Natural Disaster Relief .. ..	..	281	15 822	13 268	8 385
Total Specific Purpose Payments— Capital	160 793	300 380	564 297	594 706	n.a.

TABLE 134—NEW SOUTH WALES—COMMONWEALTH PAYMENTS
AND LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.) (b)
TOTAL PAYMENTS(e)					
	912 808	1 183 667	1 849 861	2 493 610	n.a.
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	849 299	863 062	1 090 472	1 357 831	1 577 373
Specific Purpose	296 794	503 683	986 385	1 409 893	n.a.
Total	1 146 093	1 366 745	2 076 857	2 767 724	n.a.

(a) That is, Commonwealth payments to State Governments and the State Governments' Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapter V.

(b) Important qualifications attach to the 1976-77 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; the States' personal income tax sharing entitlements in 1976-77.

(d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Documents'.

(e) Comprising general revenue funds, specific purpose payments and the general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

(g) See footnote (b) to Table 41.

TABLE 135—VICTORIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal .					
Income Tax Entitlement(c)	396 087	437 604	548 405	706 389	852 500
Special Revenue Assistance .. ..	..	6 020	13 861	..	..
Total	396 087	443 624	562 266	706 389	852 500
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	187 115	149 738	184 809	217 744	228 706
Capital Grants.. .. .	63 405	70 789	87 370	108 871	114 354
Total	250 520	220 527	272 179	326 615	343 060

TABLE 135—VICTORIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.) (b)
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	4 254	4 254	4 254	4 254	4 254
Sinking Fund on State Debt	6 809	7 195	7 525	7 500	8 000
Debt Charges Assistance	8 348	11 131	13 914	..	..
State Emergency Services .. ..	..	..	..	119	274
Universities	21 896	53 468	99 798	110 717	132 538
Colleges of Advanced Education	10 443	46 711	86 119	111 307	136 310
Technical and Further Education .. ..	..	1 772	6 794	9 653	12 830
Schools	13 337	29 125	72 113	100 354	121 896
Education—Allowance for Cost Escalation .. ..	..	..	..	..	n.a.
Pre-schools and Child Care .. ..	..	1 226	6 660	11 452	n.a.
Child Migrant Education	1 819	2 732	4 482	3 559	44
Educational Research	87	142	227	431	359
Medibank—Public Hospital Running Costs .. ..	..	..	..	229 570	180 000
Community Health .. ..	..	1 462	2 883	7 712	9 380
Tuberculosis Control	3 322	3 628	4 128	4 604	2 111
School Dental Scheme .. ..	..	550	916	1 351	2 285
Health Education	100	125	174	160	148
Blood Transfusion Services	367	506	642	1 009	1 176
Health Planning Agencies .. ..	..	..	52	20	24
Home Dialysis Scheme .. ..	..	..	140	29	784
Control of Arboencephalitis .. ..	..	..	120	55	55
Home Care Services	390	370	441	2 178	1 700
Senior Citizens Centres	16	36	51	222	258
Paramedical Services	61	131	242	233	270
Assistance for Deserted Wives	2 861	1 574	1 256	2 016	2 400
Employment Grants	25 670	2 647	11 200	8 200	..
Regional Employment Development Scheme .. ..	..	..	4 292	5 404	2
Social Policy Planning Units .. ..	..	20	20	22	..
Aboriginal Advancement	331	358	494	875	1 236
Housing	1 679	1 679	1 679	1 679	1 347
Area Improvement .. ..	..	92	268	557	..
Sewerage .. ..	..	..	243	164	420
Leisure and Recreation .. ..	..	20	29	219	118
Fisheries Development .. ..	..	88	..	..	..
Apple Export Assistance .. ..	..	..	..	65	35
Bovine Brucellosis and T.B. Eradication	1 150	1 681	2 064	2 459	5 113
Exotic Diseases Eradication .. ..	..	..	..	..	120
Agricultural Extension Services	1 490	1 601	1 877	2 022	2 291
Minor Agricultural Research	19	23	22	63	68
Apple, Pear and Canning Fruit Industries .. ..	..	50	..	..	..
Adjustment Assistance to Canneries .. ..	..	1 117	..	..	..
Locust Control .. ..	..	..	44	..	..
Apprenticeship Training	72	92	227	852	1 297
Legal Aid .. ..	..	557	408	276	276
Road Safety Practices	30	30	30	30	30
Research Grants	1 620	1 540	1 821	1 553	2 903
Assistance for Local Government .. ..	..	..	14 630	20 242	35 398
Regional Organisations Assistance .. ..	..	..	76	29	..
Natural Disaster Relief	40	22	355	35	..
Total Specific Purpose Payments— Recurrent	106 211	177 755	352 710	653 251	n.a.

