



PAYMENTS TO OR FOR THE STATES AND LOCAL GOVERNMENT AUTHORITIES 1977-78

PRESENTED BY
THE RIGHT HONOURABLE PHILLIP LYNCH, M.P.,
TREASURER OF THE COMMONWEALTH OF AUSTRALIA
FOR THE INFORMATION OF
HONOURABLE MEMBERS ON THE OCCASION
OF THE BUDGET 1977-78

1977-78 BUDGET PAPER No. 7

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Notes: Any discrepancies in tables between totals and sums of components are due to rounding.

n.a.—not yet available.

..—nil to less than \$500.

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 papers 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 paper 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, as in 1976-77, this paper 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 paper may be found in the 1975-76 issue of 'Payments to or for the States and Local Government Authorities', in which a consistent series of aggregate figures is shown back to 1956-57.

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 following table classifies estimated total budget outlays for 1977-78 by economic type and shows the proportion to total of each category.

TABLE 1—BUDGET OUTLAYS—BY ECONOMIC TYPE (a)
1977-78 (ESTIMATED)

	Amount	Percentage of Total Outlays
	\$ million	%
<i>Net Expenditure on goods and services—</i>		
Defence	2 151	8.1
Other current expenditure	3 054	11.5
Capital expenditure	476	1.8
TOTAL	5 681	21.3
<i>Transfer Payments and Net Advances—</i>		
To or for the States and Local Government Authorities	9 981	37.4
Cash benefits to persons	8 239	30.9
Interest	1 727	6.5
Transfers overseas	414	1.6
Net advances (other than to States)	221	0.8
Other	393	1.5
TOTAL	20 975	78.7
TOTAL OUTLAYS (estimated)	26 656	100.0

(a) For further details and explanations see Statement No. 1 attached to the Budget Speech.

It will be seen that transfer payments and net advances to or for the States and local government authorities are estimated to total \$9981 million in 1977-78 and to comprise 37.4 per cent of total Commonwealth Budget outlays.

This paper provides details of those budget outlays classified as transfer payments and net advances to or for the States and local government authorities—that is, Commonwealth assistance to other levels of government. Payments in this category comprise payments to the States, payments made direct to local government authorities and the State Governments' Loan Council borrowing programs.

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 paper 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. Certain 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 the same functional headings as those used in the statements attached to the Budget Speech. Tables 4 and 106 show a functional classification of outlays included in this paper. Details of specific purpose payments provided in this paper 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 papers of the State Governments' Loan Council borrowing programs, which are financed by the issue of Commonwealth Government securities and to which the Commonwealth 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 papers includes these programs. In this paper, 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 papers. The treatment of the States' Loan Council programs in this paper 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 (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 paper 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 101 and 102 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 papers.

Outline of Commonwealth Payments to the States and Local Authorities and Format of this Paper

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.

An account of the historical development of payments to the States is contained in the 1975–76 issue of ‘Payments to or for the States and Local Government Authorities’—particularly the Appendices to that paper.

The arrangements under which the Commonwealth makes payments to the States for general recurrent purposes (referred to hereinafter 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.

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 have been replaced by arrangements under which State Governments are entitled to a specified share of Commonwealth net personal income tax collections. General revenue funds also encompass the special grants paid to certain States on the recommendation of the Commonwealth 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.

Commencing with the 1975–76 issue of this paper, details of Commonwealth assistance to local government authorities, both direct and by way of payments through the States, have been set out in a separate Chapter. Chapter V describes both forms of Commonwealth assistance to the third level of government. In particular, attention is drawn to the significant amounts now being provided by the Commonwealth for local government authorities in the States under the tax sharing arrangements. These funds, currently comprising 1.52 per cent of the net personal income tax collections in the previous year, are allocated among the States to be made available to their local authorities. In most places in this paper, these funds are regarded as specific purpose payments to the States as they are specifically earmarked for ‘on passing’ by the States to local government authorities. In the hands of the recipient local government authorities, however, such funds are properly regarded as ‘untied general purpose assistance’ funds and are so treated in the discussion and tables in Chapter V.

Appendix I provides figures, in detail and in aggregate, of payments to the States and the State Governments’ Loan Council programs in 1976–77 and 1977–78 (estimated). It also sets out aggregate figures of these funds and of payments made direct to local government authorities for the period 1973–74 to 1977–78 (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 1973–74 to 1977–78 (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 increased rapidly over recent years. However, in examining year to year movements—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) 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);
- (ii) 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;
- (iii) 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;

- (iv) in 1975-76 the Tasmanian railway system and the non-metropolitan railway 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;
- (v) 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 in previous years;
- (vi) payments totalling \$215.6 million were made to the States in June 1976 (under arrangements for the financing of public hospital operating costs) in respect of expenditures arising in the following year; and
- (vii) payments to the States in 1976-77 under the personal income tax sharing arrangements were based on estimated taxation collections; final taxation figures were determined by the Commissioner of Taxation on 31 July 1977. The 1977-78 estimates of States' entitlements have been reduced by the amount overpaid in respect of 1976-77.

The figures in the final column of the following table show the annual percentage increases after adjusting for the seven 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. (For details *see* 'Payments to or for the States and Local Government Authorities 1976-77' pages 6 and 7).

TABLE 2--PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENTS' LOAN
COUNCIL PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL
GOVERNMENT AUTHORITIES 1973-74 TO 1977-78

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
FUNDS TO STATES FOR RECURRENT PURPOSES			
<i>General Revenue Funds—</i>			
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	3 722.6	19.6	19.0
1977-78 (estimate)	4 341.3	16.6	17.8
<i>Specific Purpose Payments for Recurrent Purposes—</i>			
1973-74	609.9	56.4	27.7
1974-75	1 221.5	100.3	99.1
1975-76	2 316.1	89.6	66.7
1976-77	2 409.4	4.0	19.7
1977-78 (estimate)	2 880.8	19.6	8.7
<i>Total Funds for Recurrent Purposes—</i>			
1973-74	2 533.4	21.2	21.2
1974-75	3 735.0	47.4	47.4
1975-76	5 427.7	45.3	40.2
1976-77	6 132.0	13.0	19.3
1977-78 (estimate)	7 222.1	17.8	14.0
FUNDS TO STATES FOR CAPITAL PURPOSES			
<i>General Purpose Capital Funds(b)—</i>			
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	1 356.0	5.0	5.0
1977-78(c)	1 433.8	5.7	5.7
<i>Specific Purpose Payments for Capital Purposes—</i>			
1973-74	960.2	77.3	30.9
1974-75	1 745.4	81.8	81.2
1975-76	1 836.3	5.2	5.2
1976-77	1 659.0	-9.7	-9.7
1977-78 (estimate)	1 551.1	-6.5	-6.5
<i>Total Funds for Capital Purposes—</i>			
1973-74	1 827.2	19.9	19.9
1974-75	2 832.9	55.0	55.0
1975-76	3 127.3	10.4	10.8
1976-77	3 015.0	-3.6	-3.6
1977-78 (estimate)	2 984.9	-1.0	-1.0
TOTAL FUNDS TO STATES FOR RECURRENT AND CAPITAL PURPOSES			
<i>General Purpose Funds—</i>			
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	5 078.6	15.4	14.9
1977-78 (estimate)	5 775.1	13.7	14.5
<i>Specific Purpose Funds—</i>			
1973-74	1 570.1	68.6	29.8
1974-75	2 967.0	89.0	87.4
1975-76	4 152.4	40.0	31.8
1976-77	4 068.5	-2.0	6.4
1977-78 (estimate)	4 432.0	8.9	2.8

TABLE 2—PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENTS' LOAN COUNCIL PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES 1973-74 TO 1977-78—*continued*

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
<i>Total Funds—</i>			
1973-74	4 360.6	20.6	20.6
1974-75	6 567.9	50.6	50.6
1975-76	8 555.0	30.3	27.7
1976-77	9 147.1	6.9	10.8
1977-78 (estimate)	10 207.0	11.6	9.2
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES			
1973-74	6.0	170.4	170.4
1974-75	53.9	803.1	803.1
1975-76	110.0	104.2	104.2
1976-77	15.2	-86.2	-86.2
1977-78 (estimate)	14.4	-5.1	-5.1
Less REPAYMENTS AND SINKING FUND CONTRIBUTIONS(d)			
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	221.5	11.7	11.7
1977-78 (estimate)	240.4	8.5	8.5
GRAND TOTAL—FUNDS TO STATES AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)			
1973-74	4 186.5	21.3	21.3
1974-75	6 423.5	53.4	53.4
1975-76	8 466.7	31.8	29.2
1976-77	8 940.7	5.6	(e) 9.5
1977-78 (estimate)	9 981.0	11.6	9.2

(a) See text above.

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

(c) Programs agreed to at the July 1977 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.

(e) If the non-recurring grants to the States and local government authorities for unemployment relief (including under the REDS) in 1975-76 and 1976-77 are also excluded, this figure becomes 11.4 per cent.

The figures in the foregoing table include the State Governments' Loan Council programs but do not include the borrowing programs of State semi-government and local authorities. This reflects the fact that the States' Loan Council programs are 'underwritten' by the Commonwealth and thus 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)

	1977-78	Percentage Increase Over 1976-77	
		Actual	Adjusted(a)
	\$ million	%	%
<i>General Purpose Funds—</i>			
General Revenue Funds	4 341.3	16.6	17.8
<i>General Purpose Capital Funds—</i>			
State Governments' Loan Council Programs(b) (c)	1 433.8	5.7	5.7
Borrowing Programs of Larger State Authorities(c) (d)	1 164.0	21.3	21.3
Borrowings of Smaller State Authorities(d) (e)	428.2	34.4	34.4
Sub-total	3 026.0	14.9	14.9
Total General Purpose Funds	7 367.3	15.9	16.6
<i>Specific Purpose Payments(f)</i>	4 446.3	8.9	2.8
TOTAL (Gross)	11 813.7	13.1	11.0

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

(b) Borrowing programs plus capital grants.

(c) Programs approved at the July 1977 meeting of the Loan Council.

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

(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 from 1974-75 to 1976-77 and the estimated amounts for 1977-78 included under each of the relevant functional headings and sub-headings, and also the estimated increases in 1977-78 over 1976-77. 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 26 of this paper.)

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

Functional Classification	1974-75	1975-76	1976-77	1977-78 (estimate)	Increase 1977-78 over 1976-77 (estimate)
					%
Defence	26 482	34 369	35 560	26 605	-25.2
Education	1 288 789	1 406 024	1 669 503	1 821 320	9.1
Health	107 795	1 082 788(b)	852 708(b)	1 114 236	30.7
Social Security and Welfare	159 924	238 016(c)	104 632(c)	111 746	6.8
Housing	390 868	362 883	369 072	378 258	2.5
Urban and Regional Development n.e.c. and the Environment	234 800	262 996	125 078	55 911	-55.3
Culture and Recreation	12 759	11 926	9 705	6 816	-29.8
Economic Services—					
Transport	418 523	494 765	511 696	537 132	5.0
Water Supply and Electricity	38 708	46 340	33 730	3 961	-88.3
Industry Assistance and Develop- ment	83 039	109 606	81 865	80 872	-1.2
Labour and Employment	4 052	6 180	12 077	15 237	26.2
Other Economic Services	65	..	..	..	..
Total Economic Services	544 387	656 890	639 368	637 203	-0.3
General Public Services	8 955	7 910	13 139	11 586	-11.8
Outlays Not Allocated to Function—					
General Revenue Funds	2 503 495	3 111 580	3 712 594	4 331 291	16.7
State Government Loan Council Borrowing Programs	592 141	708 667	744 677	785 167	5.4
Capital Grants	345 878	430 333	452 000	477 933	5.7
Assistance Related to State Debt	103 612	47 338	46 805	48 910	4.5
Assistance for Local Government(d)	56 657	80 046	140 000	165 328	18.1
Natural Disaster Relief	46 956	24 961	25 865	8 677	-66.5
Total Not Allocated to Function	3 648 739	4 402 925	5 121 940	5 817 307	13.6
GRAND TOTAL (net basis)	6 423 497	8 466 728	8 940 706	9 980 988	11.6

(a) That is, net of repayments of Commonwealth advances and sinking fund contributions on State Governments' 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 and 1977-78.

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 not subject to any 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 the 1975-76 issue of this paper. This Chapter provides 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 commenced in 1976-77.

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 Commonwealth 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 forgone 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 were 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 Commonwealth 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 Commonwealth 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 then 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.

PERSONAL INCOME TAX SHARING WITH THE STATES

Commencing in 1976–77, the financial assistance grants were replaced by personal income tax sharing arrangements between the Commonwealth and the States.

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;
- (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 provided as assistance for local government is explained in Chapter V.

The income tax sharing arrangements with the States are being introduced in two stages.

Under Stage 1, which commenced in 1976–77, the Commonwealth continues to be the sole Government imposing taxes on income but the States receive a specified proportion of the net personal income tax collections made under Commonwealth legislation. Relevant legislation—the *States (Personal Income Tax Sharing) Act 1976*—received the Royal Assent in November 1976.

Under Stage 2, for which enabling legislation—the *Income Tax (Arrangements with the States) Bill 1977*—was introduced into the Parliament in the Autumn 1977 session, the Stage 1 arrangements will continue but, in addition, each State will have the right at its discretion to increase or reduce the personal income tax levied on residents of the State. Any additional income taxes so levied would be collected by the Commonwealth on behalf of the State or States concerned.

Set out below is a list of points representing the understandings which were reached in 1976 between the Commonwealth and State Governments in connection with the scheme as it relates to State Governments (local government aspects are dealt with in Chapter V).

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.
- (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*.
- (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 Commonwealth 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 Commonwealth 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.

Many of these points of understanding have since been incorporated into the *States (Personal Income Tax Sharing) Act 1976* or the *Income Tax (Arrangements with the States) Bill 1977*. Others have been developed further in discussions at the Premiers' Conferences in April 1977 and July 1977 (*see below*).

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June 76*

Further Developments in 1976-77

Although the majority of matters relating to the Stage 1 arrangements had been settled at the 1976 Premiers' Conferences, some issues were still outstanding and these, together with matters relating to Stage 2, were referred to Commonwealth and State officers for examination and report and were considered at the April and July 1977 Premiers' Conferences. The position reached on these matters is set out below.

One matter referred to officers concerned techniques to meet possible cash flow problems faced by a State to the extent that a deficit in its budget was due to the State's Stage 1 entitlement in respect of a year falling short of the Commonwealth Budget estimate of its entitlement. The States and the Commonwealth agreed on the scheme unanimously recommended by State and Commonwealth officers under which, in the circumstances outlined above and within Loan Council arrangements, a State would have access to Treasury Bills against which it would, except in extreme cases, be expected to lodge counterpart deposits with the Reserve Bank.

The second matter concerned the review of relativities between the States of their Stage 1 entitlements. At earlier Premiers' Conferences it had been agreed that there would be a periodic review of relativities and that advice in relation to this review would be sought from an independent review body. There were three aspects to be considered; the guidelines for the review body, the nature of the review body constituted to make recommendations, and the timing of the review.

At the April 1977 Premiers' Conference, the States and the Commonwealth agreed that the review body's guidelines should be expressed in relatively broad terms to give it flexibility in carrying out its work and agreed that the guidelines should be along the following lines:—

- (i) The basic purpose is to review the percentage relationship between the States' respective per capita entitlements under Stage 1 of the personal income tax sharing arrangements between the Commonwealth and State Governments and to make any recommendations for changes in those relationships considered appropriate.
- (ii) The review should be on the basis of the principle that each State should, be able to provide State Government services of a recurrent kind of the, same standard as other States without imposing higher rates of taxes or, charges; differences in revenue raising capacities and in the relative costs of providing comparable government services should be taken into account.
- (iii) The review is to include an examination of the existing relativities, of the factors which have influenced them and of any relevant changes which have occurred in the period since those relativities were established.

It was agreed that the States and the Commonwealth would each have the right to argue before the review body any matters which a State or the Commonwealth regarded as relevant to the review.

Agreement was not reached at the April 1977 Premiers' Conference on the constitution of the review body but the Commonwealth undertook to give the matter further consideration. After this further consideration, the Commonwealth reiterated its view that the Commonwealth Grants Commission was the appropriate body to conduct the review. The *States (Personal Income Tax Sharing) Amendment Bill 1977*, nominating the Grants Commission as the review body and prescribing the guidelines which it was to follow, was introduced into the Parliament on 26 May 1977 and was passed by the House of Representatives. However, in the light of views expressed by several Premiers, the Bill was not proceeded with further in the Autumn session of the Parliament and the matter was discussed at the Premiers' Conference on 1 July 1977.

At that Conference, the Prime Minister agreed that Commonwealth and State officers would consult further on the guidelines and would also give consideration to suggested amendments proposed by some of the Premiers. On the question of the review body the Prime Minister put forward a compromise proposal—in effect, a special division of the Commonwealth Grants Commission supplemented by three Associates nominated by the States. It was then agreed that the body to review the relativities should be composed of the Chairman of the Grants Commission, two members of the Commission, plus three Associate members, one of whom would be nominated by New South Wales and Victoria and two by the four other States.

As to the timing of the review of relativities, it was agreed at the April Conference that the review should be commenced as soon as possible and that the review body's report would be considered at a Premiers' Conference before any decision was taken on it.

The third matter referred to Commonwealth and State officers for report was the arrangements for the provision of information by the Commonwealth to the States, and for consultation, as necessary, between the Commonwealth and the States, in relation to Commonwealth budget decisions as they might affect the States' entitlements. This matter was considered at both the April and July 1977 Premiers' Conferences. At the July Conference the Prime Minister stated that the Commonwealth would provide information to the States as follows:—

- A preliminary estimate of each State's Stage 1 entitlement for the year ahead on the basis of then current Commonwealth tax legislation;
- an estimate of the yield of 1% surcharge/cost of a 1% rebate in that State on the basis of then current Commonwealth tax legislation;
- an estimate of entitlement under the former financial assistance grants arrangements (the guaranteed entitlement);
- relevant wage assumptions underlying the above estimates; and
- certain other information to the extent this is practicable and consistent with budget security.

The fourth matter referred to officers related to changes during the year in estimates of the States' entitlements. Following the census, the Australian Statistician revised the State population estimates. This resulted in changes in the estimated entitlements of the individual States, although the total entitlement of the States as a whole was not affected by the revision of population estimates. In particular, the Premier of Tasmania drew attention at the April Premiers' Conference to the impact on his State's estimated entitlement of the revised population figures. Officers were directed by the Conference to examine and report on the implications of the revision of population figures.

The July 1977 Premiers' Conference also noted that there had been fluctuations in the estimates of the total tax sharing entitlements during 1976-77. These fluctuations had occurred largely because of changes in estimates of tax collections but the uncertainty arising from these sources would have been avoided had the States not chosen to have their tax sharing entitlements calculated as a percentage of the current year's personal income tax collections, which are not finally known until 31 July in the following financial year.

Against this background of the uncertainty inevitably associated with the use of current year tax collections as the base the Prime Minister suggested that the States might reconsider the earlier Commonwealth proposal that the preceding year's collections be used as the base (local government tax sharing entitlements are presently based on collections in the preceding year—see Chapter V for details). He offered to fix the States' tax sharing entitlements in respect of 1977-78 at \$4336.1 million if the States were to decide to adopt that proposal. (This would be subject to adjustments on account of over payments in 1976-77 of State entitlements for that year—see text on States' entitlements in 1976-77.) The Prime Minister pointed out that this would reduce uncertainty and administrative difficulties.

The Premiers agreed that Commonwealth and State officers should examine and report on arrangements for changing the total tax sharing entitlements from 33.6 per cent of the current year's collections to an appropriate percentage of the preceding year's collections. Officers were also to look at consequential matters arising from such a change in arrangements and at the manner in which changes in population estimates might be taken into account in determining State relativities from 1977-78.

At the time this paper was prepared, some aspects of this matter were still under examination by officers, but it had been agreed that the Commonwealth should provide, in its Budget, for an amount of \$4336.1 million for the States' tax sharing entitlements in 1977-78.

The April Conference also had before it the Report of the Working Party of Officers of the Commonwealth and State Treasuries and taxation and legal officers, established following the April 1976 Conference, to advise on the introduction of Stage 2 of the tax sharing arrangements. The report canvassed some fundamental aspects of possible arrangements, including several which raised important and complex legal and policy questions.

The Conference was in broad agreement with the recommendations of the Working Party as to the objectives to be pursued in developing detailed arrangements for Stage 2:—

- (i) there should be complete uniformity as between the States in all respects other than rates of any surcharges or rebates;

- (ii) the arrangements should be free of any significant Constitutional or other legal doubt;
- (iii) the scheme should be as simple and inexpensive to administer as practicable consistent with legal requirements and the other broad objectives being followed;
- (iv) the arrangements should impose the least inconvenience practicable on taxpayers and employers; and
- (v) the arrangements should be such as to avoid creating avenues for tax avoidance or evasion.

For the benefit of States choosing to enter into Stage 2 arrangements, and in order to avoid technical problems, the Commonwealth suggested that it and all States co-operate to prepare complementary or 'interlocking' legislation. This proposal was not agreed to by all States.

At the April Conference, the Commonwealth emphasised that it wanted to introduce enabling legislation as soon as possible, thus providing each State with the option of proceeding to raise or lower income tax within its own borders if it so chose. The States could, within an enabling framework of legislation, make their own decisions, in their own time and in accordance with their own priorities, whether or not to utilise the provisions of Stage 2. It was agreed that Commonwealth officers and officers of the Victorian and Western Australian Governments should have discussions regarding the Commonwealth legislation which was to be drafted.

The *Income Tax (Arrangements with the States) Bill 1977* was introduced into the Commonwealth Parliament late in the Autumn Session. This is a complex Bill to enable the States at their own discretion to increase their shares of personal income tax by increasing the tax paid by their residents or to provide tax rebates to their residents at the States' own cost. In order to allow time for proper consideration and informed debate, the Bill was not proceeded with immediately. At the July Premiers' Conference, the Prime Minister invited comments from the States on the Bill. He also advised that work was in hand, between Commonwealth officers and officers of some States, on the drafting of possible legislation which might be adopted by States.

States' Tax Sharing Entitlements in 1976-77 and 1977-78 (estimated)

Under the *States (Personal Income Tax Sharing) Act 1976*, the States are entitled to receive in respect of 1976-77 and each subsequent year 33.6 per cent of net personal income tax collections in the year. This is subject to the guarantee that the States' Stage 1 entitlements in any year are not less, in absolute terms, than in the previous year and that, in the years 1976-77 to 1979-80, their 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*.

The entitlements are calculated on net personal income tax collections for the year, excluding the effects of any special tax levies or rebates. The Medibank levy, introduced from 1 October 1976, is in the nature of a special tax levy applied by the Commonwealth and is thus excluded from the figures from which the States' entitlements are calculated.

The relative shares of the States are determined on a weighted population basis, the weights (which are based on the per capita relativities in the States' financial assistance grants in 1975-76) being given in the Act, the populations being determined by the Australian Statistician.

Payments actually made to the States during 1976-77 were based on estimated net personal income tax collections (excluding the Medibank levy) of \$10 990 million. After allowing for the operation of the guarantee in the case of Tasmania, payments totalled \$3695.6 million. (In accordance with the provisions of the Act, the Australian Statistician determined on 10 June 1977 the amounts that would have been payable under the financial assistance grants formula.)

The determination of the amount of net personal income tax collections (excluding the Medibank levy) was made, in accordance with the Act, by the Commissioner for Taxation by 31 July 1977 and was \$10 876.8 million or \$113.2 million less than the estimate on which payments had been based. As required by the legislation, the Australian Statistician made his determination of State populations at 31 December 1976 by 7 August 1977. As a result, the States became entitled to \$3676.0 million in respect of 1976-77 or \$19.6 million less than had been paid. The payments to the States during 1977-78 will be reduced by the amount overpaid in 1976-77.

1-1 The following table shows the calculations underlying the States' tax sharing entitlements in 1976-77 together with amounts actually paid in that year.

TABLE 5—DISTRIBUTION OF STATES' PERSONAL INCOME TAX SHARING ENTITLEMENTS IN 1976-77

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
DATA RELATING TO 1975-76							
(1) Financial Assistance Grants \$'000(a)	946 660	706 389	536 792	363 091	363 031	156 816	3 072 780
(2) Population as at 31 December 1975 ('000 persons)(b)	4 810.9	3 688.2	2 015.1	1 241.7	1 138.3	409.0	13 303.2
(3) Financial Assistance Grants per head of population \$(c)	196.774	191.527	266.385	292.415	318.923	383.414	230.980
(4) Row (3) expressed as Multiple of figure for Victoria(d)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188	—
DATA RELATING TO 1976-77							
(5) Population as at 31 December 1976 ('000 persons)(e)	4 933.0	3 764.9	2 121.6	1 268.8	1 183.7	409.3	13 681.3
(6) Row (5) Weighted by Row (4) ('000 persons)	5 068.2	3 764.9	2 950.8	1 937.2	1 971.1	819.4	16 511.5
(7) Percentage Distribution of Row (6) between States (per cent)	30.69482	22.80174	17.87138	11.73217	11.93746	4.96243	100.00000
(8) Share of 33.6 per cent of \$10 876.8 million(f)—Distributed According to Row (7) \$'000	1 121 779	833 317	653 131	428 766	436 269	181 358	3 654 620
(9) Amount Guaranteed under Section 8 of the Act (Financial Assistance Grants formula) \$'000(g)	1 125 866	840 724	640 283	432 455	437 515	186 294	3 663 137
(10) States' Entitlements under the Act (\$'000)(h)	1 125 866	840 724	653 131	432 455	437 515	186 294	3 675 985
(11) Actual Payments made in 1976-77 (\$'000)	1 133 400	841 700	660 200	433 200	440 800	186 294	3 695 594
(12) Overpayments (\$'000)(i)	7 534	976	7 069	745	3 285	—	19 609

- (a) As calculated by the Statistician in accordance with the provisions of the *States Grants Act* 1973.
 (b) Estimates of population used by the Australian Statistician in calculating the financial assistance grants for 1975-76.
 (c) (1) divided by (2).
 (d) These are the relativities specified in Section 4 (1) of the *States (Personal Income Tax Sharing) Act* 1976.
 (e) Determined by the Australian Statistician in accordance with Section 9 of the Act.
 (f) Net personal income tax collections in 1976-77 excluding revenue from Medibank levy; determined by Commissioner of Taxation in accordance with Section 6 of the Act.
 (g) Determined by the Australian Statistician in accordance with Section 8 of the Act. Calculated by applying to the 1975-76 financial assistance grants the estimated increases in State populations in the year ended 31 December 1976 (New South Wales 0.75 per cent, Victoria 0.83 per cent, Queensland 1.05 per cent, South Australia 0.90 per cent, Western Australia 2.10 per cent and Tasmania 0.64 per cent), the estimated increase in average wages for Australia as a whole in the year ended 31 March 1977 of 14.60 per cent and the betterment factor of 3.0 per cent.
 (h) For all States except Queensland, amounts in row (9); for Queensland, amount in row (8).
 (i) Difference between rows (10) and (11); 1977-78 payments will be reduced by these amounts.

The estimate of personal income tax collections in 1977-78 (excluding the effects of the Medibank levy) incorporated in the Budget is \$12 557.0 million, giving, on application of the percentage of 33.6 (and after allowing for the operation of the guarantee), an estimate of the States' entitlements in 1977-78 of \$4245.3 million under existing legislation. However, in the context of the examination of the proposal that the income tax sharing arrangements be changed to relate the States' entitlements to the preceding year's collections, it has been agreed that the Budget provision should be the amount of \$4336.1 million conditionally offered by the Prime Minister at the Premiers' Conference on 1 July (*see* discussion in the text above). After taking into account the over-payments in respect of 1976-77, estimated payments on this basis in 1977-78 are \$4316.5 million.

On assumptions concerning increases in State populations consistent with those used in estimating the States' tax sharing entitlements and assuming an increase in average wages consistent with that used elsewhere in the budget figuring, the financial assistance grants formula would yield an estimated \$4230.8 million in 1977-78. No State is estimated to receive a guaranteed minimum amount larger than its share of the \$4336.1 million.

The following table shows the calculations underlying the estimated distribution of the amount of \$4336.1 million between the States in 1977-78. It is to be emphasised that these figures are estimates dependent on projections of increases in population employed at the time they were made and hence are necessarily subject to a substantial margin of uncertainty.

TABLE 6—ESTIMATES OF THE STATES' PERSONAL INCOME TAX SHARING ENTITLEMENTS IN 1977-78

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
(1) Population, 31 Decem- ber 1977(a) ('000 persons)	4 970.1	3 797.3	2 146.7	1 279.1	1 208.4	412.4	13 814.0
(2) Per capita relativities(b)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188	..
(3) (1) Weighted by (2)	5 106.3	3 797.3	2 985.7	1 952.9	2 012.2	825.6	16 680.0
(4) Percentage Distribu- tion of (3) between States—per cent	30.613	22.766	17.900	11.708	12.063	4.950	100.000
(5) Estimated States' En- titlements(c) Distribu- ted According to (4) \$ million	1 327.4	987.1	776.2	507.7	523.1	214.6	(c)4 336.1
(6) Overpayments of En- titlements in respect of 1976-77 (d) \$ million	7.5	1.0	7.1	0.7	3.3	..	19.6
(7) Estimated Payments(e) \$ million	1 319.9	986.1	769.1	507.0	519.8	214.6	4 316.5

(a) Forward estimates of population at 31 December 1977 supplied by the Australian Bureau of Statistics. Subject to revision.

(b) These are the relativities specified in section 4 (1) of the Act.

(c) For derivation of the States' share *see* text. Individual State amounts rounded to nearest \$100 000.

(d) For derivation, *see* Table 5.

(e) Row (5) minus Row (6). Payments rounded to nearest \$100 000.

THE SPECIAL GRANTS

Special grants have been paid to the States on the recommendation of the Commonwealth 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 paper.

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 less 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 the 1975–76 issue of this paper.

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 1976–77 Queensland received special grants totalling \$27.0 million, consisting of an advance grant for 1976–77 of \$18.0 million and a completion grant in respect of 1974–75 of \$9.0 million. The grants were recommended by the Commission in its Forty-third Report presented to Parliament in the Budget Session in 1976, and were authorised by the *Queensland Grant (Special Assistance) Act* 1976.

The Commission has recommended for payment to Queensland in 1977-78 an advance grant for 1977-78 of \$14.0 million and a completion grant in respect of 1975-76 of \$10.8 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-fourth Report.

The table below shows the *final* amount of special grants paid *in respect of* each of the years 1973-74 to 1975-76 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 1976-77 and 1977-78. 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
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	10 800	35 800	..	..	..	..	..	..
1976-77 . .	18 000	(d)	(d)	..	..	..	..	..	..
1977-78 . .	14 000	(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 this year.

(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 1975-76 issue of this paper.

(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 two 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* 1975-76 issue of this paper 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 paper 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 paper 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 1973-74 and estimates for 1977-78.

TABLE 8—GENERAL REVENUE FUNDS
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
PAYMENTS OF FINANCIAL ASSISTANCE GRANTS/TAX SHARING ENTITLEMENTS(a)							
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 . . .	1 133 400	841 700	660 200	433 200	440 800	186 294	3 695 594
1977-78 (estimate)	1 319 866	986 124	769 131	506 955	519 815	214 600	4 316 491
SPECIAL GRANTS(b)							
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
1977-78 . . .	..	..	24 800	..	..	..	24 800
SPECIAL REVENUE ASSISTANCE							
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							
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 . . .	1 133 400	841 700	687 200	433 200	440 800	186 294	3 722 594
1977-78 (estimate)	1 319 866	986 124	793 931	506 955	519 815	214 600	4 341 291

(a) Actual and estimated State Government entitlements to a share of Commonwealth personal income tax collections in 1976-77 and 1977-78 respectively; financial assistance grants in earlier years. For further details concerning the grants in 1975-76 and earlier years *see* the 1975-76 issue of this paper.

(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*.

ADVISORY COUNCIL FOR INTER-GOVERNMENT RELATIONS

One other aspect of the Government's Federalism policy which has potential implications for Commonwealth/State finances, is the establishment of the Advisory Council for Inter-Government Relations.

After discussions at the three Premiers' Conferences in 1976-77, it was agreed that such a Council be established and appropriate legislation—the *Advisory Council for Inter-Government Relations Act* 1976—was subsequently passed. The Council comprises members of the Commonwealth and State Parliaments (with the exception of Queensland whose Government declined to nominate a representative), representatives of local government and of private citizens. It was intended that the Commonwealth and the States each meet 45 per cent of the Council's costs, the remaining 10 per cent being contributed by local government. However, following Queensland's decision not to participate in the Council, the Commonwealth will contribute an extra 7 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.

The April 1977 Premiers' Conference approved the following items for reference to the Council for examination and report:—

- An examination of the appropriate long-term relationships between Commonwealth, State and local government.
- A study of the costs and benefits of an interchange of personnel between the three spheres of government, and recommendations for selected implementation of a staff exchange program.

The Council met for the first time on 10 June 1977 in Hobart.

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 most recent years), interest-free grants made by the Commonwealth to the States and borrowings by State authorities. Relevant statistical material for the period from 1973-74 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 defence borrowings by the Commonwealth and borrowings for temporary purposes) are limited within annual borrowing programs for the Commonwealth and the States determined by the Loan Council. The terms and conditions of loans to finance these programs also require the approval of the Loan Council. 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' borrowing 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 1976-77, the Loan Council approved a total State Government program of \$1356 million, of which \$904 million represented borrowings and \$452 million capital grants provided by the Commonwealth.

For 1977-78 the Loan Council approved at its 1 July 1977 meeting a total State Government program of \$1433.8 million made up of a basic program of \$1423.8 million 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. Of the total program of \$1433.8 million, two-thirds or \$955.9 million will be represented by borrowings and one-third, or \$477.9 million, will be provided as capital grants to the States.

The basic State Government program for 1977-78 of \$1423.8 million represents an increase of 5 per cent in money terms over the 1976-77 program. When account is taken of the special permanent addition of \$10 million for New South Wales, the increase in the total 1977-78 program over the 1976-77 program becomes 5.7 per cent.

The following table shows the distribution between the States of the programs for 1976-77 and 1977-78:—

TABLE 9—STATE GOVERNMENT LOAN COUNCIL PROGRAMS, 1976-77 AND 1977-78—
STATE BY STATE ALLOCATIONS

	1976-77				1977-78			
	Borrow- ings	Capital Grants (a)	Total		Borrow- ings	Capital Grants (a)	Total	
			Amount	Percentage of Six State Total			Amount	Percentage of Six State Total
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%
New South Wales .	287 915	143 958	431 873	31.85	308 978	154 489	(b)463 467	32.33
Victoria .	228 706	114 354	343 060	25.30	240 142	120 071	360 213	25.12
Queensland .	120 705	60 352	181 057	13.35	126 740	63 370	190 110	13.26
South Australia .	118 637	59 318	177 955	13.12	124 569	62 284	186 853	13.03
Western Australia .	84 235	42 117	126 352	9.32	88 446	44 223	132 669	9.25
Tasmania .	63 802	31 901	95 703	7.06	66 992	33 496	100 488	7.01
Total .	904 000	452 000	1 356 000	100.00	955 867	477 933	(b)1 433 800	100.00

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

(b) Includes special permanent addition of \$10 million to New South Wales' share of the program agreed at the July 1977 Loan Council meeting.

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 1972-73 is given in Table 113 in Appendix II; Table 114 shows further details of the financing of the programs since 1972-73.

