

DOHERTY



PAYMENTS TO  
OR FOR THE STATES,  
THE NORTHERN TERRITORY  
AND LOCAL GOVERNMENT  
AUTHORITIES  
1981-82

PRESENTED BY  
THE HONOURABLE JOHN HOWARD, M.P.,  
TREASURER OF THE COMMONWEALTH OF AUSTRALIA  
FOR THE INFORMATION OF  
HONOURABLE MEMBERS ON THE OCCASION  
OF THE BUDGET 1981-82

1981-82 BUDGET PAPER No. 7

## 1981-82 BUDGET PAPERS

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Contains a summary of certain income tax data for the income year 1979-80.

1981-82 BUDGET PAPER No. 7

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*n.a.*—not yet available.

... —nil to less than \$500.

## CHAPTER 1—INTRODUCTION

Since 1960-61, a paper on Commonwealth payments to the States has been published annually among the Budget documents. Commencing with the 1974-75 issue this paper was expanded to encompass Commonwealth Government payments to local government authorities; from 1978-79 it also included Commonwealth Government payments to the Northern Territory of Australia, (which became a self-governing Territory on 1 July 1978 with expenditure responsibilities and revenue raising powers broadly approximating those of a State).

This paper concentrates on providing information on forms of assistance on which Commonwealth expenditure has been incurred in 1980-81 and/or is proposed in 1981-82. The tables cover payments over the five years 1977-78 to 1981-82 where applicable. Information on earlier years may be found in earlier issues of this paper. The 1975-76 issue of 'Payments to or for the States and Local Government Authorities' includes a consistent series of aggregate figures back to 1956-57. Appendix II contains a series on general revenue payments including special grants since 1910-11.

### *Relationship With Statements Attached To The Budget Speech And Terminology*

In Budget Paper No. 1, 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. Table 1 (over page) classifies total budget outlays for the years 1977-78 to 1980-81 and estimated outlays for 1981-82 by economic type grouped in such a way as to show Commonwealth outlays for its own purposes, and transfer payments and net advances to or for the States, the Northern Territory and local government authorities.

This paper provides details of those budget outlays classified as transfer payments and net advances to or for the States, the Northern Territory and local government authorities—that is, Commonwealth assistance to other spheres of government in Australia. Payments in this category comprise payments to the States and the Northern Territory, payments made direct to local government authorities and the State Governments' Loan Council borrowing program. These payments are estimated at \$13 977 million in 1981-82, which is 34.2 per cent of estimated total Commonwealth budget outlays.

**Table 1—Budget Outlays—By Economic Type(a), 1977–78 to 1981–82 (\$ million)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
	\$ million	\$ million	\$ million	\$ million	\$ million
Commonwealth outlays for own purposes					
Net expenditure on goods and services—					
Defence . . . . .	2 184	2 401	2 787	3 291	3 813
Other current expenditure . . . . .	2 993	3 227	3 346	3 961	4 561
Capital expenditure . . . . .	388	298	290	438	434
Total . . . . .	5 565	5 927	6 423	7 690	8 808
Transfer payments and net advances—					
Cash benefits to persons . . . . .	8 416	9 266	10 085	11 432	13 208
Interest . . . . .	1 649	1 971	2 223	2 561	2 808
Transfers overseas . . . . .	417	477	520	576	667
Net advances (other than to States) . . . . .	177	102	78	202	296
Other . . . . .	461	503	773	894	1 098
Total . . . . .	11 120	12 319	13 679	15 665	18 077
Total Commonwealth outlays for own purposes . . . . .	16 685	18 246	20 102	23 355	26 885
Transfer payments and net advances—					
To or for the States . . . . .	9 985	10 461	11 103	12 346	13 332
To the Northern Territory . . . . .	53	288	439	551	615
Direct to Local Government Authorities . . . . .	14	17	16	22	30
Total payments to or for the States, the Northern Territory and Local Govern- ment Authorities . . . . .	10 053	10 766	11 558	12 919	13 977
TOTAL OUTLAYS . . . . .	26 738	29 012	31 660	36 274	40 862

(a) For further details and explanations see Budget Paper No. 1.

(b) Includes net personal income tax sharing payments to local government. Such payments are made to the States for on-passing to local authorities.

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. Table 2 below classifies on a functional basis the transfer payments and net advances to or for other levels of government which are covered in this paper.

**Table 2—Functional Classification of Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs, and Payments Made Direct to Local Government Authorities, 1977–78 to 1981–82 (Net basis (a)) (\$ thousands)**

Functional Classification	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)	Percentage increase 1981–82 over 1980–81
Defence . . . . .	23 073	12 484	2 335	2 110	4 912	132.8
Education . . . . .	1 862 414	1 959 054	2 099 848	2 371 802	2 658 746	12.1
Health . . . . .	1 107 196	1 132 229	1 240 520	1 408 050	207 580(b)	-85.3(b)
Social Security and Welfare . . . . .	69 117	69 075	70 696	66 769	59 048	-11.6
Housing . . . . .	402 493	315 122	258 228	266 461	231 543	-13.1
Urban and Regional Development nec and the Environment . . . . .	53 454	40 608	42 856	43 082	15 561	-63.9
Culture and Recreation . . . . .	6 145	6 223	5 838	6 568	12 467	89.8
Economic Services—						
Transport . . . . .	539 250	551 618	616 050	697 878	766 834	9.9
Water Supply and Electricity . . . . .	3 669	704	28 514	39 597	38 645	-2.4
Industry Assistance and Development . . . . .	71 976	82 941	71 991	36 703	70 774	92.8
Labour and Employment . . . . .	12 473	10 941	8 811	8 588	8 200	-4.5
Other Economic Services . . . . .	..	..	..	..	40	n.a.
Total Economic Services . . . . .	627 368	646 205	725 367	782 766	884 493	13.0
General Public Services . . . . .	11 450	11 905	12 641	423	553	30.7
Outlays not allocated to function—						
General Revenue Funds . . . . .	4 331 441	4 790 369	5 425 810	6 018 018	7 878 228(b)	30.9(b)
State Governments' Loan Council Borrowing Programs . . . . .	784 835	770 598	634 790	668 064	657 800	-1.5
Capital Grants . . . . .	477 930	477 936	415 000	435 750	435 750	0.0
Assistance Related to State Debts . . . . .	48 917	51 128	53 318	55 107	57 070	3.6
Payments to Northern Territory . . . . .	28 272	280 330	338 908	422 895	497 731	17.7
Assistance for Local Government(c) . . . . .	165 328	179 427	221 739	300 786	350 866	16.6
Natural Disaster Relief . . . . .	53 157	23 572	10 347	69 938	24 806	-64.5
Total not allocated to function . . . . .	5 889 880	6 573 360	7 099 912	7 970 558	9 902 251	24.2
Grand Total (net basis) . . . . .	10 052 590	10 766 266	11 558 241	12 918 589	13 977 154	8.2

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

(b) General Revenue Funds in 1981–82 include identified health grants that in previous years were classified under 'health'.

(c) Comprising grants to the States as general purpose assistance for local government authorities under the personal income tax sharing arrangements.

One of the main distinctions used in this paper is between funds provided to the States, the Northern Territory and local government for *general* purposes (that is, 'untied' funds) and those provided for *specific* purposes (that is 'tied' funds). All general purpose funds are classified under the 'Not Allocated to Function' heading. Certain forms of specific purpose payments are also classified under that heading, but most of these payments are classified under functional headings. Specific purpose payments are, with a few exceptions, grouped in the following Chapters on this functional basis.

Reference should be made here to the treatment in this and other Budget Papers of the State Governments' Loan Council borrowing program, which is 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 program approved by the Loan Council. The national accounting item 'grants and net advances to the States, the Northern Territory and local government authorities' used in the Statements attached to the Budget Speech and in certain other papers includes this program. *In this paper, the term 'payments to the States' does not include this program;* however, totals of payments to the States and their Loan Council borrowing program 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 program 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, the Northern Territory and local government authorities*' includes Commonwealth Government advances (loans) to the States, the Northern Territory and local government authorities on a *net* basis—that is, after subtracting repayments by the States, the Northern Territory and 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 borrowing program *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 by the States in respect of borrowings by the Commonwealth on their account. 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 71 and 72 in Appendix I are on a net basis and are therefore consistent with the national accounting aggregate '*grants and net advances to the States, the Northern Territory and local government authorities*' appearing in other Budget Papers.

#### *Outline of Commonwealth Payments to the States, The Northern Territory and Local Government 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, the Northern Territory and Local*

Government Authorities', particularly the Appendices to that paper. Appendix II of this edition contains an outline of the history of general revenue assistance to the States.

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.

Chapter III provides information on the general purpose capital funds available to the States and their authorities (including infrastructure borrowings) under the Loan Council arrangements. These include 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 III.

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

Chapter V provides details of Commonwealth assistance to the Northern Territory and borrowings by Northern Territory authorities.

Chapter VI describes Commonwealth assistance to local government authorities, both direct and by way of payments through the States. 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 now comprise 2.0 per cent of Commonwealth net personal income tax collections in the previous year, and are allocated among the States to be made available to their local authorities. In this paper, these funds are regarded normally 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 VI.

Appendix I provides figures, in detail and in aggregate, of payments to the States and the State Governments' Loan Council programs in 1979-80, 1980-81 and 1981-82 (estimated). It also sets out aggregate figures of these funds and of payments made direct to local government authorities for the period 1977-78 to 1981-82 (estimated). Appendix V provides information on Commonwealth advances to the States and debt charges paid by the States thereon and Appendix VI gives figures, in detail and in aggregate, of payments to the *six States combined and to each individual State* for the years 1977-78 to 1981-82 (estimated).

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

In examining year to year movements—either in total assistance or in the components thereof—account needs to be taken of certain changes in the way funds have become available to other levels of government. The following factors are relevant in this connection:

- (i) 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 Jul 1977 and the 1977-78 States' entitlements were reduced by the amount overpaid in respect of 1976-77;

- (ii) the transfer of additional functions to the Government of the Northern Territory (notably education and health) in the period since the beginning of 1978-79; and
- (iii) the absorption into general purpose revenue payments of several specific purpose payments.

The percentage increases in the final column of Table 3 show the annual percentage increases after adjusting for the factors listed above.