TABLE 135—VICTORIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	2 019	2 691	4 193	6 082	4 270
Universities	7 327	14 128	17 330	9 516	4 980
Colleges of Advanced Education	9 275	13 680	32 452	34 313	31 341
Technical and Further Education	3 350	5 500	6 585	7 376	8 820
Schools	9 486	18 011	58 652	49 285	45 139
Education—Allowance for Cost Escalation .. .. .	..	..	..	..	n.a.
Pre-schools and Child Care .. .. .	..	288	2 637	1 345	n.a.
Child Migrant Education .. .. .	..	550	709	943	5
Mental Health Institutions	831	237	..	..	..
Hospitals .. .. .	..	150	7 330	27 280	27 000
Nursing Homes	149	512	112	..	..
Community Health .. .. .	..	2 924	2 093	3 151	5 820
Tuberculosis Control	16	..	10	2	140
School Dental Scheme .. .. .	..	794	3 181	2 044	986
Blood Transfusion Services .. .. .	..	..	..	75	68
Disposal of Ships Garbage	765	6	15	29	..
Senior Citizens Centres	223	163	150	1 292	1 400
Dwellings for Pensioners	1 478	650	1 343	2 827	3 419
Aboriginal Advancement	439	590	1 636	482	165
Housing	1 500	53 500	98 159	98 159	98 159
Growth Centres .. .. .	..	1 500	24 819	22 541	n.a.
Area Improvement .. .. .	..	2 308	4 340	4 339	18
Urban Flood Mitigation .. .. .	..	..	..	100	100
Land Acquisition .. .. .	..	3 531	9 003	15 654	5 230
Air Quality Monitoring .. .. .	..	..	..	33	..
Sewerage .. .. .	..	9 300	38 587	35 400	17 100
Leisure and Cultural Facilities .. .. .	..	478	810	1 560	1 730
Nature Conservation .. .. .	..	..	..	35	1 250
National Estate .. .. .	..	150	1 471	550	687
Roads	57 240	65 720	75 951	91 989	93 200
Roads—Safety Improvements .. .. .	..	840	..	..	..
Urban Public Transport .. .. .	..	..	18 867	9 529	16 056
Softwood Forestry	1 542	..	889	900	1 782
Dairy Adjustment Program	90	145	5 543	10 065	6 346
Fruitgrowing Industry	100	430	71	102	800
Canned Fruit Industry	849	..	..	1 706	..
Beef Industry Assistance .. .. .	..	..	..	1 164	1 545
Rural Reconstruction	13 570	7 600	6 634	6 700	3 900
King River Dam	36	15	20	..	..
Millewa Pipeline	600	800	600	..	..
Dartmouth Dam	675	950	2 500	2 800	1 875
Water Resources Assessment	453	762	850	891	1 136
Salinity Reduction	33	7	11	..	..
Soil Conservation .. .. .	..	..	129	467	64
Tourism Development .. .. .	..	50	236	511	59
Migrant Centres .. .. .	..	4	..	..	..
Natural Disaster Relief .. .. .	..	..	9 452	6 215	..
Total Specific Purpose Payments— Capital	112 046	208 964	437 370	457 452	n.a.

TABLE 135—VICTORIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
TOTAL PAYMENTS(e)					
	677 749	901 132	1 439 716	1 925 963	n.a.
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	646 607	664 151	834 445	1 033 004	1 195 560
Specific Purpose	218 257	386 719	790 080	1 110 703	n.a.
Total	864 864	1 050 870	1 624 525	2 143 707	n.a.

(a) That is, Commonwealth payments to State Governments and the State Governments' Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapter V.

(b) Important qualifications attach to the 1976-77 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; the States' personal income tax sharing entitlements in 1976-77.

(d) See Chapter III, under the heading, 'Treatment of Loan Council Programs in This and Other Budget Documents'.

(e) Comprising general revenue funds, specific purpose payments and the general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