Following previous practice, the Commonwealth has undertaken to support the total States' Loan Council programs of \$1433.8 million agreed for 1977-78, 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 Interest Equalisation Deposits, Treasury Notes and other borrowings for temporary purposes; and amounts applied to redemption of public securities (including Special Bonds and Australian Savings Bonds) 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 \$955 867 000, the position then to be reviewed and a tentative determination made, not later than February 1978, 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 larger semi-government and local authorities. For 1977-78 and 1978-79 larger authorities are defined as those borrowing more than \$1 million in the financial year, the Loan Council having decided at its July 1977 meeting to increase the limit from the figure of \$800 000 which applied in 1976-77. 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 for borrowings by the larger authorities of the States 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 authorities conform with these terms and conditions.

For 1976-77 the Loan Council approved a total borrowing program for larger State authorities of \$960 million.

At its July 1977 meeting the Loan Council approved a total borrowing program for larger State authorities for 1977-78 of \$1164 million. This included a basic program of \$1128 million and special temporary additions of:—

- \$20 million for New South Wales, the same amount to be available by way of special temporary additions in each of the four subsequent years; and
- \$16 million for Western Australia as the first instalment in respect of a three-year requirement estimated at \$24 million for the conversion of the power station at Kwinana to dual coal and oil firing.

The basic program for 1977-78 represents an increase of 17.5 per cent over the 1976-77 program. When account is taken of the special temporary additions for New South Wales and Western Australia, the increase in the total 1977-78 program over the 1976-77 program becomes 21.3 per cent.

Details of the larger State authorities' programs for 1976-77 and 1977-78 are set out in the following table:—

TABLE 10—LARGER AUTHORITIES' PROGRAMS, 1976-77 AND 1977-78—
STATE BY STATE DISTRIBUTION

	1976-77 Total	1977-78			Total
		Basic Program	States' Shares of Basic Program(a)	Special Temporary Additions(b)	
	\$'000	\$'000	%	\$'000	\$'000
New South Wales	360 108	423 127	37.51	20 000	443 127
Victoria	(c)304 351	357 612	31.70	..	357 612
Queensland	177 575	208 651	18.50	..	208 651
South Australia	45 200	53 110	4.71	..	53 110
Western Australia	45 369	53 309	4.73	16 000	69 309
Tasmania	27 397	32 191	2.85	..	32 191
Total	960 000	1 128 000	100.00	36 000	1 164 000

(a) The distribution of the basic program between the States in 1977-78 is the same as the distribution of the 1976-77 program.

(b) A 'temporary' addition, unlike a permanent addition, is not added to a State's share of the basic program for the purpose of determining the distribution of the following year's basic program between the States.

(c) Actual borrowings by Victorian larger authorities in 1976-77 were \$304 347 000.

TREATMENT OF LOAN COUNCIL PROGRAMS IN THIS AND OTHER BUDGET PAPERS

The capital grants (beginning in 1970-71) 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 papers concerned.

The State Governments' Loan Council borrowing programs are not included in the totals of payments to the States shown in this paper. 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 papers does include these programs. The equivalent aggregate is described in this paper 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. The present Government, in line with its Federalism policy, has been lessening the emphasis on specific purpose programs following the considerable expansion in this type of assistance in recent years. This Chapter outlines specific purpose payments recently made, presently being made or proposed to be made, to the States. Table 101 in Appendix I of this paper shows aggregate specific purpose payments to each State since 1973–74 classified as to whether they were for recurrent or capital purposes and Table 106 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.

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 ‘Payments to or for the States and Local Government Authorities 1975–76.’)

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	<u>15 170</u>

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'.

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 \$1000 million of State debt to the Commonwealth from 30 June 1975 (see page 34 of 'Payments to or for the States and Local Government Authorities 1975-76').

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 1973-74, including estimated contributions to be made in 1977-78:—

TABLE 12—SINKING FUND PAYMENTS UNDER THE FINANCIAL AGREEMENT
1973-74 TO 1977-78
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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 . . .	10 506	8 003	4 165	3 911	2 981	2 069	31 635
1977-78 (estimate)	11 205	8 535	4 442	4 171	3 180	2 207	33 740

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 'Payments to or for the States and Local Government Authorities 1975-76.')

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.

The following table shows the amounts provided to the States since 1973-74 and estimates for 1977-78:—

TABLE 13—ADVANCES FOR HOUSING FOR SERVICEMEN
1973-74 TO 1977-78
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74	4 539	2 691	200	..	191	145	7 766
1974-75	16 350	4 192	5 200	130	784	149	26 805
1975-76	18 005	6 082	7 500	1 725	698	160	34 170
1976-77	15 280	4 191	12 300	2 107	1 230	6	35 114
1977-78 (estimate)	10 373	753	13 388	1 413	173	..	26 100

Assistance to State Emergency Services

The Natural Disasters Organisation, which was formally established on 2 July 1974, is responsible for co-ordinating physical assistance provided by the Commonwealth (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 \$1 289 079 was provided in 1976-77 and the estimated value of equipment to be provided in 1977-78 is \$1 367 000;
- (iv) the Commonwealth 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 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 papers; they are both regarded as being recurrent payments for purposes of this paper. The following table shows payments made for these purposes and estimated payments in 1977-78:—

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 . . .	323	220	256	..	13	67	879
1977-78 (estimate)	375	255	297	..	15	78	1 020
PROTECTION AND OTHER WORKS							
1975-76 . . .	20	..	66	8	..	..	94
1976-77 . . .	32	40	46	5	24	2	149
1977-78 (estimate)	37	47	54	6	28	3	175
TOTAL							
1974-75 . . .	188	..	114	..	..	23	325
1975-76 . . .	298	119	269	8	..	53	747
1976-77 . . .	355	260	302	5	37	69	1 028
1977-78 (estimate)	412	302	351	6	43	81	1 195

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 \$170 500 was paid to Western Australia for the Exmouth Shire in 1976-77 from Department of Defence appropriations. An amount of \$130 000 is being provided against the requirement for further assistance in 1977-78.

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 examples 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), and the substantially increased assistance for schools as from 1973-74 and for technical and further education as from 1974-75. 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 \$1 669.5 million in 1976-77, and an estimated \$1 821.3 million in 1977-78.

For details of assistance under the various programs since their inception up to 1975-76 *see* that year's edition of this document, pages 37 through 48, 189 through 198 and 216 through 219.

As from 1977 the fixed triennial system of the past has been converted to a three-year rolling program encompassing the four broad areas of payments to the States for education—namely for universities, colleges of advanced education, technical and further education and schools. 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 the 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 program.

Cost supplementation arrangements for the four areas of assistance have also been changed. It is intended that supplementation now relating to both recurrent and capital costs will be confined, after 1977, to the wages and salaries component of recurrent programs, including the fees reimbursement component in the technical and further education assistance. This variation reflects in part a more favourable tendering climate for capital projects.

However, because the respective Commissions will not report until after the Budget it is not possible to give precise estimates, for the four areas of assistance, of total grants in 1977-78 including amounts to allow for cost increases beyond 30 June 1977.

The figures in respect of the four areas for 1977-78 given in Tables 15 through 18 below are therefore generally on the basis of estimated June 1977 cost levels and there will be additions to the amounts shown in those tables on account of cost supplementation. An amount of \$75 million has been allowed for in the budget figures in respect of cost supplementation for the four areas of assistance concerned. This is a broadly determined figure and it is not possible to give a break-down of it as between the areas of assistance concerned; for purposes of this document, however, an arbitrary allocation of \$60 million to recurrent grants and \$15 million to capital grants has been made and this has been allocated between States in proportion to recurrent and capital grants for education respectively.

Tertiary Education

The *Tertiary Education Commission Act 1977* established the Tertiary Education Commission as a replacement for the three former Commissions—the Universities Commission, the Commission on Advanced Education and the Technical and Further Education Commission. The areas with which these former Commissions were concerned are now dealt with by separate Councils within the new Commission, which has the object of promoting balanced and co-ordinated development of tertiary education throughout Australia. In particular, the programs of assistance to the States towards these areas are administered by the Commission.

As indicated above, the Government's decisions on the 1977 programs were taken in accordance with the new rolling program arrangements. The assistance to the States for that year was authorised under the *States Grants (Universities Assistance) Act 1976*, the *States Grants (Advanced Education Assistance) Act 1976* and the *States Grants (Technical and Further Education Assistance) Act 1976*.

In June 1977 the Government announced, for the next three-year rolling period, base levels of expenditure for 1978 (i.e. before allowances for cost increases during the year), and planning guidelines for the years 1979 and 1980.

Briefly, the base levels of expenditure in 1978 on universities and colleges of advanced education are to be maintained at the same real levels as for 1977, and the base level of expenditure on technical and further education is to increase by 10 per cent in real terms in 1978. By way of planning guidance, 2 per cent real growth in the base levels of expenditure was set for each of the years 1979 and 1980 for the tertiary area as a whole. These percentages relate to the total programs which are the subject of recommendations by the Commission. 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 they relate to the States only.

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.

On the basis of the guidelines noted above, the program of financial assistance to the States for universities in 1978 amounts to \$587.9 million at estimated June 1977 prices. The allocation for 1977–78 is \$600.2 million, again at estimated June 1977 prices.

The following table shows grants to the States for universities since 1973-74, and the estimated grants for 1977-78 at estimated June 1977 prices:—

TABLE 15—GRANTS FOR UNIVERSITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
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	207 367	139 414	73 483	53 506	43 218	16 427	533 415
1977-78 (estimate)(a)	219 600	151 800	77 200	56 500	45 800	17 400	568 300
CAPITAL							
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	9 818	5 808	7 581	3 921	7 398	573	35 100
1977-78 (estimate)(a)	7 100	6 700	5 000	3 500	9 200	400	31 900
TOTAL							
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	217 185	145 222	81 064	57 427	50 616	17 000	568 515
1977-78 (estimate)(a)	226 700	158 500	82 200	60 000	55 000	17 800	600 200

(a) Estimates only. Final amounts will be determined following recommendations of the Tertiary Education Commission to the Government on grants for 1978. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation; see final paragraph on p.36.

Colleges of Advanced Education (including Teachers Colleges)

Grants to the States for colleges of advanced education began in March 1965 when the Commonwealth 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.

On the basis of the guidelines noted above, the program of financial assistance to the States for colleges of advanced education in 1978 amounts to \$445.1 million at estimated June 1977 prices. The allocation for 1977-78 is \$452.6 million, again at estimated June 1977 prices.

The following table shows grants to the States for colleges since 1973-74, and the estimated grants for 1977-78 at estimated June 1977 prices:—

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							
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	90 831	135 960	48 962	38 221	46 242	8 678	368 894
1977-78 (estimate)(a)	94 500	135 900	53 500	40 000	46 200	8 800	378 900
CAPITAL							
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	27 200	25 971	14 630	4 276	5 074	404	77 555
1977-78 (estimate)(a)	21 500	28 300	9 100	7 900	5 300	1 600	73 700
TOTAL							
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	118 031	161 931	63 592	42 497	51 316	9 082	446 449
1977-78 (estimate)(a)	116 000	164 200	62 600	47 900	51 500	10 400	452 600

(a) Estimates only. Final amounts will be determined following recommendations of the Tertiary Education Commission to the Government on grants for 1978. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation; see final paragraph on p. 36.

Technical and Further Education

Assistance to the States for technical and further education was first provided in 1964-65, and 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, was directed towards enhancing the quality and extending the availability of technical and further education.

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.

On the basis of the guidelines noted above, the program of financial assistance to the States for 1978 determined by the Government amounts to \$94.4 million at estimated June 1977 prices. The allocation for 1977-78 is \$86.2 million, again at estimated June 1977 prices.

The following table shows grants to the States for technical and further education since 1973-74, and the estimated grants for 1977-78 at estimated June 1977 prices:—

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

	New South Wales	Victoria	Queens- land	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	16 714	13 866	4 537	4 502	3 606	969	44 194
1977-78 (estimate)(a)	17 900	11 600	4 800	4 800	4 500	1 300	44 900
CAPITAL							
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	12 262	9 333	4 439	2 320	3 690	1 665	33 708
1977-78 (estimate)(a)	14 700	11 100	7 300	3 600	2 800	1 800	41 300
TOTAL							
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	28 976	23 199	8 976	6 822	7 296	2 634	77 902
1977-78 (estimate)(a)	32 600	22 700	12 100	8 400	7 300	3 100	86 200

(a) Estimates only. Final amounts will be determined following recommendations of the Tertiary Education Commission to the Government on grants for 1978. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation; see final paragraph on p. 36.

Schools

The Commonwealth 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, migrant children, 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.

The three-year rolling program arrangements apply also to schools in the States as from 1977. Under these arrangements a total of \$595.0 million (at estimated June 1977 prices) is expected to be provided in 1978 as the base program of assistance to the States for schools. This represents the same amount in real terms as the approved program for 1977.

Planning guidance provided for schools in the States for 1979 and 1980 under the rolling program planning arrangement is based on a 1 per cent per annum growth in base levels of expenditure in real terms. The Schools Commission has been requested to present a Report for the 1978-80 period based on the allocation for 1978 and the planning guidelines for 1979 and 1980.

The following table shows grants to the States for schools since 1973-74, and the estimated grants for 1977-78 at estimated June 1977 prices:—

TABLE 18—GRANTS FOR GOVERNMENT AND NON-GOVERNMENT SCHOOLS—
1973-74 TO 1977-78
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
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	331 885
1976-77	151 153	134 939	56 058	35 038	33 521	11 049	421 758
1977-78 (estimate)(a)	159 522	130 227	55 880	35 621	33 456	11 291	425 997
CAPITAL							
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	48 683	45 056	28 090	14 672	6 999	4 266	147 766
1977-78 (estimate)(a)	59 998	48 019	30 914	15 995	14 066	5 087	174 079
TOTAL							
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	475 516
1976-77	199 836	179 995	84 148	49 710	40 520	15 315	569 524
1977-78 (estimate)(a)	219 520	178 246	86 794	51 616	47 522	16 378	600 076

(a) Estimates only. Final amounts will be determined following recommendations of the Schools Commission to the Government on grants for 1978. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation; see final paragraph on p. 36.

Child Migrant Education

Grants are provided by the Commonwealth to the States for child migrant education in schools. Until January 1976, they were made available under the *Immigration (Education) Act* 1971. Since then almost all of the program of assistance has been subsumed within the general recurrent grants programs administered by the Schools Commission (see above). Grants under the *Immigration (Education) Act* are now only provided for the purpose of initial special instruction of refugee children who arrive during the course of a school year, and for the purchase of materials. (In addition, for the period 1973-74 to 1976-77, grants were also made to the States under the Act for the construction of portable supplementary classrooms to accommodate the increased number of students needing special language instruction in government and non-government schools.)

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.

The following table shows grants paid to the States for child migrant education, other than under the Schools Commission program, since 1973-74 and estimates for 1977-78:—

TABLE 19—GRANTS FOR CHILD MIGRANT EDUCATION (OTHER THAN UNDER THE SCHOOLS COMMISSION PROGRAM)(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
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	7 371
1976-77	67	46	2	22	2	2	140
1977-78 (estimate)(b)	42	2	..	16	..	..	60
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	2	5	..	31	..	..	39
TOTAL							
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	9 041
1976-77	69	51	2	53	2	2	179
1977-78 (estimate)(b)	42	2	..	16	..	..	60

(a) Payments under the Schools Commission program, commencing in January 1976, are included in the overall figures shown in Table 18.

(b) Preliminary estimates only.

Educational Research

Grants to the States for the purpose of educational research are made under the *Education Research Act 1970*. For this purpose, the Education Research and Development Committee advises the Minister for Education on priorities in educational research, makes recommendations on allocations of financial support of educational research projects proposed to it and commissions 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.

\$900 000 has been approved under the Act for 1977-78 and, of this, it is estimated that \$725 000 will be made available to the States on the recommendations of the Committee.

Under the Act 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 1973-74 and estimated grants in 1977-78:—

TABLE 20—GRANTS FOR RECURRENT EXPENDITURES ON EDUCATIONAL RESEARCH
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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.	259	314	216	139	70	14	1 012
1977-78 (estimate)(a)	225	270	175	110	57	13	850

(a) Preliminary estimates only.

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 \$21.0 million in 1972–73 to \$852.7 million in 1976–77. The estimated payments in 1977–78 are \$1114.2 million.

Health Insurance Program ('Medibank')

Section 30 of the *Health Insurance Act* 1973 authorised the Commonwealth 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 provided free standard ward public hospital treatment without means test and free public hospital outpatient services. There were 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.

Payments under the agreements were suspended in May 1976 following legal advice that the agreements were invalid. Up to that date, the Commonwealth had already made payments totalling \$575.2 million.

As an interim measure, until new cost-sharing arrangements were negotiated with the States as part of the new health insurance arrangements that were to apply from 1 October 1976, the *States Grants (Hospital Operating Costs) Act* 1976 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. Of this amount, \$294.5 million was paid to the States in 1975–76 to meet the estimated payments that would have been made to the States from 25 May to 30 September 1976 had the former agreements not been declared invalid. It was estimated that \$215.6 million of that amount would have been paid in ordinary circumstances in 1976–77.

New cost-sharing arrangements under the *Health Insurance Act* 1973 were negotiated with the States and became effective on 1 October 1976. Apart from revisions to relevant charges and to conditions in respect of free hospital treatment, the main change from the previous arrangements was that the Commonwealth is now to meet 50 per cent of budgets as approved by the Commonwealth and State Health Ministers.

The following table shows payments made to the States in 1975-76 and 1976-77 under both the *Health Insurance Act* and the *States Grants (Hospital Operating Costs) Act* taken together and estimated payments to be made in 1977-78 under *Health Insurance Act* 1973:—

TABLE 21—PAYMENTS FOR RECURRENT COSTS OF STATE PUBLIC HOSPITALS
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1975-76.	317 177	229 570	102 820	92 367	96 745	31 000	869 679(a)
1976-77.	234 399	149 903	82 883	69 394	74 674	18 918	630 171
1977-78 (estimate)(b)	357 000	224 000	125 000	96 000	109 000	31 000	942 000

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

(b) Hospital budgets for 1977-78 have not yet been approved under the Commonwealth/State hospital cost-sharing agreements; the estimates shown are therefore tentative and imply no commitment as to the amounts to be paid by the Commonwealth, either in total or to individual States.

Hospitals Development Program

The Commonwealth is continuing to provide assistance to the States under the Hospitals Development Program. It is intended that \$50 million will be made available to the States in 1977-78.

The program 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 1977-78:—

TABLE 22—CAPITAL GRANTS FOR DEVELOPMENT OF PUBLIC HOSPITALS
AND OTHER HEALTH INSTITUTIONS
(\$ thousands)

	New South Wales	Victoria	Queensland	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	36 000	27 000	17 000	13 000	12 000	3 000	108 000
1977-78 (estimate)	15 810	11 800	7 130	5 120	4 680	5 460	50 000

Nursing Homes

From 1969-70 to 1974-75, financial assistance was provided to the States under the *States Grants (Nursing Homes) Act* 1969 towards the construction of approved nursing homes wholly or mainly for aged persons of limited means.

Because of an urgent need for additional public nursing home accommodation in Brisbane, a grant of \$1 725 000 on a \$1 for \$1 basis, was made available to Queensland in 1975 towards the cost of stage 2 of the Wynnum public nursing home. The final payment of \$652 000 under these special arrangements was made in 1976-77.

Annual payments from 1973-74 to 1976-77 are given in Appendix V.

Community Health Facilities and Services

The Government is continuing to provide grants in 1977-78 to the States and other eligible organisations under the Community Health Program which commenced in 1973.

From 1 July 1977, the Commonwealth will meet 50 per cent of new capital and 75 per cent of operating costs of projects instead of 75 per cent of capital costs and 90 per cent of operating costs. The 75 per cent capital subsidy will continue for projects started before 30 June 1977. In addition to the above arrangements, 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 since 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 1977-78:—

TABLE 23—GRANTS FOR COMMUNITY HEALTH FACILITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	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	25 606	11 355	4 797	3 720	2 916	2 038	50 432
1977-78 (estimate)	28 852	14 985	6 935	4 683	4 425	2 490	62 370
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	3 328	3 660	2 805	980	2 780	561	14 114
1977-78 (estimate)	3 207	3 662	1 125	673	1 933	330	10 930
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	28 934	15 015	7 602	4 700	5 696	2 599	64 546
1977-78 (estimate)	32 059	18 647	8 060	5 356	6 358	2 820	73 300

Tuberculosis Control

Under the *Tuberculosis Act 1948*, the States were reimbursed from 1949-50 for approved expenditures they incurred in the diagnosis, treatment and control of tuberculosis. The incidence of tuberculosis has been brought under control in Australia and Commonwealth assistance under this program ceased 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 1973-74 and estimated payments in 1977-78. (This estimate provides for expected final payments to certain States to meet commitments entered into prior to 31 December 1976.)

TABLE 24—GRANTS FOR TUBERCULOSIS CONTROL
(£ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
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	390	3 277	1 253	498	648	592	6 659
1977-78 (estimate)	1 773	..	667	39	..	..	2 479
CAPITAL							
1973-74	22	..	22	395	..	2	441
1974-75	34	10	56	31	..	..	131
1975-76	2	2	203	30	..	4	241
1976-77	15	..	109	..	..	..	125
1977-78 (estimate)	..	..	..	..	..	..	..
TOTAL							
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	405	3 277	1 362	498	648	592	6 784
1977-78 (estimate)	1 773	..	667	39	..	..	2 479

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. Until 1975-76, the Commonwealth met 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. Since then these arrangements have been revised and, as from 1 July 1977, the Commonwealth is to meet 75 per cent of the capital costs of new facilities. Capital facilities commenced before that date will continue to be funded 90 per cent by the Commonwealth under arrangements made in 1976-77. Also from 1 July 1977, the Commonwealth will meet 75 per cent of the operating costs of training facilities and 50 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 1977-78 are shown in the following table:—

TABLE 25—GRANTS FOR SCHOOL DENTAL SCHEME
(\$ thousands)

	New South Wales	Victoria	Queens- land	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	3 589	1 891	2 026	3 099	2 654	1 475	14 733
1977-78 (estimate)	3 134	2 646	2 768	2 950	3 091	1 429	16 018
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	2 191	1 711	1 896	830	935	132	7 695
1977-78 (estimate)	1 800	1 239	3 600	707	890	229	8 465
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	5 780	3 602	3 922	3 929	3 589	1 607	22 428
1977-78 (estimate)	4 934	3 885	6 368	3 657	3 981	1 658	24 483

Health Education Campaigns

Subject to an assessment of its effectiveness, the Commonwealth will continue 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 \$750 000 will be made available to the States for this purpose in 1977-78.

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 1973-74 and the estimated grants for drug education in 1977-78 are shown in the following table:—

TABLE 26—GRANTS FOR HEALTH EDUCATION CAMPAIGNS
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	212	151	116	66	85	46	675
1977-78 (estimate)	231	165	142	72	90	50	750

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 Services 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 Services be shared between the Commonwealth and the States on a \$1 for \$1 basis.

The basis of the Commonwealth's contribution changed from the beginning of 1976-77 so that the Society's contribution, within each State Division, is the lower of 5 per cent of operating costs or 10 per cent of the previous year's income from donations. Any reduction in the Society's previous share is 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 1973-74 and estimates for 1977-78 are shown in the following table:—

TABLE 27—GRANTS FOR EXPENDITURES ON BLOOD TRANSFUSION SERVICES
(£ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
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	1 471	1 303	680	494	436	108	4 492
1977-78 (estimate)	1 620	1 513	750	527	467	123	5 000
CAPITAL							
1975-76	34	75	29	6	12	5	160
1976-77	15	53	6	17	23	5	118
1977-78 (estimate)	150	975	37	23	43	2	1 231
TOTAL							
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	1 486	1 356	686	511	459	113	4 610
1977-78 (estimate)	1 770	2 488	787	550	510	125	6 231

Health Planning Agencies

The Government will continue to provide grants in 1977-78 for the support of State health planning agencies. Payment of grants for this purpose commenced in 1973-74. As in previous years, these grants will be provided to the States on a \$2 for \$1 basis. The grants will be paid by the Hospitals and Health Services Commission out of funds allocated to it from the Budget.

Grants to the States under this program since its inception and estimates in 1977-78 are shown in the following table:—

TABLE 28—GRANTS FOR RECURRENT EXPENDITURES BY HEALTH PLANNING AGENCIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	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	230	24	84	62	120	40	560
1977-78 (estimate)	230	24	84	62	120	40	560

Home Dialysis Scheme

From 1974-75 to 1976-77 the Commonwealth made available, through State public hospitals, home dialysis equipment and supplies to all who needed them. The scheme was absorbed within the Medibank hospital cost-sharing arrangements from 1 October 1976 and costs are now shared equally with the States.

The following table shows the grants that have been made under the home dialysis scheme since its inception in 1974-75 and estimated grants in 1977-78. (This estimate provides for expected final payments to the States to meet commitments entered into prior to 1 October 1976.)

TABLE 29—GRANTS FOR THE PROVISION OF HOME DIALYSIS SUPPLIES AND EQUIPMENT
(\$ thousands)

	New South Wales	Victoria	Queens- land	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	801	760	169	122	73	35	1 960
1977-78 (estimate)	15	20	3	5	5	2	50

Control of Encephalitis

Following the outbreak of Australian Encephalitis (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. The Government has decided to continue providing funds in 1977-78 to control 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 1977-78 are set out in the following table:—

TABLE 30—GRANTS FOR THE CONTROL OF AUSTRALIAN ENCEPHALITIS
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	16	120	..	15	..	..	151
1975-76	3	55	..	..	..	..	58
1976-77	8	34	..	14	..	..	56
1977-78 (estimate)	8	73	..	11	..	..	92

Disposal of Ships' Garbage

Financial assistance has been made available 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 Commonwealth met 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 was, however, met by the States. These arrangements are currently under review. Annual grants from 1973-74 to 1976-77 are given in Appendix V.

High Security Quarantine Units

To meet the threat of new types of human quarantineable diseases, the Commonwealth proposes to establish a national high security quarantine unit at the Fairfield Infectious Diseases Hospital, Victoria. The cost of constructing the unit, estimated to be \$910 000 in 1977-78, is to be met in full by the Commonwealth.

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 1973–74 and estimates for 1977–78 are shown in the following table:—

TABLE 31—GRANTS FOR HOME CARE SERVICES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	1 567	2 018	1 990	904	57	355	6 891
1977–78 (estimate)	1 600	2 297	3 273	1 265	65	800	9 300

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 1973-74 and estimates for 1977-78 are shown in the following table:—

TABLE 32—GRANTS FOR SENIOR CITIZENS CENTRES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
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	253	293	37	31	56	..	670
1977-78 (estimate)	329	414	24	76	57	..	900
CAPITAL							
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	891	1 571	916	212	407	..	3 997
1977-78 (estimate)	1 052	1 605	568	275	349	151	4 000
TOTAL							
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	1 144	1 864	953	243	463	..	4 667
1977-78 (estimate)	1 381	2 019	592	351	406	151	4 900

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 1973-74 and estimates for 1977-78 are shown in the following table:—

TABLE 33—GRANTS FOR PARAMEDICAL SERVICES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74	131	..	30	..	3	164
1974-75	242	..	112	..	8	362
1975-76	233	..	167	..	10	410
1976-77	263	..	272	..	15	550
1977-78 (estimate)	281	..	283	..	18	582

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 were made available over the three year period ending June 1977 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 scheme were to be not less than the maximum rate of supplementary assistance paid to pensioners.

The Act has been extended for one year to 30 June 1978 and the total of grants payable increased by \$10 million to \$40 million. The requirement has also been removed that the States submit for the Commonwealth's approval details of each building scheme to be financed under the program. The scheme is currently being reviewed in consultation with the States.

Payments made to the States under the scheme since 1973-74 and estimated payments for 1977-78 are shown in the following table:—

TABLE 34—GRANTS FOR CAPITAL EXPENDITURES ON PENSIONERS' DWELLINGS
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	2 352	3 419	2 023	1 473	1 288	280	10 835
1977-78 (estimate)	4 070	2 530	1 490	930	700	280	10 000

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 widow's pension or, as from 3 July 1973, a supporting mother's 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 widow's pension or a supporting mother's 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 1947* had she been eligible for a Class A widow's pension or a supporting mother's benefit.

The following table shows grants made to the States from 1973-74 and estimates for 1977-78:—

TABLE 35—GRANTS FOR DESERTED WIVES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	3 837	2 824	2 508	1 879	1 700	599	13 347
1977-78 (estimate)	4 800	3 900	2 800	2 000	1 800	200	15 500

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.

The program of assistance is administered by the Office of Child Care which was established under the Minister for Social Security to advise on 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. Since 1 January 1977, assistance to the States for the recurrent costs of pre-school services has been provided in the form of a block grant subject to certain broad requirements concerning priority of access.

The Government has decided that up to \$73.3 million will be provided in 1977-78 for services for children in the States. It is tentatively estimated that, of that total, approximately \$53 million could take the form of payments to the States, including \$39 million by way of block grants for recurrent pre-school expenditure.

The following table shows payments to the States that have been made and approximate estimates for 1977-78. No commitment as to the provision of the amounts shown for 1977-78 is implied.

TABLE 36—PRE-SCHOOLS AND CHILD CARE
(\$ thousands)

	New South Wales	Victoria	Queens- land	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	8 532	12 722	6 970	5 601	4 930	2 006	40 761
1977-78 (estimate)(a)	9 315	13 890	7 610	6 115	5 380	2 190	44 500
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	6 592	4 160	314	160	144	5	11 375
1977-78 (estimate)(a)	4 925	3 110	235	120	105	5	8 500
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	15 124	16 882	7 284	5 761	5 073	2 011	52 136
1977-78 (estimate)(a)	14 240	17 000	7 845	6 236	5 485	2 195	53 000

(a) The State by State figures are notional only and no commitment to the provision of these amounts is implied.

Employment Grants for Maryborough Region

Following a decision to cease granting export licences for minerals from sand mining on Fraser Island, the Commonwealth agreed to provide \$10 million to Queensland for allocation by that State to create employment opportunities in the Maryborough region. \$1 million was provided in 1976-77 and it is intended that \$3 million will be provided each year for the following three years.

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 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. Total payments to 30 June 1977 amounted to \$611 000, including a payment of \$397 000 in 1976-77. The Commonwealth contribution is expected to be \$1.2 million in 1977-78.

ABORIGINAL ADVANCEMENT

Since 1968-69 the Commonwealth 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 106 in this paper under the functional headings appropriate to the specific kinds of assistance involved. In other relevant tables in this paper, however, all payments for this purpose are grouped together.

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

The following table shows payments made to the States since 1973-74 and estimated payments in 1977-78:—

TABLE 37—PAYMENTS FOR ABORIGINAL ADVANCEMENT
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
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	2 683	1 254	3 314	2 515	7 702	71	17 539
1977-78 (estimate)	3 075	1 313	4 012	3 135	8 748	67	20 350
CAPITAL							
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	3 494	682	4 397	3 339	4 765	187	16 864
1977-78 (estimate)	2 654	400	2 615	1 700	4 547	175	12 091
TOTAL							
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	6 177	1 936	7 711	5 854	12 467	258	34 403
1977-78 (estimate)	5 729	1 713	6 627	4 835	13 295	242	32 441

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 the 1975-76 issue of this paper. 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 under successive Commonwealth-State Housing Agreements.
- These advances were repayable over fifty-three years and over most of the period they were provided at concessional rates of interest.
- The 1945 Agreement included provision for the Commonwealth 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 fifty-three 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*, 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.

Further amendments have been agreed recently between the Commonwealth and the States to the conditions applying to the sale of family dwellings by the State Housing Authorities of New South Wales, Victoria and Tasmania and to the operations of the Home Builders' Accounts.

The 1973-1974 Agreement is due to expire on 30 June 1978. Arrangements for the provision of future Commonwealth assistance to the States for welfare housing are being developed in consultation with the States.

The following table shows payments made to the States for housing from 1973-74 and approved payments for 1977-78:—

TABLE 38—PAYMENTS TO THE STATES FOR HOUSING 1973-74 TO 1977-78
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT GRANTS(a)							
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	1 848	1 347	858	941	627	314	5 935
1977-78 (estimate)	1 848	1 347	425	941	627	314	5 502
ADVANCES							
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	123 411	98 159	37 410	56 360	35 440	24 220	375 000
1977-78 (estimate)	128 011	101 759	39 810	58 460	36 740	25 220	390 000
TOTAL PAYMENTS							
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	125 259	99 506	38 268	57 301	36 067	24 534	380 935
1977-78 (estimate)	129 859	103 106	40 235	59 401	37 367	25 534	395 502

(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 have declined from the high level of \$263.0 million reached in 1975-76. Payments in 1976-77 were \$125.1 million and are expected to total approximately \$56 million in 1977-78. (These figures are *net* of repayments.)

Payments in 1976-77 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 the 1975-76 issue of this paper.

Growth Centres and Related Projects

A total of \$29.9 million was paid to the States in 1976-77 for development of metropolitan and regional growth centres and for related projects. Provision is made in the Budget for payment to the States of \$8.2 million for these purposes in 1977-78.

Albury-Wodonga

Total payments to New South Wales and Victoria in 1976-77 for Albury-Wodonga amounted to \$20.9 million comprising \$20.3 million in the form of loans and \$0.6 million in the form of grants. The payments were mainly for land acquisition, land development and headworks, housing and commercial development construction, studies and investigations, the running costs of the Albury-Wodonga Development Corporation and assistance to local councils.

An amount of \$5.13 million has been provided in the Budget for financial assistance to the States towards expenditure on Albury-Wodonga during 1977-78.

Other Growth Centres and Related Projects

Payments for growth centres and related projects other than Albury-Wodonga amounted to \$9.0 million in 1976-77.

Payments to New South Wales in 1976-77 for the Macarthur growth centre amounted to \$5.0 million and were provided wholly by way of loans for land acquisition, development works and running expenses of the Macarthur Development Board and departments and authorities implementing the development.

Payments for the Bathurst-Orange growth centre amounted to \$4.0 million in 1976-77 and comprised \$3.7 million in the form of loans and \$0.3 million by way of grants. The payments were for development works and for assistance to local councils.

An amount of \$3.0 million has been provided in the Budget for financial assistance towards expenditure on the Macarthur and Bathurst-Orange growth centres in 1977-78.

A grant of \$45 000 was paid to Tasmania in 1976-77 for the acquisition of land for parks and reserves in the Tamar area. An amount of \$70 000 has been included in the Budget for financial assistance to the State for this purpose in 1977-78.

The following table shows the amounts provided to each State for growth centres and related projects and those proposed for 1977-78:—

TABLE 39—PAYMENTS FOR GROWTH CENTRES AND RELATED PROJECTS^(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74—							
Grants	497	446	..	355	..	35	1 332
Loans	133	1 054	..	4 059	..	..	5 247
Capitalised Interest . . . . .	..	..	..	..	..	..	..
Total	630	1 500	..	4 414	..	35	6 579
1974-75—							
Grants	505	340	..	841	..	400	2 087
Loans	28 744	23 871	..	4 531	..	..	57 146
Capitalised Interest	955	633	..	447	..	..	2 035
Total	30 204	24 844	..	5 819	..	400	61 268
1975-76—							
Grants	1 773	245	..	105	474	506	3 104
Loans	38 157	19 018	..	558	..	..	57 733
Capitalised Interest	4 282	3 259	..	841	..	..	8 381
Total	44 213	22 521	..	1 504	474	506	69 218
1976-77—							
Grants	573	299	..	..	..	45	918
Loans	18 355	10 657	..	..	..	..	29 012
Capitalised Interest	7 667	5 136	..	980	..	..	13 784
Total	26 596	16 093	..	980	..	45	43 714
1977-78 (estimate)—							
Grants	25	105	..	..	..	70	200
Loans	6 200	1 800	..	..	..	..	8 000
Capitalised Interest	9 930	6 532	..	1 085	..	..	17 547
Total	16 155	8 437	..	1 085	..	70	25 747

(a) Capitalised interest 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 papers as interest payments notionally made by the State concerned to the Commonwealth and advances notionally made by the Commonwealth to the State. The amounts quoted in the text do not include capitalised interest.