**Table 3—Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs and Payments Made Direct to Local Government Authorities, 1977-78 to 1981-82**

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
<b>FUNDS TO STATES FOR RECURRENT PURPOSES</b>			
<i>General Revenue Funds—</i>			
1977-78	4 341.4	16.6	17.8
1978-79	4 800.4	10.6	10.1
1979-80	5 428.3	13.1	13.1
1980-81	6 018.0	10.9	10.9
1981-82 (estimate)	7 878.2	30.9	11.0
<i>Specific Purpose Payments for Recurrent Purposes—</i>			
1977-78	2 873.9	20.4	9.5
1978-79	3 047.7	6.0	5.9
1979-80	3 360.3	10.3	10.2
1980-81	3 885.5	15.6	15.6
1981-82 (estimate)	2 982.9	-23.2	6.3
<i>Total Funds for Recurrent Purposes—</i>			
1977-78	7 215.3	18.1	14.3
1978-79	7 848.1	8.8	8.4
1979-80	8 788.6	12.0	12.0
1980-81	9 903.5	12.7	12.7
1981-82 (estimate)	10 861.1	9.7	9.7
<b>FUNDS TO STATES FOR CAPITAL PURPOSES</b>			
<i>General Purpose Capital Funds(b)—</i>			
1977-78	1 433.8	5.7	5.7
1978-79	1 433.8	0.0	0.0
1979-80	1 245.0	-13.2	-13.2
1980-81	1 307.2	5.0	5.0
1981-82 (c)	1 307.2	0.0	0.0
<i>Specific Purpose Payments for Capital Purposes—</i>			
1977-78	1 575.2	-6.3	-6.3
1978-79	1 437.8	-8.7	-8.7
1979-80	1 345.8	-6.4	-6.4
1980-81	1 449.4	7.7	7.7
1981-82 (estimate)	1 494.3	3.1	6.6
<i>Total Funds for Capital Purposes—</i>			
1977-78	3 009.0	-0.9	-0.9
1978-79	2 871.6	-4.6	-4.6
1979-80	2 590.8	-9.8	-9.8
1980-81	2 756.7	6.4	6.4
1981-82 (estimate)	2 802.0	1.6	3.5



Table 3—Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs and Payments Made Direct to Local Government Authorities, 1977-78 to 1981-82—continued

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
TOTAL FUNDS TO STATES FOR RECURRENT AND CAPITAL PURPOSES			
<i>General Purpose Funds—</i>			
1977-78 . . . . .	5 775.2	13.7	14.5
1978-79 . . . . .	6 234.2	7.9	7.6
1979-80 . . . . .	6 673.3	7.0	7.0
1980-81 . . . . .	7 325.3	9.8	9.8
1981-82 (estimate) . . . . .	9 185.5	25.4	9.0
<i>Specific Purpose Funds—</i>			
1977-78 . . . . .	4 449.1	9.4	3.3
1978-79 . . . . .	4 485.6	0.8	0.8
1979-80 . . . . .	4 706.1	4.9	4.9
1980-81 . . . . .	5 334.9	13.4	13.4
1981-82 (estimate) . . . . .	4 477.6	-16.1	6.4
<i>Total Funds—</i>			
1977-78 . . . . .	10 224.3	11.8	9.4
1978-79 . . . . .	10 719.7	4.8	4.6
1979-80 . . . . .	11 379.4	6.2	6.2
1980-81 . . . . .	12 660.2	11.3	11.3
1981-82 (estimate) . . . . .	13 663.1	7.9	7.9
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES			
1977-78 . . . . .	14.2	5.7	5.7
1978-79 . . . . .	17.5	23.2	23.2
1979-80 . . . . .	15.9	-8.8	-8.8
1980-81 . . . . .	21.7	36.1	36.1
1981-82 (estimate) . . . . .	30.1	38.7	38.7
<i>Less REPAYMENTS AND SINKING FUND CONTRIBUTIONS(d)</i>			
1977-78 . . . . .	-238.9	7.9	7.9
1978-79 . . . . .	-259.0	8.4	8.4
1979-80 . . . . .	-276.5	6.7	6.7
1980-81 . . . . .	-314.5	13.8	13.8
1981-82 (estimate) . . . . .	-331.1	5.3	5.3
TOTAL FUNDS TO STATES AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)			
1977-78 . . . . .	9 999.6	11.9	9.4
1978-79 . . . . .	10 478.2	4.8	4.6
1979-80 . . . . .	11 118.8	6.1	6.1
1980-81 . . . . .	12 367.4	11.2	11.2
1981-82 (estimate) . . . . .	13 362.0	8.0	8.0
PAYMENTS TO THE NORTHERN TERRITORY (GROSS)			
1977-78 . . . . .	53.0	..	..
1978-79 . . . . .	289.8	(e)	n.a.
1979-80 . . . . .	441.0	(e)	n.a.
1980-81 . . . . .	553.9	25.6	25.6
1981-82 (estimate) . . . . .	618.9	11.7	11.7
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES IN THE NORTHERN TERRITORY			
1979-80 . . . . .	0.3	..	..
1980-81 . . . . .	0.2	-17.6	-17.6
1981-82 (estimate) . . . . .	0.3	12.4	12.4
LESS REPAYMENTS			
1977-78 . . . . .	..	..	..
1978-79 . . . . .	-1.8	..	n.a.
1979-80 . . . . .	-1.9	..	n.a.
1980-81 . . . . .	-2.9	54.7	54.7
1981-82 (estimate) . . . . .	-4.1	37.8	37.8

*Table 3—Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs and Payments Made Direct to Local Government Authorities, 1977-78 to 1981-82—continued*

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
PAYMENTS TO THE NORTHERN TERRITORY AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES IN THE NORTHERN TERRITORY (NET BASIS)			
1977-78	53.0	..	..
1978-79	288.1	(e)	..
1979-80	439.4	(e)	..
1980-81	551.2	25.5	25.5
1981-82 (estimate)	615.1	11.6	11.6
GRAND TOTAL—FUNDS TO STATES, THE NORTHERN TERRITORY AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)			
1977-78	10 052.6	..	..
1978-79	10 766.3	(e)	..
1979-80	11 558.2	(e)	..
1980-81	12 918.6	11.8	11.8
1981-82 (estimate)	13 977.2	8.2	8.2

(a) See text above.

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

(c) Programs agreed to at the June 1981 Loan Council meeting.

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

(e) Payments to the Northern Territory in 1977-78, 1978-79 and 1979-80 are not on a comparable basis. See Chapter V of this and previous editions of this paper for details.

The figures in the foregoing table include the State Governments' Loan Council program but do not include the borrowing programs of State semi-government and local authorities. This reflects the fact that the States' Loan Council program is 'underwritten' by the Commonwealth and represents an effective charge on the Commonwealth's budget while the authorities' program is not underwritten by the Commonwealth and does 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 4—Funds available to the States and the Northern Territory and their Authorities as Commonwealth Assistance and as Borrowing Programs (gross basis) 1981-82**

	1981-82	Percentage Increase over 1980-81	
		Actual	Adjusted(a)
	\$ million	%	%
<b>States—</b>			
<i>General Purpose Funds—</i>			
General Revenue Funds . . . . .	7 878.2	30.9	11.0
<i>General Purpose Capital Funds—</i>			
State Governments' Loan Council Programs(b)(c) . . . . .	1 307.2	..	..
Borrowing Programs of larger State Authorities (excludes			
Infrastructure Financing)(c)(d) . . . . .	1 291.6	-0.4	-0.4
Infrastructure Borrowing Programs(c) . . . . .	806.7	36.9	36.9
Borrowings of smaller authorities(d)(e) . . . . .	535.4	1.7	1.7
Sub-total . . . . .	2 633.7	9.1	9.1
Total General Purpose Funds . . . . .	11 819.2	21.4	9.1
<i>Specific Purpose Payments(f)</i> . . . . .	4 477.6	-16.1	6.4
<b>Total States (Gross)</b> . . . . .	16 296.8	8.1	8.1
<b>Northern Territory—</b>			
Payments (net)(g) . . . . .	615.1	11.6	11.6
Borrowing Programs of Authorities(h) . . . . .	26.0	-2.8	-2.8
Total . . . . .	641.1	10.9	10.9
<b>Grand Total</b> . . . . .	16 937.9	8.2	8.2

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

(b) Borrowing programs plus capital grants.

(c) Programs approved at the June 1981 meeting of the Loan Council.

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

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

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

(g) Includes payments direct to local government authorities in the Northern Territory. See Chapter V for details.

(h) Allowances for Northern Territory authorities within Commonwealth program approved at the June 1981 meeting of the Loan Council.

## CHAPTER II—GENERAL REVENUE ASSISTANCE

General revenue grants have, in one form or another, been paid by the Commonwealth to the States since Federation. Their purpose is to assist the States, by way of subventions to their budgets, in the financing of their recurrent expenditures. The Commonwealth does not impose conditions as to the purposes for which these grants are spent, although, as explained below the Commonwealth may make provision of the funds subject to certain other conditions being met.

A detailed history of successive arrangements governing this form of assistance is provided in Appendix II. This chapter outlines the present basis of general revenue grants and the background to these arrangements.

Significant alterations to the form and coverage of general revenue assistance to the States and the Northern Territory have taken place in 1981-82 (*see* Chapter V for further details on the arrangements relating to the Northern Territory). These changes stem from major reviews of the previously existing arrangements for tax sharing and health grants; from the termination of certain expenditure programs consequent upon the Review of Commonwealth Functions; and from consideration of the Commonwealth Grants Commission's Report on State Tax Sharing Entitlements 1981.

### BACKGROUND TO NEW TAX SHARING ARRANGEMENTS

Personal income tax sharing arrangements replaced the previous financial assistance grants in 1976-77. Implementation of these tax sharing arrangements was to be in two stages. Under Stage 1, which was embodied in the *States (Personal Income Tax Sharing) Act* 1976, the States were given an entitlement to a specified proportion of Commonwealth net personal income tax collections each year.

Under Stage 2, the Stage 1 arrangements would continue but, in addition, each State would have the right, at its discretion, to increase or reduce the personal income tax levied on residents of the State. Any additional income tax so levied would be collected by the Commonwealth on behalf of the State or States concerned. Any rebate of tax in a State would be at the expense of that State's revenue. Relevant Commonwealth legislation—the *Income Tax (Arrangements with the States) Act* 1978—received Royal Assent in June 1978. To date, no State has passed the necessary enabling legislation.

The tax sharing arrangements introduced in 1976 were reflected in a list of Points of Understanding (*see* Appendix II) between the Commonwealth and State Governments in connection with the scheme as it related to State Governments. Many of these Points of Understanding were subsequently incorporated into the *States (Personal Income Tax Sharing) Act* 1976 and the *Income Tax (Arrangements with the States) Act* 1978. However, further discussion of the detailed tax sharing arrangements took place at the Premiers' Conferences in April, July, and October 1977, June 1978, June and December 1979 and June 1980. Two important issues settled in these discussions which had a bearing on the new tax sharing arrangements introduced in 1981-82 were:

- (i) At the July 1977 Premiers' Conference concern was expressed at the fluctuations in the estimates of income tax sharing entitlements during 1976-77. The uncertainty arising from these fluctuations 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 were not finally known until 31 July in the following financial year.

It was agreed that Commonwealth and State officers should examine and report on arrangements for changing the personal income tax sharing entitlements from 33.6 per cent of the current year's collections to an appropriate percentage of the preceding year's collections. On the basis of the officers' report, the October 1977 Premiers' Conference agreed to adopt the preceding year's net personal income tax collections as the base, using 39.87 per cent for the purpose. These changes were incorporated in the *States (Personal Income Tax Sharing) Amendment Act 1978*. This Act provided, inter alia, that States' entitlements for 1977-78 be \$4,336.1 million (subject to the guarantee arrangements) and that the entitlements in each subsequent year be 39.87 per cent of the preceding year's collections (again, subject to the guarantee arrangements).