**TABLE 136—QUEENSLAND—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)**
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Entitlement(c)	271 946	318 245	414 446	536 792	646 500
Special Grants	10 000	10 000	24 750	36 300	27 000
Special Revenue Assistance .. .. .	..	4 228	10 475	..	..
Total	281 946	332 473	449 671	573 092	673 500
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	92 752	78 236	107 455	114 919	120 705
Capital Grants	31 429	36 987	46 112	57 459	60 352
Total	124 181	115 223	153 567	172 378	181 057
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	2 192	2 192	2 192	2 192	2 192
Sinking Fund on State Debt	3 636	3 844	4 012	3 900	4 200
Debt Charges Assistance	4 576	6 102	7 627	..	..
State Emergency Services .. .. .	..	..	114	269	273
Universities	10 664	26 169	49 876	57 185	69 626
Colleges of Advanced Education	2 906	14 438	27 230	33 999	46 644
Technical and Further Education .. .. .	..	715	2 262	4 643	4 523
Schools	6 250	13 578	35 604	46 162	54 801
Education—Allowance for Cost Escalation .. .. .	..	..	..	..	n.a.
Pre-schools and Child Care .. .. .	..	436	1 734	5 356	n.a.
Child Migrant Education	98	165	255	195	2
Educational Research	60	109	296	190	192
Medibank—Public Hospital Running Costs .. .. .	..	..	..	102 820	97 000
Community Health .. .. .	..	734	1 891	3 643	4 300
Tuberculosis Control	1 932	2 247	2 979	1 822	1 161
School Dental Scheme .. .. .	..	278	629	998	2 159
Health Education	75	155	118	132	128
Blood Transfusion Services	212	304	416	547	734
Health Planning Agencies .. .. .	..	65	53	70	84
Home Dialysis Scheme .. .. .	..	..	30	48	156
Home Care Services	248	312	1 245	1 693	1 900
Senior Citizens Centres	3	18	11	..	28
Assistance for Deserted Wives	1 736	1 346	1 179	1 935	2 300
Employment Grants	16 400	2 353	5 600	5 000	..
Regional Employment Development Scheme .. .. .	..	..	1 916	2 781	..
Social Policy Planning Units .. .. .	..	20	20	..	..
Aboriginal Advancement	2 269	975	1 701	2 952	3 533
Housing	669	651	766	753	1 318
Area Improvement .. .. .	..	..	159	177	..
Sewerage .. .. .	..	..	60	251	320
Leisure and Recreation .. .. .	..	20	6	118	94
Apples Export Assistance .. .. .	..	..	8	14	5
Bovine Brucellosis and T.B. Eradication	885	470	1 661	2 190	3 768
Agricultural Extension Services	1 380	1 525	1 583	1 826	2 097
Minor Agricultural Research	37	12	14	17	17
Locust Control .. .. .	..	..	349	21	..
West Indian Dry Wood Termite .. .. .	..	..	..	9	..
Coal Mining Industry—Long Service Leave	316	410	429	454	525
Apprenticeship Training	25	52	212	471	580
Burdekin River Regional Study .. .. .	..	153	34	..	..
Legal Aid .. .. .	..	296	161	131	131
Road Safety Practices	28	28	28	28	28
Research Grants	641	700	853	706	1 319
Assistance for Local Government .. .. .	..	..	8 954	13 808	24 222
Natural Disaster Relief	32	3 990	113	52	75
Total Specific Purpose Payments— Recurrent	57 270	84 862	164 380	299 558	n a.

TABLE 136—QUEENSLAND—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	400	200	5 200	7 500	13 300
Universities	2 545	5 624	9 821	6 453	6 115
Colleges of Advanced Education	3 806	5 078	13 438	9 181	10 814
Technical and Further Education	1 910	1 945	4 073	3 334	4 071
Schools	4 366	8 990	27 970	22 363	24 079
Education—Allowance for Cost Escalation .. .. .	..	..	..	..	n.a.
Pre-schools and Child Care .. .. .	..	1 003	3 806	2 584	n.a.
Child Migrant Education .. .. .	..	50	106	11	..
Mental Health Institutions	967	247	..	..	..
Hospitals .. .. .	..	250	5 084	15 280	17 000
Nursing Homes	240	145	148	925	652
Community Health .. .. .	..	1 468	1 282	1 778	3 100
Tuberculosis Control	27	22	56	203	..
School Dental Scheme .. .. .	..	192	2 352	5 299	2 429
Blood Transfusion Services .. .. .	..	..	..	29	36
Disposal of Ships Garbage .. .. .	..	..	18	..	..
Senior Citizens Centres	184	55	153	392	700
Dwellings for Pensioners	1 250	1 331	1 314	1 133	2 023
Aboriginal Advancement	5 431	8 982	8 661	7 205	3 455
Housing	350	17 400	43 810	31 010	37 410
Area Improvement .. .. .	..	..	2 341	2 315	468
Urban Flood Mitigation .. .. .	..	..	..	2 060	1 840
Air Quality Monitoring .. .. .	..	..	..	33	..
Sewerage .. .. .	..	2 007	12 854	13 767	1 000
Community Facilities—					
Townsville	60	301	67	..	..
Leisure and Cultural Facilities .. .. .	..	238	766	1 060	870
Nature Conservation .. .. .	..	..	..	88	400
National Estate .. .. .	..	33	791	567	183
Roads	52 110	59 830	75 372	90 049	91 900
Roads—Safety Improvements .. .. .	..	435	..	..	..
Beef Cattle Roads	5 500	4 187	279	..	..
Barkly Highway Maintenance	14	14	..	..	..
Urban Public Transport .. .. .	..	..	2 126	8 986	11 040
Julius Dam .. .. .	..	..	2 000	..	..
Ross River Dam	1 500	..	..	1 402	1 158
Gladstone Power Station	14 000	26 607	32 449	39 000	26 500
Softwood Forestry	2 160	1 535	2 340	2 250	1 525
Dairy Adjustment Program	2 000	656	1 008	3 702	1 368
Fruit Growing Industry	10	..	119	41	60
Beef Industry Assistance .. .. .	..	..	..	6 374	8 463
Rural Reconstruction	7 300	7 367	3 716	5 900	3 900
Bundaberg Irrigation Works	4 425	3 114	2 000	2 500	11
Fairbairn Dam	1 988	622	315	..	..
Glenlyon Dam .. .. .	..	..	439	..	..
Lower Dawson River Weirs .. .. .	..	95	455	..	..
Eton (Mackay) Irrigation System .. .. .	..	387	1 799	1 999	814
Clare Weir .. .. .	..	..	100	349	2 551
Water Resources Assessment	563	770	878	932	952
Flood Mitigation .. .. .	..	..	120	..	148
Soil Conservation .. .. .	..	..	..	623	237
Brigalow Lands Development	698	139	651	2 200	750
Tourism Development .. .. .	..	..	188	140	147
Migrant Centres	14	18	163	..	..
Natural Disaster Relief	—74	23 869	26 721	6 400	10 625
Total Specific Purpose Payments— Capital	113 744	185 206	297 349	307 417	n.a.