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 Area Improvement Program was discontinued in 1976-77 and \$0.6 million was paid to a number of States in that year to meet formal commitments to projects commenced in previous years. Annual payments from 1973-74 to 1976-77 are given in Appendix V.

Urban Flood Mitigation

The Commonwealth 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 each of the years 1975-76 and 1976-77.

Amounts of \$2.1 million and \$1.57 million were provided to Queensland in 1975-76 and 1976-77 respectively 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 \$1.8 million is provided in the Budget for 1977-78 to allow completion of the works.

Assistance for Land Acquisition and Development in Urban Areas

The main 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 \$15.1 million was provided in the Budget for 1976-77. Total payments to the States in 1976-77, in respect of expenditure on approved programs of land acquisition, development and related works, amounted to \$13.9 million.

An amount of \$14.1 million is provided in the Budget for 1977-78 to meet remaining commitments to the States.

The following table shows the amounts provided to each State for land acquisition, development and related works and those proposed for 1977-78:—

TABLE 40—PAYMENTS FOR LAND ACQUISITION, DEVELOPMENT AND RELATED WORKS IN URBAN AREAS(a)

	(\$ thousands)						
	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74—							
Grants . . . . .	..	..	..	..	..	..	..
Loans . . . . .	..	3 531	..	8 000	..	..	11 531
Capitalised Interest . . . . .	..	..	..	..	..	..	..
Total . . . . .	..	3 531	..	8 000	..	..	11 531
1974-75—							
Grants . . . . .	..	993	..	2 034	1 886	..	4 913
Loans	820	7 703	..	16 543	9 830	..	34 896
Capitalised Interest . . . . .	..	307	..	975	3	..	1 285
Total	820	9 003	..	19 552	11 720	..	41 095
1975-76—							
Grants	27	3 417	..	500	956	..	4 900
Loans	11 132	11 061	..	16 405	5 121	..	43 719
Capitalised Interest	587	1 161	..	2 987	999	..	5 734
Total	11 746	15 639	..	19 892	7 076	..	54 353
1976-77—							
Grants	73	..	..	..	725	250	1 048
Loans	2 408	2 452	..	5 782	2 250	..	12 892
Capitalised Interest	1 336	2 474	..	4 570	1 631	..	10 011
Total	3 817	4 926	..	10 352	4 606	250	23 951
1977-78 (estimate)—							
Grants . . . . .	..	..	..	..	..	100	100
Loans	2 600	2 453	..	6 000	2 975	..	14 028
Capitalised Interest	1 784	3 005	..	5 841	2 108	..	12 738
Total	4 384	5 458	..	11 841	5 083	100	26 866

(a) For comments on the capitalised interest component, see note (a), Table 39. Amounts quoted in the text do not include capitalised interest.

Woolloomooloo Redevelopment

An agreement was concluded in 1974-75 with New South Wales 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 to the State amounted to \$5.8 million in 1975-76 and \$3.0 million in 1976-77. An amount of \$1.2 million has been included in the Budget for estimated payments to the State in 1977-78.

The agreement also provides for the State to make certain payments to the Commonwealth including the payment of specific amounts in respect of each unit of public housing produced on the property acquired by, or transferred to, the State and payment of the receipts from any part of the property that is not retained for public housing. An amount of \$154 000 was received from the State under these provisions in 1976-77 and similar payments by the State in 1977-78 are estimated to be \$339 000.

The amounts shown in Appendix V are net amounts after deductions of these receipts.

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

Air Quality Monitoring

Under the *States Grants (Air Quality Monitoring) Act 1976* the Commonwealth provided \$191 000 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. An amount of \$150 000 is to be made available in 1977-78 for the expansion of national urban air quality monitoring to provide data for national planning decisions related to air quality management. The allocation between States in 1977-78 has yet to be determined.

Captains Flat—Pollution Abatement Works

Under the *Captains Flat (Abatement of Pollution) Agreement Act 1975* the Commonwealth 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 loan, and for maintenance will be wholly by way of grant.

Payments to the State amounted to \$890 000 in 1975-76 and \$1 030 000 in 1976-77 for capital works. An amount of \$225 000 has been included in the Budget for estimated payments in respect of capital works in 1977-78.

National Sewerage Program

In 1973-74 the Commonwealth 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).

Funds were provided until 1976-77 for this program, including amounts for extending the assistance to smaller cities and for research, training, monitoring and planning. The program has now been discontinued and \$0.3 million has been made available in 1977-78 to allow completion of certain studies concerned with the rationalisation and efficiency of sewerage services in the States. Annual payments to each State are shown in Appendix V.

CULTURE AND RECREATION

The Commonwealth Government first provided grants to the States for cultural and recreational purposes in 1973-74. An estimated \$6.8 million will be made available for these purposes in 1977-78.

National Fitness Program

Payments of \$0.6 million per annum were made to the States in 1975-76 and 1976-77 for national fitness activities. The State distributions of these payments are given in Appendix V. Under arrangements agreed with the States, funds for these purposes have now been allocated to the 'Life, Be In It' campaign which the Commonwealth is co-ordinating in the three years commencing 1977-78. These expenditures are not classified as payments to the States.

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 \$3.5 million will be made to the States in 1977-78 to meet existing commitments; some will be for on-passing to local government authorities (see Chapter V) and voluntary bodies.

The following table shows grants to the States under this program and estimated grants, on a notional basis, for 1977-78:—

TABLE 41—GRANTS FOR CAPITAL EXPENDITURES ON LEISURE AND CULTURAL FACILITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<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	1 208	972	590	1 722	667	481	5 640
1977-78 (estimate)	638	538	215	1 873	65	137	3 466
<i>Arts/Cultural Facilities—</i>							
1974-75 . . . . .	..	10	..	..	..	..	10
1975-76	18	50	..	..	40	112	220
1976-77 . . . . .	..	..	..	..	..	..	..
1977-78 (estimate) . . . . .	..	..	..	..	..	..	..
<i>Total—</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	1 208	972	590	1 722	667	481	5 640
1977-78 (estimate)	638	538	215	1 873	65	137	3 466

Nature Conservation

An amount of \$2 082 000 was paid to the States in 1976-77 under the *States Grants (Nature Conservation) Act 1974* for land acquisition and programs related to the management of parks or reserves for the purposes of nature conservation.

A further \$800 000 will be provided in 1977-78 to meet commitments given to the State Governments.

The following table shows payments made to the States since 1975-76 and estimates for 1977-78. The distribution of the 1977-78 estimate is based on estimated valuations of land being acquired under the program. No commitment to the provision of the amount shown for each State is implied.

TABLE 42—PAYMENTS FOR NATURE CONSERVATION PURPOSES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1975-76	445	35	88	579	35	86	1 268
1976-77	362	360	400	300	250	410	2 082
1977-78 (estimate)(a)	150	500	..	..	..	150	800

(a) The 1977-78 allocation by States is notional only, and is based on estimated valuations of land being acquired under the program. No commitment to the provision of the amount shown for each State is implied. See text above.

National Estate

Grants have been provided for the restoration, preservation and improvement of landscapes and buildings of special significance since 1974. The Australian Heritage Commission, established in 1975 under the *Australian Heritage Commission Act 1975*, provides advice to the Commonwealth on the programs of assistance in respect of these matters.

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

The following table shows grants paid since they commenced in 1973-74 and the estimated grants for 1977-78. The distribution of the 1977-78 estimate is notional only, and no commitment to the provision of the amount for each State is implied.

TABLE 43—GRANTS FOR EXPENDITURE ON THE NATIONAL ESTATE
(\$ thousands)

	New South Wales	Victoria	Queens- land	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(a)	..	591	183	246	215	19	1 254
1977-78 (estimate)(b)	425	425	425	425	425	425	2 550

(a) Commitments carried forward from 1975-76.

(b) The 1977-78 allocation by States is notional only. No commitment to the provision of the amount shown for each State is implied. See text above.

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 \$537.1 million for this function in 1977–78 and, of this, \$483.1 million is for roads and bridges and \$51.0 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 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 the 1975–76 edition of this paper for an historical description of the Commonwealth's assistance for roads.)

Under the *National Roads Act* 1974 and the *Roads Grants Act* 1974, a total of \$1 100 million was made available to the States for roads over the three years 1974–75 to 1976–77. (The associated *Transport (Planning and Research) Act* 1974, providing for an additional \$26 million over the three-year period, is dealt with separately in this paper since the assistance was intended for planning and research in other areas of transport as well as roads.) However, actual advances under the roads Acts varied from the amounts incorporated in the schedules to the Acts because of authorised transfers of grants between categories of expenditure and because of a number of supplementary grants which were provided by way of amending legislation.

The following table shows the distribution of roads grants actually paid to the States in 1976–77:—

TABLE 44—PAYMENTS FOR ROADS IN 1976–77(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
National Highways—							
Construction . . .	47 278	23 800	26 600	17 300	9 909	8 800	133 687
Maintenance . . .	2 511	1 800	7 200	1 400	2 000	500	15 411
Export and Major Commercial Roads . . .	7 600	5 200	1 800	1 300	1 290	700	17 890
Sub-total . . .	57 389	30 800	35 600	20 000	13 199	10 000	166 988
Rural Arterial and Developmental Roads . . .	15 430	4 300	11 900	3 300	8 010	2 500	45 440
Rural Local Roads . . .	18 170	10 700	14 100	5 300	12 129	4 100	64 499
MITERS(b) . . .	3 300	2 600	2 600	1 500	1 600	600	12 200
Urban Arterial Roads . . .	36 600	39 100	15 300	7 600	20 890	3 000	122 490
Urban Local Roads . . .	4 600	3 600	2 200	1 100	1 371	300	13 171
Beef Roads . . .	..	..	9 000	..	..	..	9 000
Sub-total . . .	78 100	60 300	55 100	18 800	44 000	10 500	266 800
Total . . .	135 489	91 100	90 700	38 800	57 199	20 500	433 788

(a) Payments made under the *National Roads Act* 1974 and the *Roads Grants Act* 1974 (as amended by the *Roads Acts Amendment Act* (No. 2) 1976 and the *Roads Acts Amendment Act* 1977).

(b) Minor Traffic Engineering and Road Safety Improvements.

The *Roads Grants Act* 1974 also set down annual quotas for expenditure by each State from its own resources; these were determined after consideration of estimates, made by the former Commonwealth Bureau of Roads, of finance which might be available for roads from State Government sources. Provision was also made for the States to carry forward, annually, excesses or deficiencies in this expenditure so that in effect the States were required to meet only the three year total quota. The annual quotas were generally increased commensurate with the supplementary grants for roads assistance referred to above. As a result, the quotas for 1974-75 to 1976-77 were as follows:—

TABLE 45—ROADS GRANTS 1974-75 TO 1976-77—QUOTAS TO BE MET FROM STATE SOURCES
(\$ thousands)

	New South Wales	Victoria	Queensland	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	135 800	113 600	53 500	34 200	36 600	11 300	385 000

Upon receiving from the former Commonwealth Bureau of Roads in December 1975 a 'Report on Roads in Australia 1975', the Government formulated proposals for a new program of assistance for roads. Although guided to a considerable extent by the program laid down in the Report, the Government adopted a significantly different course. \$475 million is to be made available to the States in 1977-78 under the new arrangements and it is intended that the total grants in both 1978-79 and 1979-80 be equivalent in real terms to the 1977-78 grants.

Prior to the introduction of legislation expected in the 1977 Budget Sitzings of the Commonwealth Parliament, the *States (Roads Interim Assistance) Act* 1977 was passed appropriating \$118 750 000 as interim assistance for the first three months of 1977-78.

The following table shows the estimated payments to the States in 1977-78 (including carry-over payments from 1976-77):—

TABLE 46—ESTIMATED PAYMENTS FOR ROADS IN 1977-78(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
National Highways—							
Construction	59 303	26 000	30 000	15 000	16 196	7 900	154 399
Maintenance	8 900	3 000	8 100	1 900	4 335	900	27 135
National Commerce Roads(b)	4 208	5 200	2 800	1 300	1 590	700	15 798
Sub-total	72 411	34 200	40 900	18 200	22 121	9 500	197 332
Rural Arterial Roads(c)	18 000	11 100	23 000	7 000	9 410	3 000	71 510
Rural Local Roads	25 800	19 000	18 800	6 700	14 400	4 900	89 600
Urban Arterial Roads	28 700	22 200	10 900	4 600	11 200	2 700	80 300
Urban Local Roads	7 400	8 900	3 800	2 200	2 370	1 000	25 670
MITERS(d)	3 300	3 500	2 600	1 700	1 800	600	13 500
Sub-total	83 200	64 700	59 100	22 200	39 180	12 200	280 580
Total	155 611	98 900	100 000	40 400	61 301	21 700	477 912

(a) Comprising \$118 750 000 appropriated for the first 3 months of 1977-78 under the *States Grants (Roads Interim Assistance) Act 1977*, \$356 250 000 intended to be appropriated for 1977-78 under forthcoming legislation for roads assistance arrangements over the 3 year period 1977-78 to 1979-80, and amounts of \$1 811 314 for New South Wales and \$1 100 704 for Western Australia appropriated for payment in 1976-77 under the *National Roads Act 1974* but not paid in that year.

(b) Equivalent to the former *Export and Major Commercial Roads* category, but funds are for construction purposes only.

(c) Includes the former *Beef Roads* category which has now been subsumed into this category.

(d) Minor Traffic Engineering and Road Safety Improvements.

The 1977-78 quotas for expenditure by each State from its own resources are as follows:—

TABLE 47—ROADS GRANTS 1977-78—QUOTAS TO
BE MET FROM STATE SOURCES
(\$ thousands)

New South Wales	147 700
Victoria	123 600
Queensland	58 200
South Australia	37 200
Western Australia	39 800
Tasmania	12 300
Total	418 800

The following table shows the amounts paid to each State for roads under the *National Roads Act 1974*, the *Roads Grants Act 1974*, amending legislation to these Acts over the period 1974-75 to 1976-77, and estimated amounts under the proposed legislation for 1977-78:—

TABLE 48—GRANTS UNDER GENERAL ROADS ACTS(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	114 006	74 710	74 810	31 046	49 815	18 400	362 787
1975-76	133 504	89 080	88 980	40 764	61 285	19 900	433 513
1976-77	135 489	91 100	90 700	38 800	57 199	20 500	433 788
1977-78 (estimate)	155 611	98 900	100 000	40 400	61 301	21 700	477 912

(a) That is, grants under the *National Roads Act 1974*; *Roads Grants Act 1974* (with supplementation under the *Appropriation Act (No. 4) 1974-75*, the *Roads Acts Amendment Act 1976*, the *Roads Acts Amendment Act (No. 2) 1976* and the *Roads Acts Amendment Act 1977*); but excluding grants under the *Transport (Planning and Research) Act 1974*—see text below.

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 a total amount to 30 June 1977 of \$647 000, including a payment of \$584 000 in 1976-77. A further \$600 000 has been made available in 1977-78.

Railway Construction Projects

Under the program of assistance for urban public transport initiated in 1973-74 the Commonwealth is providing grants to the States for urban railway projects. (See text below under "Urban Public Transport".)

The Commonwealth has also been providing financial assistance to several States for many years for expenditure on specific major rail standardisation and other railway projects. Western Australia is the only State expected to receive assistance for such purposes in 1977-78. Under the *Railway Agreement (Western Australia) Act 1961*, this assistance is being provided towards the cost of construction of a standard gauge railway from Kwinana to Koolyanobbing, with an extension to Kalgoorlie, and the purchase of rolling stock for the railway. The project is associated with the development of an iron and steel industry at Kwinana using iron ore from Koolyanobbing; but, in addition, extension of the railway eastward to Kalgoorlie provides a standard gauge link between Perth and the Trans-Australian Railway. Details of the assistance are given on page 87 of the 1975-76 edition of this paper.

The table below shows payments to the States for railway projects from 1973-74 including estimated payments in 1977-78:—

TABLE 49—PAYMENTS FOR RAILWAY CONSTRUCTION PROJECTS^(a)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74	319	508	..	827
1974-75	909	151	..	1 060
1975-76	4 960	..	..	4 960
1976-77	700	110	..	810
1977-78 (estimate)	26	..	26

(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. No advances to the States for this purpose are expected in 1977-78.

The following table shows advances made from 1973-74 to 1975-76 and estimates for 1976-77:—

TABLE 50—ADVANCES FOR RAILWAY INTERSYSTEM PASSENGER VEHICLES
(\$ thousands)

	New South Wales	South Australia	Western Australia	Total
1973-74	267	94	720	1 081
1974-75	580	205	459	1 244
1975-76	10	..	71	81
1976-77 (estimate)	384	..	-139	245

Urban Public Transport

Under the Urban Public Transport Agreement (incorporated as a Schedule to the *States Grants (Urban Public Transport) Act 1974*), the Commonwealth is meeting two-thirds of the cost of approved urban public transport projects in the States. (Assistance under the associated *Urban Public Transport (Research and Planning) Act*

1974 is dealt with separately in this paper—see below.) The purpose of the program is to assist in the upgrading of urban public transport, including railways, over the five years until 1977–78.

Although projects were first approved in 1973–74, funds were not made available until 1974–75 following passage of the *States Grants (Urban Public Transport) Act* 1974. Funds were also provided that year under the *Appropriation (Urban Public Transport) Act* 1974 for additional approved projects.

No further projects were approved for commencement either in 1975–76 or 1976–77. However, the Commonwealth continued to provide funds to meet the commitments already entered into. Moreover, \$20 million was provided in 1976–77 under the *Appropriation (Urban Public Transport) Act* 1976 for certain cost increases which the Commonwealth is required to meet under the terms of the Agreement (namely, two-thirds of approved cost increases due to cost escalation but not due to faulty planning or faulty cost estimation).

A total of \$51 million is expected to be provided under the Agreement in 1977–78. This amount includes \$5 million for new projects, \$18.3 million for continuing expenditure on approved projects, and \$27.7 million to meet cost escalation on approved projects.

The following table shows payments made to the States since 1974–75 and estimated payments in 1977–78:—

TABLE 51—GRANTS UNDER URBAN PUBLIC TRANSPORT ASSISTANCE PROGRAM(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974–75	14 764	18 867	2 126	6 084	2 829	359	45 029
1975–76	5 694	9 332	8 985	6 757	750	2 380	33 898
1976–77	24 596	15 885	11 380	4 420	1 869	253	58 403
1977–78 (estimate)(b)	22 972	13 712	9 200	3 500	1 392	224	51 000

(a) Excludes payments in 1974–75 and 1975–76 under the *Urban Public Transport (Research and Planning) Act* 1974—see below.

(b) Includes provision for \$27.7 million to be made available to meet the Commonwealth's share in 1977–78 of approved cost escalation increases on previously approved projects; this amount is apportioned between the States on the basis of expenditures to 30 June 1977. No commitment to the payment of these apportioned amounts is implied.

Transport Planning and Research

For a number of years, funds have been made available for planning and research projects related to roads. The *Commonwealth Aid Roads Act* 1969 provided for a proportion of overall grants to be directed towards these types of project.

Assistance was first provided for urban public transport planning and research in 1974–75 and 1975–76 under the *Urban Public Transport (Research and Planning) Act* 1974. Also in 1974–75, in conjunction with new roads legislation, the *Transport (Planning and Research) Act* 1974 was passed making available funds for planning and research projects in respect of roads and urban public transport together. Under this Act the Commonwealth met two-thirds of the cost of approved projects over the three years ending 1976–77.

Major changes have been foreshadowed for future Commonwealth assistance for planning and research, including a widening of the scope to cover other forms of transport. It is intended to announce detailed arrangements during the 1977 Budget Sitzings of Parliament.

The following table shows payments made to the States since 1974-75 and estimates for 1977-78:—

TABLE 52—GRANTS FOR TRANSPORT PLANNING AND RESEARCH(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	1 885	1 241	562	973	634	185	5 480
1975-76	2 728	3 106	1 070	719	940	198	8 761
1976-77	2 672	2 193	1 184	939	854	216	8 058
1977-78 (estimate)(b)	3 611	2 279	1 381	698	744	216	8 929

(a) Payments under the *Urban Public Transport (Research and Planning) Act* 1974, the *Transport (Planning and Research) Act* 1974 and legislation yet to be passed for 1977-78.

(b) Includes \$929 000, comprised of \$515 000, \$143 000, \$157 000 and \$114 000 for New South Wales, Victoria, Queensland and South Australia respectively, for payment in 1976-77 under the *Transport (Planning and Research) Act* 1974 but not paid in that year.

Shipping and Harbours

Construction of a Dry Dock at Newcastle

From 1974-75 to 1976-77 the Commonwealth provided assistance to New South Wales towards the cost of a feasibility study and preliminary works associated with the construction of a graving dock at Newcastle. When it became clear that the very large expenditure involved was not justified, the project was discontinued. Assets acquired by way of project expenditure are being sold, thereby offsetting some of the Commonwealth's assistance for this project.

Total payments to the State amounted to \$3 526 000, including \$344 000 in 1976-77. The sale of assets realised \$329 000 in that year and is expected to return \$450 000 in 1977-78.

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 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.

In addition to the above, a Joint Commonwealth/State expert advisory Committee investigated and reported on proposals for a further permanent bridge across the Derwent River. Following this, in June 1975 the then Commonwealth Government undertook to provide financial assistance for the restructuring of the Tasman Bridge so as to provide an additional traffic lane and, subject to discussions with the State Government on the timing for construction and appropriate financial arrangements, for the construction of a new permanent bridge at Dowsing Point.

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

It is expected that restoration works on the Tasman Bridge will be completed in the next few months and the bridge re-opened for public use.

Assistance provided for these purposes in 1974-75 to 1976-77, and estimates for 1977-78, are as follows:—

TABLE 53—GRANTS FOR TASMAN BRIDGE DISASTER
(\$ thousands)

	1974-75	1975-76	1976-77	1977-78 (estimate)
State Expenditures Eligible for Reimbursement—				
Restoration of the Tasman Bridge	156	5 838	8 187	2 331
Widening of the Bridge . . . . .	..	506	3 643	1 034
Temporary Bridge	336	2 760	645	225
Government Services on the Eastern Shore Roads	294	713	373	89
Other Transport Services and Facilities(a)	1 559	6 078	1 859	..
Other(b)	2 212	2 672	1 397	30
	101	206	83	123
Total	4 658	18 775	16 187	3 832
Payment by Commonwealth to the State(c)	6 000	17 700	15 500	4 600

- (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 provided 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 the balance of \$1.16 million was paid in 1976-77. Details of the assistance provided for Stage 1 of this project are given at page 208 of the 1975-76 edition of this paper.

Urban Water Supply

Payments amounting to \$22.5 million have been provided to South Australia since 1974-75 under the *Urban and Regional Development (Financial Assistance) Act* 1974 to assist with the construction of water treatment plants in the Adelaide metropolitan area. Of this amount, \$9.2 million was paid in 1976-77, and it is estimated that \$6 million will be provided in 1977-78.

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 1977 amounted to \$138.5 million including a payment of \$26.4 million in 1976-77 and it is estimated that a final payment of \$1 million will be made in 1977-78.

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 \$31.4 million were made to the States under this Agreement to 30 June 1977 including \$2.1 million in 1976–77. \$447 000 will be provided in 1977–78, to meet further eligible expenditure up to 30 June 1976 under the 1972 Agreement.

In May 1976 the Commonwealth agreed to a one-year extension of assistance to the softwood forestry program in 1976–77 up to a limit of \$6 million which was allocated to the States in accordance with the principles applying to previous agreements. The amount actually provided in 1976–77 under the 1976 Agreement was \$5.84 million.

The Commonwealth recently agreed to enter into negotiations with the States for a new five-year agreement. It is proposed that under this agreement \$4.2 million will be provided by way of interest bearing loans to the States in 1977–78 to cover the cost of maintenance of existing forestry plantings financed by earlier Commonwealth assistance.

The following table shows payments that have been made to the States for this purpose since 1973–74 and estimated payments in 1977–78.

TABLE 54—ADVANCES FOR SOFTWOOD FORESTRY
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	2 497	1 686	1 547	..	776	1 429	7 934
1977–78 (estimate)(a)	2 606	468	547	173	365	487	4 647

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

Trawl and Danish Seine Fishery Assistance

In 1974 the Commonwealth agreed to provide assistance of \$105 000 to New South Wales, on a dollar for dollar sharing basis, for an assessment of the trawl and Danish seine fisheries in the State with a view to formulating practical and constructive management policies. Total payments to 30 June 1977 amounted to \$74 494, including a payment of \$30 947 in 1976–77, and it is estimated that a further \$23 000 will be provided in 1977–78.

Rural Adjustment

In accordance with an agreement reached between the Commonwealth and the States in 1976, assistance is being made available under the *States Grants (Rural Adjustment) Act 1976*, partly as grants and partly as loans, for the purposes of a rural adjustment scheme embracing debt reconstruction, farm build-up, farm improvement, carry-on finance, rehabilitation and household support.

The scheme replaced the *Rural Reconstruction Scheme*, the *Dairy Adjustment Program* and the program of *Assistance to the Beef Industry*, all of which were terminated on 31 December 1976. Details of the assistance provided under these programs are given in pages 82-83 and 85-87 of last year's edition of this paper. Annual payments under each program, including payments in respect of the first half of 1976-77 and estimated final carry-over payments in 1977-78, are shown in Appendix V of this paper.

Assistance in respect of the latter half of 1976-77 under the new rural adjustment scheme amounted to \$9 588 000, and it is estimated that a further \$46.9 million will be provided in 1977-78.

The following table shows payments made under the programs since 1973-74 and estimated payments in 1977-78:—

TABLE 55—PAYMENTS FOR RURAL ADJUSTMENT AND
PREVIOUS RELATED PROGRAMS^(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GRANTS							
1973-74	2 750	1 972	2 170	1 075	1 395	187	9 549
1974-75	3 250	2 829	1 233	600	1 093	234	9 239
1975-76	2 067	4 063	2 724	1 363	1 634	292	12 143
1976-77(b)	1 581	2 118	1 642	698	1 216	105	7 360
1977-78 (estimate)(c)	2 435	3 290	1 282	1 156	1 189	238	9 590
ADVANCES							
1973-74	8 000	5 773	5 853	3 225	3 975	537	27 363
1974-75	9 750	9 347	3 491	1 900	3 173	816	28 478
1975-76	8 738	13 866	13 252	4 331	5 723	1 961	47 871
1976-77(b)	6 487	9 722	8 786	2 221	4 080	685	31 981
1977-78 (estimate)(c)	10 764	11 712	9 437	5 474	5 116	872	43 375
TOTAL PAYMENTS							
1973-74	10 750	7 745	8 023	4 300	5 370	724	36 912
1974-75	13 000	12 177	4 724	2 500	4 266	1 050	37 717
1975-76	10 806	17 929	15 976	5 694	7 356	2 253	60 014
1976-77(b)	8 068	11 840	10 428	2 919	5 296	790	39 341
1977-78 (estimate)(c)	13 199	15 002	10 719	6 630	6 305	1 110	52 965

(a) The previous programs are *Rural Reconstruction*, *Dairy Adjustment* and *Assistance to the Beef Industry*, the last program commencing in 1975-76. (See text.)

(b) Comprises payments in respect of the first half of 1976-77 under the previous programs and payments in respect of the latter half under the *Rural Adjustment Scheme*.

(c) Includes \$6 065 000 for carry-over commitments under the previous programs.

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 was amended twice to extend the closing dates for lodgement of applications for assistance and for the removal of trees. Further amending legislation was enacted in December 1976 to increase the limit on assistance by \$1 million to \$5.6 million and to extend the closing dates for applications to 31 December 1976 and for removal of trees to 30 June 1977.

The additional \$1 million was provided to meet an anticipated increase in the number of applications for assistance from canning fruit growers in Victoria and South Australia. In the event there was also a large increase in the number of applications for assistance lodged by fresh fruit growers in Western Australia and Tasmania. The Commonwealth will be making a further \$400 000 available under the Scheme to meet the additional expenditure requirements of Western Australia and Tasmania.

Payments to the States, including estimated payments in 1977-78, are shown in the following table:—

TABLE 56—GRANTS FOR FRUITGROWING RECONSTRUCTION
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	41	774	18	140	16	200	1 189
1977-78 (estimate)	60	530	50	60	325	275	1 300

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. Since 1975 this assistance has been extended annually, including all States except New South Wales in the 1975 season, and eventually all States in 1976. The Commonwealth has again decided to provide matching assistance in respect of the 1977 season.

The following table shows payments under these schemes and estimates for 1977-78:—

TABLE 57—PAYMENTS FOR APPLE EXPORT ASSISTANCE
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	8	..	516	1 590	2 114
1975-76	65	14	..	259	572	910
1976-77	8	..	1	100	229	338
1977-78 (estimate)	33	8	..	124	327	491

Eradication of Bovine Brucellosis and Tuberculosis

Since 1970 the Commonwealth has joined with the States in an intensified national campaign for the eradication of bovine brucellosis and tuberculosis. The Government has agreed to provide \$14.1 million during 1977-78 as payments to the States for this purpose but the individual States' shares are yet to be determined.

In 1973 the Commonwealth also joined with the mainland States in a scheme to partially compensate owners of livestock slaughtered following positive reaction to bovine tuberculosis tests, and from July 1976 also joined with these States in a bovine brucellosis slaughter compensation scheme. It is anticipated that \$4.3 million will be paid to the States for this purpose in 1977-78.

The following table shows payments that have been made under these schemes since 1973-74, and payments estimated to be made in 1977-78:

TABLE 58—GRANTS FOR CURRENT EXPENDITURE ON THE ERADICATION OF BOVINE BRUCELLOSIS AND TUBERCULOSIS
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	3 545	4 938	3 266	1 604	898	215	14 467
1977-78 (estimate)(a)	5 450	5 930	4 650	1 250	927	224	18 431

(a) The 1977-78 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 and the States in respect of outbreaks of a number of exotic animal diseases, \$120 000 was paid to Victoria in 1976-77 to cover the Commonwealth's share of the cost of eradicating an outbreak of fowl plague in Victoria during 1975-76.

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 on projects nominated by the States but of common interest.

The following table shows the payments to each State from 1973-74, and estimated payments in 1977-78:—

TABLE 59—GRANTS FOR AGRICULTURAL EXTENSION SERVICES^(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	2 578	2 291	2 097	1 068	1 082	560	9 675
1977-78 (estimate)	2 632	2 307	2 122	1 075	1 090	564	9 781

(a) Excludes expenditure incurred directly by the Commonwealth 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 1973-74 and estimated grants in 1977-78 are shown in the following table:—

TABLE 60—GRANTS FOR MINOR AGRICULTURAL RESEARCH^(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74	99	23	12	17	..	..	151
1974-75	82	22	14	16	..	..	134
1975-76	81	63	17	20	..	..	181
1976-77	69	58	16	26	..	..	169
1977-78 (estimate)	82	22	5	16	..	..	125

(a) Excludes expenditure incurred directly by the Commonwealth 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. The full amount has been paid including a final payment of \$11 000 in 1976-77. Annual payments from 1973-74 to 1976-77 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 1977 amounted to \$5.7 million, including a payment of \$433 000 in 1976-77, and it is estimated that a further \$13 000 will be paid in 1977-78.

Eton (Mackay) Irrigation Scheme

Under the *Queensland Grant (Kinchant Dam) Act 1973* grants of up to \$5 million were provided to Queensland towards the cost of construction of the Kinchant Dam—the main storage for the Eton (Mackay) Irrigation Scheme. The full amount has been paid including a final payment of \$0.8 million in 1976–77. Annual payments from 1973–74 to 1976–77 are given in Appendix V.

Clare Weir

Under the *Queensland Grant (Clare Weir) Act 1974* grants of up to \$3 million were provided to Queensland towards the cost of construction of the Clare Weir on the Burdekin River. The full amount has been paid including a final payment of \$2 551 000 in 1976–77. Annual payments from 1973–74 to 1976–77 are given in Appendix V.

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 the 1975–76 edition of this paper.

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 1977 amounted to \$24.3 million which includes payments totalling \$12 000 in 1976–77. 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 \$20 000 will be paid in 1977–78 as part of the loan component of the financial assistance.

Dartmouth Dam

Under the *Dartmouth Reservoir Agreement Act 1970* the Commonwealth provided 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 was 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 provided that the Commonwealth make payments to the three States of amounts equal to one half of the amounts that each State was 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 was limited to \$8.8 million to each State and therefore the maximum Commonwealth contribution is \$26.4 million.

The full amount has been paid including a final payment to the States of \$5.6 million in 1976–77. Annual payments to the States from 1973–74 to 1976–77 are given in Appendix V.

Namoi River Weirs

Under the *New South Wales Grant (Namoi River Weirs) Act 1976* the Commonwealth is providing a \$2 million grant as financial assistance to New South Wales 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. An amount of \$1 million was paid to the State in 1976-77 and it is expected that the balance of \$1 million will be paid in 1977-78.

Water Resources Assessment

In 1964-65 the Commonwealth 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 has agreed to support this program further for the triennium 1976-77 to 1978-79. It is expected that \$6.7 million will be provided in 1977-78. The following table shows payments made to the States since 1973-74 and estimates for 1977-78:—

TABLE 61—GRANTS FOR THE ASSESSMENT OF WATER RESOURCES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	1 630	1 136	952	732	2 000	146	6 596
1977-78 (estimate)	1 630	1 136	952	727	2 000	215	6 660

Water Hyacinth

Last year the Commonwealth agreed 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. A grant of \$35 000 was made for this purpose to New South Wales in 1976-77, and it is expected that \$50 000 will be provided in 1977-78. The Commonwealth has assisted further by way of a research program by the CSIRO into the biological control of water hyacinth.

Flood Mitigation

Under the *New South Wales Grant (Flood Mitigation) Act 1964* the Commonwealth provided \$8 million to New South Wales towards the cost of flood mitigation works on certain coastal rivers in the State. A further \$9 million was provided under the *New South Wales Grant (Flood Mitigation) Act 1971* towards the continuation and extension of the program.

The Commonwealth has now agreed to participate with the State and local authorities in a new flood mitigation program for certain New South Wales coastal rivers.

An amount of \$1 million will be made available as a grant to the State in 1977-78 towards expenditures in that year on approved works. The situation will be reviewed during 1977-78 after further investigations by the Commonwealth of the proposed new program.

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 the *Queensland Grant (Proserpine Flood Mitigation) Act 1976* the Commonwealth provided for a further 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's contribution. \$77 000 was paid in 1976-77 and it is estimated that payments totalling \$150 000 will be made in 1977-78.

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 and only \$1.4 million was actually paid. In 1976-77 a further \$0.2 million was provided by way of reimbursement for works completed before 30 June 1976.

The Commonwealth has agreed to provide \$200 000 in 1977-78 as further interim assistance pending consideration of a comprehensive study on soil conservation problems. The following table shows grants paid since 1974-75 and estimates for 1977-78. The 1977-78 estimates are notional only and no commitment to the provision of the amount shown for each State is implied.

TABLE 62—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	..	64	..	33	73	10	180
1977-78 (estimate)(a)	40	30	30	30	35	35	200

(a) The 1977-78 allocation by States is notional only. No commitment to the provision of the amounts shown is implied. See text above.

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 was to increase the production of beef cattle.

The Act provided 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 was in the form of interest-bearing loans repayable over twenty years. There was 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, totalled \$20.2 million to 30 June 1977 (of which \$1.64 million represents capitalised interest). All eligible expenditure has been reimbursed to the State and no further payments will be made under this Act.

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 Australian 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 widen the coverage of the scheme. The amounts paid in 1976–77 related to outstanding commitments from previous years, and no further payments are to be made. Annual payments from 1973–74 to 1976–77 are given in Appendix V.