- (ii) Point of Understanding (11) made provision for a 'guarantee' arrangement to ensure that the States' Stage 1 entitlements in any year were not less, in absolute terms, than in the previous year. This arrangement was 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 would 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* (as amended in 1975).

At the June 1978 Premiers' Conference the States requested that the latter guarantee arrangement be extended beyond 30 June 1980. It was subsequently agreed that Commonwealth and State officers would examine, taking account of the financial capacity of the Commonwealth, possible alternatives to the existing guarantee with a view to presenting a report to a Premiers' Conference later in 1979.

The Premiers' Conference in December 1979 therefore had before it an officers' report on possible alternatives to the guarantee arrangements set down in the Points of Understanding. The Commonwealth made clear that it was opposed to the continuation of the previous guarantee arrangements, which had contributed to very substantial increases in real terms in general revenue payments to the States over the first four years of the personal income tax sharing arrangements. Against this background, the Prime Minister proposed new guarantee arrangements to apply in 1980-81. That proposal was adopted by the Conference and accordingly, the States' tax sharing entitlements in 1980-81 were calculated as 39.87 per cent of net personal income tax collected in 1979-80, distributed according to the tax sharing relativities prescribed in the *States (Personal Income Tax Sharing) Act 1976*, with the guarantee that each State was to receive no less in real terms than the amount it received in 1979-80 as measured by the Consumer Price Index for the four quarters to March 1981, compared with the four quarters to March 1980, in the capital city of the State. This guarantee arrangement was embodied in the *States (Personal Income Tax Sharing) Amendment Act 1980*. The 'real terms' guarantee for 1980-81

was intended to be no more than an interim arrangement prior to the review of the tax sharing arrangements required to be made before 30 June 1981 and the review of State relativities then being undertaken by the Commonwealth Grants Commission.

In the event, the interim guarantee arrangements applied for purposes of determining the tax sharing entitlement in 1980-81 for Victoria, South Australia and Tasmania.

#### FORMULATION OF THE COMMONWEALTH AND STATE APPROACHES TO NEW TAX SHARING ARRANGEMENTS

Section 13 (1) of the *States (Personal Income Tax Sharing) Act* 1976 stated that:

'The Government of the Commonwealth shall, before 30 June 1981, consult with the Governments of the States with a view to determining whether any change is desirable in the provisions of this Act and submitting to the Parliament legislation to give effect to any changes that the Government of the Commonwealth considers to be desirable as a result of the consultation.'

The proposed handling of this review was discussed at the June 1980 Premiers' Conference and it was decided that future tax sharing arrangements should be discussed at a Premiers' Conference to be held early in 1981.

Notwithstanding suggestions by the Commonwealth at the June 1980 Premiers' Conference that it would be preferable for joint Commonwealth-States meetings to be held on future tax sharing arrangements, the States separately formulated a common position which was presented to the Commonwealth in 1981.

Some of the main points made in the States' submission were:

- the starting point for determination of the States' tax sharing entitlements in 1981-82 and beyond should be the aggregate level of actual grants in 1980-81. These grants and Queensland's special grant in respect of 1978-79 should be added together and expressed as a percentage of the tax base finally chosen;
- the 'base' for tax sharing arrangements should be either personal income tax collections or total Commonwealth taxation collections;
- the new arrangements should include a guarantee similar to that which applied from 1976-77 to 1979-80 but with a reduced 'betterment' factor of 1.8 per cent (compared to 3 per cent in the formula operating to 1979-80); and
- there must be effective consultation between the Commonwealth and the States where there are changes in legislation affecting the States' entitlements.

As previously agreed, a special Premiers' Conference was convened (on 4 May 1981) to discuss tax sharing arrangements to apply in 1981-82.

Prior to this Conference, the Commonwealth announced details of two further reviews affecting general revenue payments to the States and the Northern Territory in 1981-82 and subsequent years. First, on 29 April 1981, the Minister of Health announced details of new Commonwealth funding arrangements for grants towards health services in the States and the Northern Territory to replace, inter alia, the public hospitals cost-sharing arrangements which expired on 30 June 1981 for all States (except South Australia and Tasmania) and the Northern Territory. Secondly, on 30 April the Prime Minister indicated that, as a result of the Review of Commonwealth

Functions, the Commonwealth would terminate a number of expenditure programs and transfer full responsibility for the areas involved to the States. Both these matters were included in the overall review of Commonwealth-State financial relations undertaken at the 4 May Premiers' Conference. They are discussed further later in this Chapter.

The Commonwealth's approach to the discussion of general revenue funding arrangements at the May Conference was formulated in the light of rapid expansion of the private sector of the economy, with the need, in its view, for the growth of the public sector as a whole to be contained and the overall public sector borrowing requirement reduced.

In regard to financial assistance in 1981-82 and subsequent years the Commonwealth stated that it could not accept the guarantee proposal contained in the States' submission on new tax sharing arrangements. In the Commonwealth's view, such a guarantee would result in a growth in general revenue grants which would normally be faster than the growth of the Gross Domestic Product and hence would be inconsistent with its overall strategy of containing the size of the public sector and reducing the growth in the Commonwealth's expenditure commitments.

Against this background the Commonwealth offered to the States and the Northern Territory a set of tax sharing and health grants arrangements which would introduce a number of new features to the previous arrangements.

In summary, these proposed new features were:—

- a move, after a transitional year in 1981-82, to a total tax base instead of the former net personal income tax collections base;
- for 1981-82, an increase in the total basic tax sharing grants for the States and the Northern Territory of 9 per cent;
- within the 9 per cent increase in the total grant, provision for 1981-82 only of rounding adjustments (totalling \$27 million) to the basic grants for States to ensure that each State received an increase in its estimated base grant of at least 8 per cent;
- an additional amount of \$73.1 million to be added to the tax sharing grants in lieu of certain specific purpose grants which were to be terminated and in recognition of the proposed transfer of certain functions to the States and to the Northern Territory;
- an amount of \$5 million to be added to the tax sharing grant to the Northern Territory to take account of the population element in the formula for tax sharing grants set out in the Memorandum of Understanding with the Northern Territory; and
- new identifiable, general purpose health grants to replace the former hospital cost sharing assistance to four States and the Northern Territory and certain other specific payments for health purposes. Details of the nature of these health grants and their method of calculation are discussed in the section of this Chapter dealing with 'General Purpose Revenue Grants in 1981-82 and Subsequent Years—Identified Health Grants'.

Features of the previous arrangements to be retained in the proposed new arrangements included:

- the guarantee that the grant payable to each State and the Northern Territory in any year would not be less, in absolute terms, than in the previous year;
- the right of the States and the Northern Territory to impose surcharges or give rebates of personal income tax under Stage 2 of the tax sharing arrangements;
- the Commonwealth's right to be able to declare an increase in, or rebate of, any Commonwealth tax to be a 'Special Surcharge or Rebate', and hence excluded from the total tax sharing base; and
- the arrangements for consultation between the Commonwealth and the States and the Northern Territory on changes in Commonwealth taxation which affect the tax base.

Following further discussion of health arrangements at a Conference of Commonwealth and State Health Ministers on 8 May, the Commonwealth:

- (i) agreed that, towards the end of 1981-82, it would review its assessment of the capacity of the States and the Northern Territory to increase revenue by the imposition of specific health charges, and that it would decide on the final amount of health grants for 1981-82 at that time; and
- (ii) agreed to an addition of \$16 million to the health grant to Queensland as a 'cushioning' adjustment in respect of 1981-82 only.

These modified arrangements for the tax sharing and health grants were subsequently incorporated in the *States (Tax Sharing and Health Grants) Act* 1981 which was enacted in June 1981. Further changes were determined at the June 1981 Premiers' Conference. They are described later in the Chapter.

#### REVIEW OF TAX SHARING RELATIVITIES

A basic principle underlying financial relationships between Commonwealth and State Governments in the Australian federal system has been that the distribution of financial resources between the States should enable each State, by reasonable effort, to provide services at standards not appreciably different from those prevailing in other States.

Since general revenue payments by the Commonwealth have historically constituted a major element of the financial resources available to each State, the principle of 'fiscal equalisation' has been a recurring theme in Commonwealth-State discussion of the distribution of these funds between the States. When the tax reimbursement grants commenced in 1942-43, their distribution between States was related to the amounts of income tax that had previously been collected by the States. Then, from 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 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, by 1957-58, the distribution amongst the States was wholly on that basis and, henceforth, was not influenced by tax collected by the States prior to the introduction of uniform taxation.



With the introduction of the financial assistance grants arrangements in 1959, each State's annual grant was increased from the previous year in proportion to its population increase in the year and by the average wage and betterment factors which were common to all States. The broad intent of this formula was to maintain the relationships between the grants to the States in per capita terms. However, these relationships were also affected by various adjustments made in the arrangements from time to time.

For a more detailed account of the history of general purpose revenue payments to the States see Appendix II.

The need for a comprehensive and impartial review of intergovernmental relations was recognised when the tax sharing arrangements were being drawn up in 1976. Point of Understanding (17) recorded that there should be a periodic review of tax sharing relativities and that advice in relation to this review would be sought from an independent review body. After discussion at the April, July and October 1977 Premiers' Conferences, agreement was reached on the nature of the review body, the guidelines for the review and the terms of the review. Legislation to give effect to these decisions was passed in 1978 under the title of the *States (Personal Income Tax Sharing) Amendment Act 1978* and in the form of amendments to the *Commonwealth Grants Commission Act 1973*.

Section 13 (3) of the *States (Personal Income Tax Sharing) Amendment Act 1978* provided for the review of the relative distribution of the States' tax sharing grants in the following terms:

'The Minister shall before 30 June 1981 arrange, and, after consultations between the Government of the Commonwealth and the Governments of the States, may periodically after that date arrange, for the question of whether any change is desirable in the State factors to be referred to the Commonwealth Grants Commission for inquiry and report by a Division of the Commission constituted in accordance with Section 19A of the *Commonwealth Grants Commission Act 1973*:—

- (a) on the basis of the principle that the respective payments to which the States are entitled under this Act should enable each State to provide, without imposing taxes and charges at levels appreciably different from the levels of the taxes and charges imposed by the other States, government services at standards not appreciably different from the standards of the government services provided by the other States;
- (b) taking account of:
  - (i) differences in the capacities of the States to raise revenues; and
  - (ii) differences in the amounts required to be expended by the States in providing comparable government services;
- (c) in the light of an examination by the Commission of:
  - (i) the matters that influenced the determination of the State factors; and
  - (ii) any events that have occurred since those State factors were determined that, in the opinion of the Commission, affect the appropriateness of the continued application of those factors.'

The amended *Commonwealth Grants Commission Act 1973* provided for the establishment of a special Division of the Grants Commission 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 other four States.

The formal terms of reference were transmitted to the Chairman of the Grants Commission in a letter from the then Minister for Administrative Services on 23 June 1978.