TABLE 136—QUEENSLAND—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued
(\$ thousands)

—				1972-73	1973-74	1974-75	1975-76	1976-77 (Est.) (b)
TOTAL PAYMENTS(e)								
				484 389	639 528	957 512	1 237 526	n.a.
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS								
General Purpose(f)	..	..	..	406 127	447 696	603 238	745 470	854 557
Specific Purpose	..	..	..	171 014	270 068	461 729	606 975	n.a.
Total	..	..	..	577 141	717 764	1 064 967	1 352 445	n.a.

(a) That is, Commonwealth payments to State Governments and the State Governments' Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapter V.

(b) Important qualifications attach to the 1976-77 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; the States' personal income tax sharing entitlements in 1976-77.

(d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Documents'.

(e) Comprising general revenue funds, specific purpose payments and the general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

TABLE 137—SOUTH AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Entitlement(c)	181 430	204 918	261 737	363 091	438 300
Special Grants	21 000	19 900	39 934	2 500	..
Special Revenue Assistance .. .. .	..	2 764	16 616	..	..
Total	202 430	227 582	318 287	365 591	438 300
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	100 554	79 587	99 261	112 950	118 637
Capital Grants	34 074	37 625	46 927	56 475	59 318
Total	134 628	117 212	146 188	169 425	177 955
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	1 408	(e)1 290	(e)1 525	1 408	1 408
Sinking Fund on State Debt	3 689	3 896	4 072	4 000	3 900
Debt Charges Assistance	4 487	5 982	7 478	..	..
S.A. Railway Sinking Fund Reimbursement .. .. .	..	..	..	1 488	..
State Emergency Services .. .. .	..	..	..	8	27
Universities	7 898	19 808	38 067	43 107	50 665
Colleges of Advanced Education	2 638	13 518	24 531	28 838	36 859
Technical and Further Education .. .. .	..	889	2 639	3 770	4 663
Schools	2 529	6 464	19 017	27 452	32 722
Education—Allowance for Cost Escalation .. .. .	..	..	..	..	n.a.
Pre-schools and Child Care .. .. .	..	690	3 233	5 025	n.a.
Child Migrant Education	326	587	810	514	7
Educational Research	13	18	58	116	135
Medibank—Public Hospital Running Costs .. .. .	..	..	..	92 367	69 000
Community Health .. .. .	..	597	820	1 976	4 200
Tuberculosis Control	811	988	1 114	685	344
School Dental Scheme .. .. .	..	1 066	1 700	2 549	2 268
Health Education	52	76	88	69	65
Blood Transfusion Services	160	252	365	567	662
Health Planning Agencies .. .. .	..	50	87	75	62
Home Dialysis Scheme .. .. .	..	..	30	40	85
Control of Arboencephalitis .. .. .	..	..	15	..	5
Home Care Services	41	169	563	653	1 800
Senior Citizens Centres	9	2	16	30	38
Paramedical Services	14	30	112	167	290
Assistance for Deserted Wives	776	1 534	1 045	1 509	1 700
Employment Grants	9 660	941	3 600	2 400	..
Regional Employment Development Scheme .. .. .	..	..	1 113	3 294	1
Social Policy Planning Units .. .. .	..	20	59	56	..
Aboriginal Advancement	694	1 003	1 501	2 167	2 722
Housing	1 093	1 093	1 093	1 093	941
Area Improvement .. .. .	..	..	44	51	..
Sewerage .. .. .	..	..	256	136	220
Leisure and Recreation .. .. .	..	105	8	98	94
Fisheries Development .. .. .	..	40	..	..	..
Apple Export Assistance .. .. .	..	..	..	..	4
Bovine Brucellosis and T.B. Eradication	235	551	350	637	1 931
Agricultural Extension Services	690	760	856	944	1 068
Minor Agricultural Research	13	17	16	20	26
Apple, Pear and Canning Fruit Industries .. .. .	..	15	..	..	..
Adjustment Assistance to Canneries .. .. .	..	247	..	..	..
Locust Control .. .. .	..	..	4	..	..
Apprenticeship Training	19	44	93	159	431
Legal Aid .. .. .	..	187	273	89	89
Road Safety Practices	19	19	19	19	19
Research Grants	851	955	1 369	950	1 776
Assistance for Local Government .. .. .	..	..	4 774	6 785	11 925
Regional Organisations Assistance .. .. .	..	..	66	24	..
Total Specific Purpose Payments—					
Recurrent	38 125	63 903	122 879	235 335	n.a.