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, 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 10 cents per tonne (pending amending legislation). 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 1973–74 and estimated payments in 1977–78:—

TABLE 63—GRANTS FOR COAL MINING INDUSTRY LONG SERVICE LEAVE
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	3 936	..	780	..	241	12	4 969
1977–78 (estimate)	4 650	..	930	..	300	20	5 900

Apprenticeship Training

In 1971-72 the Commonwealth and the States agreed to collaborate in a scheme to improve supervision and advisory services in relation to the training of apprentices in industry. Provision of \$54 000 is made in 1977-78 to subsidise the employment by the States of apprenticeship training supervisors, together with \$5 132 000, to meet costs incurred by the States in employing an estimated 709 apprentices, surplus to requirements, in establishments where training facilities are available.

In addition to the above, beginning with payments of \$2 248 000 in 1976-77, funds were also provided to the States to increase opportunities for trade training by the introduction or expansion of pre-apprenticeship courses and accelerated apprentice training in selected trades. A further \$3 151 000 has been provided for this purpose in 1977-78.

A notional distribution of payments to the States for 1977-78 is included in the following table; no commitment to the provision of these amounts is implied.

TABLE 64—GRANTS FOR APPRENTICESHIP TRAINING
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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	1 826	2 804	750	313	731	187	6 611
1977-78 (estimate)	2 636	3 423	872	360	820	226	8 337

Education Program for Unemployed Youth

In February 1977 the Commonwealth announced the Education Program for Unemployed Youth under which assistance is to be provided to the States with the objective of improving the skills and motivation of the young unemployed, particularly those with low or inadequate educational qualifications.

In the latter half of 1976-77, \$0.5 million was provided to the States for educational courses for these purposes. A further \$1 million is being provided in 1977-78. In addition an estimated \$0.4 million is to be paid as living allowances to trainees under the Scheme in 1977-78. This amount forms part of the allocation for allowances under the National Employment and Training Scheme and is not classified as a payment to the States.

The State distributions of the \$0.5 million and the \$1 million for educational courses in 1976-77 and 1977-78 respectively are given in Appendix V.

GENERAL PUBLIC SERVICES
Law, Order and Public Safety
Legal Aid

In 1973 the Commonwealth established a legal aid service, operated by the Australian Legal Aid Office. In addition to direct involvement in legal aid in that form, the Commonwealth has, in the period 1973-74 to 1976-77 made grants totalling \$5 481 000 including \$1 million in 1976-77, to the States to assist the functioning of existing legal aid schemes in the States. Annual payments to 1976-77 are given in Appendix V.

The Commonwealth has proposed to the States a comprehensive legal aid scheme under which State Commissions would take over the functions of the Australian Legal Aid Office in the States and be reimbursed by the Commonwealth. Western Australia and South Australia have passed legislation to establish Legal Aid Commissions and it is expected that Commissions will be established in most States during the financial year.

Family Law

The *Family Law Act* 1975, which came into operation in January 1976, provides for a Family Court in each State, established either by the State where it wishes to do so, or under the auspices of the Commonwealth. Only Western Australia has chosen to establish its own Court and, under the provisions of the Act, Commonwealth assistance is being provided for its establishment and operation. An amount of \$819 000 was provided in 1976-77 and it is estimated that \$1 281 000 will be paid to Western Australia in 1977-78.

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 65—ANNUAL GRANTS FOR THE PROMOTION OF ROAD SAFETY PRACTICES
1970-71 TO 1977-78
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
Each year 1970-71 to 1977-78	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 the 1975-76 edition of this paper.

From 1976-77 onwards, the previous fixed triennial funding arrangements were replaced by a three-year rolling program. An amount of \$10 155 000 is to be made available to the States in 1977-78. The following table shows grants made since 1973-74 and estimates for 1977-78:—

TABLE 66—GRANTS FOR RESEARCH PROJECTS
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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.	4 086	3 014	1 258	1 911	665	236	11 171
1977-78 (estimate) (a)	3 706	2 742	1 148	1 737	609	213	10 155

(a) The State distribution is notional only: it assumes that the proportional distribution will be the same as for 1976-77, but there is no commitment in that regard.

ASSISTANCE FOR LOCAL GOVERNMENT

Commencing in 1976-77 local government authorities have participated with the States in a 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 States' 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 (cyclones, floods, storms, bushfires, droughts);
- (d) rail rebates for primary producers for certain purposes and free carriage of donated 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 (cyclones, floods); and
- (g) loans on concessional terms to churches, sporting bodies and other non-profit voluntary organisations (as in (f)).

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 118 in Appendix III shows payments that have been made to each State since 1973–74 in respect to various types of disaster (drought, flood, storm, cyclone and bushfires). Reflecting the differing incidence of disasters, the amounts vary considerably from one State to another and from one year to another. A large proportion of the assistance to the States for natural disaster relief in 1976–77 was in respect of floods in Queensland and New South Wales.

The following table shows payments to the States from 1973–74, including estimated payments in 1977–78. The figures for 1977–78 are estimated payments in respect of past disasters; no allowance has been made for expenditures for the relief of disasters which may occur in 1977–78. Table 119 gives a more detailed breakdown of payments in 1973–74 to 1976–77. Details of payments for natural disaster relief and restoration purposes in previous years are included in Table 158 of the 1975–76 edition of this paper.

TABLE 67—PAYMENTS FOR NATURAL DISASTER RELIEF AND RESTORATION
1973-74 TO 1977-78(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GRANTS FOR RECURRENT PURPOSES							
1973-74.	19	22	3 990	..	..	..	4 031
1974-75.	622	355	113	..	..	..	1 090
1975-76.	637	35	52	..	83	..	807
1976-77.	1 233	452	45	..	195	..	1 925
1977-78 (estimate)	230	..	360	..	..	..	590
PAYMENTS FOR CAPITAL PURPOSES							
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.	11 496	2 428	11 094	..	3 507	..	28 525
1977-78 (estimate)	4 770	..	7 640	..	..	..	12 410
TOTAL PAYMENTS							
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.	12 729	2 880	11 139	..	3 702	..	30 450
1977-78 (estimate)	5 000	..	8 000	..	..	..	13 000

(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 117 in Appendix III.

CHAPTER V—PAYMENTS TO OR FOR LOCAL GOVERNMENT AUTHORITIES

Local government authorities in Australia (except in the Northern Territory) 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 differ significantly between States and, indeed, within States.

Prior to 1973 no Commonwealth assistance was provided specifically for local government in the States. 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 in the local government 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.

GENERAL PURPOSE ASSISTANCE PROVIDED ON ADVICE OF THE GRANTS COMMISSION

In 1973 the Commonwealth Parliament passed the *Grants Commission Act 1973* repealing the *Commonwealth Grants Commission Act 1933*. The 1973 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. It also provided that the grants to the States for local authorities should be provided in such a way as to promote financial equality between local authorities and regional groupings of such authorities.

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 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 69 below.

These arrangements were replaced in 1976 by the tax sharing arrangements described below, and the Grants Commission ceased to be responsible for recommending amounts to be paid to specific local authorities or regional groups. (*Commonwealth Grants Commission Act 1976*).

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 policy.

In Chapter V of 'Payments to or for the States and Local Government Authorities 1976-77' an outline was provided of the arrangements agreed in 1976 between the Commonwealth and the States for the sharing of personal income tax collections with local government. These arrangements, subsequently incorporated in the *Local Government (Personal Income Tax Sharing) Act 1976*, are broadly as follows:—

- each year local government will be entitled to 1.52 per cent of net personal income tax collections in the previous year;
- the amount so derived will be divided among the States in specified proportions which are subject to recommendation by the Commonwealth Grants Commission;
- each State will allocate a minimum of 30 per cent of the assistance among local authorities on a basis which takes into account the respective populations of those local authorities, but which may also take into account the respective sizes and the respective population densities, and any other matters agreed upon between the Commonwealth and the State concerned;
- the remaining assistance will be allocated among the local authorities, having regard to their respective financial needs, on the recommendations of State Grants Commissions.

Following representations by Tasmania, the question of the percentage distribution between States was referred to the Commonwealth Grants Commission early in 1977 for inquiry and report. In its *Special Report 1977 on Financial Assistance for Local Government* the Commission recommended a slightly altered percentage distribution which was subsequently accepted by all Premiers at the 1 July 1977 Premiers' Conference.

It is expected that a Bill to provide for the new percentage distribution, which will apply from 1977-78, will be introduced into the Parliament during the Budget sittings.

The distribution presently provided in the Act and the new distribution recommended by the Commonwealth Grants Commission are set out below.

TABLE 68—TAX SHARING FUNDS FOR LOCAL GOVERNMENT—PERCENTAGE DISTRIBUTION BETWEEN STATES

	Percentage Distribution Provided in the Act	Percentage Distribution Recommended by the Grants Commission
	%	%
New South Wales	36.6345	36.4977
Victoria	25.2845	25.4513
Queensland	17.3016	16.8606
South Australia	8.5178	8.6010
Western Australia	9.4015	9.3897
Tasmania	2.8601	3.1997
	100.0000	100.0000

The following table shows the amount of assistance paid to each State in the years 1974-75 to 1976-77, and the amount to be paid in 1977-78, for on-passing as general purpose assistance to local government authorities.

TABLE 69—GRANTS TO STATES FOR ON-PASSING AS GENERAL PURPOSE ASSISTANCE FOR LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	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
1977-78(b)	60 341	42 078	27 875	14 220	15 524	5 290	165 328

(a) Amounts recommended by the Commonwealth Grants Commission.

(b) Allocation between States based on a percentage distribution recommended by the Commonwealth 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 \$1 million 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 1976-77 and 1977-78

The table below shows aggregate borrowings by all 'larger' and 'smaller' authorities in 1976-77 and the amounts borrowed within these aggregates by local government

authorities, together with corresponding estimates for 1977-78. (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., sewerage) which in other States are undertaken by semi-government authorities.

TABLE 70—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	
1976-77 ACTUAL					
Commonwealth Government	423 544	1 194	150	..	1 194
New South Wales	360 108	(d)121 108	85 707	(d)70 824	(d)191 932
Victoria	304 347	20 475	88 263	51 263	71 737
Queensland	177 575	85 389	66 060	30 729	116 118
South Australia	45 200	4 300	26 574	17 374	21 674
Western Australia	45 369	6 050	41 030	26 330	32 380
Tasmania	27 397	10 085	11 088	6 968	17 053
Total States	959 996	247 407	318 722	203 488	450 894
Grand Total	1 383 540	248 601	318 872	203 488	452 088
1977-78 ESTIMATES(e)					
Commonwealth Government	346 266	1 826	..	..	1 826
New South Wales	(f)443 127	(d)130 127	116 530	(d)95 000	(d)225 127
Victoria	357 612	15 000	120 000	71 000	86 000
Queensland	208 651	83 200	80 716	45 110	128 310
South Australia	53 110	5 000	38 000	23 000	28 000
Western Australia	(f)69 309	7 500	55 000	36 000	43 500
Tasmania	32 191	8 510	18 000	12 618	21 128
Total States	1 164 000	249 337	428 246	282 728	532 065
Grand Total	1 510 266	251 163	428 246	282 728	533 891

- (a) In 1976-77 'larger' authorities were those borrowing more than \$800 000; in 1977-78 they are those borrowing more than \$1 million. The aggregate of these borrowings in each State is subject to approval by the Loan Council.
- (b) In 1976-77 'smaller' authorities were those borrowing \$800 000 or less; in 1977-78 they are those borrowing \$1 million 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 borrowing by County Councils.
- (e) Amounts shown for borrowings by all 'larger' authorities are the programs approved at the July 1977 meeting of the Loan Council. Other amounts shown are tentative estimates made by the Commonwealth and State Treasuries.
- (f) Includes special temporary addition to the State's larger authorities' borrowing program.

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 authorities rather than by private organisations or by State Government departments or agencies.

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 also eligible to participate in this scheme.

Local government authorities in two States—South Australia and Western Australia—are participating in the scheme so far. It is estimated that an amount of \$570 000 will be provided to meet their nursing homes' operating deficits in 1977-78.

Details of payments are set out in the following table:—

TABLE 71—GRANTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES
FOR NURSING HOMES
(\$ thousands)

	1975-76	1976-77	1977-78 (estimate)
South Australia . . . . .	..	99	194
Western Australia	121	185	376
Total	121	284	570

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 New South Wales and Tasmania have received assistance under this scheme. The only local government authorities to participate since 1976-77, however, are in New South Wales. The amounts of grants that have been paid to such authorities since 1973-74 and estimates for 1977-78 are shown in the following table:—

TABLE 72—GRANTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES
FOR HOME NURSING
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
New South Wales	89	139	163	193	204
Tasmania	2	2	..	..	..
Total	91	141	163	193	204

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 rate of subsidy is \$2 for \$1 up to a maximum subsidy of \$11 130 for a single unit and \$12 910 for a double unit. The subsidies are reviewed quarterly.

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.

The only payments of subsidies to local authorities under the Act were in 1975-76 when \$12 000 and \$37 000 were paid to New South Wales and Victoria respectively.

The greater part of the capital grants under this Act is paid to organisations other than local government authorities. In 1976-77 local government authorities received \$2.5 million out of total capital grants of \$18.7 million. For 1977-78 it is estimated that local government authorities will receive \$2.0 million out of total estimated payments under the Act of \$21.5 million.

The following table shows the grants that have been paid to local government authorities in each State since 1973-74 together with estimates for 1977-78:—

TABLE 73—GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES FOR
EXPENDITURE ON AGED OR DISABLED PERSONS HOMES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1975-76	12	37	..	..	..	..	49
CAPITAL							
1973-74	304	380	22	57	..	..	763
1974-75	43	672	61	367	21	68	1 232
1975-76	263	1 105	78	1 054	369	125	2 995
1976-77	61	621	44	1 712	31	43	2 512
1977-78 (estimate)	1 000	400	146	275	80	68	1 969
TOTAL							
1973-74	304	380	22	57	..	..	763
1974-75	43	672	61	367	21	68	1 232
1975-76	275	1 142	78	1 054	369	125	3 044
1976-77	61	621	44	1 712	31	43	2 512
1977-78 (estimate)	1 000	400	146	275	80	68	1 969

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 current maximum of \$16 700 a person. The subsidies are reviewed quarterly. 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 and 1976-77 together with estimates for 1977-78:—

TABLE 74—GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES
UNDER THE AGED PERSONS HOSTELS ACT
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1975-76 . . . . .	..	311	345	..	2	..	657
1976-77	3	1 402	83	..	..	..	1 488
1977-78 (estimate) . . . . .	..	900	81	..	..	..	981

Delivered Meals Subsidy

Under the *Delivered Meals Subsidy Act* 1970 eligible organisations 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 1973-74 and estimated grants in 1977-78. In 1976-77 total payments under the Act were \$1.9 million, of which \$0.5 million was paid to local government authorities. For 1977-78 it is estimated that local government authorities will receive \$0.6 million out of total estimated payments under the Act of \$2.2 million.

TABLE 75—GRANTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES
FOR DELIVERED MEALS
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1973-74	104	287	..	..	24	..	415
1974-75	126	366	..	..	30	..	522
1975-76	145	323	..	..	39	..	506
1976-77	75	404	..	..	63	..	542
1977-78 (estimate)	80	420	..	..	70	..	570

Handicapped Persons Assistance

Under the *Handicapped Persons Assistance Act* 1974, 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. Details of payments for the years 1973-74 to 1976-77 and the estimated payment in 1977-78 are shown in the table below:—

TABLE 76—GRANTS MADE DIRECT
TO LOCAL GOVERNMENT
AUTHORITIES FOR HANDICAPPED
PERSONS
(\$ thousands)

1973-74	.	.	.	.	.	5
1974-75	.	.	.	.	.	4
1975-76	.	.	.	.	.	42
1976-77	.	.	.	.	.	34
1977-78 (estimate)	.	.	.	.	.	100

Pre-schools 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 1976-77 grants paid directly to local government authorities under the Childhood Services Program totalled \$6.1 million and payments in 1977-78 are estimated to be \$5.7 million.

Grants made direct to local government authorities in the years 1973-74 to 1976-77 and estimated payments for 1977-78 are shown in the following table:—

TABLE 77—PRE-SCHOOLS AND CHILD CARE SERVICES
GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	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
1976-77	389	596	49	42	334	263	1 673
1977-78 (estimate)(a)	350	535	45	35	300	235	1 500
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
1976-77	1 091	1 548	316	822	336	313	4 426
1977-78 (estimate)(a)	1 035	1 465	300	780	320	300	4 200
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
1976-77	1 480	2 144	365	864	670	576	6 099
1977-78 (estimate)(a)	1 385	2 000	345	815	620	535	5 700

(a) The State by State figures are notional and no commitment to the provision of these amounts is implied.

Regional Employment Development Scheme

The aim of the scheme, introduced in September 1974, was to provide 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 1976-77 payments under the scheme amounted to \$457 758. The payments were in respect of expenditure incurred in 1975-76 but for which claims were not lodged until 1976-77. Payments to local government authorities in the States amounted to \$435 204. The scheme has now ceased operation. Details of payments made are set out in the following table:—

TABLE 78—PAYMENTS UNDER THE REGIONAL EMPLOYMENT DEVELOPMENT SCHEME
(\$ thousands)

	New South Wales	Victoria	Queens- land	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—							
Payments to State Government Departments and Semi-Government Authorities . . .	..	..	..	..	..	..	..
Payments to Local Government Authorities . . .	42	22	337	..	1	32	435
Payments to Other Bodies(a) . . .	14	1	6	..	..	2	23
Total . . .	56	23	343	..	1	34	458

(a) That is, non-government bodies.

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

Community Youth Support Scheme

On 1 November 1976 the Government introduced the Community Youth Support scheme to assist young unemployed persons.

The scheme provides financial assistance to community groups, including local government authorities, for supportive programs and services to unemployed youth. The aim of the scheme is to improve the employability of unemployed youth and maintain their orientation towards work.

Overall expenditure on the scheme in 1976-77 was \$574 000 and is estimated to be \$4 million in 1977-78.

Grants amounting to \$57 000 were made direct to local government authorities in 1976-77. A notional distribution of estimated payments to local government authorities in 1977-78 is included in the following table:—

TABLE 79—COMMUNITY YOUTH SUPPORT SCHEME GRANTS TO LOCAL
GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1976-77	14	14	..	13	15	2	57
1977-78 (estimate).	120	139	48	25	38	29	400

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 and 1976-77 grants of \$102 000 and \$3000 respectively were made to a local government authority in Victoria. No payments are expected to be made to local authorities in 1977-78.

Aboriginal Advancement

The Commonwealth provides direct grants to local government authorities (and also Aboriginal Councils) under its Special Work 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 since 1973-74 and estimates for 1977-78 are shown in the following table:—

TABLE 80—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—							
Special Works							
Projects . . .	435	135	643	227	488	..	1 928
Other . . .	..	..	..	..	..	..	..
Total . . .	435	135	643	227	488	..	1 928
1977-78— (estimate)							
Special Works							
Projects . . .	450	120	603	400	574	..	2 147
Other(a) . . .	..	..	..	..	..	..	..
Total . . .	450	120	603	400	574	..	2 147

(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 the period 1973-74 to 1976-77 to local government

authorities are shown in the following table. As these grants depend on consideration of applications made during the course of the year, no estimate of grants which might be paid to local government authorities in 1977-78 can be made at this stage.

TABLE 81—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
1976-77	66	41	3	15	..	5	130

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 1973-74 and estimated payments in 1977-78:—

TABLE 82—GRANTS DIRECT TO LOCAL GOVERNMENT AUTHORITIES
FOR AERODROMES

(\$ thousands)							
	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
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	405	142	230	19	90	7	893
1977-78 (estimate)	560	190	300	90	150	10	1 300
CAPITAL							
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	234	102	148	24	65	..	574
1977-78 (estimate)	241	28	175	2	4	..	450
TOTAL							
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	639	244	379	43	155	7	1 467
1977-78 (estimate)	801	218	475	92	154	10	1 750

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 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 Commonwealth Grants Commission recommendations. A further amount of \$170 500 was paid in 1976-77. Provision has been made for a further payment of \$130 000 in 1977-78.

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 \$11.6 million paid to the States under this Act in 1976-77, \$6.6 million, or about 56 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 1973-74 to each State Government for on-passing to local government authorities in respect of *home care services*, together with estimates for 1977-78, are shown in the following table:—

TABLE 83—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
1973-74	..	370	..	..	..	..	370
1974-75	330	441	973	475	6	253	2 478
1975-76	..	2 125	..	6	27	..	2 158
1976-77	..	2 018	..	..	..	..	2 018
1977-78 (estimate)	..	2 730	..	..	..	..	2 730

The grants that have been paid since 1973-74 to each State for on-passing to local government authorities in respect of *senior citizens centres*, and estimates for 1977-78, are shown in the following table:—

TABLE 84—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							
1973-74	4	35	18	..	15	..	72
1974-75	226	51	11	16	15	..	319
1975-76	263	175	..	7	18	..	463
1976-77	211	293	10	8	47	..	569
1977-78 (estimate)	329	414	24	76	57	..	900
CAPITAL							
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	891	1 571	916	212	407	..	3 997
1977-78 (estimate)	1 052	1 605	568	275	349	151	4 000
TOTAL							
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	1 102	1 864	926	220	454	..	4 566
1977-78 (estimate)	1 381	2 019	592	351	406	151	4 900

Pre-schools 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 paper 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 1977-78.

The following table shows payments made in the years 1973-74 to 1976-77 for these purposes:—

TABLE 85—PRE-SCHOOLS 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
1976-77	1 900	5 600	..	50	1 187	50	8 787

Employment Grants

The Commonwealth Government 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 1973-74 to 1975-76:—

TABLE 86—EMPLOYMENT—GRANTS TO THE STATES PASSED ON
TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
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 1973-74. No payments were made in 1976-77 nor are payments expected to be made in 1977-78:—

TABLE 87—ABORIGINAL ADVANCEMENT—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	..	112	..	10	16	..	138
1974-75	..	..	..	..	152	..	152
1975-76	11	353	237	..	..	..	601

Growth Centres

Since 1973-74 payments have been made 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. Separate and much larger payments have been made for the respective Development Corporations in the growth centres.

The payments have been in respect of expenditures on the construction and upgrading of certain specific facilities such as roads, bridges, drainage, water supply, sewerage, parks and reserves. The financial assistance has been 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 1976-77:—

TABLE 88—GROWTH CENTRES—PAYMENTS TO THE STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES

(\$ thousands)

	1973-74	1974-75	1975-76	1976-77
ALBURY-WODONGA				
New South Wales	200	923	1 566	952
Victoria	100	1 020	736	898
BATHURST-ORANGE				
New South Wales . . . . .	..	593	1 355	768
TOTAL				
New South Wales	200	1 516	2 921	1 720
Victoria	100	1 020	736	898
Total	300	2 536	3 657	2 618

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 program was discontinued in 1976-77 except for some small amounts of assistance to allow completion of certain works. The assistance was 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. Almost all of the grants provided since 1973-74 have been for capital purposes:—

TABLE 89—AREA IMPROVEMENT PROGRAM—GRANTS TO STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES

(\$ thousands)

	New South Wales	Victoria	Queensland	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 . . . . .	..	28	468	2	..	..	498

Urban Flood Mitigation

- Victoria

The Commonwealth agreed during 1974-75 to provide assistance to Victoria for flood mitigation works at Seymour. The total grant of \$200 000 including \$100 000 in 1976-77 has been paid to the State and passed on to local government.

- Queensland

Amounts of \$2.1 million and \$1.57 million provided to Queensland in 1975-76 and 1976-77 respectively to assist with the construction of certain flood mitigation works on various creeks in the Brisbane metropolitan area were all passed on to the Brisbane City Council. An amount of \$1.8 million is provided in the 1977-78 Budget to complete the project.

National Sewerage Program

This program was 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 1976-77 which have been passed on by the States to local government authorities to undertake capital works projects approved under the program:—

TABLE 90—NATIONAL SEWERAGE PROGRAM—PAYMENTS TO STATES PASSED ON TO LOCAL GOVERNMENT AUTHORITIES FOR CAPITAL WORKS PURPOSES
(\$ thousands)

	New South Wales	Victoria	Queens- land	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
1976-77	3 300	4 000	1 000	..	..	500	8 800
Total	14 000	12 650	29 600	..	550	4 700	61 500

Community Facilities—Townsville

To assist the integration into the community of West Townsville of servicemen stationed with their families in the area, the Commonwealth agreed, in July 1972, to provide a loan towards the cost of developing community facilities in the area. The loan was provided 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 was capitalised and treated as a further advance. The loan was made to the Queensland Government for on-lending to the Townsville City Council. Up to 30 June 1976, \$428 000 was advanced to the Queensland Government and, in

accordance with the loan agreement, a further advance of \$25 023 was approved by the Treasurer in 1976-77 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 passed on to local government authorities in respect of community leisure facilities sponsored by these authorities. Of the total grants of \$3.5 million expected to be paid to the States in 1977-78 it is estimated that \$2.2 million will be passed on to local government authorities. The following table provides details of payments since 1973-74, together with estimates for 1977-78.

TABLE 91—CAPITAL ASSISTANCE FOR LEISURE FACILITIES—GRANTS TO STATES PASSED ON TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	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	1 771	1 119	478	922	726	550	5 566
1977-78 (estimate)	706	654	387	..	72	390	2 209

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 1976-77 National Estate program for projects undertaken by local government authorities was \$458 000 out of a total expenditure under this program of \$1.25 million. It is estimated that \$2.55 million will be made available to the States in 1977-78 for this program and provision will be made from within this estimate for projects undertaken by local government authorities in 1977-78. No details of the amounts that local government authorities will receive from the States in 1977-78 are available at this stage. The following table shows amounts provided to individual States for on-passing to local government authorities in the years 1974-75 to 1976-77.

TABLE 92—NATIONAL ESTATE—GRANTS TO THE STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	637	271	200	92	390	135	1 725
1975-76	240	232	168	48	178	111	977
1976-77	..	193	91	24	149	1	458

Roads

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 States 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.

The following table shows the amounts passed on by the States to local authorities from Commonwealth grants from 1973-74 to 1976-77; estimates for 1977-78 are not available:—

TABLE 93—ROADS ASSISTANCE—AMOUNTS PASSED ON TO LOCAL GOVERNMENT AUTHORITIES BY THE STATES
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1973-74	19 734	21 100	5 351	3 214	15 974	2 084	67 457
1974-75	17 681	21 800	7 508	3 104	15 306	2 656	68 055
1975-76	20 480	22 300	9 932	3 745	15 820	3 007	75 284
1976-77	20 436	29 500	11 794	3 848	17 924	3 418	86 920

Urban Public Transport

The only amounts under this program which have been passed on to local government authorities were \$138 667 in 1974-75, \$614 912 in 1975-76 and \$66 421 in 1976-77 out of payments to the Queensland Government. These amounts were passed on to the Brisbane City Council for the acquisition of buses. A further \$457 165 is to be made available for this purpose in 1977-78.

Tourism Development

As noted in Chapter IV, Commonwealth grants under the scheme of assistance for the development of tourist attractions were terminated in 1976-77. The following table provides details of payments made to States for on-passing to local government authorities from 1973-74 to 1976-77:—

TABLE 94—DEVELOPMENT OF TOURIST ATTRACTIONS—GRANTS TO STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES
(\$ thousands)

	New South Wales	Victoria	Queensland	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	..	59	32	..	..	..	91

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 was discontinued as from 1976-77. The following table shows amounts provided to individual States in 1974-75 and 1975-76:—

TABLE 95—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 was carried out and in the context of its Federalism policies the Government decided that this program was appropriate for administration and financing at the State or local government level.

To give time for the transfer arrangements to be worked out, the Commonwealth Government continued to finance 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 were also met.

Payments to Regional Councils which were passed on to local government authorities from 1973-74 to 1975-76 are shown in the following table. There were no payments to local authorities in 1976-77.

TABLE 96—PAYMENTS TO LOCAL GOVERNMENT AUTHORITIES UNDER THE AUSTRALIAN ASSISTANCE PLAN
(\$ thousands)

			New South Wales	Victoria	Queens- land	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
CAPITAL									
1973-74	4	..	..	..	4
1974-75	33	..	..	..	33
1975-76	93	..	..	35	128
TOTAL									
1973-74	64	..	..	..	64
1974-75	.	.	.	89	136	4	..	12	241
1975-76	.	.	.	44	182	24	..	36	286

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 changed on 1 January 1977 when the administrative responsibility for the corporations was transferred to the Northern Territory Legislative Assembly. While the assistance given to these two authorities is of quite a different character from other forms of assistance referred to earlier in this Chapter, it can be regarded as the equivalent of assistance received by other local government authorities from State Governments.

Initial establishment grants were provided to both Corporations and 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 in 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 from time to time (e.g. for Aboriginal advancement). These forms of assistance are not included in the table which follows.

Payments made since 1973–74 and estimated payments in 1977–78 are shown in the following table:—

TABLE 97.—PAYMENTS TO LOCAL GOVERNMENT AUTHORITIES
IN THE NORTHERN TERRITORY
(\$ thousands)

	Operating Subsidies	Capital Grants	Total
1973–74	491	1 127	1 618
1974–75	547	439	986
1975–76	455	1 291	1 746
1976–77	501	1 457	1 958
1977–78 (estimate)	503	2 119	2 622

**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 1973-74 and 1976-77 together with estimates for 1977-78. *The amounts shown in this table need to be interpreted very carefully, in the light of the comments provided in the foregoing text.*

**TABLE 98—SUMMARY OF COMMONWEALTH GOVERNMENT PAYMENTS
TO OR FOR LOCAL GOVERNMENT AUTHORITIES**
(\$ thousands)

Program	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
General Purpose Assistance for Local Government(a)	..	56 345	79 908	140 000	165 328
Direct Payments—					
Nursing Homes	..	..	121	284	570
Home Nursing	91	141	163	193	204
Aged or Disabled Persons Homes	763	1 232	3 044	2 512	1 969
Aged Persons Hostels	..	..	657	1 488	981
Delivered Meals Subsidy	415	522	506	542	570
Handicapped Persons Assistance	5	4	42	34	100
Pre-Schools and Child Care	445	2 465	6 368	6 099	5 700
Regional Employment Development Scheme	..	43 567	93 994	435	..
Community Youth Support Scheme	..	..	..	57	400
Homeless Persons Assistance	..	..	102	3	..
Aboriginal Advancement	3 299	4 674	3 458	1 928	2 147
Arts	22	66	101	130	..
Aerodrome Local Ownership Plan	924	1 187	1 404	1 467	1 750
Total	5 964	53 858	109 960	15 172	14 391
Other Payments through States(a)—					
Assistance for Exmouth Shire	..	..	150	171	130
Home Care Services	370	2 478	2 158	2 018	2 730
Senior Citizens Centres	685	1 472	3 409	4 566	4 900
Pre-Schools and Child Care	284	3 512	8 094	8 787	(b)
Employment Grants	14 655	14 844	14 889	..	..
Aboriginal Advancement	138	152	601	..	..
Growth Centres	300	2 536	3 657	2 618	..
Area Improvement Program	6 485	13 776	14 996	498	..
Urban Flood Mitigation	..	..	2 200	1 670	1 800
National Sewerage Program	2 000	25 550	25 150	8 800	..
Community Facilities, Townsville	301	67	..	25	..
Capital Assistance for Leisure Facilities	413	1 979	5 513	5 566	2 209
National Estate	..	1 725	977	458	(b)
Roads	67 457	68 055	75 284	86 920	n.a.
Urban Public Transport	..	139	615	66	457
Tourism Development	50	397	599	91	..
Regional Organisations Assistance Program	..	312	138	..	..
Total (excluding Roads)	25 681	68 939	83 146	35 334	21 626
Total (including Roads)	93 138	136 994	158 430	122 254	n.a.
Australian Assistance Plan	64	241	286	..	..
Northern Territory(c)	1 618	986	1 746	1 958	2 622
Grand Total (excluding Roads)	33 327	180 369	275 046	192 464	203 967
Grand Total (including Roads)	100 784	248 424	350 330	279 384	n.a.

(a) 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.

(b) In respect of the individual items indicated, the Departments/agencies concerned have not been able to make estimates for 1977-78. The aggregate figure shown represents rough Commonwealth Treasury estimates.

(c) Payments set out in Table 97 only. Does not include payments under various specific programs (e.g. Aboriginal advancement).

APPENDIX I—SUMMARY TABLES

TABLE NO.	SUBJECT
99	Payments to or for the States and State Government Loan Council Borrowing Programs, 1976-77.
100	Payments to or for the States and State Government Loan Council Borrowing Programs, Estimates 1977-78.
101	Summary of Payments to or for the States, State Government Loan Council Programs and Payments made direct to Local Government Authorities, 1973-74 to 1977-78.
102	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, 1973-74 to 1977-78.
103	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Funds for Recurrent and Capital Purposes, 1973-74 to 1977-78.
104	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, 1973-74 to 1977-78.
105	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Grants and Loans—1973-74 to 1977-78.
106	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, 1965-66 to 1977-78.