After an extensive inquiry commencing in March 1979, the Commonwealth Grants Commission presented its Report on State Tax Sharing Entitlements 1981 on 9 June 1981. The Commission found that a change in the State factors which prescribe the per capita relativities between the States was desirable. The assessed factors derived by the Commission on the basis of its interpretation of the fiscal equalisation principles set down in Section 13(3) of the *States (Personal Income Tax Sharing) Act 1976* are set down below together with those currently prescribed for use in the calculation of tax sharing grants:

#### *State Factors*

	Existing (a)	Assessed by Commission
New South Wales . . . . .	1.02740	1.048
Victoria . . . . .	1.00000	1.000
Queensland . . . . .	1.39085	1.487
South Australia . . . . .	1.52676	1.319
Western Australia . . . . .	1.66516	1.284
Tasmania . . . . .	2.00188	1.549

(a) As contained in sub-section 8(3) of the *States (Tax Sharing and Health Grants) Act 1981*.

A Premiers' Conference was convened on 20 June 1981 to consider, inter alia, the Commonwealth Grants Commission's Report on State Tax Sharing Entitlements 1981. While there had not been adequate time since the Report became available for Governments to complete their studies of it, most States had comments and queries on particular aspects of the report.

A major concern was that the implementation of the assessed factors in 1981-82 would have resulted in large changes in the distribution of financial assistance among the States. On the basis of population projections then available it was estimated that implementation of the factors assessed by the Commonwealth Grants Commission would lead to the following changes in the then existing estimates of tax sharing grants payable in 1981-82:

	\$ million
New South Wales . . . . .	+ 116
Victoria . . . . .	+ 55
Queensland . . . . .	+ 128
South Australia . . . . .	- 77
Western Australia . . . . .	- 160
Tasmania . . . . .	- 64

Following discussion of the Commission's report it was decided that:—

- the Commission be asked to produce by early in 1982 a further report on its assessment of State relativities in the light of submissions to be put to it by the States and by the Commonwealth; and
- Commonwealth and State Treasury officers prepare an early report, for consideration by Governments, on the matters that the Commission should be asked to take into account in this further report.

Further, in view of the financial difficulties that would be created for South Australia, Western Australia and Tasmania if the distribution between the States of the tax sharing grants for 1981-82 were to be based on the factors assessed by the Commission, it was decided that there would be no change to the relativities contained in the *States (Tax Sharing and Health Grants) Act 1981* in respect of this year.

In discussion of the possible handling of any future change in tax sharing relativities that might arise from the further report of the Commission, the Commonwealth made it clear that it did not intend to fund the total cost of adjustments to whatever new relativities are ultimately decided. However, in recognition of the likelihood that, following the further review, relativities could be adjusted in favour of the three most populous States, the Commonwealth agreed to provide additional grants to New South Wales (\$24.5 million), Victoria (\$15 million) and Queensland (\$20.5 million) in 1981-82 on the basis that:—

- there will be no application by any State for special grants in respect of 1981-82;
- the additional grants for 1981-82 are to be considered as being part of whatever total contribution the Commonwealth may make towards assisting States to adjust to whatever new relativities may be decided after consideration of the further report of the Grants Commission; and
- the additional grants for 1981-82 are without prejudice to any future decisions about the degree of change in relativities or the pace at which any such change should be implemented.

The Premiers' Conference also discussed changes in the estimates of the tax sharing grants for 1981-82 arising from a long-standing decision by the Australian Statistician to publish official estimates of the population of the States on a resident (or 'de jure') basis after the June 1981 Population Census rather than the previous conceptual basis used in population estimates. As this change would have produced a relatively large reduction, compared with estimates using the previous conceptual basis of population estimation, in the tax sharing grant payable to Queensland, the Commonwealth agreed to supplement by a further \$9 million the tax sharing grant payable to Queensland in 1981-82. This grant was provided on a once-for-all basis and was not to be built into the base for determination of future tax sharing grants.

Subsequent to the June Premiers' Conference, the Commonwealth decided that the Northern Territory's tax sharing entitlement for 1981-82 should be a fixed amount of \$315.1 million and that legislation would be introduced to this end.

#### GENERAL PURPOSE REVENUE GRANTS IN 1981-82 AND SUBSEQUENT YEARS

This section sets down the detailed arrangements for general purpose revenue payments to the States and the Northern Territory (including the identifiable health grants but excluding special grants), in 1981-82 and subsequent years. Further details on general revenue grants payable to the Northern Territory can be found in Chapter V.

##### **(1) General Purpose Revenue Payments (excluding identifiable health grants)**

###### **(a) *The Total Grant in 1981-82***

The total States' and the Northern Territory general purpose revenue grants (excluding identifiable health grants and special grants) payable in 1981-82 is to be calculated on

the following basis. First, the *States (Tax Sharing and Health Grants) Act 1981* specifies that the basic tax sharing grants to the States (and for 1981-82 only, the Northern Territory) in 1981-82 will be calculated by increasing the 1980-81 tax sharing grant for the States plus the Northern Territory by 9 per cent and subtracting \$27 million. An amount of \$105.1 million is then to be added to take account of Commonwealth specific purpose payments terminated and certain functions transferred to the States and the Northern Territory, a special allocation to the Northern Territory to take account of the population element in the formula for tax sharing grants set out in the Memorandum of Understanding and the 'rounding' adjustments totalling \$27 million mentioned on page 13.

Secondly, the additional grants of \$60 million agreed to at the Premiers' Conference of 20 June in respect of the review of tax sharing relativities are to be added to the amounts specified in the *States (Tax Sharing and Health Grants) Act 1981*. Thirdly, an amount totalling \$9 million is to be added by way of a special additional grant to Queensland. Finally, following the passage of the necessary legislation, the grant to the Northern Territory will be a fixed sum of \$315.1 million. If this amount varies from the grant to the Northern Territory which would have been derived from the methods described above, the total grant to the States and the Northern Territory will also differ to the extent of that variation. The current estimate of this variation is \$6.5 million.

The calculation of the total grant is shown in the following table:

**Table 5—Determination of the Total General Revenue Payment (Excluding Identifiable Health Grants) to the States and the Northern Territory for 1981-82**

	\$ million
Tax Sharing Grants to States and Northern Territory in 1980-81	6 285.5
Plus 9% increase over 1980-81 (less \$27 million)	538.7
plus allocations to States and Northern Territory as per Schedule 2 to <i>States (Tax Sharing and Health Grants) Act 1981 (a)</i>	105.1
plus additional grants agreed at 20 June 1981 Premiers' Conference	60.0
plus special additional grant to Queensland (b)	9.0
plus estimated additional grant to Northern Territory (c)	6.5
<b>Total General Revenue Payments</b>	<b>7 004.8</b>

- (a) Includes allocations of \$78.1 million in lieu of terminated specific purpose programs and so far as the Northern Territory is concerned, to take account of population increase. Also includes special allocations of \$27 million for rounding adjustments agreed at 4 May 1981 Premiers' Conference.
- (b) To compensate the State for the relatively large reduction in the estimated tax sharing grant payable to Queensland in 1981-82 as a result of the Australian Statistician's decision to determine the States' population on a resident basis after the June 1981 population census rather than the previous conceptual basis of population estimation. The amount is to be provided on a once-for all basis and is not to be built into the base for determination of future tax sharing grants.
- (c) Current estimate of difference between fixed grant of \$315.1 million to be paid to the Territory and the present estimate of the amount that would be payable under the provisions of the *States (Tax Sharing and Health Grants) Act 1981*.

**(b) Total Grants in 1982-83 and Subsequent Years**

By the provisions of the *States (Tax Sharing and Health Grants) Act 1981* the Northern Territory is excluded from the calculation of total tax sharing grants to the States after 1981-82. The legislation terminates at 30 June 1985. It also requires the Commonwealth to consult the States prior to that date as to whether any change is desirable in the existing arrangements and to introduce legislation for any change it considers desirable.

The legislation provides that the total tax sharing grants payable to the States in 1982-83, 1983-84 and 1984-85 be calculated as follows:

- (i) the total tax sharing grant paid to the States in 1981-82 (which will ultimately include the \$60 million additional grant agreed to at the June 1981 Premiers' Conference but not the \$9 million additional grant to Queensland in respect of the change in the basis of measuring population) be expressed as a percentage of total Commonwealth tax collections in 1980-81; and
- (ii) that percentage be applied in 1982-83 and in each subsequent year to the previous year's total Commonwealth tax collections to determine the total tax sharing grant payable in the relevant year. The definition of total tax collections for the purposes of these calculations is set down in Schedule 1 attached to the *States (Tax Sharing and Health Grants) Act 1981*.

As explained in Chapter V, the Northern Territory's grant will be determined by reference to the relevant formula in the Memorandum of Understanding, but with the substitution of total Commonwealth tax collections for net personal income tax collections.

(c) *Distribution of Total Grants in 1981-82*

The distribution of the total tax sharing grants between the States and the Northern Territory in 1981-82 is to be determined as follows: from that portion of the amount derived by increasing the 1980-81 tax sharing grant by 9 per cent is deducted an amount of \$27 million as set out in Schedule 2 to the *States (Tax Sharing and Health Grants) Act 1981*. (Of the \$27 million, \$11 million is allocated to Victoria, \$11 million to South Australia and \$5 million to Tasmania.) The distribution of the remainder of that portion will be calculated on the basis of the populations of each State at 31 December 1981 weighted by the per capita relativities contained in Section 8 of the *States (Tax Sharing and Health Grants) Act 1981*, which in turn derive from the per capita relativities established by the financial assistance grants in 1975-76. The population figures at 31 December 1981 to be used in the calculation will be determined by reference to the Australian Statistician's estimates on a residential basis.

To these base grants for each State and the Northern Territory are added:

- (i) the amounts set out in Schedule 2 to the *States (Tax Sharing and Health Grants) Act 1981*;
- (ii) the additional grants in respect of the review of tax sharing relativities agreed to at the June 1981 Premiers' Conference which are to be distributed to New South Wales (\$24.5 million), Victoria (\$15 million), and Queensland (\$20.5 million);
- (iii) the additional grant to Queensland (\$9 million); and
- (iv) any variation required to bring the amount calculated and payable to the Northern Territory to \$315.1 million.

Table 6 sets down the detailed calculations used to prepare the estimated general revenue grant payable to each State and the Northern Territory in 1981-82.