TABLE 137—SOUTH AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—*continued*
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	43	..	130	1 725	2 107
Universities	2 697	7 050	7 320	3 421	4 855
Colleges of Advanced Education	3 639	6 196	12 579	6 886	7 354
Technical and Further Education	1 130	2 063	2 800	1 208	3 723
Schools	3 805	9 430	19 159	11 056	14 323
Education—Allowance for Cost Escalation .. ..	..	..	..	..	n.a.
Pre-schools and Child Care .. ..	..	514	2 773	1 498	n.a.
Child Migrant Education .. ..	..	165	92	275	31
Mental Health Institutions	453	344	..	..	..
Hospitals .. ..	..	441	3 236	12 900	13 000
Nursing Homes	465	..	..	..	..
Community Health .. ..	..	1 195	1 597	1 864	900
Tuberculosis Control	243	395	31	30	..
School Dental Scheme .. ..	..	895	2 247	825	3 044
Blood Transfusion Services .. ..	..	..	..	6	23
Senior Citizens Centres	132	55	363	566	300
Dwellings for Pensioners	380	146	193	1 124	1 473
Aboriginal Advancement	1 046	3 696	4 058	3 558	724
Housing	500	32 750	56 360	56 360	56 360
Growth Centres .. ..	..	4 414	5 829	1 504	982
Area Improvement .. ..	..	..	383	602	..
Land Acquisition .. ..	..	8 000	19 553	19 935	10 725
Air Quality Monitoring .. ..	..	..	..	33	..
Sewerage .. ..	..	1 598	5 750	5 700	1 000
Leisure and Cultural Facilities .. ..	..	160	620	625	2 750
Nature Conservation .. ..	..	..	..	579	300
National Estate .. ..	..	45	981	506	246
Roads	28 000	31 000	31 888	41 484	39 400
Roads—Safety Improvements .. ..	..	300	..	..	..
Beef Cattle Roads	350	..	..	..	..
Eyre Highway Maintenance	25	25	..	..	..
Eyre Highway Sealing	625	625	..	..	..
Railway Projects	556	319	909	4 960	2 000
Railways—Intersystem Passenger Vehicles .. ..	..	94	205	..	..
Urban Public Transport .. ..	..	..	6 215	6 757	5 580
Urban Water Supply .. ..	..	..	4 400	8 931	9 420
Softwood Forestry	400	252	341	566	100
Dairy Adjustment Program .. ..	..	..	500	305	523
Fruitgrowing Industry	25	57	105	20	150
Canned Fruit Industry	383	..	..	413	..
Beef Industry Assistance .. ..	..	..	..	289	383
Rural Reconstruction	6 100	4 300	2 000	5 100	4 700
Lock-Kimba Pipeline	420	540	835	305	..
Tailem Bend Pipeline	756	14	12	4	400
Dartmouth Dam	675	950	2 500	2 800	1 875
Water Resources Assessment	161	371	413	468	727
Soil Conservation .. ..	..	..	25	42	43
Tourism Development	50	..	172	177	312
Migrant Centres .. ..	..	..	17	..	..
Natural Disaster Relief .. ..	..	..	114	108	..
Total Specific Purpose Payments— Capital	53 059	118 399	196 705	205 515	n.a.

TABLE 137—SOUTH AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.) (b)
TOTAL PAYMENTS(f)					
	327 688	447 509	684 798	862 916	n.a.
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(g)	337 058	344 794	464 475	535 016	616 255
Specific Purpose	91 184	182 302	319 584	440 850	n.a.
Total	428 242	527 096	784 059	975 866	n.a.

(a) That is, Commonwealth payments to State Governments and the State Governments' Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapter V.

(b) Important qualifications attach to the 1976-77 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; the States' personal income tax sharing entitlements in 1976-77.

(d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Documents'.

(e) A short payment was made to South Australia in 1973-74 which was adjusted for in 1974-75.

(f) Comprising general revenue funds, specific purpose payments and the general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (d).