TABLE 99—COMMONWEALTH GOVERNMENT PAYMENTS TO THE STATES
AND LOAN COUNCIL BORROWINGS(a), 1976-77

(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Personal Income Tax Sharing Entitlement	1 133 400	841 700	660 200	433 200	440 800	186 294	3 695 594
Special Grants	..	..	27 000	..	..	..	27 000
Total General Revenue Funds	1 133 400	841 700	687 200	433 200	440 800	186 294	3 722 594
GENERAL PURPOSE CAPITAL FUNDS(b)							
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 Agreement—							
Interest on State Debt	5 835	4 254	2 192	1 408	947	534	15 170
Sinking Fund on State Debt	10 506	8 003	4 165	3 911	2 981	2 069	31 635
State Emergency Services	355	260	302	5	37	69	1 028
Assistance for Exmouth Shire	..	..	..	..	171	..	171
Universities	207 367	139 414	73 483	53 506	43 218	16 427	533 415
Colleges of Advanced Education	90 831	135 960	48 962	38 221	46 242	8 678	368 894
Technical and Further Education	16 714	13 866	4 537	4 502	3 606	969	44 194
Schools	151 153	134 939	56 058	35 038	33 521	11 049	421 758
Child Migrant Education	67	46	2	22	2	2	140
Educational Research	259	314	216	139	70	14	1 012
Medibank—Public Hospital Running Costs	234 399	149 903	82 883	69 394	74 674	18 918	630 171
Community Health	25 606	11 355	4 797	3 720	2 916	2 038	50 432
Tuberculosis Control	390	3 277	1 253	498	648	592	6 659
School Dental Scheme	3 589	1 891	2 026	3 099	2 654	1 475	14 733
Health Education	212	151	116	66	85	46	675
Blood Transfusion Services	1 471	1 303	680	494	436	108	4 492
Health Planning Agencies	230	24	84	62	120	40	560
Home Dialysis Scheme	801	760	169	122	73	35	1 960
Control of Australian Encephalitis	8	34	..	14	..	..	56
Home Care Services	1 567	2 018	1 990	904	57	355	6 891
Senior Citizens Centres	253	293	37	31	56	..	670
Paramedical Services	..	263	..	272	..	15	550
Assistance for Deserted Wives	3 837	2 824	2 508	1 879	1 700	599	13 347
Pre-Schools and Child Care	8 532	12 722	6 970	5 601	4 930	2 006	40 761
Employment Grants (1973)—Refund of Unexpended Moneys	..	—174	..	..	..	..	—174
Maryborough Employment Grants	..	..	1 000	..	..	..	1 000
Aboriginal Advancement	2 683	1 254	3 314	2 515	7 702	71	17 539
Housing	1 848	1 347	858	941	627	314	5 935
Sewerage	189	664	99	84	228	189	1 453
Leisure and Recreation	117	117	94	94	94	84	600
Tasman Bridge Disaster	..	..	..	..	..	1 715	1 715
Apple Export Assistance	..	8	..	1	100	229	338
Bovine Brucellosis and T.B. Eradication	3 545	4 938	3 266	1 604	898	215	14 466
Exotic Diseases Eradication	..	120	..	..	..	..	120
Agricultural Extension Services	2 578	2 291	2 097	1 068	1 082	560	9 675
Minor Agricultural Research	69	58	16	26	..	..	169
Trawl and Danish Seine Fishery	31	..	..	..	..	..	31
Water Hyacinth Control	35	..	..	..	..	..	35
Coal Mining Industry—Long Service Leave	3 936	..	780	..	241	12	4 969
Apprenticeship Training	1 822	2 804	750	313	731	187	6 607
Education Program for Unemployed	..	..	..	..	..	..	..
Youth	170	127	83	40	40	40	500
Legal Aid	331	286	131	84	140	28	1 000
Family Courts	..	..	..	..	819	..	819
Road Safety Practices	37	30	28	19	25	11	150
Research Grants	4 086	3 014	1 258	1 911	665	236	11 171
Assistance for Local Government	51 289	35 398	24 222	11 925	13 162	4 004	140 000
Natural Disaster Relief	1 233	452	45	..	195	..	1 925
Total Specific Purpose Payments—Recurrent	837 981	676 608	331 471	243 533	245 893	73 933	2 409 419

TABLE 99—COMMONWEALTH GOVERNMENT PAYMENTS TO THE STATES
AND LOAN COUNCIL BORROWINGS(a), 1976-77—*continued*
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES							
Housing for Servicemen	15 280	4 191	12 300	2 107	1 230	6	35 114
Universities	9 818	5 808	7 581	3 921	7 398	573	35 100
Colleges of Advanced Education	27 200	25 971	14 630	4 276	5 074	404	77 555
Technical and Further Education	12 262	9 333	4 439	2 320	3 690	1 665	33 708
Schools	48 683	45 056	28 090	14 672	6 999	4 266	147 766
Child Migrant Education	2	5	..	31	..	..	39
Hospitals	36 000	27 000	17 000	13 000	12 000	3 000	108 000
Nursing Homes . . . . .	..	..	652	..	..	..	652
Community Health	3 328	3 660	2 805	980	2 780	561	14 114
Tuberculosis Control	15	..	109	..	..	..	125
School Dental Scheme	2 191	1 711	1 896	830	935	132	7 695
Blood Transfusion Services	15	53	6	17	23	5	118
Disposal of Ships Garbage . . . . .	..	..	..	..	6	1	7
Senior Citizens Centres	891	1 571	916	212	407	..	3 997
Dwellings for Pensioners	2 352	3 419	2 023	1 473	1 288	280	10 835
Pre-Schools and Child Care	6 592	4 160	314	160	144	5	11 375
Rehabilitation Centre—Hobart . . . . .	..	..	..	..	..	397	397
Aboriginal Advancement	3 494	682	4 397	3 339	4 765	187	16 864
Housing	123 411	98 159	37 410	56 360	35 440	24 220	375 000
Growth Centres	26 596	16 093	..	980	..	45	43 714
Area Improvement	120	28	468	2	..	..	618
Urban Flood Mitigation . . . . .	..	100	1 574	..	..	..	1 674
Land Acquisition	3 817	4 926	..	10 352	4 606	250	23 951
Woolloomooloo Redevelopment	2 845	..	..	..	..	..	2 845
Captains Flat Project	1 030	..	..	..	..	..	1 030
Sewerage	19 700	17 100	1 000	1 002	9 000	500	48 302
Community Facilities—Townsville . . . . .	..	..	25	..	..	..	25
Leisure and Cultural Facilities	1 208	972	590	1 722	667	481	5 640
Nature Conservation	362	360	400	300	250	410	2 082
National Estate . . . . .	..	591	183	246	215	19	1 254
Roads	135 489	91 100	90 700	38 800	57 199	20 500	433 788
Second Hobart Bridge . . . . .	..	..	..	..	..	584	584
Railway Projects . . . . .	..	..	..	700	110	..	810
Railways—Intersystem Passenger Vehicles	384	..	..	..	-139	..	245
Urban Public Transport	24 596	15 885	11 380	4 420	1 869	253	58 403
Newcastle Dry Dock	15	..	..	..	..	..	15
Transport Planning and Research	2 672	2 193	1 184	939	854	216	8 058
Tasman Bridge Disaster . . . . .	..	..	..	..	..	13 785	13 785
Ross River Dam . . . . .	..	..	1 158	..	..	..	1 158
Urban Water Supply . . . . .	..	..	..	9 175	..	..	9 175
Gladstone Power Station . . . . .	..	..	26 422	..	..	..	26 422
Softwood Forestry	2 497	1 686	1 547	..	776	1 429	7 934
Dairy Adjustment Program	338	4 208	877	68	291	555	6 337
Rural Adjustment Scheme	1 700	3 483	3 605	..	800	..	9 588
Fruitgrowing Industry	41	774	18	140	16	200	1 189
Beef Industry Assistance	730	349	2 226	70	61	42	3 478
Rural Reconstruction	5 300	3 800	3 720	2 781	4 144	193	19 938
King River Dam . . . . .	..	-25	..	..	..	..	-25
Bundaberg Irrigation Works . . . . .	..	..	11	..	..	..	11
Tailem Bend Pipeline . . . . .	..	..	..	433	..	..	433
Eton (Mackay) Irrigation Scheme . . . . .	..	..	814	..	..	..	814
Clare Weir . . . . .	..	..	2 551	..	..	..	2 551
Ord River Project . . . . .	..	..	..	..	12	..	12
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	732	2 000	146	6 596
Salinity Reduction . . . . .	..	-1	..	..	..	..	-1
Flood Mitigation . . . . .	..	..	77	..	..	..	77
Soil Conservation . . . . .	..	64	..	33	73	10	180
Brigalow Lands Development Scheme . . . . .	..	..	1 909	..	..	..	1 909
Tourism Development	74	59	147	311	50	191	832
Natural Disaster Relief	11 496	2 428	11 094	..	3 507	..	28 525
Total Specific Purpose Payments— Capital	537 049	399 963	299 200	178 779	168 540	75 511	1 659 041
TOTAL PAYMENTS(c)							
	2 652 388	2 032 625	1 378 223	914 830	897 350	376 639	8 243 054
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS							
General Purpose	1 565 273	1 184 760	868 257	611 155	567 152	281 997	5 078 594
Specific Purpose	1 375 030	1 076 571	630 671	422 312	414 433	149 444	4 068 460
Total	2 940 303	2 261 331	1 498 928	1 033 467	981 585	431 441	9 147 054

(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 Papers'.

(c) Comprises all the amounts shown above with the exception of the Loan Council borrowing programs. See reference in footnote (b).

TABLE 100—COMMONWEALTH GOVERNMENT PAYMENTS TO THE STATES
AND LOAN COUNCIL BORROWINGS(a), ESTIMATES 1977-78(b)

(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Personal Income Tax Sharing Entitlement	1 327 400	987 100	776 200	507 700	523 100	214 600	4 336 100
Adjustment to Entitlement in respect of previous Year	-7 534	-976	-7 069	-745	-3 285	..	-19 609
Special Grants . . . . .	..	..	24 800	..	..	..	24 800
Total General Revenue Funds	1 319 866	986 124	793 931	506 955	519 815	214 600	4 341 291
GENERAL PURPOSE CAPITAL FUNDS(c)							
State Government Loan Council Borrow- ing Programs	308 978	240 142	126 740	124 569	88 446	66 992	955 867
Capital Grants	154 489	120 071	63 370	62 284	44 223	33 496	477 933
Total	463 467	360 213	190 110	186 853	132 669	100 488	1 433 800
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES							
Payments under Financial Agreement—							
Interest on State Debt	5 835	4 254	2 192	1 408	947	534	15 170
Sinking Fund on State Debt	11 205	8 535	4 442	4 171	3 180	2 207	33 740
State Emergency Services	412	302	351	6	43	81	1 195
Assistance for Exmouth Shire Universities	219 600	151 800	77 200	56 500	45 800	17 400	568 300
Colleges of Advanced Education	94 500	135 900	53 500	40 000	46 200	8 800	378 900
Technical and Further Education Schools	17 900	11 600	4 800	4 800	4 500	1 300	44 900
Education—Allowance for Cost Escala- tion(d)	159 522	130 227	55 880	35 621	33 456	11 291	425 997
Child Migrant Education	21 000	18 000	8 000	6 000	5 000	2 000	60 000
Educational Research	42	2	..	16	..	..	60
Medibank—Public Hospital Running Costs	225	270	175	110	57	13	850
Community Health	357 000	224 000	125 000	96 000	109 000	31 000	942 000
Tuberculosis Control	28 852	14 985	6 935	4 683	4 425	2 490	62 370
School Dental Scheme	1 773	..	667	39	..	..	2 479
Health Education	3 134	2 646	2 768	2 950	3 091	1 429	16 018
Blood Transfusion Services	231	165	142	72	90	50	750
Health Planning Agencies	1 620	1 513	750	527	467	123	5 000
Home Dialysis Scheme	230	24	84	62	120	40	560
Control of Australian Encephalitis Home Care Services	15	20	3	5	5	2	50
Senior Citizens Centres	8	73	..	11	..	..	92
Paramedical Services	1 600	2 297	3 273	1 265	65	800	9 300
Assistance for Deserted Wives	329	414	24	76	57	..	900
Pre-Schools and Child Care . . . . .	..	281	..	283	..	18	582
Maryborough Employment Grants Aboriginal Advancement	4 800	3 900	2 800	2 000	1 800	200	15 500
Housing	9 315	13 890	7 610	6 115	5 380	2 190	44 500
Sewerage . . . . .	..	..	3 000	..	..	..	3 000
Tasman Bridge Disaster Apple Export Assistance	3 075	1 313	4 012	3 135	8 748	67	20 350
Bovine Brucellosis and T.B. Eradication Agricultural Extension Services	1 848	1 347	425	941	627	314	5 502
Minor Agricultural Research	5	105	7	50	127	15	309
Trawl and Danish Seine Fishery Water Hyacinth Control . . . . .	..	..	..	..	..	700	700
Coal Mining Industry—Long Service Leave . . . . .	..	33	8	..	124	327	491
Apprenticeship Training	5 450	5 930	4 650	1 250	927	224	18 431
Education Program for Unemployed Youth	2 632	2 307	2 112	1 075	1 090	564	9 781
Family Courts	82	22	5	16	..	..	125
Road Safety Practices	23	..	..	..	..	..	23
Research Grants	50	..	..	..	..	..	50
Assistance for Local Government Natural Disaster Relief	4 650	..	930	..	300	20	5 900
Total Specific Purpose Payments— Recurrent	2 636	3 423	872	360	820	226	8 337
Total Specific Purpose Payments— Recurrent	390	193	177	80	80	80	1 000
Family Courts . . . . .	..	..	..	..	1 281	..	1 281
Road Safety Practices	37	30	28	19	25	11	150
Research Grants	3 706	2 742	1 148	1 737	609	213	10 155
Assistance for Local Government Natural Disaster Relief	60 341	42 078	27 875	14 220	15 524	5 290	165 328
Total Specific Purpose Payments— Recurrent	230	..	360	..	..	..	590
Total Specific Purpose Payments— Recurrent	1 024 303	784 621	402 205	285 603	294 095	90 019	2 880 846

TABLE 100—COMMONWEALTH GOVERNMENT PAYMENTS TO THE STATES
AND LOAN COUNCIL BORROWINGS(a), ESTIMATES 1977-78(b)—continued
(\\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES							
Housing for Servicemen	10 373	753	13 388	1 413	173	..	26 100
Universities	7 100	6 700	5 000	3 500	9 200	400	31 900
Colleges of Advanced Education	21 500	28 300	9 100	7 900	5 300	1 600	73 700
Technical and Further Education(d)	14 700	11 100	7 300	3 600	2 800	1 800	41 300
Schools	59 998	48 019	30 914	15 995	14 066	5 087	174 079
Education—Allowance for Cost Escala- tion(d)	5 000	4 000	2 000	2 000	2 000	..	15 000
Hospitals	15 810	11 800	7 130	5 120	4 680	5 460	50 000
Community Health	3 207	3 662	1 125	673	1 933	330	10 930
School Dental Scheme	1 800	1 239	3 600	707	890	229	8 465
Blood Transfusion Services	150	975	37	23	43	2	1 231
High Security Quarantine Unit . . . . .	..	910	..	..	..	..	910
Senior Citizens Centres	1 052	1 605	568	275	349	151	4 000
Dwellings for Pensioners	4 070	2 530	1 490	930	700	280	10 000
Pre-Schools and Child Care	4 925	3 110	235	120	105	5	8 500
Rehabilitation Centre—Hobart . . . . .	..	..	..	..	..	1 200	1 200
Aboriginal Advancement	2 654	400	2 615	1 700	4 547	175	12 091
Housing	128 011	101 759	39 810	58 460	36 740	25 220	390 000
Growth Centres	16 155	8 437	..	1 085	..	70	25 747
Area Improvement . . . . .	..	..	..	..	..	..	..
Urban Flood Mitigation . . . . .	..	..	1 800	..	..	..	1 800
Land Acquisition	4 384	5 458	..	11 841	5 083	100	26 866
Woolloomooloo Redevelopment	820	..	..	..	..	..	820
Captains Flat Project	225	..	..	..	..	..	225
Air Quality Monitoring	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	150
Leisure and Cultural Facilities	638	538	215	1 873	65	137	3 466
Nature Conservation	150	500	..	..	..	150	800
National Estate	425	425	425	425	425	425	2 550
Roads	155 611	98 900	100 000	40 400	61 301	21 700	477 912
Second Hobart Bridge . . . . .	..	..	..	..	..	600	600
Railway Projects . . . . .	..	..	..	..	26	..	26
Urban Public Transport	22 972	13 712	9 200	3 500	1 392	224	51 000
Newcastle Dry Dock . . . . .	..	..	..	..	..	..	..
Transport Planning and Research	3 611	2 279	1 381	698	744	216	8 929
Tasman Bridge Disaster . . . . .	..	..	..	..	..	3 900	3 900
Urban Water Supply . . . . .	..	..	..	6 000	..	..	6 000
Gladstone Power Station . . . . .	..	..	1 000	..	..	..	1 000
Softwood Forestry	2 606	468	547	173	365	487	4 647
Dairy Adjustment Program . . . . .	..	863	47	90	275	115	1 390
Rural Adjustment Scheme	9 660	14 115	10 605	6 140	5 750	630	46 900
Fruitgrowing Industry	60	530	50	60	325	275	1 300
Beef Industry Assistance . . . . .	..	..	35	..	..	..	35
Rural Reconstruction	3 539	24	32	400	280	365	4 640
Tailem Bend Pipeline . . . . .	..	..	..	13	..	..	13
Ord River Project . . . . .	..	..	..	..	20	..	20
Namoi River Weirs	1 000	..	..	..	..	..	1 000
Water Resources Assessment	1 630	1 136	952	727	2 000	215	6 660
Flood Mitigation	1 000	..	150	..	..	..	1 150
Soil Conservation	40	30	30	30	35	35	200
Natural Disaster Relief	4 770	..	7 640	..	..	..	12 410
Total Specific Purpose Payments— Capital(e)	509 189	374 277	258 421	175 871	161 612	71 583	1 551 105
TOTAL PAYMENTS(e)(f)							
	3 007 847	2 265 093	1 517 927	1 030 713	1 019 745	409 698	9 251 175
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS							
General Purpose	1 783 333	1 346 337	984 041	693 808	652 484	315 088	5 775 091
Specific Purpose(e)	1 533 492	1 158 898	660 626	461 474	455 707	161 602	4 431 951
Total	3 316 825	2 505 235	1 644 667	1 155 282	1 108 191	476 690	10 207 042

(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 Papers'.

(d) The State distribution is notional only and derived by Treasury in order to provide individual State totals. No commitment to the provision of these amounts is implied.

(e) Totals for the individual States exclude estimates of payments relating to Air Quality Monitoring and consequently will not add to the six State total.

(f) Comprises all the amounts shown above with the exception of the Loan Council borrowing programs. See reference in footnote (c).

TABLE 101—SUMMARY OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT
AUTHORITIES, 1973-74 TO 1977-78

(\$ thousands)

	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							
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.	1 133 400	841 700	687 200	433 200	440 800	186 294	3 722 594
1977-78 (estimate)	1 319 866	986 124	793 931	506 955	519 815	214 600	4 341 291
GENERAL PURPOSE CAPITAL FUNDS(a)							
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
1977-78	463 467	360 213	190 110	186 853	132 669	100 488	1 433 800
TOTAL GENERAL PURPOSE FUNDS							
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.	1 565 273	1 184 760	868 257	611 155	567 152	281 997	5 078 594
1977-78 (estimate)	1 783 333	1 346 337	984 041	693 808	652 484	315 088	5 775 091
SPECIFIC PURPOSE PAYMENTS—RECURRENT							
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.	815 186	653 203	299 558	235 335	232 395	80 456	2 316 139
1976-77.	837 981	676 608	331 471	243 533	245 893	73 933	2 409 419
1977-78 (estimate)	1 024 303	784 621	402 205	285 603	294 095	90 019	2 880 846
SPECIFIC PURPOSE PAYMENTS—CAPITAL							
1973-74.	300 380	208 964	185 206	118 399	109 087	38 209	960 243
1974-75.	564 293	437 394	297 349	196 694	176 143	73 590	1 745 467
1975-76.	594 400	457 417	307 513	205 471	183 386	88 119	1 836 305
1976-77.	537 049	399 963	299 200	178 779	168 540	75 511	1 659 041
1977-78 (estimate)(b)	509 189	374 277	258 421	175 871	161 612	71 583	1 551 105
TOTAL SPECIFIC PURPOSE PAYMENTS							
1973-74.	503 683	386 719	270 068	182 302	166 953	60 420	1 570 141
1974-75.	986 381	790 104	461 729	319 573	292 431	116 732	2 966 953
1975-76.	1 409 586	1 110 620	607 071	440 806	415 781	168 575	4 152 443
1976-77.	1 375 030	1 076 571	630 671	422 312	414 433	149 444	4 068 460
1977-78 (estimate)(b)	1 533 492	1 158 898	660 626	461 474	455 707	161 602	4 431 951
TOTAL PAYMENTS(c)							
1973-74.	1 183 667	901 132	639 528	447 509	418 002	182 069	3 771 903
1974-75.	1 849 857	1 439 740	957 512	684 787	611 513	282 913	5 826 326
1975-76.	2 493 303	1 925 880	1 237 622	862 872	818 911	355 763	7 694 356
1976-77.	2 652 388	2 032 625	1 378 223	914 830	897 350	376 639	8 243 054
1977-78 (estimate)(b)	3 007 847	2 265 093	1 517 927	1 030 713	1 019 745	409 698	9 251 175
TOTAL PAYMENTS AND LOAN COUNCIL BORROWING PROGRAMS(d)							
1973-74.	1 366 745	1 050 870	717 764	527 096	472 589	225 536	4 360 596
1974-75.	2 076 853	1 624 549	1 064 967	784 048	679 581	337 865	6 567 867
1975-76.	2 767 417	2 143 624	1 352 541	975 822	899 108	416 506	8 555 023
1976-77.	2 940 303	2 261 331	1 498 928	1 033 467	981 585	431 441	9 147 054
1977-78 (estimate)(b)	3 316 825	2 505 235	1 644 667	1 155 282	1 108 191	476 690	10 207 042

TABLE 101—SUMMARY OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT
AUTHORITIES, 1973-74 TO 1977-78—*continued*

(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES							
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	19 079	20 124	8 332	9 363	6 765	109 960
1976-77.	3 046	5 027	1 917	2 973	1 545	665	15 172
1977-78 (estimate)	4 140	4 197	1 768	1 801	1 842	642	14 391
TOTAL PAYMENTS TO OR FOR THE STATES, STATE LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)							
1973-74.	1 369 211	1 051 888	719 140	527 462	473 187	225 676	4 366 560
1974-75.	2 101 417	1 630 887	1 075 389	788 414	685 573	340 042	6 621 725
1975-76.	2 813 714	2 162 703	1 372 665	984 154	908 471	423 271	8 664 983
1976-77.	2 943 349	2 266 358	1 500 845	1 036 440	983 130	432 106	9 162 227
1977-78 (estimate)(b)	3 320 965	2 509 432	1 646 435	1 157 083	1 110 033	477 332	10 221 433
REPAYMENTS(e)							
1973-74.	57 333	42 157	26 748	23 120	18 253	12 495	180 107
1974-75.	61 076	54 355	28 456	24 854	19 260	10 227	198 228
1975-76.	64 220	45 610	30 255	25 120	19 507	13 541	198 255
1976-77.	78 151	50 242	32 889	25 274	21 327	13 639	221 521
1977-78 (estimate)	84 890	54 347	36 186	27 410	22 956	14 657	240 446
TOTAL PAYMENTS TO OR FOR THE STATES, STATE LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET)							
1973-74.	1 311 878	1 009 731	692 392	504 342	454 934	213 181	4 186 453
1974-75.	2 040 341	1 576 532	1 046 933	763 560	666 313	329 815	6 423 497
1975-76.	2 749 494	2 117 093	1 342 410	959 034	888 964	409 730	8 466 728
1976-77.	2 865 198	2 216 116	1 467 956	1 011 166	961 803	418 467	8 940 706
1977-78 (estimate)(b)	3 236 075	2 455 085	1 610 249	1 129 673	1 087 077	462 675	9 980 988

(a) See Chapter III, under heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.

(b) Totals for the individual States exclude estimates of payments relating to Air Quality Monitoring and consequently will not add to the six State total. Also see footnote (b) to Table 100 for a further qualification relating to the individual State totals.

(c) Comprises all the amounts shown above, with the exception of the borrowing program component of general purpose capital funds. See reference in footnote (a).

(d) 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 128.

(e) 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, \$19 000, and are estimated to be \$20 000 in 1973-74 to 1977-78 respectively.

**TABLE 102—SUMMARY OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT
AUTHORITIES, 1973-74 TO 1977-78(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							
1973-74.	123.34	121.17	165.77	185.49	203.93	253.96	145.63
1974-75.	155.44	151.69	218.23	255.30	252.96	348.25	187.36
1975-76.	193.31	189.16	273.38	290.96	313.39	385.96	229.65
1976-77.	229.81	223.59	323.74	341.56	372.52	455.15	272.12
1977-78 (estimate)	265.66	259.72	369.67	396.21	430.38	519.86	314.29
GENERAL PURPOSE CAPITAL FUNDS							
1973-74.	56.04	60.24	57.45	95.54	72.79	160.80	65.64
1974-75.	68.72	73.43	74.53	117.26	88.39	201.02	81.06
1975-76.	83.96	87.46	82.23	134.84	103.85	224.26	95.28
1976-77.	87.57	91.13	85.30	140.31	106.78	233.82	99.12
1977-78.	93.28	94.87	88.52	146.04	109.84	243.43	103.80
TOTAL GENERAL PURPOSE FUNDS							
1973-74.	179.38	181.41	223.22	281.03	276.72	414.76	211.28
1974-75.	224.16	225.12	292.76	372.56	341.34	549.26	268.42
1975-76.	277.27	276.62	355.61	425.80	417.24	610.22	324.94
1976-77.	317.38	314.72	409.03	481.87	479.30	688.97	371.24
1977-78 (estimate)	358.94	354.59	458.18	542.25	540.23	763.29	418.09
SPECIFIC PURPOSE PAYMENTS—RECURRENT							
1973-74.	42.25	48.55	42.31	52.08	52.39	55.79	46.18
1974-75.	86.77	95.15	79.78	98.56	102.53	107.16	91.05
1975-76.	166.46	174.92	142.90	187.29	200.62	198.02	170.94
1976-77.	169.91	179.73	156.16	192.02	207.80	180.63	176.13
1977-78 (estimate)	206.17	206.65	187.27	223.21	243.50	218.07	208.56
SPECIFIC PURPOSE PAYMENTS—CAPITAL							
1973-74.	62.43	57.08	92.34	96.50	98.77	95.98	72.70
1974-75.	116.00	118.00	144.31	157.77	155.30	182.79	130.11
1975-76.	121.38	122.49	146.69	163.53	158.31	216.88	135.53
1976-77.	108.89	106.25	140.95	140.96	142.43	184.49	121.28
1977-78 (estimate)	102.49	98.56	120.32	137.45	133.81	173.41	112.29
TOTAL SPECIFIC PURPOSE PAYMENTS							
1973-74.	104.69	105.63	134.66	148.59	151.16	151.77	118.88
1974-75.	202.77	213.16	224.09	256.34	257.83	289.95	221.16
1975-76.	287.84	297.40	289.59	350.82	358.92	414.90	306.47
1976-77.	278.80	285.98	297.11	332.97	350.23	365.12	297.40
1977-78 (estimate)	308.66	305.22	307.60	360.67	377.30	391.48	320.85
TOTAL PAYMENTS							
1973-74.	246.01	246.14	318.87	364.75	378.45	457.34	285.59
1974-75.	380.27	388.42	464.70	549.28	539.16	702.71	434.30
1975-76.	509.13	515.71	590.38	686.73	706.93	875.61	567.89
1976-77.	537.80	539.95	649.28	721.30	758.35	920.20	602.56
1977-78 (estimate)	605.41	596.56	706.77	805.56	844.30	992.49	669.74
TOTAL PAYMENTS AND LOAN COUNCIL BORROWING PROGRAMS							
1973-74.	284.06	287.04	357.88	429.62	427.88	566.53	330.16
1974-75.	426.93	438.27	516.85	628.90	599.17	839.21	489.58
1975-76.	565.10	574.02	645.20	776.62	776.16	1 025.12	631.41
1976-77.	596.18	600.70	706.14	814.84	829.53	1 054.09	668.64
1977-78 (estimate)	667.60	659.81	765.78	902.92	917.53	1 154.77	738.94

**TABLE 102—SUMMARY OF PAYMENTS TO OR FOR THE STATES,
STATE GOVERNMENT LOAN COUNCIL PROGRAMS AND
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT
AUTHORITIES, 1973-74 TO 1977-78—continued**
\$ Per Head of Population*

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES							
1973-74.	0.51	0.28	0.69	0.30	0.54	0.35	0.45
1974-75.	5.05	1.71	5.06	3.50	5.28	5.41	4.01
1975-76.	9.45	5.11	9.60	6.63	8.08	16.65	8.12
1976-77.	0.62	1.34	0.90	2.34	1.31	1.62	1.11
1977-78 (estimate)	0.83	1.11	0.82	1.41	1.53	1.56	1.04
TOTAL PAYMENTS TO OR FOR THE STATES, STATE LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)							
1973-74.	284.58	287.31	358.57	429.91	428.42	566.88	330.61
1974-75.	431.98	439.98	521.91	632.40	604.46	844.62	493.60
1975-76.	574.56	579.13	654.80	783.25	784.24	1 041.77	639.52
1976-77.	596.80	602.03	707.05	817.19	830.84	1 055.72	669.75
1977-78 (estimate)	668.43	660.92	766.60	904.32	919.05	1 156.33	739.99
REPAYMENTS							
1973-74.	11.92	11.51	13.34	18.84	16.53	31.39	13.64
1974-75.	12.56	14.66	13.81	19.94	16.98	25.40	14.78
1975-76.	13.11	12.21	14.43	19.99	16.84	33.33	14.63
1976-77.	15.85	13.35	15.49	19.93	18.02	33.32	16.19
1977-78 (estimate)	17.09	14.31	16.85	21.42	19.01	35.51	17.41
TOTAL PAYMENTS TO OR FOR THE STATES, STATE LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET)							
1973-74.	272.66	275.80	345.24	411.07	411.89	535.50	316.97
1974-75.	419.43	425.32	508.10	612.46	587.47	819.21	478.82
1975-76.	561.44	566.92	640.38	763.26	767.40	1 008.44	624.90
1976-77.	580.95	588.69	691.55	797.26	812.81	1 022.40	653.56
1977-78 (estimate)	651.34	646.60	749.76	882.90	900.05	1 120.82	722.58

* Mean populations for financial years as published in 'Public Authority Finance—Federal Authorities 1976-77—Bulletin No. 15'.

(a) See footnotes to previous table.

TABLE 103—TOTAL PAYMENTS TO OR FOR THE STATES AND STATE
GOVERNMENT LOAN COUNCIL PROGRAMS—DISSECTION
BETWEEN FUNDS FOR RECURRENT AND CAPITAL PURPOSES,
1973-74 TO 1977-78(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
FUNDS FOR RECURRENT PURPOSES							
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	1 761 846	1 359 592	872 650	600 926	595 426	237 272	5 427 719
1976-77	1 971 381	1 518 308	1 018 671	676 733	686 693	260 227	6 132 014
1977-78 (estimate)	2 344 169	1 770 745	1 196 136	792 558	813 910	304 619	7 222 137
FUNDS FOR CAPITAL PURPOSES							
1973-74	570 009	429 491	300 429	235 611	189 480	102 225	1 827 243
1974-75	898 602	709 573	450 916	342 882	276 390	154 519	2 832 886
1975-76	1 005 571	784 032	479 891	374 896	303 682	179 234	3 127 305
1976-77	968 922	743 023	480 257	356 734	294 892	171 214	3 015 041
1977-78 (estimate)	972 656	734 490	448 531	362 724	294 281	172 071	2 984 905

(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 104—TOTAL PAYMENTS TO OR FOR THE STATES AND STATE
GOVERNMENT LOAN COUNCIL PROGRAMS—DISSECTION
BETWEEN FUNDS FOR RECURRENT AND CAPITAL PURPOSES,
1973-74 TO 1977-78(a)
\$ Per Head of Population

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
FUNDS FOR RECURRENT PURPOSES							
1973-74	165.59	169.72	208.08	237.58	256.32	309.75	191.81
1974-75	242.21	246.84	298.01	353.87	355.48	455.40	278.41
1975-76	359.77	364.07	416.28	478.25	514.01	583.98	400.60
1976-77	399.72	403.32	479.89	533.57	580.32	635.79	448.25
1977-78 (estimate)	471.83	466.37	556.94	619.43	673.88	737.93	522.85
FUNDS FOR CAPITAL PURPOSES							
1973-74	118.47	117.31	149.80	192.04	171.55	256.78	138.35
1974-75	184.72	191.43	218.84	275.03	243.69	383.80	211.17
1975-76	205.34	209.95	228.92	298.37	262.16	441.14	230.81
1976-77	196.46	197.38	226.25	281.27	249.21	418.31	220.40
1977-78 (estimate)	195.77	193.44	208.84	283.49	243.65	416.84	216.09

(a) 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 GRANTS AND LOANS,
1973-74 TO 1977-78
(\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
COMMONWEALTH GOVERNMENT PAYMENTS—GRANTS							
1973-74	1 070 362	824 333	581 830	396 521	394 196	164 715	3 431 952
1974-75	1 633 463	1 263 474	856 693	592 102	547 012	251 907	5 144 655
1975-76	2 252 578	1 742 811	1 132 569	764 157	763 215	329 010	6 984 345
1976-77	2 457 203	1 883 415	1 288 675	833 600	843 658	340 949	7 647 502
1977-78 (estimate)	2 834 363	2 136 611	1 451 865	948 067	972 233	383 119	8 726 411
COMMONWEALTH GOVERNMENT PAYMENTS—LOANS (GROSS)							
1973-74	113 305	76 799	57 698	50 988	23 806	17 354	339 950
1974-75	216 394	176 266	100 819	92 594	64 491	31 006	681 571
1975-76	240 725	183 069	105 052	98 717	55 697	26 752	710 011
1976-77	195 185	149 210	89 548	81 230	53 692	26 690	595 553
1977-78 (estimate)	173 484	128 482	66 062	82 646	47 512	26 579	524 765
TOTAL COMMONWEALTH GOVERNMENT LOANS AND LOAN COUNCIL BORROWINGS (Gross)(a)							
1973-74	296 383	226 537	135 934	130 575	78 393	60 821	928 643
1974-75	443 390	361 075	208 274	191 855	132 559	85 958	1 423 112
1975-76	514 839	400 813	219 971	211 667	135 894	87 495	1 570 678
1976-77	483 100	377 916	210 253	199 867	137 927	90 492	1 499 553
1977-78 (estimate)	482 462	368 624	192 802	207 215	135 958	93 571	1 480 632

(a) Figures on a net basis are given in Appendix IV, Table 127.

TABLE 106—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)), 1965-66 TO 1977-78
(\$ thousands)

Functional Classification	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77 (estimate)	1977-78
Defence	7 024	7 488	6 787	6 532	9 045	8 761	6 522	5 608	7 158	26 482	34 369	35 560	26 605
Education	63 625	76 825	99 143	105 344	144 828	174 951	204 892	259 427	616 021	1 288 789	1 046 024	1 669 503	1 821 320
Health	19 329	17 740	17 238	18 555	18 876	17 811	18 045	20 982	51 760	107 795	1 082 788	852 708	1 114 236
Social Security and Welfare	22	23	251	1 335	3 512	10 067	43 637	127 408	41 101	159 924	238 016	104 632	111 746
Housing	107 194	109 167	110 903	115 216	121 698	131 320	-6 703	7 455	222 811	390 868	362 883	369 072	378 258
Urban and Regional Development n.e.c. and the Environment	750	1 952	417	..	59	584	-1	963	55 765	234 800	262 996	125 078	55 911
Culture and Recreation . . . . .	..	..	..	..	..	..	..	..	1 802	12 759	11 926	9 705	6 816
Economic Services—													
Transport	175 797	182 298	198 633	206 829	218 099	233 840	259 249	288 735	322 608	418 523	494 765	511 696	537 132
Water Supply and Electricity . . . . .	..	..	5 903	3 852	9 700	3 211	2 500	15 803	23 618	38 708	46 340	33 730	3 961
Industry Assistance and Develop- ment	13 979	14 976	41 079	23 667	30 238	50 374	79 781	94 329	70 605	83 039	109 606	81 865	80 872
Labour and Employment	893	922	1 344	1 338	1 050	1 205	1 613	2 165	2 722	4 052	6 180	12 077	15 237
Other Economic Services . . . . .	..	..	..	..	..	..	..	..	278	65	..	..	..
Total Economic Services	190 669	198 196	246 959	235 686	259 087	288 630	343 143	401 032	419 796	544 387	656 890	639 368	637 203
General Public Services	1 478	2 154	3 270	2 995	3 562	4 320	4 491	5 917	8 051	8 955	7 910	13 139	11 586
Outlays Not Allocated to Function—													
General Revenue Funds	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	3 712 594	4 331 291
State Government Loan Council Borrowing Programs	405 497	436 895	460 003	483 531	517 875	366 383	549 620	601 266	447 910	592 141	708 667	744 677	785 167
Capital Grants . . . . .	..	..	..	..	..	200 000	219 100	248 539	278 307	345 878	430 333	452 000	477 933
Assistance Related to State Debts	32 931	34 121	35 557	36 789	38 441	51 224	64 501	77 661	90 578	103 612	47 338	46 805	48 910
Assistance for Local Government . . . . .	..	..	..	..	..	..	..	..	..	56 657	80 046	140 000	165 328
Natural Disaster Relief	21 740	21 073	27 954	19 729	10 777	14 998	2 152	-5 322	21 904	46 956	24 961	25 865	8 677
Total Not Allocated to Function	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	4 402 925	5 121 940	5 817 307
Grand Total	1 649 380	1 783 069	1 965 428	2 075 297	2 316 979	2 749 247	2 986 577	3 451 829	4 186 453	6 423 497	8 466 728	8 940 706	9 980 988

(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
107	General Purpose Capital Funds for State Governments, 1973-74 to 1977-78.
108	Semi-Government and Local Authority Borrowings, 1973-74 to 1977-78.
109	Semi-Government and Local Authority Borrowings, per Head of Population, 1973-74 to 1977-78.
110	General Purpose Capital Funds for State Governments, and State Semi-Government and Local Authority Borrowings, 1973-74 to 1977-78.
111	General Purpose Capital Funds for State Governments, and State Semi-Government and Local Authority Borrowings, per Head of Population, 1973-74 to 1977-78.
112	Borrowings by Local Government Authorities, 1973-74 to 1977-78.
113	Summary of the Financing of State Government Loan Council Programs, 1972-73 to 1976-77.
114	Details of the Financing of State Government Loan Council Programs, 1972-73 to 1976-77.