**Table 6—Estimates of General Revenue Payments to the States and the Northern Territory in 1981-82 (Excluding Health Grants and Special Grants) (a)**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Six State Total	Northern Territory	Total
(1) Population at 31 December 1981 (b) ('000 persons)	5297.4	4008.8	2302.8	1321.0	1307.0	434.7	14671.9	129.0	14800.9
(2) Per capita relativities (c)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188		6.30634	
(3) Row (1) weighted by Row (2)	5442.5	4008.8	3202.9	2017.0	2176.4	870.3	17717.8	813.5	18531.4
(4) Percentage distribution of Row (3) between States (per cent)	29.36922	21.63250	17.28349	10.88421	11.74445	4.69643	95.61030	4.38970	100.00000
(5) Distribution of Basic Tax Sharing Grant less \$27 million Rounding Adjustments According to Row (4) (\$ million)	2004.2	1476.2	1179.5	742.8	801.5	320.5	6524.6	299.6	6824.2
(6) Add Special Allocations at May Premiers' Conference (d) (\$ million)	..	11.0	..	11.0	..	5.0	27.0	..	27.0
(7) Add amounts payable to take account of Commonwealth Expenditure Programs Terminated and Population Increase in the Northern Territory (e) (\$ million)	23.3	19.3	12.3	7.2	4.8	2.2	69.1	9.0	78.1
(8) Add Additional Grants made in connection with review of tax sharing relativities (\$ million)	24.5	15.0	20.5	..	..	..	60.0	..	60.0
(9) Add Special Allocations (\$ million)	..	..	(f)9.0	..	..	..	(f)9.0	(g)6.5	15.5
(10) Total (\$ million)	2052.0	1521.5	1221.3	761.0	806.3	327.7	6689.7	315.1	7004.8

(a) Excludes special additional grants to Queensland and Northern Territory and identifiable health grants to the States and Northern Territory.

(b) Projections of resident populations at 31 December 1981 supplied by the Australian Bureau of Statistics. Subject to revision.

(c) Relativities specified in section 8 (3) of *States (Tax Sharing and Health Grants) Act 1981*.

(d) Allocations originally agreed at 4 May Premiers' Conference to 'round' the estimated increase in grants for the States concerned to at least 8 per cent.

(e) Covers allocations to the States for Commonwealth expenditure programs terminated in the areas of urban public transport, soil conservation, rural extension services and pathology laboratories, and allocation to the Northern Territory for Commonwealth expenditure programs terminated in the areas of rural extension services, sacred sites protection assistance and environment protection (nuclear development). The allocation to Northern Territory also includes an additional grant of \$5 million to reflect the Commonwealth's intention that the population element in the formula used to determine tax sharing grants in the Memorandum of Understanding should be observed.

(f) Special allocation to Queensland to take account of the impact on the State's estimated 1981-82 tax sharing grant of the change announced by the Australian Statistician to a residential basis of measuring population after the 1981 census.

(g) Current estimate of the difference between the fixed grant of \$315.1 million to be paid to the Territory and the present estimate of the amount that would be payable under the provisions of the *States (Tax Sharing and Health Grants) Act 1981*.

*(d) Distribution of Total Grant in 1982-83 and Subsequent Years.*

The distribution of the total grants to the States for 1982-83 and subsequent years will depend on what decisions are taken following consideration of the further report by the Commonwealth Grant's Commission on State tax sharing relativities.

**(2) Identified Health Grants**

Following consideration of the recommendations in the report by the (Jamison) Committee of Inquiry into the Efficiency and Administration of Hospitals, the Commonwealth announced in 1981 that it would not renew the hospital cost-sharing agreements with all States (except South Australia and Tasmania) and the Northern Territory which were due to expire on 30 June 1981. It decided instead to change the basic character of Commonwealth assistance for health from assistance specifically related to health costs to payments which are for general purposes but which are identifiable as a Commonwealth contribution towards the cost of health programs in the States and the Northern Territory. The new arrangements are an interim step towards full absorption of health grants into the tax sharing grants, hence their inclusion in the tax sharing legislation.

The Government indicated it had been guided by two fundamental objectives in determining the form of the health grants arrangements. First, the States should assume their full constitutional responsibility for the provision of health services and should be free to determine their own priorities as to the allocation of funds for those services. Secondly, those people in the community who can afford to pay for the cost of health services they receive should do so either by way of personal payment or through health insurance; but those identified as being in special need should continue to have access to basic health treatment without charge. In order to ensure achievement of this second objective, the Commonwealth requires, as a condition of the identified health grants, that the States (other than South Australia and Tasmania) and the Northern Territory provide free access to accommodation and services in public hospitals to eligible pensioners, persons in special need and their dependants.

The cost-sharing agreements with South Australia and Tasmania will be amended to ensure that these persons will continue to have access to public hospital treatment in those States without charge.

Because the hospital cost-sharing agreements with South Australia and Tasmania are not due to expire until 30 June 1985, the identified health grants to these two States will cover only assistance in lieu of payments formerly made for community health and school dental programs. In 1981-82, they will be equal to the amounts paid for those programs in respect of 1980-81, escalated by 10 per cent. In 1982-83 they will be the amounts paid for those programs in respect of 1980-81 escalated by the movement in the All Groups Consumer Price Index for the Weighted Average of the Six State Capital Cities published by the Australian Statistician between the March Quarter 1980 and the March Quarter 1982.

In 1983-84 and 1984-85, the identified health grants to South Australia and Tasmania will be escalated in proportion to the appropriate previous year's increase in total Commonwealth tax collections as defined in the Act.

Specific purpose hospital cost-sharing payments to South Australia and Tasmania for 1981-82 and later years are appropriated under the *States (Tax Sharing and Health Grants) Act* 1981 and this legislation also provides that these States may decide to opt out of their existing cost-sharing agreements and join the new health arrangements applying to the other States. Specific purpose hospital cost-sharing payments to these States in 1981-82 are discussed further in Chapter IV.

New South Wales, Victoria, Queensland, Western Australia and the Northern Territory will each be paid one grant in place of the separate grants previously made to them in respect of public hospitals, community health and school dental services. The grant payable to each of these States and to the Northern Territory for 1981-82 will be determined by increasing the amount provided to it for these programs in respect of 1980-81 by 10 per cent and deducting from that sum 60 per cent of the Commonwealth's assessment of its capacity to raise additional revenue if it were to impose charges of \$80 a day for shared room accommodation, \$110 a day for single room accommodation, \$15 an outpatient occasion of service and an average cost per bed-day for compensation patients.

The assessment of additional revenue raising capacities for 1981-82, will be made on the assumption that the specified charges should not apply before 1 September 1981 and that there would be one month's lag in the collection of revenue. The final assessment will be determined by the Treasurer on the advice of the Minister for Health, after the Commonwealth's review of its assessment of revenue raising capacities towards the end of the financial year 1981-82. The identified health grant for Queensland includes a further \$16 million for 1981-82 only, to cushion the adjustment for that State.

In 1982-83, the health grant for each of these four States and for the Northern Territory will be calculated by increasing the aggregate payments for hospital costs, community health and school dental programs in respect of 1980-81 by the movement in the All Groups Consumer Price Index for the Weighted Average of the Six State Capital Cities between the March Quarter 1980 and the March Quarter 1982, and subtracting 100 per cent of the additional revenue which the Commonwealth assesses could be raised in a full year if the specified charges were in place. After 1982-83, the annual health grant for each of these Governments is to be increased in proportion to the increase in total Commonwealth tax collections in the appropriate previous year.

Table 7 shows the basis of calculations of the estimated identified health grants for the States and the Northern Territory for 1981-82.

To assist in the final determination of the health grants in 1982-83 and subsequent years, the Government has decided that the Commonwealth Grants Commission should be asked to conduct an examination of and report on the appropriate per capita relativities that should be used in the distribution of the health grants between the States and the Northern Territory.

Section 19 of the *States (Tax Sharing and Health Grants) Act* 1981 makes provision for variation in the distribution of the health grants among the States (other than South Australia and Tasmania) and the Northern Territory in 1982-83, 1983-84 and 1984-85 in the light of consideration of the report that the Government has decided to seek from the Commonwealth Grants Commission.



**Table 7—Estimates of Identified Health Grants to the States and the Northern Territory, 1981–82 (\$ million)**

	New South Wales (a)	Victoria (a)	Queensland (a)	South Australia (b)	Western Australia (a)	Tasmania (b)	Six State Total	Northern Territory (a)	Australia
(1) Cost Sharing Grants in respect of 1980–81	509.5	331.6	194.4	7.8	158.1	4.4	1 205.8	25.2	1 231.0
(2) Plus 10 per cent escalation	51.0	33.2	19.4	0.8	15.8	0.3	120.5	2.5	123.0
(3) Plus Special Addition for Queensland (c)	..	..	16.0	..	..	..	16.0	..	16.0
(4) Basic Health Grant in respect of 1980–81, Rows (1) + (2) + (3)	560.5	364.8	229.8	8.6	173.9	4.7	1 342.3	27.7	1 370.0
(5) Assessed additional revenue-raising capacity from specified hospital charges in 1981–82 (d) (f)	128	80	107	..	38	..	353	11	365
(6) 60 per cent of Row (5) (e)	77	48	64	..	23	..	212	7	219
(7) Estimated grants 1981–82, Row (4) less Row (6) (f)	483.5	316.7	165.6	8.6	150.9	4.7	1 130.0	20.6	1 150.6

- (a) The identified health grant to New South Wales, Victoria, Queensland, Western Australia and the Northern Territory replaces specific purpose payments formerly made for hospital operating costs, community health and school dental programs.
- (b) The identified health grant to South Australia and Tasmania replaces specific purpose payments formerly made for community health and school dental programs. Specific purpose payments for hospitals under cost-sharing agreements are shown in Chapter IV. Commonwealth assessments of revenue-raising potential from specified hospital charges are not therefore relevant to the determination of the identified health grants to these States.
- (c) Special addition in respect of 1981–82 only.
- (d) Commonwealth's assessment of additional revenue which could be raised in 1981–82 from the imposition of inpatients' fees of \$80 per day for shared ward accommodation and \$110 per day for private ward accommodation; an outpatients' charge of \$15 per occasion of service; and charging compensation patients an amount equal to the average cost in the previous year. The assessment assumes that the new arrangements apply from 1 September 1981 and that there is a one-month lag in collections.
- (e) Only 60 per cent of the assessed additional revenue raising capacity of the States and the Northern Territory in 1981–82 is taken into account in the calculation of the identified health grants.
- (f) Totals do not add due to rounding.

### THE SPECIAL GRANTS

Special grants have been paid to States on the recommendation of the Commonwealth Grants Commission since 1934–35. The Commission was established in 1933 and currently functions under the *Commonwealth Grants Commission Act 1973*.

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

- any application made by a State or the Northern Territory for financial assistance for the purpose of making it possible for the State (or the Northern Territory), by reasonable effort, to function at a standard not appreciably below the standards of other States (or the States);

- any other matters related to Commonwealth financial assistance to the States which may be referred to it by the Government; and
- any matters relating to the financing of works and services provided in respect of the Australian Capital Territory which may be referred to it by the Government.

The Commission's inquiries and reports in relation to special grants to States are made under the first of these provisions.

The Commission's role in relation to reviews of the per capita relativities between the States under the tax sharing arrangements was referred to in pages 15 to 17. Its roles in relation to applications for financial assistance by the Northern Territory and to Commonwealth assistance for local government are dealt with in Chapter V and Chapter VI, respectively.