(g) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

TABLE 138—WESTERN AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)

(\$ thousands)

—	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income Tax Entitlement(c)	196 369	222 388	279 830	363 031	444 000
Special Revenue Assistance .. ..	..	2 855	7 073	..	..
Total	196 369	225 243	286 903	363 031	444 000
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing Programs	68 503	54 587	68 068	80 197	84 235
Capital Grants	23 213	25 806	32 179	40 099	42 117
Total	91 716	80 393	100 247	120 296	126 352
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	947	947	947	947	947
Sinking Fund on State Debt	2 715	2 855	2 976	2 800	3 000
Debt Charges Assistance	3 317	4 422	5 528	..	..
State Emergency Services .. ..	..	..	..	..	64
Assistance for Exmouth Shire .. ..	..	..	..	150	140
Universities	5 683	14 610	27 978	32 891	40 946
Colleges of Advanced Education	4 015	17 247	32 359	36 522	44 379
Technical and Further Education .. ..	..	974	2 168	3 322	3 647
Schools	2 903	6 389	17 184	23 194	31 183
Education—Allowance for Cost Escalation .. ..	..	..	..	..	n.a
Pre-schools and Child Care .. ..	..	385	2 316	4 390	n.a.
Child Migrant Education	138	157	229	233	2
Educational Research	17	26	33	59	48
Medibank—Public Hospital Running Costs .. ..	..	..	..	96 745	84 000
Community Health .. ..	..	548	697	1 738	2 900
Tuberculosis Control	797	785	992	647	356
School Dental Scheme .. ..	..	391	758	2 271	2 745
Health Education	49	99	106	88	81
Blood Transfusion Services	134	183	358	330	398
Health Planning Agencies .. ..	..	81	127	110	120
Home Dialysis Scheme .. ..	..	..	30	23	75
Home Care Services	13	23	116	87	200
Senior Citizens Centres	5	15	15	27	49
Assistance for Deserted Wives	1 746	1 171	1 152	1 459	1 300
Employment Grants	8 901	882	3 400	2 000	..
Regional Employment Development Scheme .. ..	..	..	608	1 840	1
Social Policy Planning Units .. ..	..	20	40	36	..
Aboriginal Advancement	1 377	2 634	7 096	8 034	8 166
Housing	771	771	771	771	627
Area Improvement .. ..	..	..	272	113	..
Sewerage .. .. .	..	..	155	155	340
Leisure and Recreation .. ..	..	33	10	104	94
Perth Underground Railway Study .. ..	..	188	89	..	..
Apple Export Assistance .. ..	..	..	516	259	113
Bovine Brucellosis and T.B. Eradication	380	343	498	601	1 265
Agricultural Extension Services	680	771	843	958	1 082
Minor Agricultural Research .. ..	..	..	..	..	..
Apple, Pear and Canning Fruit Industry .. ..	..	7	..	..	..
Coal Mining Industry—Long Service Leave	90	139	161	167	190
Apprenticeship Training	11	44	65	455	546
Pilbara Feasibility Study .. ..	..	125	31	..	..
Legal Aid .. .. .	..	166	164	124	124
Family Courts .. ..	..	..	..	760	960
Road Safety Practices	25	25	25	25	25
Research Grants	370	410	470	320	599
Assistance for Local Government .. ..	..	..	4 959	7 524	13 162
Regional Organisations Assistance .. ..	..	..	46	32	..
Natural Disaster Relief .. ..	..	..	..	83	1 000
Total Specific Purpose Payments— Recurrent	35 084	57 866	116 288	232 394	n.a.