TABLE 107—GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS
1973-74 TO 1977-78(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
APPROVED LOAN COUNCIL BORROWING PROGRAMS							
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 . . .	287 915	228 706	120 705	118 637	84 235	63 802	904 000
1977-78(b) . . .	308 978	240 142	126 740	124 569	88 446	66 992	955 867
CAPITAL GRANTS							
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 . . .	143 958	114 354	60 352	59 318	42 117	31 901	452 000
1977-78(b) . . .	154 489	120 071	63 370	62 284	44 223	33 496	477 933
TOTAL GENERAL PURPOSE CAPITAL FUNDS							
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
1977-78(b) . . .	463 467	360 213	190 110	186 853	132 669	100 488	1 433 800

- (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 July 1977 meeting of the Loan Council.

TABLE 108—SEMI-GOVERNMENT AND LOCAL AUTHORITY BORROWINGS
1973-74 TO 1977-78
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tas- mania	Total States	Common- wealth Govern- ment	Total
BORROWINGS BY LARGER AUTHORITIES(a)									
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	360 108	304 347	177 575	45 200	45 369	27 397	959 996	423 544	1 383 540
1977-78(b)	443 127	357 612	208 651	53 110	69 309	32 191	1 164 000	346 266	1 510 266
BORROWINGS BY SMALLER AUTHORITIES(a)									
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	85 707	88 263	66 060	26 574	41 030	11 088	318 722	150	318 872
1977-78 (est.)(c)	116 530	120 000	80 716	38 000	55 000	18 000	428 246	..	428 246
BORROWINGS BY ALL SEMI-GOVERNMENT AND LOCAL AUTHORITIES									
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	24 357	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	445 815	392 610	243 635	71 774	86 399	38 485	1 278 718	423 694	1 702 412
1977-78 (est.)(c)	559 657	477 612	289 367	91 110	124 309	50 191	1 592 246	346 266	1 938 512

(a) See Chapter III under the heading 'Borrowing Programs for State Authorities'.

(b) Borrowing programs approved by the Loan Council in July 1977.

(c) Tentative estimates by State Treasuries.

TABLE 109—SEMI-GOVERNMENT AND LOCAL AUTHORITY BORROWINGS,
1973-74 TO 1977-78, PER HEAD OF POPULATION(a)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
	\$	\$	\$	\$	\$	\$	\$
BORROWINGS BY LARGER AUTHORITIES							
1973-74	41.56	49.89	53.16	21.88	30.09	39.38	42.78
1974-75	50.32	57.71	67.21	25.48	33.40	47.83	51.14
1975-76	62.02	68.74	71.44	30.34	33.03	56.87	59.76
1976-77	73.02	80.85	83.66	35.64	38.34	66.94	70.18
1977-78 (estimate)	89.19	94.19	97.15	41.51	57.38	77.98	84.27
BORROWINGS BY SMALLER AUTHORITIES							
1973-74	9.76	9.78	16.01	7.71	23.06	7.60	11.57
1974-75	10.88	11.95	19.34	9.48	22.85	12.67	13.41
1975-76	13.36	16.95	26.11	14.49	29.26	22.44	18.06
1976-77	17.38	23.45	31.12	20.95	34.67	27.09	23.30
1977-78 (estimate)	23.45	31.60	37.58	29.70	45.54	43.60	31.00
BORROWINGS BY ALL SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
1973-74	51.32	59.68	69.17	29.60	53.15	46.98	54.35
1974-75	61.19	69.66	86.56	34.96	56.26	60.50	64.55
1975-76	75.38	85.68	97.56	44.82	62.29	79.31	77.82
1976-77	90.39	104.29	114.78	56.59	73.02	94.03	93.47
1977-78 (estimate)	112.65	125.79	134.73	71.21	102.92	121.59	115.27

(a) See footnotes to Table 108.

**TABLE 110—GENERAL PURPOSE CAPITAL FUNDS FOR STATE
GOVERNMENTS AND STATE SEMI-GOVERNMENT AND
LOCAL AUTHORITY BORROWINGS, 1973-74 TO 1977-78**
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS(a)							
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
1977-78	463 467	360 213	190 110	186 853	132 669	100 488	1 433 800
BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES(b)							
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	445 815	392 610	243 635	71 774	86 399	38 485	1 278 718
1977-78 (estimate)	559 657	477 612	289 367	91 110	124 309	50 191	1 592 246
TOTAL OF GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS AND BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
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	877 688	735 670	424 692	249 729	212 751	134 188	2 634 718
1977-78 (estimate)	1 023 124	837 825	479 477	277 963	256 978	150 679	3 026 046

(a) See footnotes to Table 107.

(b) See footnotes to Table 108.

**TABLE 111—GENERAL PURPOSE CAPITAL FUNDS FOR STATE
GOVERNMENTS AND STATE SEMI-GOVERNMENT AND
LOCAL AUTHORITY BORROWINGS, PER HEAD OF
POPULATION, 1973-74 TO 1977-78**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
	\$	\$	\$	\$	\$	\$	\$
GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS							
1973-74	56.04	60.24	57.45	95.54	72.79	160.80	65.64
1974-75	68.72	73.43	74.53	117.26	88.39	201.02	81.06
1975-76	83.96	87.46	82.23	134.84	103.85	224.26	95.28
1976-77	87.57	91.13	85.30	140.31	106.78	233.82	99.12
1977-78 (estimate)	93.28	94.87	88.52	146.04	109.84	243.43	103.80
BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
1973-74	51.32	59.68	69.17	29.60	53.15	46.98	54.35
1974-75	61.19	69.66	86.56	34.96	56.26	60.50	64.55
1975-76	75.38	85.68	97.56	44.82	62.29	79.31	77.82
1976-77	90.39	104.29	114.78	56.59	73.02	94.03	93.47
1977-78 (estimate)	112.65	125.79	134.73	71.21	102.92	121.59	115.27
TOTAL GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS AND STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES BORROWINGS							
1973-74	107.35	119.91	126.62	125.13	125.94	207.79	119.99
1974-75	129.92	143.09	161.09	152.22	144.64	261.52	145.61
1975-76	159.34	173.14	179.79	179.66	166.13	303.56	173.10
1976-77	177.96	195.42	200.07	196.90	179.80	327.85	192.60
1977-78 (estimate)	205.93	220.66	223.24	217.24	212.77	365.02	219.07

TABLE 112—BORROWINGS BY LOCAL GOVERNMENT AUTHORITIES(a)
1973-74 TO 1977-78
(\$ thousands)

	New South Wales(b)	Victoria	Queensland	South Australia	Western Australia	Tasmania	Six State Total	Northern Territory	Total
'LARGER' AUTHORITIES(c)									
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	121 108	20 475	85 389	4 300	6 050	10 085	247 407	1 194	248 601
1977-78 (est.)(d)	130 127	15 000	83 200	5 000	7 500	8 510	249 337	1 826	251 163
'SMALLER' AUTHORITIES(e)									
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	70 824	51 263	30 729	17 374	26 330	6 968	203 488	..	203 488
1977-78 (est.)(d)	95 000	71 000	45 110	23 000	36 000	12 618	282 728	..	282 728
TOTAL									
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	191 932	71 737	116 118	21 674	32 380	17 053	450 894	1 194	452 088
1977-78 (est.)(d)	225 127	86 000	128 310	28 000	43 500	21 128	532 065	1 826	533 891

- (a) For 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 70.
 (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 70.

TABLE 113—SUMMARY OF THE FINANCING OF STATE GOVERNMENT
LOAN COUNCIL PROGRAMS, 1972-73 TO 1976-77(a)

	Amounts Met from Public Loan Raisings and Overseas Borrowings			Amounts Met from Consolidated Revenue Fund			
	Total Programs	Percentage of Total		Special Loans	Capital Grants Met Direct from Consolidated Revenue Fund	Total	
		Amount	Programs			Amount	Percentage of Total Programs
	\$'000	\$'000	per cent	\$'000	\$'000	\$'000	per cent
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	..	..	..	..
1976-77	(b)1 356 000	1 356 000	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 \$248 539 000 in 1972-73, \$278 307 000 in 1973-74, \$345 878 000 in 1974-75, \$430 333 000 in 1975-76 and \$452 000 000 in 1976-77.

TABLE 114—DETAILS OF THE FINANCING OF STATE GOVERNMENT
LOAN COUNCIL PROGRAMS, 1972-73 TO 1976-77(a)

(\$ thousands)

	1972-73	1973-74	1974-75	1975-76	1976-77
SPECIAL LOANS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES					
Commonwealth Government Subscriptions to Special Loans	91 000	260 000	477 000	..	..
Less—Amounts used by Commonwealth Government—					
for advances for welfare housing	..	..	-130 365(b)	..	..
for War Service Land Settlement and other purposes	..	..	-416	..	..
for redemptions	..	-260 000	-71 250	..	..
(A)	91 000	..	274 969	..	..
LOAN RAISINGS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES					
Public Loans raised in Australia—					
Cash loans	779 392	1 155 460(c)	646 034(c)	1 676 610	1 580 967
Special Bonds/Savings Bonds	109 189	454 182	343 041	1 362 443	736 240
State Domestic Raisings	68 440	48 523	21 093	5 918	35 365
Overseas Loans applied direct to Borrowing Programs and Housing Advances	27 878	..	42 278	197 476	437 718
Total Loan Raisings	984 899	1 658 165	1 052 446	3 242 447	2 790 290
Less Amounts Used—					
for redemptions	-115 507	-498 279	-414 448—(d)	-1 251 280—(e)	-1 057 487—(f)
by Commonwealth Government (War Service Land Settlement, Other)	-5 104	-6 136	-2 593	-335 567	-1 804
for capital grant for government schools	-13 340	..	..	..	..
for capital grant for works program	-208 486	-278 307	..	-430 333	-452 000
for advances for welfare housing	..	-218 650	-168 833(b)	-364 600	-375 000
Less—Amounts carried forwarded	..	-68 100(c)	..	..	..
(B)	642 461	588 693	466 572	860 667	904 000
CAPITAL GRANTS					
Capital Grants—					
Financed from proceeds of Treasury Note issue	6 053	..	326 618	..	..
Financed from other loan proceeds	208 486	278 307	..	430 333	452 000
Financed direct from Consolidated Revenue Fund	34 000	..	19 260	..	..
(C)	248 539	278 307	345 878	430 333	452 000
TOTAL PROGRAMS					
TOTAL PROGRAMS (A+B+C)	982 000	867 000	1 087 419	1 291 000	1 356 000
(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.					
(f) Includes \$720 320 000 cash proceeds applied to the redemption of Treasury Bills.					

APPENDIX III—TABLES OF SPECIFIC PURPOSE PAYMENTS

TABLE NO.	SUBJECT
115	Schools, Grants for, 1973-74 to 1977-78.
116	Aboriginal Advancement, Payments for, by Function, 1973-74 to 1977-78.
117	Natural Disasters, Payments for, 1973-74 to 1977-78.
118	Natural Disasters, Payments for by type of Disaster, 1973-74 to 1977-78.
119	Natural Disaster Relief, Further Details of Assistance for, 1973-74 to 1976-77.

TABLE 115—GRANTS FOR SCHOOLS, 1973-74 TO 1977-78
(\$ 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	83 674	69 450	26 761	21 628	17 768	6 486	225 767
1977-78 (estimate)(a)	84 971	67 854	22 882	21 564	16 834	6 647	220 752
NON-GOVERNMENT SCHOOLS							
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	123 633
1976-77	59 799	58 590	25 696	10 971	13 133	3 477	171 666
1977-78 (estimate)(a)	64 992	54 958	27 978	11 381	13 880	3 525	176 714
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	7 680	6 899	3 601	2 439	2 620	1 086	24 325
1977-78 (estimate)(a)	9 559	7 415	5 020	2 676	2 742	1 119	28 531
TOTAL							
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	331 885
1976-77	151 153	134 939	56 058	35 038	33 521	11 049	421 758
1977-78 (estimate)(a)	159 522	130 227	55 880	35 621	33 456	11 291	425 997
GRANTS FOR CAPITAL PURPOSES							
GOVERNMENT SCHOOLS							
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	42 349	37 656	24 809	13 309	5 230	3 861	127 214
1977-78 (estimate)(a)	47 215	37 196	25 654	13 694	11 841	4 097	139 697
NON-GOVERNMENT SCHOOLS							
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	6 208	7 259	3 077	1 300	1 731	360	19 935
1977-78 (estimate)(a)	12 705	10 737	5 133	2 278	2 204	981	34 038
JOINT PROGRAMS							
1974-75	371	213	75	75	131	94	959
1975-76	216	227	218	219	163	53	1 096
1976-77	126	141	204	63	38	45	617
1977-78 (estimate)(a)	78	86	127	23	21	9	344
TOTAL							
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	48 683	45 056	28 090	14 672	6 999	4 266	147 766
1977-78 (estimate)(a)	59 998	48 019	30 914	15 995	14 066	5 087	174 079

(a) Includes certain unallocated programs which, for the purposes of this paper, have been apportioned between the States on a pro-rata basis.

TABLE 116—PAYMENTS FOR ABORIGINAL ADVANCEMENT, BY FUNCTION
1973-74 TO 1977-78 (Estimated)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
EDUCATION							
Recurrent Payments							
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	931	576	836	1 151	2 035	32	5 561
1977-78 (estimate)	1 013	614	946	1 500	2 172	36	6 281
Capital Payments							
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	1	..	8	233	119	..	360
1977-78 (estimate) . . . . .	..	..	..	..	53	..	53
Total Payments							
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	932	576	844	1 384	2 154	32	5 921
1977-78 (estimate)	1 013	614	946	1 500	2 225	36	6 334
HEALTH							
Recurrent Payments							
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	5 187	14	9 584
1976-77	1 480	354	2 243	1 054	4 889	16	10 036
1977-78 (estimate)	1 722	334	2 836	1 200	5 583	16	11 691
Capital Payments							
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	2 181	5	4 465
1976-77	315	49	530	147	704	..	1 745
1977-78 (estimate)	64	..	100	..	752	..	916
Total Payments							
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	1 795	403	2 773	1 201	5 593	16	11 781
1977-78 (estimate)	1 786	334	2 936	1 200	6 335	16	12 607

TABLE 116—PAYMENTS FOR ABORIGINAL ADVANCEMENT, BY FUNCTION
1973-74 TO 1977-78 (Estimated)—*continued*
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
SOCIAL SECURITY AND WELFARE							
Recurrent Payments							
1973-74	394	32	28	158	572	9	1 192
1974-75	469	137	55	82	2 063	9	2 816
1975-76	314	444	340	295	868	9	2 270
1976-77	262	324	235	295	778	11	1 905
1977-78 (estimate)	340	365	230	435	993	15	2 378
Capital Payments							
1973-74	210	..	85	235	1 078	..	1 608
1974-75	83	..	..	..	467	..	550
1975-76	38	..	132	..	184	..	353
1976-77 . . . . .	..	..	..	..	4	..	4
1977-78 (estimate) . . . . .	..	..	..	..	42	..	42
Total Payments							
1973-74	604	32	113	393	1 650	9	2 800
1974-75	552	137	55	82	2 530	9	3 366
1975-76	352	444	472	295	1 052	9	2 623
1976-77	262	324	235	295	782	11	1 909
1977-78 (estimate)	340	365	230	435	1 035	15	2 420
HOUSING							
Recurrent Payments							
1974-75	159	..	..	20	..	..	179
1975-76 . . . . .	..	..	..	..	..	12	12
1976-77 . . . . .	..	..	..	15	..	12	27
1977-78 (estimate) . . . . .	..	..	..	..	..	..	..
Capital Payments							
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	4 616	373	2 200	2 932	2 882	210	13 213
1976-77	3 177	633	1 925	2 959	3 938	187	12 821
1977-78 (estimate)	2 590	400	1 965	1 600	3 700	175	10 430
Total Payments							
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	4 616	373	2 200	2 932	2 882	222	13 225
1976-77	3 177	633	1 925	2 974	3 938	200	12 848
1977-78 (estimate)	2 590	400	1 965	1 600	3 700	175	10 430

TABLE 116—PAYMENTS FOR ABORIGINAL ADVANCEMENT, BY
FUNCTION 1973-74 TO 1977-78 (ESTIMATED)—*continued*
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
URBAN AND REGIONAL DEVELOPMENT N.E.C. AND THE ENVIRONMENT							
Recurrent Payments							
1975-76	105	..	..	..	..	..	105
1976-77	10	..	..	..	..	..	10
1977-78 (estimate) . . . . .	..	..	..	..	..	..	..
Capital Payments							
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 . . . . .	..	..	1 933	..	..	..	1 933
1977-78 (estimate) . . . . .	..	..	550	100	..	..	650
Total Payments							
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	10	..	1 933	..	..	..	1 943
1977-78 (estimate) . . . . .	..	..	550	100	..	..	650
TOTAL—ALL FUNCTIONS							
Recurrent Payments							
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	2 683	1 254	3 314	2 515	7 702	71	17 539
1977-78 (estimate)	3 075	1 313	4 012	3 135	8 748	67	20 350
Capital Payments							
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	3 494	682	4 397	3 339	4 765	187	16 864
1977-78 (estimate)	2 654	400	2 615	1 700	4 547	175	12 091
Total Payments							
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	6 177	1 936	7 711	5 854	12 467	258	34 403
1977-78 (estimate)	5 729	1 713	6 627	4 835	13 295	242	32 441

TABLE 117—PAYMENTS FOR NATURAL DISASTER RELIEF ASSISTANCE
1973-74 TO 1977-78(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
PAYMENTS OF A RECURRENT NATURE							
1973-74	19	22	3 990(b)	..	..	..	4 031
1974-75	622	355	113	..	..	..	1 090
1975-76	637	35	52	..	83	..	807
1976-77	1 233	452	45	..	195	..	1 925
1977-78 (estimate)	230	..	360	..	..	..	590
PAYMENTS OF A CAPITAL NATURE—GRANTS							
1973-74	65	..	20 213(b)	..	..	-3(c)	20 275
1974-75	13 840	8 983	25 509	114	..	..	48 446
1975-76	12 596	5 937	6 319	108	4 197	-7(d)	29 150
1976-77	10 006	1 540(e)	10 645	..	1 506(f)	..	23 697
1977-78 (estimate)	3 600	..	5 760	..	..	..	9 360
PAYMENTS OF A CAPITAL NATURE—LOANS							
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	1 490	888	449	..	2 001	..	4 828
1977-78 (estimate)	1 170	..	1 880	..	..	..	3 050
TOTAL PAYMENTS							
1973-74	300	22	27 859(b)	..	..	-3(c)	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(d)	31 055
1976-77	12 729	2 880(e)	11 139	..	3 702(f)	..	30 450
1977-78 (estimate)	5 000	..	8 000	..	..	..	13 000

(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) 1973-74	Queensland	Drought, flood and cyclone relief in 1971-72— Recurrent grants (net reimbursement)	\$ -1 000
(c) 1973-74	Tasmania	Capital grants	48 000
(d) 1975-76	Tasmania	Bushfire relief in 1967-68—Capital grants	3 000
(e) 1976-77	Tasmania	Bushfire relief in 1967-68—Capital grants	7 000
(f) 1976-77	Victoria	Flood relief in 1975-76—Capital grants	50 000
	Western Australia	Cyclone relief in 1975-76—Capital grants	1 130 000

TABLE 118—PAYMENTS FOR NATURAL DISASTER RELIEF ASSISTANCE
BY TYPE OF DISASTER, 1973-74 TO 1977-78(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
DROUGHT							
1973-74	38	..	..	..	..	..	38
1974-75	114	..	..	..	..	..	114
1975-76	..	..	..	..	..	..	..
1976-77	779	716	..	..	2 134	..	3 629
1977-78 (estimate)	150	..	..	..	..	..	150
FLOOD, STORM AND CYCLONE							
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	11 877	809	11 139	..	1 568	..	25 393
1977-78 (estimate)	4 850	..	8 000	..	..	..	12 850
BUSHFIRE							
1973-74	..	..	..	..	..	-3	-3
1974-75	744	..	..	..	..	..	744
1975-76	587	..	..	..	..	-7	580
1976-77	73	1 355	..	..	..	..	1 428
1977-78 (estimate)	..	..	..	..	..	..	..
ALL NATURAL DISASTERS							
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	12 729	2 880	11 139	..	3 702	..	30 450
1977-78 (estimate)	5 000	..	8 000	..	..	..	13 000

(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 117).

TABLE 119—FURTHER DETAILS OF NATURAL DISASTER RELIEF ASSISTANCE TO THE STATES 1973-74 TO 1976-77
(\$ thousands)

	New South Wales				Victoria				Queensland			
	1973-74	1974-75	1975-76	1976-77	1973-74	1974-75	1975-76	1976-77	1973-74	1974-75	1975-76	1976-77
<i>Expenditures by States in Year(a)</i>												
Personal hardship and distress	922	670	852	703	(e)58	479	25	153	5 287	122	70	52
Housing repair and rebuilding	828	153	1	980	..	7	28	858	5 120	6 825	..	..
Rail and road freight subsidies	..	..	65	..	..	..	..	..	..	..	..	..
Fodder airdrop subsidies	..	..	..	19	..	..	..	573	..	..	..	1
Stock slaughter assistance and compensation	581	2 490	947	1 982	..	643	425	1 608	161	662	46	409
Loans to primary producers	31	110	..	35	..	..	..	365	3 495	615	..	96
Loans to small businesses	..	24	22	23	..	..	..	..	..	29	63	24
Loans to sporting clubs	..	14	..	..	..	..	..	..	..	..	..	..
Assistance to surf lifesaving clubs	..	37	..	..	..	..	..	..	..	..	..	..
Assistance to independent schools	4 978	16 299	13 794	13 263	..	11 673	9 441	2 408	17 443	19 484	7 534	12 140
Restoration of State, local and semi-government assets	380	585	608	423	..	156	175	465	..	..	..	43
Emergency protection works and repairs to essential services	..	214	53	..	..	..	..	..	..	..	..	..
Assistance to local government authorities for fire fighting costs	..	24	..	..	..	..	..	..	106	524	102	46
Assistance to tertiary education institutions(b)	..	..	..	..	..	..	..	..	..	..	..	..
Total	7 720	20 620	16 341	17 428	58	12 958	10 094	6 430	31 612	28 261	7 815	12 811
<i>Less—</i>												
Expenditure in Year attributable to States(c)	5 000	5 048	5 003	5 000	29	3 500	3 500	3 500	2 000	2 000	2 000	2 000
Expenditure in Year to be reimbursed in subsequent years(d)	3 490	2 618	51	..	7	(f)—342	2	..	1 706	1 133	481	153
Refunds of overpayments in respect of previous years	..	..	..	..	..	..	342	50	47	..	15	..
<i>Plus—</i>												
Amounts paid in Year in respect of previous years	1 070	3 490	2 618	301	..	7	..	..	..	1 706	1 133	481
Payments to States in Year	300	16 444	13 905	12 729	22	9 807	6 250	2 880	(g)27 859	26 834	6 452	11 139

TABLE 119—FURTHER DETAILS OF NATURAL DISASTER RELIEF ASSISTANCE TO THE STATES 1973-74 TO 1976-77—*continued*
(\$ thousands)

	South Australia(h)			Western Australia(j)		Total			
	1974-75	1975-76	1976-77	1975-76	1976-77	1973-74	1974-75	1975-76	1976-77
<i>Expenditures by States in Year(a)</i>									
Personal hardship and distress	..	..	..	120	1	6 267	1 271	1 067	909
Housing repair and rebuilding	..	..	..	..	..	5 120	6 825	..	..
Rail and road freight subsidies	..	..	..	..	270	828	160	29	2 109
Fodder airdrop subsidies	..	..	..	..	..	..	..	65	1
Stock slaughter assistance and compensation	..	..	..	..	..	..	..	..	592
Loans to primary producers	..	..	..	..	2 824	742	3 795	1 418	6 746
Loans to small businesses	..	..	..	..	..	3 526	725	..	496
Loans to sporting clubs	..	..	..	..	..	..	53	85	47
Assistance to surf lifesaving clubs	..	..	..	..	..	..	14	-1	..
Assistance to independent schools	..	..	..	..	..	..	37	..	..
Restoration of State, local and semi-government assets	1 134	..	..	4 588	3 261	22 421	48 590	35 357	31 148
Emergency protection works and repairs to essential services	588	..	..	9	1	380	1 329	792	932
Assistance to local government authorities for fire fighting costs	..	..	..	..	..	..	214	53	..
Assistance to tertiary education institutions(b)	..	..	..	..	..	106	548	102	46
Total	1 722	..	..	4 717	6 357	39 390	63 561	38 967	43 026
<i>Less—</i>									
Expenditure in Year attributable to States(c)	1 500	..	..	1 500	1 525	7 029	12 048	12 003	12 025
Expenditure in Year to be reimbursed in subsequent years(d)	(i)108	..	..	(f)-1 130	..	5 203	3 517	- 596	153
Refunds of overpayments in respect of previous years	..	..	..	..	1 130	(k)50	..	(k)364	1 180
<i>Plus—</i>									
Amounts paid in Year in respect of previous years	..	108	..	..	..	1 070	5 203	3 859	782
Payments to States in Year	114	108	..	4 347	3 702	28 178	53,199	31 055	30 450

(a) 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, 1973-74 to 1977-78:
120	Six States Combined
121	New South Wales
122	Victoria
123	Queensland
124	South Australia
125	Western Australia
126	Tasmania
127	Total Commonwealth Government Loans and State Government Loan Council Borrowings—Net Basis, by States, 1973-74 to 1977-78.
128	Payments to the States and Loan Council Borrowings—Net Basis, by States, 1973-74 to 1977-78.
129	State Government Debt Outstanding, 1973 to 1977.

TABLE 120—SIX STATES COMBINED—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	588 693	741 541	860 667	904 000	955 867
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	7 766	26 805	34 170	35 114	26 100
Housing(b)	218 650	385 400	364 600	375 000	390 000
Growth Centres	5 246	59 181	66 114	42 796	25 547
Land Acquisition	11 531	36 181	49 453	22 903	26 766
Captains Flat Project	..	..	178	206	45
Sewerage	27 905	84 678	78 463	33 812	..
Community Facilities—Townsville	301	67	..	25	..
Railway Projects	359	326	1 488	320	15
Railways—Intersystem Passenger Vehicles	1 081	1 244	81	245	..
King Island Harbour Works	..	..	121	..	..
King Island Shipping Service	..	1 309	..	..	..
Julius Dam	..	2 000	..	..	..
Urban Water Supply	..	4 400	6 252	6 423	4 200
Gladstone Power Station	26 607	32 449	39 000	26 422	1 000
Blowering Reservoir	..	- 198	..	..	..
Softwood Forestry	4 875	7 124	7 937	7 934	4 647
Dairy Adjustment Program	538	6 892	14 072	5 277	835
Rural Adjustment Scheme	..	..	..	8 272	39 025
Canned Fruit Industry	..	..	2 457	..	..
Beef Industry Assistance	..	..	11 298	3 478	35
Rural Reconstruction	26 825	21 586	22 500	14 954	3 480
Ord River Project	1 405	313	33	12	20
Dartmouth Dam	2 850	7 500	8 400	5 625	..
Brigalow Lands Development Scheme	139	651	2 296	1 909	..
Natural Disaster Relief	3 872	3 663	1 098	4 828	3 050
Total Commonwealth Government Loans	339 950	681 571	710 011	595 553	524 765
TOTAL ADVANCES	928 643	1 423 112	1 570 678	1 499 553	1 480 632

TABLE 120—SIX STATES COMBINED—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	140 783	149 400	152 000	159 323	170 700
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance . . . . .	..	10 000	..	10 000	10 000
Housing for Servicemen	592	631	681	734	800
Unemployment Relief Works	2	2	2	4	2
Aboriginal Advancement	19	18	19	20	21
Housing	17 367	19 157	21 918	24 711	27 674
Growth Centres . . . . .	..	..	..	21	27
Sewerage . . . . .	..	6	99	441	608
Community Facilities—Townsville . . . . .	..	..	24	5	5
Exmouth Township	14	9	19	14	14
Beef Cattle Roads	570	570	570	570	570
Railway Projects	4 030	4 857	3 948	4 136	4 178
Railways—Intersystem Passenger Vehicles	153	181	185	218	233
King Island Harbour Works	37	37	37	45	45
King Island Shipping Service . . . . .	..	44	87	87	87
Coal Loading Facilities	187	175	95	13	13
Northern Harbours	98	98	98	98	98
Derby Jetty	53	53	53	53	53
Weipa Development	66	69	73	77	81
Natural Gas	1 875	1 875	1 875	1 875	1 875
Julius Dam . . . . .	..	141	66	73	80
Urban Water Supply . . . . .	..	..	..	32	46
Hydro-electricity	2 989	..	2 989	2 989	2 989
Blowering Reservoir	42	259	712	1 303	1 805
Softwood Forestry . . . . .	..	..	..	..	12
Dairy Adjustment Program	22	65	572	1 607	1 795
Canned Fruit Industry	1 801	889	525	694	1 753
Beef Industry Assistance . . . . .	..	..	..	234	1 882
Sugar Industry	2 147	2 254	2 367	2 485	2 611
Rural Reconstruction . . . . .	..	183	1 937	3 528	4 297
Chowilla Reservoir	5	18	60	99	137
War Service Land Settlement	304	316	328	340	353
W.A. Water Supply . . . . .	..	..	42	150	244
Brigalow Lands Development Scheme	661	661	762	938	1 015
Natural Disaster Relief	6 274	6 243	6 094	4 585	4 323
Total Repayments of Commonwealth Government Loans	39 308	48 811	46 238	62 179	69 726
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS .	180 091	198 211	198 237	221 502	240 426
NET ADVANCES(d) (Advances less Repayments)					
Loan Council Borrowings	447 910	592 141	708 668	744 677	785 167
Commonwealth Government Loans	300 642	632 760	663 773	533 374	455 039
TOTAL NET ADVANCES	748 552	1 224 901	1 372 441	1 278 051	1 240 206

TABLE 120—SIX STATES COMBINED—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*

(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	603 771	662 809	694 689	831 563	962 800
<i>Interest on Commonwealth Government Loans—</i>					
Special Budgetary Assistance	1 578	2 463	1 813	2 763	1 913
Housing for Servicemen	4 501	5 775	8 300	11 932	15 230
Unemployment Relief Works	1	1	1	3	2
Aboriginal Advancement	16	18	17	16	14
Housing	77 282	88 146	105 032	119 127	133 327
Growth Centres	1	1 588	8 381	14 075	17 923
Land Acquisition	31	1 285	5 734	10 011	12 738
Community Facilities—Townsville	..	..	20	41	42
Exmouth Township	22	13	26	19	18
Captains Flat Project	..	..	..	17	37
Sewerage	..	2 257	10 791	19 402	21 735
Beef Cattle Roads	251	222	193	165	136
Railway Projects	5 682	5 487	4 256	4 193	4 237
Railways—Intersystem Passenger Vehicles	257	316	322	403	410
King Island Harbour Works	34	33	31	40	37
King Island Shipping Service	..	59	118	110	102
Coal Loading Facilities	24	14	6	2	1
Northern Harbours	38	33	28	23	18
Derby Jetty	14	12	9	7	4
Weipa Development	160	156	152	149	145
Natural Gas	747	636	526	415	304
Julius Dam	..	107	182	175	168
Urban Water Supply	..	..	418	1 107	1 589
Hydro-electricity	1 452	1 311	1 264	1 077	890
Blowering Reservoir	1 072	1 062	1 041	997	921
Softwood Forestry	..	..	..	..	13
Dairy Adjustment Program	450	524	543	647	940
Rural Adjustment Scheme	..	..	..	..	750
Canned Fruit Industry	392	295	230	230	612
Sugar Industry	874	767	654	536	412
Rural Reconstruction	4 196	5 881	7 150	8 301	8 908
Ord River Project	110	172	187	190	191
Dartmouth Dam	74	264	781	1 578	2 276
Chowilla Reservoir	77	77	64	72	67
W.A. Water Supply	707	707	706	701	691
War Service Land Settlement	917	905	894	882	869
Brigalow Lands Development Scheme	670	648	706	828	932
Total Interest on Commonwealth Govern- ment Loans	101 630	121 234	160 575	200 229	228 600
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERN- MENT LOANS	705 401	784 043	855 264	1 031 792	1 191 400

- (a) For purposes of these tables advances comprise the State Governments' Loan Council borrowing programs and Commonwealth Government loans to the States. See Chapter 1 of this paper and footnote (d) below. Important qualifications attach to the 1977-78 estimates in some cases; see relevant sections of the text.
- (b) Comprising 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 paper as payments for the States. Amounts shown equal total receipts of the Sinking Funds on the States' Debts controlled by the National Debt Commission.
- (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 paper are on a gross basis—that is, *before* deducting repayments.
- (e) Includes interest on the States' domestic raisings.

TABLE 121—NEW SOUTH WALES—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	183 078	226 996	274 114	287 915	308 978
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	4 539	16 350	18 005	15 280	10 373
Housing(b)	86 000	123 411	123 411	123 411	128 011
Growth Centres	133	29 699	42 439	26 022	16 130
Land Acquisition . . . . .	..	820	11 718	3 743	4 384
Captains Flat Project . . . . .	..	..	178	206	45
Sewerage	11 200	29 400	29 960	13 790	..
Railways—Intersystem Passenger Vehicles	267	580	10	384	..
Blowering Reservoir . . . . .	..	—198	..	..	..
Softwood Forestry	2 000	2 100	2 456	2 497	2 607
Dairy Adjustment Program	125	750	409	306	..
Rural Adjustment Scheme . . . . .	..	..	..	1 476	8 110
Canned Fruit Industry . . . . .	..	..	338	..	..
Beef Industry Assistance . . . . .	..	..	2 892	730	..
Rural Reconstruction	7 875	9 000	5 437	3 975	2 654
Dartmouth Dam	950	2 500	2 800	1 875	..
Natural Disaster Relief	216	1 982	672	1 490	1 170
Total Commonwealth Government Loans	113 305	216 394	240 725	195 185	173 484
TOTAL ADVANCES	296 383	443 390	514 839	483 100	482 462
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	46 903	50 096	51 517	54 579	58 446
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance . . . . .	..	..	..	10 000	10 000
Housing for Servicemen	209	224	247	270	297
Housing	6 092	6 780	7 690	8 657	9 657
Growth Centres . . . . .	..	..	..	21	27
Sewerage . . . . .	..	..	36	164	226
Railway Projects	96	96	96	96	96
Railways—Intersystem Passenger Vehicles	37	44	45	62	87
Coal Loading Facilities	174	162	81	..	..
Blowering Reservoir	42	259	712	1 303	1 805
Dairy Adjustment Program . . . . .	..	..	52	81	137
Canned Fruit Industry	536	..	..	169	169
Beef Industry Assistance . . . . .	..	..	..	..	482
Rural Reconstruction . . . . .	..	183	612	1 032	1 288
Chowilla Reservoir	5	18	60	99	137
War Service Land Settlement	147	153	159	165	171
Natural Disaster Relief	3 092	3 061	2 913	1 453	1 865
Total Repayments of Commonwealth Government Loans	10 430	10 980	12 703	23 572	26 444
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	57 333	61 076	64 220	78 151	84 890

TABLE 121—NEW SOUTH WALES—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
NET ADVANCES(d) (Advances less Repayments)					
Loan Council Borrowings	136 175	176 900	222 597	233 336	250 532
Commonwealth Government Loans	102 875	205 414	228 022	171 613	147 040
TOTAL NET ADVANCES	239 050	382 314	450 619	404 949	397 572
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings</i>	198 106	216 934	231 187	273 262	317 000
<i>Interest on Commonwealth Government Loans—</i>					
Special Budgetary Assistance	928	1 813	1 813	2 763	1 913
Housing for Servicemen	1 673	2 542	4 045	5 887	7 300
Housing	27 095	30 849	36 459	40 943	45 600
Growth Centres . . . . .	..	508	4 282	7 959	10 306
Land Acquisition . . . . .	..	..	587	1 336	1 784
Captains Flat Project . . . . .	..	..	..	17	37
Sewerage . . . . .	..	617	4 197	7 392	8 174
Railway Projects	186	181	176	171	166
Railways—Intersystem Passenger Vehicles	63	79	77	115	135
Coal Loading Facilities	20	11	3	..	..
Blowering Reservoir	1 072	1 062	1 041	997	921
Dairy Adjustment Program	44	65	74	84	82
Rural Adjustment Scheme . . . . .	..	..	..	..	155
Canned Fruit Industry	30	..	..	37	13
Rural Reconstruction	1 274	1 785	2 246	2 521	2 728
Dartmouth Dam	25	88	260	526	759
Chowilla Reservoir	77	77	64	72	67
War Service Land Settlement	445	439	433	428	421
Total Interest on Commonwealth Govern- ment Loans	32 932	40 116	55 757	71 248	80 561
TOTAL INTEREST ON LOAN COUN- CIL BORROWINGS AND COMM- ONWEALTH GOVERNMENT LOANS	231 038	257 050	286 944	344 510	397 561

(a), (b), (c) and (d) See corresponding footnotes to Table 120.