The tax sharing arrangements in force from 1976-77 to 1980-81 permitted each of the four less populous States to apply for special grants under the Grants Commission arrangements. A condition attached to the Commonwealth's decision to provide additional grants totalling \$60 million in 1981-82 to the three most populous States is that there is to be no application by any State for special assistance in respect of that year.

Queensland has been the only applicant State in the period 1976-77 to 1980-81. (Tasmania, which had withdrawn from claimancy in 1974-75, applied on 30 June 1978 for a special grant in respect of 1977-78 but subsequently withdrew its application.) A brief description of the arrangements under which the various States withdrew from claimancy for special grants was included in the 1975-76 issue of this paper.

Since 1949 each recommendation by the Commission for payment of a special grant has normally 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 of the claimant and standard States in that year. The other part represents the final adjustment to the advance payment made two years earlier and is known as the completion payment.

In arriving at its recommendations, the Commission makes a detailed comparison between the financial position of a claimant State 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. Since 1959-60 the standard States have been New South Wales and Victoria.

In 1980-81 Queensland received a special grant of \$6.7 million, consisting entirely of a completion grant in respect of 1978-79. Although Queensland had also applied for a special grant in respect of 1980-81, the Commission was informed by Queensland that no advance grant would be sought because of possible implications for the methodology for assessing special grants of the Grants Commission's review of per capita relativities between the States in their tax sharing entitlements.

Consequently, in recommending the completion grant of \$6.7 million in respect of 1978-79 in its Forty-seventh Report presented to Parliament in the Budget Session 1980, the Commission did not include a recommendation for payment of an advance grant in 1980-81. The payment of the special grant of \$6.7 million to Queensland in 1980-81 was authorised by the *Queensland Grant (Special Assistance) Act* 1980.

More recently, Queensland asked the Commission to consider recommending an interim grant (in place of the advance grant which it decided not to seek in 1980-81) for payment in 1981-82. The Commission agreed to make such an assessment. As a consequence, in its Forty-eighth Report, the Commission has recommended for payment to Queensland in 1981-82 a completion grant in respect of 1979-80 of \$33.5 million, and an interim grant in respect of 1980-81 of \$25.0 million. The Commonwealth Government has accepted the Commission's recommendation and it is expected that legislation to authorise payment of the grant will be introduced in the Budget sittings of Parliament following tabling of the Commission's Forty-eighth Report.

The table below shows the *final* amount of special grants paid to Queensland *in respect of* each of the years 1977-78 to 1980-81 inclusive—that is, the advance grant normally paid in the year concerned plus the completion grant normally paid two years later. The table also shows the interim payment for 1980-81. Table 8 shows the grants in terms of amounts actually paid each year.

**Table 8—Queensland—Special Grants (\$ thousands)**

	Advance or Interim Payment	Completion Payment (a)	Total
1977-78 . . . .	14 000	1 400	15 400
1978-79 . . . .	16 000	6 700	22 700
1979-80 . . . .	11 000	33 500	44 500
1980-81 . . . .	(b) 25 000	..	..
1981-82 . . . .	(c)	(c)	(c)

(a) Actually paid two years subsequent to year shown.

(b) Recommended by the Grants Commission in 1981-82 and paid in 1981-82. *See text above.*

(c) There is to be no application by any State in respect of this year. *See text above.*

#### OTHER GENERAL REVENUE ASSISTANCE

Prior to 1975-76, the Commonwealth Government 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. Details of the amounts so provided are to be found in Appendix II.

#### PAYMENTS OF GENERAL REVENUE FUNDS TO THE STATES

The following table shows payments of general revenue funds to the States from 1977-78 and estimates for 1981-82.

**Table 9—General Revenue Funds, 1977–78 to 1981–82 (Including Health Grants and Special Grants) (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Six State Total	Northern Territory	Total
<b>TAX SHARING GRANTS</b>									
1977–78(a)	1 327 143	985 667	777 608	508 506	523 176	214 150	4 336 250	52 765	4 389 015
1978–79(a)	1 464 397	1 090 025	844 137	559 841	579 532	240 737	4 778 669	280 330	5 058 999
1979–80	1 663 466	1 233 934	952 533	630 392	662 888	272 696	5 415 910	208 857	5 624 767
1980–81	1 839 065	1 354 860	1 093 078	691 540	734 172	298 602	6 011 318	274 177	6 285 494
1981–82 (estimate)	2 027 511	1 506 543	1 191 758	760 959	806 263	327 693	6 620 728	315 100	6 935 828
<b>ADJUSTMENTS FOR PREVIOUS YEAR</b>									
1977–78	-7 534	-976	-7 069	-745	-3 285	..	-19 609	..	-19 609
<b>ADDITIONAL ASSISTANCE GRANTS</b>									
1979–80	..	..	..	..	..	..	..	20 000	20 000
1980–81	..	..	..	..	..	..	..	20 000	20 000
1981–82 (estimate)	24 500	15 000	29 500	..	..	..	69 000	20 000	89 000
<b>HEALTH GRANTS</b>									
1981–82 (estimate)	483 500	316 700	165 600	8 600	150 900	4 700	1 130 000	20 600	1 150 600
<b>SPECIAL GRANTS</b>									
1977–78	..	..	24 800	..	..	..	24 800	..	24 800
1978–79	..	..	21 700	..	..	..	21 700	..	21 700
1979–80	..	..	12 400	..	..	..	12 400	..	12 400
1980–81	..	..	6 700	..	..	..	6 700	..	6 700
1981–82 (estimate)	..	..	58 500	..	..	..	58 500	..	58 500
<b>TOTAL GENERAL REVENUE FUNDS</b>									
1977–78(a)	1 319 609	984 690	795 339	507 761	519 891	214 150	4 341 441	52 765	4 394 205
1978–79(a)	1 464 397	1 090 025	865 837	559 841	579 532	240 737	4 800 369	280 330	5 080 699
1979–80(b)	1 663 466	1 233 934	964 933	630 392	662 888	272 696	5 428 310	228 865	5 657 175
1980–81(c)	1 839 065	1 354 860	1 099 778	691 540	734 172	298 602	6 018 018	295 094	6 313 112
1981–82— (estimate)(d)	2 535 511	1 838 243	1 445 358	769 559	957 163	332 393	7 878 228	358 470	8 236 698

(a) The amount for the Northern Territory is a global allocation which includes payments for certain specific functions and therefore is not comparable to those in 1979–80 and later years.

(b) Includes \$7000 for Establishment Grant for the Northern Territory (and Total).

(c) Includes \$917 000 for Grants in lieu of Uranium Royalties for the Northern Territory (and Total).

(d) Includes, for the Northern Territory (and Total), \$1 020 000 for Grants in lieu of Uranium Royalties and \$1 750 000 for Grants in respect of Recreation Leave and Furlough Entitlements for Previous Commonwealth employees.

For more details relating to these footnotes, see Chapter V of this and previous issues.

### ADVISORY COUNCIL FOR INTER-GOVERNMENTAL RELATIONS

One other element of the Government's Federalism policy which has potential implications for Commonwealth-State financial relations is the establishment of the Advisory Council for Inter-Government Relations.

The Council is an independent body established under Commonwealth legislation—the *Advisory Council for Inter-Government Relations Act 1976*—and in accordance with agreement reached at the April 1976 Premiers' Conference. The Council whose Secretariat is in Hobart comprises 22 members including representatives of the Commonwealth and State Parliaments (Queensland participating from 1 July 1979), local government and the community. In addition, the Legislative Assembly of the Northern Territory and the Australian Capital Territory House of Assembly have observer status on the Council. The Commonwealth and the States together each meet 45 per cent of the Council's costs, the remaining 10 per cent being contributed by local

government. Subjects for investigation and advice by the Council are referred to it by Premiers' Conferences; subjects so referred may include matters raised at the initiative either of local government or the Council itself.

To date, the Advisory Council has been given two references. The first is to examine the relationships which should exist between Federal, State and local governments. The second is an examination of interchanges of personnel between the three spheres of Government. Reports on each reference have been published.

Further details on the activities of the Advisory Council can be found in the 1980-81 issue of this paper.

### CHAPTER III—GENERAL PURPOSE CAPITAL FUNDS

This Chapter provides information on the general purpose capital funds available to the States and their authorities under Loan Council arrangements. These funds comprise borrowings made on behalf of the State Governments, interest-free grants made by the Commonwealth to the States and borrowings by State authorities on their own account. Relevant statistical material for the period from 1977-78 is presented in Appendix III; 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 of 1927, was established to co-ordinate the borrowings of the Commonwealth and the States and consists of representatives of the Commonwealth and each State Government. Under the terms of the Financial Agreement, borrowings by the Commonwealth and on behalf of State Governments (except defence borrowings by the Commonwealth and borrowings for temporary purposes) are limited in total in each financial year to the amounts of the annual borrowing programs for the Commonwealth and the State Governments determined by the Loan Council. The terms and conditions of borrowings to finance these approved 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. The Loan Council also determines annual aggregate borrowing programs for the State larger semi-government and local authorities and approves the terms and conditions of borrowings on their own accounts by these authorities under the approved borrowing programs.

#### TREATMENT OF LOAN COUNCIL PROGRAMS IN THIS AND OTHER BUDGET PAPERS

Beginning in 1970-71, part of the annual borrowing program approved by the Loan Council for State Government purposes (hereinafter called the State Governments' Loan Council program) has been financed by capital grants made by the Commonwealth to the States; these represent Commonwealth payments to the States and are so categorised for purposes of this and other budget papers.

The remainder of State Governments' Loan Council programs, which are financed by borrowings on account of the State Governments, are not classified in this paper as 'payments' by the Commonwealth to the States but are included in the total of Commonwealth payments to the States and the Northern Territory, the State Governments' Loan Council program and payments to local authorities. That total is equivalent to the national accounting item 'Grants and Net Advances to the States, the Northern Territory and Local Government Authorities' used in Budget Paper No. 1 and elsewhere.

#### STATE GOVERNMENTS' LOAN COUNCIL PROGRAM

The State Governments' Loan Council programs represent a major source of funds available to the States for capital works. The Loan Council determines an aggregate program for the States as a whole and allocates the amount between the States. How each State applies the proceeds of its share of the program is a matter for determination by it.

Subject to the States' agreement to the proposed State Governments' program and their undertaking to make every possible endeavour to assist the sale of Commonwealth securities in Australia, the Commonwealth undertakes to complete the financing of this program by subscribing from its own resources any shortfall in actual loan raisings available towards it. As mentioned above, since 1970-71 the arrangements for financing the approved State Governments' program have also included the provision by the Commonwealth of an interest-free non-repayable capital grant to the States. Since 1975-76 the proportion of the State Governments' program financed by these grants has been one-third, and this arrangement will continue in 1981-82. Background material on these grants, together with a summary of changes in the proportion of the total program provided as grants, is set out on page 27 of 'Payments to or for the States and Local Government Authorities 1975-76'. On pages 24 and 25 of that paper 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 1980-81 the Loan Council approved a State Governments' program of \$1307.25 million of which two-thirds (\$871.5 million) comprised borrowings and one-third (\$435.75 million) was provided as capital grants to the States.