TABLE 138—WESTERN AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	161	191	784	698	1 230
Universities	2 531	4 581	7 714	5 094	6 245
Colleges of Advanced Education	3 554	7 222	7 281	7 344	5 731
Technical and Further Education	1 166	1 311	587	2 876	4 023
Schools	3 017	6 810	15 789	10 564	13 55C
Education—Allowance for Cost Escalation .. .. .	..	..	..	..	n.a.
Pre-school and Child Care .. .. .	..	166	1 911	1 441	n.a.
Child Migrant Education .. .. .	..	100	89	-9	..
Mental Health Institutions	219	187	..	..	..
Hospitals .. .. .	..	695	4 326	11 900	12 000
Community Health .. .. .	..	1 096	3 306	1 139	2 400
Tuberculosis Control	20	..	..	..	..
School Dental Scheme .. .. .	..	661	1 309	2 855	1 241
Blood Transfusion Services .. .. .	..	..	..	12	23
Disposal of Ships Garbage	10	25	52	47	8
Senior Citizens Centres	67	123	28	344	470
Dwellings for Pensioners	519	307	198	614	1 288
Aboriginal Advancement	5 509	8 457	3 874	5 273	3 145
Housing	400	13 000	37 440	33 440	35 440
Growth Centres .. .. .	..	..	..	474	26
Area Improvement .. .. .	..	..	469	730	..
Land Acquisition .. .. .	..	..	11 720	7 089	4 923
Air Quality Monitoring .. .. .	..	..	..	33	..
Sewerage .. .. .	..	3 800	15 450	12 400	9 000
Exmouth Township	28	..	..	..	..
Leisure and Cultural Facilities .. .. .	..	219	1 728	445	800
Nature Conservation .. .. .	..	..	..	35	250
National Estate .. .. .	..	60	1 156	523	215
Roads	43 910	48 030	50 449	62 225	55 900
Roads—Safety Improvements .. .. .	..	255	..	..	..
Beef Cattle Roads	1 900	981	..	..	..
Eyre Highway Maintenance	25	25	..	..	..
Railway Projects	1 250	508	151	..	225
Railways—Intersystem Passenger Vehicles	784	720	459	66	..
Urban Public Transport .. .. .	..	..	2 829	750	1 692
W.A.—Darwin Shipping Service	2 500	1 000	..	..	..
Softwood Forestry	1 020	416	685	864	715
Dairy Adjustment Program	277	70	635	2 327	1 059
Fruit Growing Industry .. .. .	..	18	32	29	40
Beef Industry Assistance .. .. .	..	..	..	479	636
Rural Reconstruction	8 130	5 300	3 631	4 550	3 400
Ord River Project	748	1 443	348	111	50
Water Resources Assessment	710	1 300	1 667	1 981	2 000
Soil Conservation .. .. .	..	..	..	74	136
W.A. Water Supply	158	..	..	..	..
Tourism Development .. .. .	..	10	46	313	50
Natural Disaster Relief .. .. .	..	..	..	4 264	5 000
Total Specific Purpose Payments— Capital	78 613	109 087	176 133	183 394	n.a.

TABLE 138—WESTERN AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—*continued*
(\$ thousands)

—				1972-73	1973-74	1974-75	1975-76	1976-77 (Est.) (b)
TOTAL PAYMENTS(e)								
				333 279	418 002	611 503	818 918	n.a.
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS								
General Purpose(f)	..	..	..	288 085	305 636	387 150	483 327	570 352
Specific Purpose	..	..	..	113 697	166 953	292 421	415 788	n.a.
Total	..	..	..	401 782	472 589	679 571	899 115	n.a.

(a) That is, Commonwealth payments to State Governments and the State Governments' Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapter V.

(b) Important qualifications attach to the 1976-77 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; the States' personal income tax sharing entitlements in 1976-77.

(d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Documents'.

(e) Comprising general revenue funds, specific purpose payments and the general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

**TABLE 139—TASMANIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)**
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Entitlement(c)	79 498	91 243	131 871	156 816	189 400
Special Grants	7 600	8 650	..	..	..
Special Revenue Assistance .. .. .	..	1 207	8 333	..	..
Total	87 098	101 100	140 204	156 816	189 400
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	51 252	43 467	54 952	60 743	63 802
Capital Grants	17 367	20 549	25 977	30 372	31 901
Total	68 619	64 016	80 929	91 115	95 703
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments under Financial Agreement—					
Interest on State Debt	534	534	534	534	534
Sinking Fund on State Debt	1 934	2 044	2 141	2 100	2 000
Debt Charges Assistance	2 385	3 180	3 975	..	..
Tas. Railway Sinking Fund Reimbursement .. .. .	..	..	..	480	..
State Emergency Services .. .. .	..	..	23	53	78
Universities	2 530	6 415	12 274	13 658	15 666
Colleges of Advanced Education	1 128	3 959	6 888	7 011	8 251
Technical and Further Education .. .. .	..	117	426	1 087	1 087
Schools	914	1 958	5 912	9 327	10 304
Education—Allowance for Cost Escalation .. .. .	..	..	..	..	n.a.
Pre-schools and Child Care .. .. .	..	78	1 017	1 720	n.a.
Child Migrant Education	53	135	179	149	2
Educational Research	7	14	21	14	28
Medibank—Public Hospital Running Costs .. .. .	..	..	..	31 000	22 000
Community Health .. .. .	..	121	528	1 265	1 900
Tuberculosis Control	334	252	434	548	530
School Dental Scheme .. .. .	..	818	1 239	1 547	1 458
Health Education	30	60	64	23	45
Blood Transfusion Services	30	37	57	94	100
Health Planning Agencies .. .. .	..	..	..	25	40
Home Dialysis Scheme .. .. .	..	..	5	..	15
Home Care Services	12	49	124	340	200
Paramedical Services	2	3	8	10	13
Assistance for Deserted Wives	338	260	421	458	400
Employment Grants	5 970	647	1 103	700	..
Regional Employment Development Scheme .. .. .	..	..	534	1 521	..
Social Policy Planning Units .. .. .	..	20	31	32	..
Aboriginal Advancement	49	23	34	61	69
Housing	388	388	388	388	314
Sewerage .. .. .	..	..	24	4	110
Leisure and Recreation .. .. .	..	20	7	170	84
Tasman Bridge Disaster .. .. .	..	..	456	1 400	750
Fisheries Development .. .. .	..	40	..	..	..
Apple Export Assistance .. .. .	..	..	1 590	572	343
Bovine Brucellosis and T.B. Eradication	100	137	238	423	214
Agricultural Extension Services	380	348	419	517	560
Apple, Pear and Canning Fruit Industries .. .. .	..	250	..	..	..
Assistance for A.P.P.M. Ltd .. .. .	..	..	..	650	..
Coal Mining Industry—Long Service Leave	2	16	5	6	5
Apprenticeship Training	2	11	41	79	136
Legal Aid .. .. .	..	62	71	49	49
Road Safety Practices	11	11	11	11	11
Research Grants	172	204	227	130	243
Assistance for Local Government .. .. .	..	..	1 669	2 292	4 004
Regional Organisations Assistance .. .. .	..	..	24	8	..
Total Specific Purpose Payments— Recurrent	17 305	22 211	43 142	80 456	n.a.