**TABLE 122—VICTORIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES**
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	149 738	184 809	217 744	228 706	240 142
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	2 691	4 192	6 082	4 191	753
Housing(b)	53 500	98 159	98 159	98 159	101 759
Growth Centres	1 054	24 504	22 276	15 793	8 332
Land Acquisition	3 531	8 010	12 222	4 926	5 458
Sewerage	9 300	28 196	24 780	11 970	..
Softwood Forestry	..	889	900	1 686	468
Dairy Adjustment Program	73	4 371	7 677	3 565	479
Rural Adjustment Scheme	..	..	..	2 958	11 215
Canned Fruit Industry	..	..	1 706	..	..
Beef Industry Assistance	..	..	1 164	349	..
Rural Reconstruction	5 700	4 976	5 025	2 850	18
Dartmouth Dam	950	2 500	2 800	1 875	..
Natural Disaster Relief	..	469	278	888	..
Total Commonwealth Government Loans	76 799	176 266	183 069	149 210	128 482
TOTAL ADVANCES	226 537	361 075	400 813	377 916	368 624
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	34 688	36 427	36 565	39 174	41 968
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance	..	10 000	..	..	..
Housing for Servicemen	184	198	211	224	239
Unemployment Relief Works	2	2	2	4	2
Housing	5 389	5 855	6 580	7 339	8 136
Sewerage	..	..	35	148	193
Railway Projects	96	96	96	96	96
Dairy Adjustment Program	..	..	314	865	908
Canned Fruit Industry	916	889	525	525	1 378
Beef Industry Assistance	..	..	..	..	194
Rural Reconstruction	..	..	388	852	963
War Service Land Settlement	157	163	169	175	182
Natural Disaster Relief	725	725	725	840	88
Total Repayments of Commonwealth Government Loans	7 469	17 928	9 045	11 068	12 379
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	42 157	54 355	45 610	50 242	54 347
NET ADVANCES(d) (Advances less Repayments)					
<i>Loan Council Borrowings</i>	115 050	148 382	181 179	189 532	198 174
<i>Commonwealth Government Loans</i>	69 330	158 338	174 024	138 142	116 103
TOTAL NET ADVANCES	184 380	306 720	355 203	327 674	314 277

TABLE 122—VICTORIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings</i>	149 034	163 993	175 627	209 178	242 250
<i>Interest on Commonwealth Government Loans—</i>					
Special Budgetary Assistance	650	650	..	..	..
Housing for Servicemen	1 378	1 588	1 908	2 478	2 813
Unemployment Relief Works	1	1	1	3	2
Housing	21 735	24 342	28 750	32 597	36 300
Growth Centres . . . . .	..	633	3 259	5 136	6 532
Land Acquisition	31	307	1 161	2 474	3 005
Sewerage . . . . .	..	608	3 882	6 385	7 179
Railway Projects	186	181	176	171	166
Dairy Adjustment Program	12	17	21	117	308
Rural Adjustment Scheme . . . . .	..	..	..	..	300
Canned Fruit Industry	340	295	230	193	489
Rural Reconstruction	975	1 374	1 654	1 916	2 006
Dartmouth Dam	25	88	260	526	759
War Service Land Settlement	472	466	460	454	448
Total Interest on Commonwealth Govern- ment Loans	25 805	30 550	41 762	52 450	60 307
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	174 839	194 543	217 389	261 628	302 557

(a), (b), (c) and (d) See corresponding footnotes to Table 120.

TABLE 123—QUEENSLAND—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
ADVANCES (a)					
<i>Loan Council Borrowings</i>	78 236	107 455	114 919	120 705	126 740
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	200	5 200	7 500	12 300	13 388
Housing(b)	17 400	43 810	31 010	37 410	39 810
Sewerage	2 007	9 599	9 664	700	..
Community Facilities—Townsville	301	67	..	25	..
Julius Dam . . . . .	..	2 000	..	..	..
Gladstone Power Station	26 607	32 449	39 000	26 422	1 000
Softwood Forestry	1 535	2 340	2 250	1 547	547
Dairy Adjustment Program	328	704	2 452	579	28
Rural Adjustment Scheme . . . . .	..	..	..	3 191	9 350
Beef Industry Assistance . . . . .	..	..	6 374	2 226	35
Rural Reconstruction	5 525	2 787	4 425	2 790	24
Brigalow Lands Development Scheme	139	651	2 296	1 909	..
Natural Disaster Relief	3 656	1 212	81	449	1 880
Total Commonwealth Government Loans	57 698	100 819	105 052	89 548	66 062
TOTAL ADVANCES	135 934	208 274	219 971	210 253	192 802
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments of Loan Council Borrowings(c)</i>	17 907	19 097	19 828	21 218	22 749
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	147	154	165	177	194
Aboriginal Advancement	19	18	19	20	21
Housing	1 545	1 684	1 978	2 217	2 501
Sewerage . . . . .	..	..	8	36	58
Community Facilities—Townsville . . . . .	..	..	24	5	5
Beef Cattle Roads	570	570	570	570	570
Railway Projects	1 585	1 673	1 767	1 865	1 969
Coal Loading Facilities	13	13	13	13	13
Weipa Development	66	69	73	77	81
Julius Dam . . . . .	..	141	66	73	80
Softwood Forestry . . . . .	..	..	..	..	8
Dairy Adjustment Program	5	38	46	275	337
Beef Industry Assistance . . . . .	..	..	..	234	1 062
Sugar Industry	2 147	2 254	2 367	2 485	2 611
Rural Reconstruction . . . . .	..	..	484	623	842
Brigalow Lands Development Scheme	661	661	762	938	1 015
Natural Disaster Relief	2 067	2 067	2 067	2 045	2 050
Total Repayments of Commonwealth Government Loans	8 825	9 342	10 409	11 653	13 417
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	26 732	28 439	30 237	32 870	36 166
NET ADVANCES(d) (Advances less Repayments)					
<i>Loan Council Borrowings</i>	60 329	88 358	95 091	99 487	103 991
<i>Commonwealth Government Loans</i>	48 873	91 477	94 643	77 896	52 645
TOTAL NET ADVANCES	109 202	179 835	189 734	177 383	156 636

**TABLE 123—QUEENSLAND—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued***
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	77 206	84 025	87 147	108 761	125 000
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	1 061	1 205	1 806	2 696	4 000
Aboriginal Advancement	16	18	17	16	14
Housing	6 337	7 360	9 097	10 423	11 800
Sewerage	..	155	943	1 876	2 109
Community Facilities—Townsville	..	..	20	41	42
Beef Cattle Roads	251	222	193	165	136
Railway Projects	1 333	1 245	1 151	1 053	949
Coal Loading Facilities	4	3	3	2	1
Weipa Development	160	156	152	149	145
Julius Dam	..	107	182	175	168
Softwood Forestry	..	..	..	..	6
Dairy Adjustment Program	348	408	405	383	454
Rural Adjustment Scheme	..	..	..	..	254
Sugar Industry	874	767	654	536	412
Rural Reconstruction	775	1 150	1 315	1 546	1 603
Brigalow Lands Development Scheme	670	648	706	828	932
Total Interest on Commonwealth Govern- ment Loans	11 829	13 444	16 644	19 889	23 025
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	89 035	97 469	103 791	128 650	148 025

(a), (b), (c), (d) and (e) See corresponding footnotes to Table 120.

**TABLE 124—SOUTH AUSTRALIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES**
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	79 587	99 261	112 950	118 637	124 569
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	..	130	1 725	2 107	1 413
Housing(b)	32 750	56 360	56 360	56 360	58 460
Growth Centres	4 059	4 978	1 399	980	1 085
Land Acquisition	8 000	17 518	19 393	10 352	11 841
Sewerage	1 598	4 025	3 990	702	..
Railway Projects	60	237	1 488	210	..
Railways—Intersystem Passenger Vehicles	94	205	..	..	..
Urban Water Supply	..	4 400	6 252	6 423	4 200
Softwood Forestry	252	341	566	..	173
Dairy Adjustment Program	..	400	217	65	74
Rural Adjustment Scheme	..	..	..	..	5 100
Canned Fruit Industry	..	..	413	..	..
Beef Industry Assistance	..	..	289	70	..
Rural Reconstruction	3 225	1 500	3 825	2 086	300
Dartmouth Dam	950	2 500	2 800	1 875	..
Total Commonwealth Government Loans	50 988	92 594	98 717	81 230	82 646
TOTAL ADVANCES	130 575	191 855	211 667	199 867	207 215
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	18 311	19 477	20 137	19 638	21 043
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	12	13	13	15	17
Housing	2 139	2 398	2 797	3 213	3 643
Sewerage	..	..	5	23	30
Railway Projects	352	1 006	..	2	2
Railways—Intersystem Passenger Vehicles	13	16	..	..	..
Natural Gas	1 875	1 875	1 875	1 875	1 875
Urban Water Supply	..	..	..	32	46
Softwood Forestry	..	..	..	..	4
Dairy Adjustment Program	..	..	87	45	47
Beef Industry Assistance	..	..	..	..	48
Canned Fruit Industry	349	..	..	..	206
Rural Reconstruction	..	..	137	361	449
Natural Disaster Relief	69	69	69	69	..
Total Repayments of Commonwealth Government Loans	4 809	5 377	4 983	5 635	6 367
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	23 120	24 854	25 120	25 273	27 410
NET ADVANCES(d) (Advances less Repayments)					
Loan Council Borrowings	61 276	79 784	92 813	98 999	103 526
Commonwealth Government Loans	46 179	87 217	93 734	75 595	76 279
TOTAL NET ADVANCES	107 455	167 001	186 547	174 594	179 805

TABLE 124—SOUTH AUSTRALIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	79 372	87 403	85 973	103 661	120 000
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	46	48	80	322	450
Housing	11 751	13 391	15 898	18 115	20 300
Growth Centres	1	447	841	980	1 085
Land Acquisition	..	975	2 987	4 570	5 841
Sewerage	..	75	647	955	985
Railway Projects	925	921	35	184	247
Railways—Intersystem Passenger Vehicles	22	28	..	..	..
Natural Gas	747	636	526	415	304
Urban Water Supply	..	..	418	1 107	1 589
Softwood Forestry	..	..	..	..	3
Dairy Adjustment Program	10	2	8	15	21
Rural Adjustment Scheme	..	..	..	..	10
Canned Fruit Industry	22	..	..	..	110
Rural Reconstruction	421	565	714	875	1 010
Dartmouth Dam	25	88	260	526	759
Total Interest on Commonwealth Govern- ment Loans	13 970	17 176	22 414	28 064	32 714
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERN- MENT LOANS	93 342	104 579	108 387	131 725	152 714

(a), (b), (c), (d) and (e) See corresponding footnotes to Table 120.

TABLE 125—WESTERN AUSTRALIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	54 587	68 068	80 197	84 235	88 446
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	191	784	698	1 230	173
Housing(b)	13 000	37 440	33 440	35 440	36 740
Land Acquisition	..	9 833	6 121	3 882	5 083
Sewerage	3 800	11 715	8 680	6 300	..
Railway Projects	299	89	..	110	15
Railways—Intersystem Passenger Vehicles	720	459	71	—139	..
Softwood Forestry	416	685	864	776	365
Dairy Adjustment Program	..	450	1 831	264	156
Rural Adjustment Scheme	..	..	..	647	4 750
Beef Industry Assistance	..	..	479	61	..
Rural Reconstruction	3 975	2 723	3 413	3 108	210
Ord River Project	1 405	313	33	12	20
Natural Disaster Relief	..	..	67	2 001	..
Total Commonwealth Government Loans	23 806	64 491	55 697	53 692	47 512
TOTAL ADVANCES	78 393	132 559	135 894	137 927	135 958
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	14 565	15 336	14 831	15 762	16 885
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	38	40	43	45	49
Housing	1 546	1 671	1 928	2 177	2 449
Sewerage	..	6	14	57	81
Exmouth Township	14	9	19	14	14
Railway Projects	1 818	1 903	1 989	2 078	2 015
Railways—Intersystem Passenger Vehicles	104	121	140	156	146
Northern Harbours	98	98	98	98	98
Derby Jetty	53	53	53	53	53
Dairy Adjustment Program	17	23	53	189	191
Beef Industry Assistance	..	..	..	..	80
Rural Reconstruction	..	..	297	549	651
W.A. Water Supply	..	..	42	150	244
Total Repayments of Commonwealth Government Loans	3 688	3 924	4 676	5 566	6 071
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	18 253	19 260	19 507	21 328	22 956
NET ADVANCES(d) (Advances Less Repayments)					
Loan Council Borrowings	40 022	52 732	65 366	68 473	71 561
Commonwealth Government Loans	20 118	60 567	51 021	48 126	41 441
TOTAL NET ADVANCES	60 140	113 299	116 387	116 599	113 002

TABLE 125—WESTERN AUSTRALIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	57 531	63 561	68 077	80 906	93 550
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	334	370	425	497	615
Housing	6 449	7 352	8 953	10 238	11 600
Land Acquisition . . . . .	..	3	999	1 631	2 108
Sewerage . . . . .	..	796	1 011	2 530	2 959
Exmouth Township	22	13	26	19	18
Railway Projects	2 908	2 820	2 718	2 613	2 709
Railways—Intersystem Passenger Vehicles	171	209	245	288	275
Northern Harbours	38	33	28	23	18
Derby Jetty	14	12	9	7	4
Softwood Forestry . . . . .	..	..	..	..	4
Dairy Adjustment Program	31	30	29	40	54
Rural Adjustment Scheme . . . . .	..	..	..	..	21
Rural Reconstruction	652	871	1 052	1 248	1 364
Ord River Project	110	172	187	190	191
W.A. Water Supply	707	707	706	701	691
Total Interest on Commonwealth Government Loans	11 436	13 388	16 388	20 025	22 631
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERN- MENT LOANS	68 967	76 949	84 465	100 931	116 181

(a), (b), (c), (d) and (e) See corresponding footnotes to Table 120.

TABLE 126—TASMANIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	43 467	54 952	60 743	63 802	66 992
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	145	149	160	6	..
Housing(b)	16 000	26 220	22 220	24 220	25 220
Sewerage . . . . .	..	1 743	1 389	350	..
King Island Harbour Works . . . . .	..	..	121	..	..
King Island Shipping Service . . . . .	..	1 309	..	..	..
Softwood Forestry	672	769	901	1 429	487
Dairy Adjustment Program	12	216	1 486	498	98
Rural Adjustment Scheme . . . . .	..	..	..	..	500
Beef Industry Assistance . . . . .	..	..	100	42	..
Rural Reconstruction	525	600	375	145	274
Total Commonwealth Government Loans	17 354	31 006	26 752	26 690	26 579
TOTAL ADVANCES	60 821	85 958	87 495	90 492	93 571
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	8 409	8 967	9 121	8 953	9 609
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	2	2	2	3	4
Housing	655	771	946	1 108	1 288
Sewerage . . . . .	..	..	1	12	20
Railway Projects	83	83	..	..	..
King Island Harbour Works	37	37	37	45	45
King Island Shipping Service . . . . .	..	44	87	87	87
Hydro-electricity	2 989	..	2 989	2 989	2 989
Dairy Adjustment Program . . . . .	..	3	20	153	175
Beef Industry Assistance . . . . .	..	..	..	..	16
Rural Reconstruction . . . . .	..	..	18	111	104
Natural Disaster Relief	320	320	320	178	320
Total Repayments of Commonwealth Government Loans	4 086	1 260	4 420	4 686	5 048
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	12 495	10 227	13 541	13 639	14 657
NET ADVANCES(d) (Advances less Repayments)					
<i>Loan Council Borrowings</i>	35 058	45 985	51 622	54 849	57 383
<i>Commonwealth Government Loans</i>	13 268	29 746	22 332	22 004	21 531
TOTAL NET ADVANCES	48 326	75 731	73 954	76 853	78 914

TABLE 126—TASMANIA—ADVANCES,
DEBT CHARGES ON ADVANCES AND NET ADVANCES—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	42 522	46 892	46 678	55 795	65 000
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	9	22	36	52	52
Housing	3 915	4 851	5 874	6 812	7 727
Sewerage	..	6	110	264	329
Railway Projects	144	139	..	..	..
King Island Harbour Works	34	33	31	40	37
King Island Shipping Service	..	59	118	110	102
Hydro-electricity	1 451	1 311	1 264	1 077	890
Dairy Adjustment Program	5	2	6	8	21
Rural Adjustment Scheme	..	..	..	..	10
Rural Reconstruction	99	136	169	195	197
Total Interest on Commonwealth Government Loans	5 657	6 559	7 608	8 558	9 365
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERN- MENT LOANS	48 179	53 451	54 286	64 353	74 365

(a), (b), (c), (d) and (e) See corresponding footnotes to Table 120.

TABLE 127—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
1973-74 . . .	239 050	184 380	109 202	107 455	60 140	48 326	748 552
1974-75 . . .	382 314	306 720	179 835	167 001	113 299	75 731	1 224 901
1975-76 . . .	450 619	355 203	189 734	186 547	116 387	73 954	1 372 441
1976-77 . . .	404 949	327 674	177 383	174 594	116 599	76 853	1 278 051
1977-78 (estimate) . . .	397 572	314 277	156 636	179 805	113 002	78 914	1 240 206

TABLE 128—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
1973-74 . . .	1 309 412	1 008 713	691 032	503 976	454 336	213 041	4 180 505
1974-75 . . .	2 015 777	1 570 194	1 036 528	759 194	660 321	327 638	6 369 656
1975-76 . . .	2 703 197	2 098 014	1 322 304	950 702	879 601	402 965	8 356 786
1976-77 . . .	2 862 152	2 211 089	1 466 058	1 008 193	960 258	417 802	8 925 552
1977-78 (estimate) . . .	3 231 935	2 450 888	1 608 501	1 127 872	1 085 235	462 033	9 966 617

(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 129—STATE GOVERNMENT—DEBT OUTSTANDING(a)
(\$ thousands)

As at 30 June	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
SECURITIES ON ISSUE ON BEHALF OF STATES(b)							
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
1977	3 959 053	3 031 771	1 644 022	1 491 870	1 160 820	811 012	12 098 548
COMMONWEALTH GOVERNMENT LOANS OUTSTANDING(c)							
1973	762 789	603 647	284 989	300 335	244 786	121 152	2 317 696
1974	865 457	671 887	333 520	346 514	264 793	134 420	2 616 588
1975	1 070 500	829 402	424 439	433 731	325 183	164 166	3 247 418
1976	1 297 971	1 002 386	518 743	527 465	375 803	186 498	3 908 861
1977	1 469 232	1 139 880	596 506	603 060	423 574	208 502	4 440 748
TOTAL OF ABOVE							
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	4 574 252	3 483 674	1 868 555	1 855 050	1 350 722	928 928	14 061 177
1976	5 018 972	3 836 428	2 057 474	1 916 978	1 466 270	940 295	15 236 412
1977	5 428 285	4 171 651	2 240 528	2 094 930	1 584 394	1 019 514	16 539 296

- (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 'Government Securities on Issue 30 June 1977'. 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 120 (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 'Government Securities on Issue 30 June 1977', 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 \$1186.5 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 120 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,
1973-74 TO 1977-78**

TABLE NO.

- 130 Six States Combined.
- 131 New South Wales.
- 132 Victoria.
- 133 Queensland.
- 134 South Australia.
- 135 Western Australia.
- 136 Tasmania.

TABLE 130—SIX STATES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Sharing Entitlement(c)	1 859 905	2 373 811	3 072 780	3 695 594	4 336 100
Adjustments to Entitlement in respect of previous Year					- 19 609
Special Grants	38 550	64 684	38 800	27 000	24 800
Special Revenue Assistance	25 000	75 000			
Total	1 923 455	2 513 495	3 111 580	3 722 594	4 341 291
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	588 693	741 541	860 667	904 000	955 867
Capital Grants	278 307	345 878	430 333	452 000	477 933
Total	867 000	1 087 419	1 291 000	1 356 000	1 433 800
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	(e)15 053	(e)15 287	15 170	15 170	15 170
Sinking Fund on State Debt	29 509	30 805	30 200	31 635	33 740
Debt Charges Assistance	46 016	57 520			
S.A. and Tas. Railway Sinking Fund Re-					
imbursement			1 968		
State Emergency Services		325	747	1 028	1 195
Assistance for Exmouth Shire			150	171	130
Universities	200 042	377 990	426 389	533 415	568 300
Colleges of Advanced Education	124 808	239 249	286 766	368 894	378 900
Technical and Further Education	10 268	24 622	40 127	44 194	44 900
Schools	85 661	234 579	331 885	421 758	425 997
Education—Allowance for Cost Escalation					60 000
Child Migrant Education	6 014	9 845	7 371	140	60
Educational Research	406	786	1 062	1 012	850
Medibank—Public Hospital Running Costs			869 679	630 171	942 000
Community Health	5 270	16 190	35 618	50 432	62 370
Tuberculosis Control	11 247	13 570	11 335	6 659	2 479
School Dental Scheme	3 761	6 221	10 561	14 733	16 018
Health Education	742	834	695	675	750
Blood Transfusion Services	1 870	2 428	3 905	4 492	5 000
Health Planning Agencies	376	435	500	560	560
Home Dialysis Scheme		310	327	1 960	50
Control of Australian Encephalitis		151	58	56	92
Home Care Services	1 218	3 100	5 668	6 891	9 300
Senior Citizens Centres	74	319	648	670	900
Paramedical Services	164	362	410	550	582
Assistance for Deserted Wives	7 654	6 932	9 721	13 347	15 500
Pre-schools and Child Care	4 096	20 377	36 973	40 761	44 500
Employment Grants	12 000	40 003	30 000		
Regional Employment Development Scheme		8 463	15 047		
Employment Grants (1973)—Refund of Un-					
expended Moneys				- 174	
Maryborough Employment Grants				1 000	3 000
Social Policy Planning Units	120	190	191		
Aboriginal Advancement	6 670	13 142	16 949	17 539	20 350
Housing	6 874	6 989	6 976	5 935	5 502
Area Improvement	439	1 132	1 436		
Sewerage		851	1 196	1 453	309

TABLE 130—SIX STATES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—continued
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
Leisure and Recreation	218	70	789	600	..
Perth Underground Railway Study	188	89	..	..	..
Tasman Bridge Disaster . . . . .	..	456	1 400	1 715	700
Fisheries Development	168	..	..	..	..
Apple Export Assistance . . . . .	..	2 114	910	338	491
Bovine Brucellosis and T.B. Eradication	5 134	6 823	8 496	14 467	18 431
Exotic Diseases Eradication . . . . .	..	..	..	120	..
Agricultural Extension Services	6 802	7 723	8 625	9 675	9 781
Minor Agricultural Research	151	134	181	169	125
Trawl and Danish Seine Fishery . . . . .	..	35	9	31	23
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	50
Assistance for A.P.P.M. Ltd . . . . .	..	..	650	..	..
Coal Mining Industry—Long Service Leave	2 347	3 073	3 407	4 969	5 900
Apprenticeship Training	351	799	2 773	6 607	8 337
Education Program for Unemployed Youth . . . . .	..	..	..	500	1 000
Burdekin River Regional Study	153	34	..	..	..
Pilbara Feasibility Study	125	31	..	..	..
Legal Aid	2 000	1 481	1 000	1 000	..
Family Courts . . . . .	..	..	760	819	1 281
Road Safety Practices	150	150	150	150	150
Research Grants	5 901	7 324	6 000	11 171	10 155
Assistance for Local Government . . . . .	..	56 345	79 908	140 000	165 328
Regional Organisations Assistance . . . . .	..	312	138	..	..
Natural Disaster Relief	4 031	1 090	807	1 925	590
Total Specific Purpose Payments— Recurrent	609 898	1 221 486	2 316 139	2 409 419	2 880 846

TABLE 130—SIX STATES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—continued
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	7 766	26 805	34 170	35 114	26 100
Universities	48 966	65 990	48 827	35 100	31 900
Colleges of Advanced Education	40 112	109 916	86 753	77 555	73 700
Technical and Further Education	18 381	20 375	24 600	33 708	41 300
Schools	75 976	199 368	143 631	147 766	174 079
Education—Allowance for Cost Escalation					15 000
Child Migrant Education	995	1 478	1 670	39	
Mental Health Institutions	2 249				
Hospitals	2 365	30 306	107 150	108 000	50 000
Nursing Homes	658	368	925	652	
Community Health	10 541	13 692	13 767	14 114	10 930
Tuberculosis Control	441	131	241	125	
School Dental Scheme	3 776	12 372	13 455	7 695	8 465
Blood Transfusion Services			160	118	1 231
Disposal of Ships Garbage	31	85	76	7	
High Security Quarantine Unit					910
Senior Citizens Centres	651	1 197	3 561	3 997	4 000
Dwellings for Pensioners	5 002	6 048	13 117	10 835	10 000
Pre-schools and Child Care	2 416	17 123	11 797	11 375	8 500
Rehabilitation Centre—Hobart			214	397	1 200
Aboriginal Advancement	25 580	23 907	22 055	16 864	12 091
Housing	218 650	385 400	364 600	375 000	390 000
Growth Centres	6 579	61 268	69 218	43 714	25 747
Area Improvement	6 961	12 644	13 560	618	—7
Urban Flood Mitigation			2 160	1 674	1 800
Land Acquisition	11 531	41 095	54 353	23 951	26 866
Woolloomooloo Redevelopment			5 813	2 845	820
Air Quality Monitoring			191		150
Captains Flat Project			890	1 030	225
Sewerage	27 905	116 862	112 051	48 302	
Community Facilities—Townsville	301	67		25	
Leisure and Cultural Facilities	1 274	5 580	5 881	5 640	3 466
Nature Conservation			1 268	2 082	800
National Estate	288	7 043	3 887	1 254	2 550
Roads	316 800	362 787	433 513	433 788	477 912
Roads—Safety Improvements	3 000				
Beef Cattle Roads	5 168	279			
Eyre and Barkly Highway Maintenance	64				
Eyre Highway—Sealing	625				
Second Hobart Bridge			63	584	600
Railway Projects	827	1 060	4 960	810	26
Railways—Intersystem Passenger Vehicles	1 081	1 244	81	245	
Urban Public Transport		45 029	33 898	58 403	51 000
King Island Harbour Works			242		
W.A.—Darwin Shipping Service	1 000				
King Island Shipping Service		1 309			
Newcastle Dry Dock		2 018	1 164	15	—450
Transport Planning and Research		5 480	8 761	8 058	8 929
Tasman Bridge Disaster		5 544	16 300	13 785	3 900
Julius Dam		2 000			
Ross River Dam			1 402	1 158	
Urban Water Supply		4 400	8 931	9 175	6 000
Gladstone Power Station	26 607	32 449	39 000	26 422	1 000
Softwood Forestry	4 875	7 124	7 937	7 934	4 647
Dairy Adjustment Program	1 145	8 936	18 716	6 337	1 390
Rural Adjustment Scheme				9 588	46 900
Fruitgrowing Industry	1 655	1 077	392	1 189	1 300
Canned Fruit Industry			2 457		
Beef Industry Assistance			11 298	3 478	35
Rural Reconstruction	35 767	28 781	30 000	19 938	4 640
Copeton Dam	2 000	132			

TABLE 130—SIX STATES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—continued
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
King River Dam	15	20	..	-25	..
Bundaberg Irrigation Works	3 114	2 000	2 500	11	..
Lock-Kimba Pipeline	540	835	305	..	..
Tailem Bend Pipeline	14	12	4	433	13
Millewa Pipeline	800	600	..	..	..
Fairbairn Dam	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	1 443	348	111	12	20
Dartmouth Dam	2 850	7 500	8 400	5 625	..
Namoi River Weirs . . . . .	..	..	..	1 000	1 000
Water Resources Assessment	4 455	5 410	5 911	6 596	6 660
Salinity Reduction	7	11	..	-1	..
Flood Mitigation	1 484	2 437	1 966	77	1 150
Soil Conservation . . . . .	..	154	1 231	180	200
Brigalow Lands Development Scheme	139	651	2 296	1 909	..
Tourism Development	98	1 081	1 829	832	..
Migrant Centres	24	180	..	..	..
Natural Disaster Relief	24 147	52 109	30 248	28 525	12 410
Total Specific Purpose Payments—Capital	960 243	1 745 467	1 836 305	1 659 041	1 551 105
TOTAL PAYMENTS(f)					
	3 771 903	5 826 326	7 694 356	8 243 054	9 251 175
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(g)	2 790 455	3 600 914	4 402 580	5 078 594	5 775 091
Specific Purpose	1 570 141	2 966 953	4 152 443	4 068 460	4 431 951
Total	4 360 596	6 567 867	8 555 023	9 147 054	10 207 042

- (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 1977-78 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 from the beginning of 1976-77.
- (d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.
- (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 131—NEW SOUTH WALES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Sharing Entitlement(c)	585 507	737 522	946 660	1 133 400	1 327 400
Adjustment to Entitlement in respect of previous Year	7 926	18 641	..	..	-7 534
Special Revenue Assistance	..	..	..	..	..
Total	593 433	756 163	946 660	1 133 400	1 319 866
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	183 078	226 996	274 114	287 915	308 978
Capital Grants	86 551	107 313	137 057	143 958	154 489
Total	269 629	334 309	411 171	431 873	463 46

TABLE 131—NEW SOUTH WALES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (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	9 675	10 079	9 900	10 506	11 205
Debt Charges Assistance	15 199	18 999	..	..	..
State Emergency Services	..	188	298	355	412
Universities	79 572	149 997	168 831	207 367	219 600
Colleges of Advanced Education	28 935	62 122	69 089	90 831	94 500
Technical and Further Education	5 801	10 333	17 652	16 714	17 900
Schools	28 147	84 749	125 395	151 153	159 522
Education—Allowance for Cost Escalation	..	..	..	..	21 000
Child Migrant Education	2 238	3 890	2 720	67	42
Educational Research	97	151	253	259	225
Medibank—Public Hospital Running Costs	..	..	317 177	234 399	357 000
Community Health	1 808	9 371	19 284	25 606	28 852
Tuberculosis Control	3 347	3 923	3 030	390	1 773
School Dental Scheme	658	979	1 845	3 589	3 134
Health Education	227	284	222	212	231
Blood Transfusion Services	588	590	1 357	1 471	1 620
Health Planning Agencies	180	116	200	230	230
Home Dialysis Scheme	..	75	187	801	15
Control of Australian Encephalitis	..	16	3	8	8
Home Care Services	296	611	717	1 567	1 600
Senior Citizens Centres	4	226	369	253	329
Assistance for Deserted Wives	1 769	1 879	2 344	3 837	4 800
Pre-schools and Child Care	1 281	5 417	9 030	8 532	9 315
— Employment Grants	4 530	15 100	11 700	..	..
Regional Employment Development Scheme	..	..	207	..	..
Social Policy Planning Units	20	20	45	..	..
— Aboriginal Advancement	1 678	2 316	2 860	2 683	3 075
Housing	2 292	2 292	2 292	1 848	1 848
Area Improvement	347	389	537	..	..
Sewerage	..	113	487	189	5
Leisure and Recreation	20	9	126	117	..
Bovine Brucellosis and T.B. Eradication	1 952	2 012	2 186	3 545	5 450
Agricultural Extension Services	1 797	2 145	2 359	2 578	2 632
Minor Agricultural Research	99	82	81	69	82
Trawl and Danish Seine Fishery	..	35	9	31	23
Apple, Pear and Canning Fruit Industries	5	..	..	..	..
Adjustment Assistance to Canneries	136	..	..	..	..
Locust Control	..	..	377	..	..
Water Hyacinth Control	..	..	..	35	50
— Coal Mining Industry—Long Service Leave	1 782	2 478	2 779	3 936	4 650
Apprenticeship Training	108	161	757	1 822	2 636
Education Program for Unemployed Youth	..	..	..	170	390
Legal Aid	732	404	331	331	..
Road Safety Practices	37	37	37	37	37
Research Grants	2 092	2 584	2 340	4 086	3 706
Assistance for Local Government	..	21 359	29 257	51 289	60 341
Regional Organisations Assistance	..	100	44	..	..
Natural Disaster Relief	19	622	637	1 233	230
Total Specific Purpose Payments— Recurrent	203 303	422 088	815 186	837 981	1 024 303

TABLE 131—NEW SOUTH WALES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—continued
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	4 539	16 350	18 005	15 280	10 373
Universities	16 889	22 526	21 754	9 818	7 100
Colleges of Advanced Education	7 644	41 197	23 716	27 200	21 500
Technical and Further Education	6 873	5 859	8 919	12 262	14 700
Schools	30 208	71 707	45 886	48 683	59 998
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	5 000
Child Migrant Education	90	475	405	2	..
Mental Health Institutions	1 203	..	..	..	..
Hospitals	689	8 830	37 700	36 000	15 810
Nursing Homes . . . . .	..	108	..	..	..
Community Health	3 616	4 916	5 146	3 328	3 207
Tuberculosis Control	22	34	2	15	..
School Dental Scheme	685	3 214	2 115	2 191	1 800
Blood Transfusion Services . . . . .	..	..	34	15	150
Senior Citizens Centres	242	349	964	891	1 052
Dwellings for Pensioners	2 546	3 000	6 858	2 352	4 070
Pre-Schools and Child Care	160	4 819	3 165	6 592	4 925
Aboriginal Advancement	3 725	5 474	5 321	3 494	2 654
Housing	86 000	123 411	123 411	123 411	128 011
Growth Centres	630	30 204	44 213	26 596	16 155
Area Improvement	4 653	5 111	5 574	120	—7
Land Acquisition . . . . .	..	820	11 746	3 817	4 384
Woolloomooloo Redevelopment . . . . .	..	..	5 813	2 845	820
Air Quality Monitoring . . . . .	..	..	33	..	n.a.
Captains Flat Project . . . . .	..	..	890	1 030	225
Sewerage	11 200	42 000	42 800	19 700	..
Leisure and Cultural Facilities . . . . .	..	1 217	1 762	1 208	638
Nature Conservation . . . . .	..	..	445	362	150
National Estate . . . . .	..	1 612	946	..	425
Roads	98 270	114 006	133 504	135 489	155 611
Roads—Safety Improvements	1 080	..	..	..	..
Railways—Intersystem Passenger Vehicles	267	580	10	384	..
Urban Public Transport . . . . .	..	14 764	5 694	24 596	22 972
Newcastle Dry Dock . . . . .	..	2 018	1 164	15	—450
Transport Planning and Research . . . . .	..	1 885	2 728	2 672	3 611
Softwood Forestry	2 000	2 100	2 456	2 497	2 606
Dairy Adjustment Program	250	1 000	665	338	..
Rural Adjustment Scheme . . . . .	..	..	..	1 700	9 660
Fruit Growing Industry	500	..	..	41	60
Canned Fruit Industry . . . . .	..	..	338	..	..
Beef Industry Assistance . . . . .	..	..	2 892	730	..
Rural Reconstruction	10 500	12 000	7 250	5 300	3 539
Copeton Dam	2 000	132	..	..	..
Blowering Reservoir . . . . .	..	—198	..	..	..
Glenlyon Dam . . . . .	..	439	..	..	..
Dartmouth Dam	950	2 500	2 800	1 875	..
Namoi River Weirs . . . . .	..	..	..	1 000	1 000
Water Resources Assessment	1 182	1 467	1 499	1 630	1 630
Flood Mitigation	1 484	2 317	1 966	..	1 000
Soil Conservation . . . . .	..	..	..	..	40
Tourism Development . . . . .	..	228	543	74	..
Migrant Centres	2	..	..	..	..
Natural Disaster Relief	281	15 822	13 268	11 496	4 770
Total Specific Purpose Payments—Capital	300 380	564 293	594 400	537 049	509 189