For 1981-82, the Loan Council at its June 1981 meeting again approved a State Governments' program of \$1307.25 million; the borrowing program and capital grants elements will also be the same as in 1980-81.

The following table shows the distribution between the States of the programs for 1980-81 and 1981-82:

**Table 10—State Governments' Loan Council Programs, 1980-81 and 1981-82—  
State by State Distribution**

	1980-81			1981-82			
	Borrow- ings	Capital Grants (a)	Total	Borrow- ings	Capital Grants (a)	Total	
						Amounts	Percentage of six State Total(b)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
New South Wales	281 707	140 854	422 561	281 707	140 854	422 561	32.33
Victoria	218 947	109 473	328 420	218 947	109 473	328 420	25.12
Queensland	115 554	57 777	173 331	115 554	57 777	173 331	13.26
South Australia	113 573	56 787	170 360	113 573	56 787	170 360	13.03
Western Australia	80 639	40 320	120 959	80 639	40 320	120 959	9.25
Tasmania	61 080	30 539	91 619	61 080	30 539	91 619	7.01
Total	871 500	435 750	1 307 250	871 500	435 750	1 307 250	100.00

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

(b) The same percentage allocation applied in 1980-81.

#### *Financing of States' Loan Council Programs*

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 that part of the States' Loan Council program to be borrowed on account of

the States (i.e. the total program less the capital grant), the Commonwealth makes up the shortfall from its own resources by a special loan, proceeds of which are allocated to the States. The amounts made available in this way represent State debt. Special loans are raised on terms and conditions similar to those attaching to Treasury Bonds on offer for public subscription in Australia or, if no such securities are on offer at the time, the securities most recently on offer. The effect of this arrangement is that, as necessary—and this has been the case in the majority of years since 1951–52—the Commonwealth contributes amounts from its own resources to help finance the Loan Council borrowing program of the State Governments. The Commonwealth made no such contributions in 1979–80 or 1980–81.

The borrowing authority approved for the Commonwealth by the Loan Council each year includes an amount equal to the capital grant provided to the States under the State Governments' program. The legislation customarily enacted to authorise payments of the capital grant authorises the Treasurer to borrow the amount concerned, or to meet it wholly or in part from the Consolidated Revenue Fund.

A summary of the financing of the States' Loan Council programs since 1976–77 is given in Table 92 in Appendix III; table 93 shows further details of the financing of the programs since 1976–77.

Following previous practice, the Commonwealth has undertaken to support in 1981–82 the total approved State Governments' program of \$1307.25 million, conditional on the States' agreement to the level of borrowing programs proposed by it for the Commonwealth and the States and for the Commonwealth's and States' larger authorities, and to certain arrangements designed to promote the raising of loans to finance the State Governments' program. In summary, the Commonwealth has agreed:—

- (a) to make up any shortfall of public borrowing available towards the approved State Governments' program by subscribing from its own resources;
- (b) to provide one-third of the total approved State Governments' program in the form of capital grants;
- (c) to leave to the States, to the extent necessary to complete their government borrowing program, all proceeds of 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);
- (d) to arrange, to the maximum possible extent, for the redemption of maturing but unconverted State debt that cannot be met from State sinking funds; and
- (e) to make pro rata monthly advances against the State Governments' borrowing program at an annual rate not exceeding \$871.5 million and pro rata monthly payments of the capital grant at an annual rate of \$435.75 million.

#### BORROWINGS BY STATE AUTHORITIES

Under the 'Gentlemen's Agreement' originating in 1936, the Loan Council approves an aggregate annual new money borrowing program for larger semi-government and local



authorities. In 1981-82, as in 1980-81, 'larger' authorities are defined as those authorities borrowing more than \$1.2 million in the financial year, the Loan Council having decided at its June 1979 meeting to increase the limit from \$1 million which had applied since 1977-78. The limit applying in 1976-77 was \$0.8 million. For information on the limits applying in years prior to that see page 29 of 'Payments to or for the States and Local Government Authorities 1975-76'. Since 1962-63 no overall control has been set by the Loan Council on borrowings by 'smaller' authorities, that is, authorities borrowing individually within the financial year up to the amounts mentioned above.

The program approved for borrowings by the 'larger' authorities of the States is allocated between the States by the Loan Council. Each State determines the distribution between its individual 'larger' authorities of its share of the basic borrowing program approved for such authorities. From time to time, the Loan Council also approves special temporary additions to the programs of particular States to meet specific circumstances, including under the special infrastructure financing guidelines (see below). The terms and conditions of loans raised by authorities under Loan Council approved borrowing programs are subject to Loan Council approval.

Borrowings by State 'smaller' authorities are also subject to the terms and conditions approved by the Loan Council under the 'Gentlemen's Agreement' and it is the responsibility of each government to ensure that its authorities conform to these terms and conditions.

For 1980-81, the Loan Council approved a new money borrowing program for the States' 'larger' authorities of \$1297.3 million (excluding additions for infrastructure financing—see below). This program was made up of a basic program of \$1225 million and special temporary additions of:

- \$20 million for New South Wales provided under arrangements made at the July 1977 Loan Council meeting for that amount to be available for that State in each of the five years from 1977-78 to 1981-82;
- \$42.3 million for Western Australia, consisting of \$16 million for further electric power development at Muja (representing the final approval against a program of \$40 million over three years) and \$26.3 million for rehabilitation and upgrading of the railway between Kwinana and Koolyanobbing (representing the third approval against a program of \$65 million over six years); and
- \$10 million for Tasmania.

At its June 1981 meeting, the Loan Council approved a new money borrowing program for the States' 'larger' authorities of \$1291.6 million (excluding additions for infrastructure financing—see below). This comprises a basic program of \$1225 million (the same as for 1979-80 and 1980-81) and special temporary additions of:

- \$20 million for New South Wales (representing the final instalment under the five-year program approved at the July 1977 Loan Council meeting);
- \$20 million for Victoria with a similar special addition agreed to for 1982-83; and
- \$26.6 million for Western Australia (consisting of a final approval of \$6.6 million under the program approved at the June 1978 Loan Council meeting for the upgrading and rehabilitation of the Kwinana-Koolyanobbing railway, and a further \$20 million to cover cost escalation).

Details of the States' 'larger' authorities' new money programs for 1980-81 and 1981-82 (excluding additions for infrastructure financing—see below) are set out in the following table:

**Table 11—Larger Authorities' Programs (Excluding Infrastructure Financing), 1980-81 and 1981-82—State by State Distribution**

	1980-81			1981-82			
	Basic Program	Special Temporary Additions(a)	Total	Basic Program	State's Shares of Basic Program(b)	Special Temporary Additions(a)	Total
	\$'000	\$'000	\$'000	\$'000	%	\$'000	\$'000
New South Wales	452 761	20 000	472 761	452 761	36.96	20 000	472 761
Victoria	382 657	..	382 657	382 657	31.24	20 000	402 657
Queensland	223 264	..	223 264	223 264	18.22	..	223 264
South Australia	56 830	..	56 830	56 830	4.64	..	56 830
Western Australia	75 043	42 315	117 358	75 043	6.13	26 600	101 643
Tasmania	34 445	10 000	44 445	34 445	2.81	..	34 445
Total	1 225 000	72 315	1 297 315	1 225 000	100.00	66 600	1 291 600

(a) 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.

(b) The distribution of the basic program between the States in 1981-82 is the same as the distribution of the 1980-81 basic program.

The States' 'smaller' authorities' borrowings have increased substantially in recent years. In 1980-81 these borrowings amounted to \$526.3 million and are estimated by the States to total \$535.4 million in 1981-82, an increase of 1.7 per cent.

Table 87 in Appendix III shows Commonwealth and State authority borrowings since 1977-78 and approvals and estimates for 1981-82 of:

- new money borrowings by 'larger' authorities for 'normal' purposes;
- new money borrowings by 'larger' authorities for purposes of infrastructure financing—see below; and
- new money borrowings by 'smaller' authorities.

Table 86 in Appendix III shows Commonwealth and State authorities' conversion programs for 1980-81 and 1981-82.

Table 91 in Appendix III shows the amounts that have been borrowed by local government authorities which are within the categories of both 'larger' and 'smaller' authorities. Further reference to the borrowing arrangements for local government authorities is made in Chapter VI.

### *Special Additions for Infrastructure Financing*

At its June 1978 meeting, the Loan Council adopted new guidelines for consideration by it of proposals for special additions to 'larger' authorities' borrowing programs—the so-called 'semi-government programs'—for financing infrastructure. The guidelines applied to Commonwealth and State authorities. Those arrangements represented, in

effect, an extension of the 'Gentlemen's Agreement' which governs borrowings by these authorities. They did not relate to borrowings by governments which are subject to the Financial Agreement.

The Loan Council accepted the principle of a separate category of borrowings comprising special additions to semi-government programs, including forward approvals thereof, subject to such additions being confined to exceptional cases which:

- could not be reasonably accommodated within resources normally available to the Government and the authority under 'normal' Loan Council programs;
- are for the provision of services of kinds normally provided by Government or public utility enterprises;
- have special significance for development; and
- require outlay within a relatively short time span.

Under the guidelines, each proposal for a special addition is subject to careful examination by the Loan Council, including as to the viability of the proposed project, its special significance to the economic development of Australia, its importance and urgency, the extent to which the project will be funded from resources otherwise available to the authority concerned, and the need for the special addition. Approval by the Loan Council of a special addition under the infrastructure financing guidelines requires the agreement of a simple majority, including the Commonwealth.

To facilitate assessment of individual proposals, which are competing for substantial quantities of scarce resources, the Loan Council decided to adopt the procedure of referring proposals to a working party of Commonwealth and State Treasury officers for evaluation and report prior to their consideration by Loan Council.

The guidelines also provide that where the Loan Council has approved a special addition to a government's semi-government program for the purposes of infrastructure financing, the government and authority concerned shall use their best endeavours to obtain the funds within Australia. However, in exceptional cases if because of inability of the domestic market to provide the funds on satisfactory terms or because of advantages to be derived from project financing involving a mix of local and overseas funds, the government concerned considers it desirable to arrange an overseas borrowing by the authority, it may seek the approval of the Loan Council to the arranging of such a borrowing.

Loan Council approval may also be sought for an overseas borrowing under a 'normal' semi-government borrowing program where the government concerned can demonstrate that that program cannot be raised in Australia on satisfactory terms because of domestic market conditions. Overseas borrowings require the approval of the Commonwealth.

In considering any proposal for an overseas borrowing, either under a special infrastructure financing addition or a 'normal' semi-government borrowing program, the Chairman of the Loan Council may, in view of the Commonwealth's overall economic management responsibilities, take into account the implications of the proposed borrowing for the Commonwealth's fiscal policy, monetary policy and external policy objectives, and its own overseas borrowing activities.