TABLE 139—TASMANIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued
(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen .. ..	..	145	149	160	13
Universities	842	694	1 279	2 589	1 007
Colleges of Advanced Education ..	1 425	292	2 969	5 313	1 406
Technical and Further Education ..	380	689	471	887	2 257
Schools	1 708	2 527	6 091	4 477	4 238
Education—Allowance for Cost Escalation ..	..	..	..	..	n.a.
Pre-schools and Child Care .. ..	..	285	1 177	1 764	n.a.
Child Migrant Education .. ..	..	40	6	45	..
Mental Health Institutions	87	31	..	..	..
Hospitals .. ..	..	140	1 500	2 090	3 000
Nursing Homes	166	..	..	..	..
Community Health .. ..	..	242	498	689	600
Tuberculosis Control	32	2	..	4	..
School Dental Scheme .. ..	..	549	69	317	479
Blood Transfusion Services .. ..	..	..	..	5	5
Disposal of Ships Garbage	7	..	..	..	..
Senior Citizens Centres	28	13	154	3	30
Dwellings for Pensioners	138	22	..	560	280
Rehabilitation Centre—Hobart .. ..	..	..	..	214	600
Aboriginal Advancement	105	131	204	216	75
Housing	300	16 000	26 220	22 220	24 220
Growth Centres .. ..	..	35	400	506	70
Land Acquisition .. ..	..	..	..	..	263
Air Quality Monitoring .. ..	..	..	..	25	..
Sewerage .. ..	..	..	2 221	1 984	500
Leisure and Cultural Facilities .. ..	..	180	439	430	650
Nature Conservation .. ..	..	..	..	85	510
National Estate .. ..	..	..	1 032	795	19
Roads	12 150	13 950	18 585	20 097	20 800
Roads—Safety Improvements .. ..	..	90	..	..	..
Second Hobart Bridge .. ..	..	..	..	63	650
Bell Bay Railway	1 156	..	..	..	..
Urban Public Transport .. ..	..	..	359	2 380	860
King Island Harbour Works	1 113	..	..	242	..
King Island Shipping Service .. ..	..	..	1 309	..	..
Tasman Bridge Disaster .. ..	..	..	5 544	16 300	13 750
Softwood Forestry	1 101	672	769	901	982
Dairy Adjustment Program	30	24	250	1 653	3 106
Fruitgrowing Industry	100	650	750	200	330
Beef Industry Assistance .. ..	..	..	..	100	133
Rural Reconstruction	2 200	700	800	500	900
Cressy-Longford Irrigation Works	101	..	..	..	..
Water Resources Assessment	71	71	135	140	213
Soil Conservation .. ..	..	..	..	25	10
Tourism Development .. ..	..	38	210	145	191
Natural Disaster Relief	-3	-3	..	-7	..
Total Specific Purpose Payments— Capital	23 237	38 209	73 590	88 118	n.a.

TABLE 139—TASMANIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1972-73 TO 1976-77(a)—continued

(\$ thousands)

—	1972-73	1973-74	1974-75	1975-76	1976-77 (Est.)(b)
TOTAL PAYMENTS(e)					
	145 007	182 069	282 913	355 762	n.a.
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	155 717	165 116	221 133	247 931	285 103
Specific Purpose	40 542	60 420	116 732	168 574	n.a.
Total	196 259	225 536	337 865	416 505	n.a.

(a) That is, Commonwealth payments to State Governments and the State Governments' Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapter V.

(b) Important qualifications attach to the 1976-77 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; the States' personal income tax sharing entitlements in 1976-77.

(d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Documents'.

(e) Comprising general revenue funds, specific purpose payments and the general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

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