TABLE 131—NEW SOUTH WALES—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
TOTAL PAYMENTS(e)					
	1 183 667	1 849 857	2 493 303	2 652 388	3 007 847
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f).	863 062	1 090 472	1 357 831	1 565 273	1 783 333
Specific Purpose	503 683	986 381	1 409 586	1 375 030	1 533 492
Total	1 366 745	2 076 853	2 767 417	2 940 303	3 316 825

- (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 1977-78 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 from the beginning of 1976-77.
- (d) *See* Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.
- (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 132—VICTORIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income Tax Sharing Entitlement(c)	437 604	548 405	706 389	841 700	987 100
Adjustment to Entitlement in respect of previous Year	6 020	13 861	..	..	-976
Special Revenue Assistance	..	..	..	..	..
Total	443 624	562 266	706 389	841 700	986 124
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing Programs	149 738	184 809	217 744	228 706	240 142
Capital Grants	70 789	87 370	108 871	114 354	120 071
Total	220 527	272 179	326 615	343 060	360 213

TABLE 132—VICTORIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (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	7 195	7 525	7 500	8 003	8 535
Debt Charges Assistance	11 131	13 914	..	..	..
State Emergency Services . . . . .	..	..	119	260	302
Universities	53 468	99 798	110 717	139 414	151 800
Colleges of Advanced Education	46 711	86 119	111 307	135 960	135 900
Technical and Further Education	1 772	6 794	9 653	13 866	11 600
Schools	29 125	72 113	100 354	134 939	130 227
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	18 000
Child Migrant Education	2 732	4 482	3 559	46	2
Educational Research	142	227	431	314	270
Medibank—Public Hospital Running Costs . . . . .	..	..	229 570	149 903	224 000
Community Health	1 462	2 883	7 712	11 355	14 985
Tuberculosis Control	3 628	4 128	4 604	3 277	..
School Dental Scheme	550	916	1 351	1 891	2 646
Health Education	125	174	160	151	165
Blood Transfusion Services	506	642	1 009	1 303	1 513
Health Planning Agencies . . . . .	..	52	20	24	24
Home Dialysis Scheme . . . . .	..	140	29	760	20
Control of Australian Encephalitis . . . . .	..	120	55	34	73
Home Care Services	370	441	2 178	2 018	2 297
Senior Citizens Centres	36	51	222	293	414
Paramedical Services	131	242	233	263	281
Assistance for Deserted Wives	1 574	1 256	2 016	2 824	3 900
Pre-schools and Child Care	1 226	6 660	11 452	12 722	13 890
Employment Grants	2 647	11 200	8 200	..	..
Employment Grants (1973)—Refund of Un- expended Moneys . . . . .	..	..	..	-174	..
Regional Employment Development Scheme . . . . .	..	4 292	5 404	..	..
Social Policy Planning Units	20	20	22	..	..
Aboriginal Advancement	358	494	875	1 254	1 313
Housing	1 679	1 679	1 679	1 347	1 347
Area Improvement	92	268	557	..	..
Sewerage . . . . .	..	243	164	664	105
Leisure and Recreation	20	29	171	117	..
Fisheries Development	88	..	..	..	..
Apple Export Assistance . . . . .	..	..	65	8	33
Bovine Brucellosis and T.B. Eradication	1 681	2 064	2 459	4 938	5 930
Exotic Diseases Eradication . . . . .	..	..	..	120	..
Agricultural Extension Services	1 601	1 877	2 022	2 291	2 307
Minor Agricultural Research	23	22	63	58	22
Apple, Pear and Canning Fruit Industries	50	..	..	..	..
Adjustment Assistance to Canneries	1 117	..	..	..	..
Locust Control . . . . .	..	44	..	..	..
Apprenticeship Training	92	227	852	2 804	3 423
Education Program for Unemployed Youth . . . . .	..	..	..	127	193
Legal Aid	557	408	276	286	..
Road Safety Practices	30	30	30	30	30
Research Grants	1 540	1 821	1 553	3 014	2 742
Assistance for Local Government . . . . .	..	14 630	20 242	35 398	42 078
Regional Organisations Assistance . . . . .	..	76	29	..	..
Natural Disaster Relief	22	355	35	452	..
Total Specific Purpose Payments— Recurrent	177 755	352 710	653 203	676 608	784 621

TABLE 132—VICTORIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—continued
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	2 691	4 192	6 082	4 191	753
Universities	14 128	17 330	9 516	5 808	6 700
Colleges of Advanced Education	13 680	32 452	34 313	25 971	28 300
Technical and Further Education	5 500	6 585	7 376	9 333	11 100
Schools	18 011	58 652	49 285	45 056	48 019
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	4 000
Child Migrant Education	550	709	943	5	..
Mental Health Institutions	237	..	..	..	..
Hospitals	150	7 330	27 280	27 000	11 800
Nursing Homes	512	112	..	..	..
Community Health	2 924	2 093	3 151	3 660	3 662
Tuberculosis Control . . . . .	..	10	2	..	..
School Dental Scheme	794	3 181	2 044	1 711	1 239
Blood Transfusion Services . . . . .	..	..	75	53	975
Disposal of Ships Garbage	6	15	29	..	..
High Security Quarantine Unit . . . . .	..	..	..	..	910
Senior Citizens Centres	163	150	1 292	1 571	1 605
Dwellings for Pensioners	650	1 343	2 827	3 419	2 530
Pre-schools and Child Care	288	2 637	1 345	4 160	3 110
Aboriginal Advancement	590	1 636	482	682	400
Housing	53 500	98 159	98 159	98 159	101 759
Growth Centres	1 500	24 844	22 521	16 093	8 437
Area Improvement	2 308	4 340	4 339	28	..
Urban Flood Mitigation . . . . .	..	..	100	100	..
Land Acquisition	3 531	9 003	15 639	4 926	5 458
Air Quality Monitoring . . . . .	..	..	33	..	n.a.
Sewerage	9 300	38 587	35 400	17 100	..
Leisure and Cultural Facilities	478	810	1 560	972	538
Nature Conservation . . . . .	..	..	35	360	500
National Estate	150	1 471	550	591	425
Roads	65 720	74 710	89 080	91 100	98 900
Roads—Safety Improvements	840	..	..	..	..
Urban Public Transport . . . . .	..	18 867	9 332	15 885	13 712
Transport Planning and Research . . . . .	..	1 241	3 106	2 193	2 279
Softwood Forestry . . . . .	..	889	900	1 686	468
Dairy Adjustment Program	145	5 543	10 065	4 208	863
Rural Adjustment Scheme . . . . .	..	..	..	3 483	14 115
Fruitgrowing Industry	430	71	102	774	530
Canned Fruit Industry . . . . .	..	..	1 706	..	..
Beef Industry Assistance . . . . .	..	..	1 164	349	..
Rural Reconstruction	7 600	6 634	6 700	3 800	24
King River Dam	15	20	..	-25	..
Millewa Pipeline	800	600	..	..	..
Dartmouth Dam	950	2 500	2 800	1 875	..
Water Resources Assessment	762	850	891	1 136	1 136
Salinity Reduction	7	11	..	-1	..
Soil Conservation . . . . .	..	129	467	64	30
Tourism Development	50	236	511	59	..
Migrant Centres	4	..	..	..	..
Natural Disaster Relief . . . . .	..	9 452	6 215	2 428	..
Total Specific Purpose Payments— Capital	208 964	437 394	457 417	399 963	374 277

TABLE 132—VICTORIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
TOTAL PAYMENTS(e)					
	901 132	1 439 740	1 925 880	2 032 625	2 265 093
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	664 151	834 445	1 033 004	1 184 760	1 346 337
Specific Purpose	386 719	790 104	1 110 620	1 076 571	1 158 898
Total	1 050 870	1 624 549	2 143 624	2 261 331	2 505 235

(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 1977-78 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 from the beginning of 1976-77.

(d) *See* Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.

(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 133—QUEENSLAND—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Sharing Entitlement(c)	318 245	414 446	536 792	660 200	776 200
Adjustment to Entitlement in respect of previous Year	10 000	24 750	36 300	27 000	-7 069
Special Grants	4 228	10 475	..	..	24 800
Special Revenue Assistance . . . . .					..
Total	332 473	449 671	573 092	687 200	793 931
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	78 236	107 455	114 919	120 705	126 740
Capital Grants	36 987	46 112	57 459	60 352	63 370
Total	115 223	153 567	172 378	181 057	190 110

TABLE 133—QUEENSLAND—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
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	3 844	4 012	3 900	4 165	4 442
Debt Charges Assistance	6 102	7 627	..	..	..
State Emergency Services . . . . .	..	114	269	302	351
Universities	26 169	49 876	57 185	73 483	77 200
Colleges of Advanced Education	14 438	27 230	33 999	48 962	53 500
Technical and Further Education	715	2 262	4 643	4 537	4 800
Schools	13 578	35 604	46 162	56 058	55 880
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	8 000
Child Migrant Education	165	255	195	2	..
Educational Research	109	296	190	216	175
Medibank—Public Hospital Running Costs . . . . .	..	..	102 820	82 883	125 000
Community Health	734	1 891	3 643	4 797	6 935
Tuberculosis Control	2 247	2 979	1 822	1 253	667
School Dental Scheme	278	629	998	2 026	2 768
Health Education	155	118	132	116	142
Blood Transfusion Services	304	416	547	680	750
Health Planning Agencies	65	53	70	84	84
Home Dialysis Scheme . . . . .	..	30	48	169	3
Home Care Services	312	1 245	1 693	1 990	3 273
Senior Citizens Centres	18	11	..	37	24
Assistance for Deserted Wives	1 346	1 179	1 935	2 508	2 800
Pre-schools and Child Care	436	1 734	5 356	6 970	7 610
Maryborough Employment Grants . . . . .	..	..	..	1 000	3 000
Employment Grants	2 353	5 600	5 000	..	..
Regional Employment Development Scheme . . . . .	..	1 916	2 781	..	..
Social Policy Planning Units	20	20	..	..	..
Aboriginal Advancement	975	1 701	2 952	3 314	4 012
Housing	651	766	753	858	425
Area Improvement . . . . .	..	159	177	..	..
Sewerage . . . . .	..	60	251	99	7
Leisure and Recreation	20	6	118	94	..
Apple Export Assistance . . . . .	..	8	14	..	8
Bovine Brucellosis and T.B. Eradication	470	1 661	2 190	3 266	4 650
Agricultural Extension Services	1 525	1 583	1 826	2 097	2 112
Minor Agricultural Research	12	14	17	16	5
Locust Control . . . . .	..	349	21	..	..
West Indian Dry Wood Termite . . . . .	..	..	9	..	..
Coal Mining Industry—Long Service Leave	410	429	454	780	930
Apprenticeship Training	52	212	471	750	872
Education Program for Unemployed Youth . . . . .	..	..	..	83	177
Burdekin River Regional Study	153	34	..	..	..
Legal Aid	296	161	131	131	..
Road Safety Practices	28	28	28	28	28
Research Grants	700	853	706	1 258	1 148
Assistance for Local Government . . . . .	..	8 954	13 808	24 222	27 875
Natural Disaster Relief	3 990	113	52	45	360
Total Specific Purpose Payments—Re-current	84 862	164 380	299 558	331 471	402 205

TABLE 133—QUEENSLAND—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	200	5 200	7 500	12 300	13 388
Universities	5 624	9 821	6 453	7 581	5 000
Colleges of Advanced Education	5 078	13 438	9 181	14 630	9 100
Technical and Further Education	1 945	4 073	3 334	4 439	7 300
Schools	8 990	27 970	22 363	28 090	30 914
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	2 000
Child Migrant Education	50	106	11	..	..
Mental Health Institutions	247	..	..	..	..
Hospitals	250	5 084	15 280	17 000	7 130
Nursing Homes	145	148	925	652	..
Community Health	1 468	1 282	1 778	2 805	1 125
Tuberculosis Control	22	56	203	109	..
School Dental Scheme	192	2 352	5 299	1 896	3 600
Blood Transfusion Services . . . . .	..	..	29	6	37
Disposal of Ships Garbage . . . . .	..	18	..	..	..
Senior Citizens Centres	55	153	392	916	568
Dwellings for Pensioners	1 331	1 314	1 133	2 023	1 490
Pre-schools and Child Care	1 003	3 806	2 584	314	235
Aboriginal Advancement	8 982	8 661	7 205	4 397	2 615
Housing	17 400	43 810	31 010	37 410	39 810
Area Improvement . . . . .	..	2 341	2 315	468	..
Urban Flood Mitigation . . . . .	..	..	2 060	1 574	1 800
Air Quality Monitoring . . . . .	..	..	33	..	n.a.
Sewerage	2 007	12 854	13 767	1 000	..
Community Facilities—					
Townsville	301	67	..	25	..
Leisure and Cultural Facilities	238	766	1 060	590	215
Nature Conservation . . . . .	..	..	88	400	..
National Estate	33	791	567	183	425
Roads	59 830	74 810	88 980	90 700	100 000
Roads—Safety Improvements	435	..	..	..	..
Beef Cattle Roads	4 187	279	..	..	..
Barkly Highway Maintenance	14	..	..	..	..
Urban Public Transport . . . . .	..	2 126	8 985	11 380	9 200
Transport Planning and Research . . . . .	..	562	1 070	1 184	1381
Julius Dam . . . . .	..	2 000	..	..	..
Ross River Dam . . . . .	..	..	1 402	1 158	..
Gladstone Power Station	26 607	32 449	39 000	26 422	1 000
Softwood Forestry	1 535	2 340	2 250	1 547	547
Dairy Adjustment Program	656	1 008	3 702	877	47
Rural Adjustment Scheme . . . . .	..	..	..	3 605	10 605
Fruit Growing Industry . . . . .	..	119	41	18	50
Beef Industry Assistance . . . . .	..	..	6 374	2 226	35
Rural Reconstruction	7 367	3 716	5 900	3 720	32
Bundaberg Irrigation Works	3 114	2 000	2 500	11	..
Fairbairn Dam	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	770	878	932	952	952
Flood Mitigation . . . . .	..	120	..	77	150
Soil Conservation . . . . .	..	..	623	..	30
Brigalow Lands Development Scheme	139	651	2 296	1 909	..
Tourism Development . . . . .	..	188	140	147	..
Migrant Centres	18	163	..	..	..
Natural Disaster Relief	23 869	26 721	6 400	11 094	7 640
Total Specific Purpose Payments—Capital	185 206	297 349	307 513	299 200	258 421

TABLE 133—QUEENSLAND—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
TOTAL PAYMENTS(e)					
	639 528	957 512	1 237 622	1 378 223	1 517 927
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	447 696	603 238	745 470	868 257	984 041
Specific Purpose	270 068	461 729	607 071	630 671	660 626
Total	717 764	1 064 967	1 352 541	1 498 928	1 644 667

- (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 1977-78 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 from the beginning of 1976-77.
- (d) *See* Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.
- (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 134—SOUTH AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income Tax Sharing Entitlement(c)	204 918	261 737	363 091	433 200	507 700
Adjustment to Entitlement in respect of previous Year	..	..	2 500	..	- 745
Special Grants	19 900	39 934	..	..	..
Special Revenue Assistance	2 764	16 616	..	..	..
Total	227 582	318 287	365 591	433 200	506 955
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing Programs	79 587	99 261	112 950	118 637	124 569
Capital Grants	37 625	46 927	56 475	59 318	62 284
Total	117 212	146 188	169 425	177 955	186 853

TABLE 134—SOUTH AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	(e)1 290	(e)1 525	1 408	1 408	1 408
Sinking Fund on State Debt	3 896	4 072	4 000	3 911	4 171
Debt Charges Assistance	5 982	7 478	..	..	..
S.A. Railway Sinking Fund Reimbursement . . . . .	..	..	1 488	..	..
State Emergency Services . . . . .	..	..	8	5	6
Universities	19 808	38 067	43 107	53 506	56 500
Colleges of Advanced Education	13 518	24 531	28 838	38 221	40 000
Technical and Further Education	889	2 639	3 770	4 502	4 800
Schools	6 464	19 017	27 452	35 038	35 621
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	6 000
Child Migrant Education	587	810	514	22	16
Educational Research	18	58	116	139	110
Medibank—Public Hospital Running Costs . . . . .	..	..	92 367	69 394	96 000
Community Health	597	820	1 976	3 720	4 683
Tuberculosis Control	988	1 114	685	498	39
School Dental Scheme	1 066	1 700	2 549	3 099	2 950
Health Education	76	88	69	66	72
Blood Transfusion Services	252	365	567	494	527
Health Planning Agencies	50	87	75	62	62
Home Dialysis Scheme . . . . .	..	30	40	122	5
Control of Australian Encephalitis . . . . .	..	15	..	14	11
Home Care Services	169	563	653	904	1 265
Senior Citizens Centres	2	16	30	31	76
Paramedical Services	30	112	167	272	283
Assistance for Deserted Wives	1 534	1 045	1 509	1 879	2 000
Pre-schools and Child Care	690	3 233	5 025	5 601	6 115
Employment Grants	941	3 600	2 400	..	..
Regional Employment Development Scheme . . . . .	..	1 113	3 294	..	..
Social Policy Planning Units	20	59	56	..	..
Aboriginal Advancement	1 003	1 501	2 167	2 515	3 135
Housing	1 093	1 093	1 093	941	941
Area Improvement . . . . .	..	44	51	..	..
Sewerage . . . . .	..	256	136	84	50
Leisure and Recreation	105	8	98	94	..
Fisheries Development	40	..	..	..	..
Apple Export Assistance . . . . .	..	..	..	1	..
Bovine Brucellosis and T.B. Eradication	551	350	637	1 604	1 250
Agricultural Extension Services	760	856	944	1 068	1 075
Minor Agricultural Research	17	16	20	26	16
Apple, Pear and Canning Fruit Industries	15	..	..	..	..
Adjustment Assistance to Canneries	247	..	..	..	..
Locust Control . . . . .	..	4	..	..	..
Apprenticeship Training	44	93	159	313	360
Education Program for Unemployed Youth . . . . .	..	..	..	40	80
Legal Aid	187	273	89	84	..
Road Safety Practices	19	19	19	19	19
Research Grants	955	1 369	950	1 911	1 737
Assistance for Local Government . . . . .	..	4 774	6 785	11 925	14 220
Regional Organisations Assistance . . . . .	..	66	24	..	..
Total Specific Purpose Payments— Recurrent	63 903	122 879	235 335	243 533	285 603

TABLE 134—SOUTH AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen . . . . .	..	130	1 725	2 107	1 413
Universities	7 050	7 320	3 421	3 921	3 500
Colleges of Advanced Education	6 196	12 579	6 886	4 276	7 900
Technical and Further Education	2 063	2 800	1 208	2 320	3 600
Schools	9 430	19 159	11 056	14 672	15 995
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	2 000
Child Migrant Education	165	92	275	31	..
Mental Health Institutions	344	..	..	..	..
Hospitals	441	3 236	12 900	13 000	5 120
Community Health	1 195	1 597	1 864	980	673
Tuberculosis Control	395	31	30	..	..
School Dental Scheme	895	2 247	825	830	707
Blood Transfusion Services . . . . .	..	..	6	17	23
Senior Citizens Centres	55	363	566	212	275
Dwellings for Pensioners	146	193	1 124	1 473	930
Pre-Schools and Child Care	514	2 773	1 498	160	120
Aboriginal Advancement	3 696	4 058	3 558	3 339	1 700
Housing	32 750	56 360	56 360	56 360	58 460
Growth Centres	4 414	5 819	1 504	980	1 085
Area Improvement . . . . .	..	383	602	2	..
Land Acquisition	8 000	19 552	19 892	10 352	11 841
Air Quality Monitoring . . . . .	..	..	33	..	n.a.
Sewerage	1 598	5 750	5 700	1 002	..
Leisure and Cultural Facilities	160	620	625	1 722	1 873
Nature Conservation . . . . .	..	..	579	300	..
National Estate	45	981	506	246	425
Roads	31 000	31 046	40 764	38 800	40 400
Roads—Safety Improvements	300	..	..	..	..
Eyre Highway Maintenance	25	..	..	..	..
Eyre Highway Sealing	625	..	..	..	..
Railway Projects	319	909	4 960	700	..
Railways—Intersystem Passenger Vehicles	94	205	..	..	..
Urban Public Transport . . . . .	..	6 084	6 757	4 420	3 500
Transport Planning and Research . . . . .	..	973	719	939	698
Urban Water Supply . . . . .	..	4 400	8 931	9 175	6 000
Softwood Forestry	252	341	566	..	173
Dairy Adjustment Program . . . . .	..	500	305	68	90
Rural Adjustment Scheme . . . . .	..	..	..	..	6 140
Fruitgrowing Industry	57	105	20	140	60
Canned Fruit Industry . . . . .	..	..	413	..	..
Beef Industry Assistance . . . . .	..	..	289	70	..
Rural Reconstruction	4 300	2 000	5 100	2 781	400
Lock-Kimba Pipeline	540	835	305	..	..
Tailem Bend Pipeline	14	12	4	433	13
Dartmouth Dam	950	2 500	2 800	1 875	..
Water Resources Assessment	371	413	468	732	727
Soil Conservation . . . . .	..	25	42	33	30
Tourism Development . . . . .	..	172	177	311	..
Migrant Centres . . . . .	..	17	..	..	..
Natural Disaster Relief . . . . .	..	114	108	..	..
Total Specific Purpose Payments—Capital	118 399	196 694	205 471	178 779	175 871

TABLE 134—SOUTH AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
TOTAL PAYMENTS(f)					
	447 509	684 787	862 872	914 830	1 030 713
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(g)	344 794	464 475	535 016	611 155	693 808
Specific Purpose	182 302	319 573	440 806	422 312	461 474
Total	527 096	784 048	975 822	1 033 467	1 155 282

- (a) That is, Commonwealth payments to State Governments and 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 1977-78 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 from the beginning of 1976-77.
- (d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.
- (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 135—WESTERN AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)

(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income Tax Sharing Entitlement(c)	222 388	279 830	363 031	440 800	523 100
Adjustment to Entitlement in respect of previous Year	..	..	..	..	-3 285
Special Revenue Assistance	2 855	7 073	..	..	..
Total	225 243	286 903	363 031	440 800	519 815
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing Programs	54 587	68 068	80 197	84 235	88 446
Capital Grants	25 806	32 179	40 099	42 117	44 223
Total	80 393	100 247	120 296	126 352	132 669
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	947	947	947	947	947
Sinking Fund on State Debt	2 855	2 976	2 800	2 981	3 180
Debt Charges Assistance	4 422	5 528	..	..	..
State Emergency Services	..	..	..	37	43
Assistance for Exmouth Shire	..	..	150	171	130
Universities	14 610	27 978	32 891	43 218	45 800
Colleges of Advanced Education	17 247	32 359	36 522	46 242	46 200
Technical and Further Education	974	2 168	3 322	3 606	4 500
Schools	6 389	17 184	23 194	33 521	33 456
Education—Allowance for Cost Escalation	..	..	..	..	5 000
Child Migrant Education	157	229	233	2	..
Educational Research	26	33	59	70	57
Medibank—Public Hospital Running Costs	..	..	96 745	74 674	109 000
Community Health	548	697	1 738	2 916	4 425
Tuberculosis Control	785	992	647	648	..
School Dental Scheme	391	758	2 271	2 654	3 091
Health Education	99	106	88	85	90
Blood Transfusion Services	183	358	330	436	467
Health Planning Agencies	81	127	110	120	120
Home Dialysis Scheme	..	30	23	73	5
Home Care Services	23	116	87	57	65
Senior Citizens Centres	15	15	27	56	57
Assistance for Deserted Wives	1 171	1 152	1 459	1 700	1 800
Pre-schools and Child Care	385	2 316	4 390	4 930	5 380
Employment Grants	882	3 400	2 000	..	..
Regional Employment Development Scheme	..	608	1 840	..	..
Social Policy Planning Units	20	40	36	..	..
Aboriginal Advancement	2 634	7 096	8 034	7 702	8 748
Housing	771	771	771	627	627
Area Improvement	..	272	113	..	..
Sewerage	..	155	155	228	127
Leisure and Recreation	33	10	105	94	..
Perth Underground Railway Study	188	89	..	..	..
Apple Export Assistance	..	516	259	100	124
Bovine Brucellosis and T.B. Eradication	343	498	601	898	927
Agricultural Extension Services	771	843	958	1 082	1 090
Apple, Pear and Canning Fruit Industry	7	..	..	..	..
Coal Mining Industry—Long Service Leave	139	161	167	241	300
Apprenticeship Training	44	65	455	731	820
Education Program for Unemployed Youth	..	..	..	40	80
Pilbara Feasibility Study	125	31	..	..	..
Legal Aid	166	164	124	140	..
Family Courts	..	..	760	819	1 281
Road Safety Practices	25	25	25	25	25
Research Grants	410	470	320	665	609
Assistance for Local Government	..	4 959	7 524	13 162	15 524
Regional Organisations Assistance	..	46	32	..	..
Natural Disaster Relief	..	..	83	195	..
Total Specific Purpose Payments— Recurrent	57 866	116 288	232 395	245 893	294 095

TABLE 135—WESTERN AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	191	784	698	1 230	173
Universities	4 581	7 714	5 094	7 398	9 200
Colleges of Advanced Education	7 222	7 281	7 344	5 074	5 300
Technical and Further Education	1 311	587	2 876	3 690	2 800
Schools	6 810	15 789	10 564	6 999	14 066
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	2 000
Child Migrant Education	100	89	—9	..	..
Mental Health Institutions	187	..	..	..	..
Hospitals	695	4 326	11 900	12 000	4 680
Community Health	1 096	3 306	1 139	2 780	1 933
School Dental Scheme	661	1 309	2 855	935	890
Blood Transfusion Services . . . . .	..	..	12	23	43
Disposal of Ships Garbage	25	52	47	6	..
Senior Citizens Centres	123	28	344	407	349
Dwellings for Pensioners	307	198	614	1 288	700
Pre-schools and Child Care	166	1 911	1 441	144	105
Aboriginal Advancement	8 457	3 874	5 273	4 765	4 547
Housing	13 000	37 440	33 440	35 440	36 740
Growth Centres . . . . .	..	..	474	..	..
Area Improvement . . . . .	..	469	730	..	..
Land Acquisition . . . . .	..	11 720	7 076	4 606	5 083
Air Quality Monitoring . . . . .	..	..	33	..	n.a.
Sewerage	3 800	15 450	12 400	9 000	..
Leisure and Cultural Facilities	219	1 728	445	667	65
Nature Conservation . . . . .	..	..	35	250	..
National Estate	60	1 156	523	215	425
Roads	48 030	49 815	61 285	57 199	61 301
Roads—Safety Improvements	255	..	..	..	..
Beef Cattle Roads	981	..	..	..	..
Eyre Highway Maintenance	25	..	..	..	..
Railway Projects	508	151	..	110	26
Railways—Intersystem Passenger Vehicles	720	459	71	—139	..
Urban Public Transport . . . . .	..	2 829	750	1 869	1 392
Transport Planning and Research . . . . .	..	634	940	854	744
W.A.—Darwin Shipping Service	1 000	..	..	..	..
Softwood Forestry	416	685	864	776	365
Dairy Adjustment Program	70	635	2 327	291	275
Rural Adjustment Scheme . . . . .	..	..	..	800	5 750
Fruit Growing Industry	18	32	29	16	325
Beef Industry Assistance . . . . .	..	..	479	61	..
Rural Reconstruction	5 300	3 631	4 550	4 144	280
Ord River Project	1 443	348	111	12	20
Water Resources Assessment	1 300	1 667	1 981	2 000	2 000
Soil Conservation . . . . .	..	..	74	73	35
Tourism Development	10	46	313	50	..
Natural Disaster Relief . . . . .	..	..	4 264	3 507	..
Total Specific Purpose Payments—Capital	109 087	176 143	183 386	168 540	161 612

TABLE 135—WESTERN AUSTRALIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
TOTAL PAYMENTS(e)					
	418 002	611 513	818 911	897 350	1 019 745
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	305 636	387 150	483 327	567 152	652 484
Specific Purpose	166 953	292 431	415 781	414 433	455 707
Total	472 589	679 581	899 108	981 585	1 108 191

(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 1977-78 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 from the beginning of 1976-77.

(d) See Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.

(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—TASMANIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)

(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Sharing Entitlement(c)	91 243	131 871	156 816	186 294	214 600
Special Grants	8 650	..	..	..	..
Special Revenue Assistance	1 207	8 333	..	..	..
Total	101 100	140 204	156 816	186 294	214 600
GENERAL PURPOSE CAPITAL FUNDS(d)					
State Government Loan Council Borrowing					
Programs	43 467	54 952	60 743	63 802	66 992
Capital Grants	20 549	25 977	30 372	31 901	33 496
Total	64 016	80 929	91 115	95 703	100 488
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments under Financial Agreement—					
Interest on State Debt	534	534	534	534	534
Sinking Fund on State Debt	2 044	2 141	2 100	2 069	2 207
Debt Charges Assistance	3 180	3 975	..	..	..
Tas. Railway Sinking Fund Reimbursement	..	..	480	..	..
State Emergency Services	..	23	53	69	81
Universities	6 415	12 274	13 658	16 427	17 400
Colleges of Advanced Education	3 959	6 888	7 011	8 678	8 800
Technical and Further Education	117	426	1 087	969	1 300
Schools	1 958	5 912	9 327	11 049	11 291
Education—Allowance for Cost Escalation	..	..	..	..	2 000
Child Migrant Education	135	179	149	2	..
Educational Research	14	21	14	14	13
Medibank—Public Hospital Running Costs	..	..	31 000	18 918	31 000
Community Health	121	528	1 265	2 038	2 490
Tuberculosis Control	252	434	548	592	..
School Dental Scheme	818	1 239	1 547	1 475	1 429
Health Education	60	64	23	46	50
Blood Transfusion Services	37	57	94	108	123
Health Planning Agencies	..	..	25	40	40
Home Dialysis Scheme	..	5	..	35	2
Home Care Services	49	124	340	355	800
Paramedical Services	3	8	10	15	18
Assistance for Deserted Wives	260	421	458	599	200
Pre-schools and Child Care	78	1 017	1 720	2 006	2 190
Employment Grants	647	1 103	700	..	..
Regional Employment Development Scheme	..	534	1 521	..	..
Social Policy Planning Units	20	31	32	..	..
Aboriginal Advancement	23	34	61	71	67
Housing	388	388	388	314	314
Sewerage	..	24	4	189	15
Leisure and Recreation	20	7	170	84	..
Tasman Bridge Disaster	..	456	1 400	1 715	700
Fisheries Development	40	..	..	..	..
Apple Export Assistance	..	1 590	572	229	327
Bovine Brucellosis and T.B. Eradication	137	238	423	215	224
Agricultural Extension Services	348	419	517	560	564
Apple, Pear and Canning Fruit Industries	250	..	..	..	..
Assistance for A.P.P.M. Ltd	..	..	650	..	..
Coal Mining Industry—Long Service Leave	16	5	6	12	20
Apprenticeship Training	11	41	79	187	226
Education Program for Unemployed Youth	..	..	..	40	80
Legal Aid	62	71	49	28	..
Road Safety Practices	11	11	11	11	11
Research Grants	204	227	130	236	213
Assistance for Local Government	..	1 669	2 292	4 004	5 290
Regional Organisations Assistance	..	24	8	..	..
Total Specific Purpose Payments—					
Recurrent	22 211	43 142	80 456	73 933	90 019

TABLE 136—TASMANIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	145	149	160	6	..
Universities	694	1 279	2 589	573	400
Colleges of Advanced Education	292	2 969	5 313	404	1 600
Technical and Further Education	689	471	887	1 665	1 800
Schools	2 527	6 091	4 477	4 266	5 087
Child Migrant Education	40	6	45	..	..
Mental Health Institutions	31	..	..	..	..
Hospitals	140	1 500	2 090	3 000	5 460
Community Health	242	498	689	561	330
Tuberculosis Control	2	..	4	..	..
School Dental Scheme	549	69	317	132	229
Blood Transfusion Services . . . . .	..	..	5	5	2
Disposal of Ships Garbage . . . . .	..	..	..	1	..
Senior Citizens Centres	13	154	3	..	151
Dwellings for Pensioners	22	..	560	280	280
Pre-schools and Child Care	285	1 177	1 764	5	5
Rehabilitation Centre—Hobart . . . . .	..	..	214	397	1 200
Aboriginal Advancement	131	204	216	187	175
Housing	16 000	26 220	22 220	24 220	25 220
Growth Centres	35	400	506	45	70
Land Acquisition . . . . .	..	..	..	250	100
Air Quality Monitoring . . . . .	..	..	25	..	n.a.
Sewerage . . . . .	..	2 221	1 984	500	..
Leisure and Cultural Facilities	180	439	430	481	137
Nature Conservation . . . . .	..	..	86	410	150
National Estate . . . . .	..	1 032	795	19	425
Roads	13 950	18 400	19 900	20 500	21 700
Roads—Safety Improvements	90	..	..	..	..
Second Hobart Bridge . . . . .	..	..	63	584	600
Urban Public Transport . . . . .	..	359	2 380	253	224
Transport Planning and Research . . . . .	..	185	198	216	216
King Island Harbour Works . . . . .	..	..	242	..	..
King Island Shipping Service . . . . .	..	1 309	..	..	..
Tasman Bridge Disaster . . . . .	..	5 544	16 300	13 785	3 900
Softwood Forestry	672	769	901	1 429	487
Dairy Adjustment Program	24	250	1 653	555	115
Rural Adjustment Scheme . . . . .	..	..	..	..	630
Fruitgrowing Industry	650	750	200	200	275
Beef Industry Assistance . . . . .	..	..	100	42	..
Rural Reconstruction	700	800	500	193	365
Water Resources Assessment	71	135	140	146	215
Soil Conservation . . . . .	..	..	25	10	35
Tourism Development	38	210	145	191	..
Natural Disaster Relief	-3	..	-7	..	..
Total Specific Purpose Payments—Capital	38 209	73 590	88 119	75 511	71 583

TABLE 136—TASMANIA—COMMONWEALTH PAYMENTS AND
LOAN COUNCIL BORROWINGS, 1973-74 TO 1977-78(a)—*continued*
(\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78 (estimate) (b)
TOTAL PAYMENTS(e)					
	182 069	282 913	355 763	367 639	409 698
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	165 116	221 133	247 931	281 997	315 088
Specific Purpose	60 420	116 732	168 575	149 444	161 602
Total	225 536	337 865	416 506	431 441	476 690

- (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 1977-78 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 from the beginning of 1976-77.
- (d) *See* Chapter III, under the heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.
- (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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