Since their inception in 1978-79, actual borrowings under the infrastructure financing guidelines have amounted to \$1229.8 million. Of this total, \$697.1 million represents overseas borrowings (including \$232.1 million against the 1980-81 program). Actual borrowings in 1980-81 were \$651.4 million against approvals of \$694.3 million.

At its June 1981 meeting the Loan Council approved borrowing programs for infrastructure financing purposes of \$828.7 million for 1981-82, comprising \$806.7 million for State authorities (compared with actual borrowings of \$589.4 million in 1980-81) and \$22 million for a Commonwealth authority (compared with \$62 million borrowed by Commonwealth authorities in 1980-81). The Loan Council agreed that the States would determine their own priorities as to the allocation of borrowings under their program between projects already approved by the Loan Council.

The only changes made by the Loan Council to the list of infrastructure projects previously approved were the inclusion of substantial cost escalation in respect of the Northern Power Station project in South Australia—a change to a project already included in the infrastructure program—and a decision to regard the Redcliff petrochemical project for the present as not being on the list. No new or deferred projects were admitted.

The Commonwealth's \$22 million program for 1981-82 under the infrastructure financing guidelines has been allocated to the Australian National Railway Commission in respect of the standardisation of the railway between Adelaide and Crystal Brook in South Australia.

Details of special infrastructure financing additions to the 'larger' Commonwealth and State authorities' programs since 1978-79 and approvals for 1981-82 are set out in the following table:

**Table 12—Infrastructure Financing Additions to Larger Authorities' Programs—State and Commonwealth Distribution—1978-79 to 1981-82**

	1978-79	1979-80	1980-81		1981-82
	Actually Borrowed	Actually Borrowed	Approved	Actually Borrowed	Approved
	\$ million	\$ million	\$ million	\$ million	\$ million
New South Wales—					
Coal loaders—Balmain and Port Kembla	24.0	35.0	32.0	32.0	n.a.
Eraring electricity project	55.0	81.0	110.0	110.0	n.a.
Bayswater electricity project	..	12.0	37.0	37.0	n.a.
Gosford/Newcastle rail electrification	..	18.0	22.0	22.0	n.a.
Bayswater electricity continuation	..	..	..	..	n.a.
Waterfall/Port Kembla rail electrification—	..	..	..	..	n.a.
Total	79.0	146.0	201.0	201.0	204.9
Victoria—					
Loy Yang A electricity project	35.0	96.5	42.3	42.3	n.a.
World Trade Centre	10.0	17.0	21.5	21.5	n.a.
Wurdee Boluc pipeline	..	2.6	5.1	5.1	n.a.
Loy Yang A revision	..	..	76.8	76.8	n.a.
Loy Yang B electricity project	..	..	..	..	n.a.
Portland transmission line	..	..	23.0	23.0	n.a.
Grain terminal facilities	..	..	5.0	5.0	n.a.
Total	45.0	116.1	173.7	173.7	198.0

*Table 12—Infrastructure Financing Additions to Larger Authorities' Programs—  
State and Commonwealth Distribution—1978-79 to 1981-82—continued*

	1978-79	1979-80	1980-81	1981-82	
	Actually Borrowed	Actually Borrowed	Approved	Actually Borrowed	Approved
	\$ million	\$ million	\$ million	\$ million	\$ million
Queensland—					
Hay Point coal loader . . . . .	..	..	17.0	17.0	n.a.
Electricity project . . . . .	..	76.0	100.3	100.3	n.a.
Brisbane railway electrification . . . . .	..	8.0	20.0	20.0	n.a.
Total . . . . .	..	84.0	137.3	137.3	180.3
South Australia—					
Redcliff petrochemical project . . . . .	..	..	18.0	..	n.a.
Northern power station . . . . .	..	10.0	15.0	15.0	n.a.
Total . . . . .	..	10.0	33.0	15.0	59.8
Western Australia—					
Dampier-Perth pipeline . . . . .	..	2.9	9.2	9.2	n.a.
Pilbara electricity project . . . . .	..	10.0	3.7	3.7	n.a.
Worsley alumina project . . . . .	..	..	7.1	..	n.a.
North West Shelf gas infrastructure . . . . .	..	..	13.2	..	n.a.
Kwinana power station conversion . . . . .	..	2.4	5.1	5.1	n.a.
Muja D electricity project . . . . .	..	..	12.2	12.2	n.a.
North West Shelf gas-Jervoise Bay . . . . .	..	..	6.3	4.7	n.a.
Total . . . . .	..	15.3	56.8	34.9	121.2
Tasmania—					
Hydro-electric power . . . . .	15.0	21.0	25.5	25.5	n.a.
Water supply projects . . . . .	10.0	7.0	5.0	2.0	n.a.
Total . . . . .	25.0	28.0	30.5	27.5	42.5
Total States . . . . .	149.0	399.4	632.3	589.4	806.7
Commonwealth—					
Telecommunications rural sector network . . . . .	..	30.0	40.0	40.0	..
Adelaide/Crystal Brook rail standardisation . . . . .	..	..	22.0	22.0	22.0
Total Commonwealth . . . . .	..	30.0	62.0	62.0	22.0
Total Commonwealth and States . . . . .	149.0	429.4	694.3	651.4	828.7

## 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 the first half of the 1970s.

This Chapter outlines specific purpose payments recently made, presently being made or proposed to be made, to the States. Table 73 in Appendix I of this paper shows aggregate specific purpose payments to each State since 1977–78 classified as to whether they were for recurrent or capital purposes and Table 2 in Chapter 1 classifies these and other payments by function. The various payments in this Chapter are grouped under the functional headings used in Budget Paper No. 1—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 VI.

### ASSISTANCE RELATED TO STATE DEBTS

#### *Payments Under the Financial Agreement*

##### *Contributions to Interest on State Debts*

Under the Financial Agreement of 1927, the Commonwealth makes payments to the States described as a contribution towards interest payable on State debts. They are treated here as specific purpose grants, although they have some of the characteristics of grants for general purposes. In fact, these 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 payment is \$15.17 million, 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 58 years from 1 July 1927 (that is, until 1985). It is distributed among the States as shown in the following table:

**Table 13—Interest Payments on State Debts (\$ thousands)**

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

### *Sinking Fund Contributions*

The Financial Agreement 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 different 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 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 contribution will be 0.28 per cent.

The Financial Agreement amendments of 1975-76 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 1977-78, including estimated contributions to be made in 1981-82:

**Table 14—Sinking Fund Payments under the Financial Agreement, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	11 168	8 540	4 447	4 191	3 175	2 225	33 747
1978-79 . . . . .	11 876	9 098	4 740	4 483	3 377	2 386	35 959
1979-80 . . . . .	12 580	9 649	5 029	4 771	3 576	2 544	38 148
1980-81 . . . . .	13 152	10 100	5 265	5 007	3 738	2 675	39 937
1981-82 (estimate) . . . . .	13 765	10 584	5 571	5 256	3 911	2 813	41 900

### 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 were agreed between the Commonwealth and States in 1972 and embodied in the Commonwealth-State Housing Agreement (Servicemen) 1972, which is expected to be amended in the near future to extend the time period of the arrangements. Funds for housing for servicemen in the States are provided under the arrangements by way of advances repayable over 53 years.

The following table shows the amount provided to the States since 1977-78 and estimates for 1981-82:

**Table 15—Advances for Houses for Servicemen, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	7 947	753	12 500	1 317	2	..	22 519
1978-79 . . . . .	5 423	948	5 229	..	..	..	11 600
1979-80 . . . . .	1 360	45	..	..	50	..	1 455
1980-81 . . . . .	120	400	800	..	..	..	1 320
1981-82 (estimate) . . .	1 759	200	1 500	270	400	51	4 180

#### *Assistance to State Emergency Services*

The Natural Disasters Organisation, which was formally established in 1974, is responsible for co-ordinating physical assistance provided by the Commonwealth (including that provided by the Defence Force) 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 on a \$1 for \$1 basis for the clearing of 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 \$1.3 million was provided in 1980-81 and the estimated value of equipment to be provided in 1981-82 is \$1.5 million;
- (iv) the Commonwealth meets the costs of State Government personnel travelling to attend courses at the Australian Counter Disaster College at Mount Macedon; and
- (v) other forms of assistance are provided from time to time.

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 budget papers; they are both



regarded as being recurrent payments for purposes of this paper. The following table shows payments made for these purposes since 1977-78 and estimated payments in 1981-82:

**Table 16—Grants for State Emergency Services, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
SALARIES OF PERSONNEL							
1977-78	385	269	323	..	37	62	1 076
1978-79	414	338	337	6	61	75	1 230
1979-80	474	220	383	42	91	63	1 273
1980-81	459	360	431	51	104	76	1 481
1981-82 (estimate)	480	378	452	54	109	81	1 554
PROTECTION AND OTHER WORKS							
1977-78	70	34	56	..	13	1	174
1978-79	59	32	36	9	16	9	160
1979-80	29	37	55	13	22	14	170
1980-81	50	22	121	31	34	12	270
1981-82 (estimate)	35	15	85	22	24	9	190
TOTAL							
1977-78	455	303	379	..	50	63	1 250
1978-79	472	370	373	15	77	83	1 390
1979-80	502	257	438	55	114	77	1 442
1980-81	509	382	552	82	138	88	1 751
1981-82 (estimate)	515	393	537	76	133	90	1 744

## EDUCATION

Grants to the States for education began with assistance for the recurrent expenditures of universities in 1951-52. Since then the area of assistance has been progressively extended. The magnitude of Commonwealth assistance in particular areas has also been increased, the most notable example being the assumption by the Commonwealth of full financial responsibility for universities and colleges of advanced education in 1973-74 with corresponding offsets in general purpose assistance to the States. Other examples are the substantially increased assistance for schools as from 1973-74, for technical and further education as from 1974-75 and, more recently, the Commonwealth's undertaking to provide \$150 million in real terms over the period 1980 to 1984 for school-to-work transition activities. 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 \$2,358.0 million in 1980-81, and an estimated \$2,640.8 million in 1981-82.

In recent years the arrangements for payments to the States in the four broad areas of education—universities, colleges of advanced education, technical and further education, and schools—have undergone a number of changes.

For universities and colleges of advanced education, fixed triennial funding arrangements for recurrent grants (other than equipment grants) were introduced in 1979. Payments to the States for schools, technical and further education recurrent, and all tertiary capital and equipment programs continue to be determined annually.

From the beginning of 1981, the present retrospective arrangements for automatic supplementation for cost increases will cease. Instead, in determining the 1981 program, the Commonwealth has already taken into account likely wage, salary and other cost increases.

In the light of these new arrangements, the figures for 1981–82 given in Tables 17 through 20 below have been derived in the following way: the 1981 components of the 1981–82 programs are at estimated June 1981 prices, while the 1982 components are on a basis intended to overcome the need for further adjustment on account of price level changes. A separate bulk allowance of almost \$18.5 million has been allowed in the Budget for estimated cost supplementation of the States' components of the tertiary and schools programs in respect of the period July to December 1981. This is a preliminary estimate and it is not possible to give a reliable sectoral break-down in the tables. As an indication, however, approximately \$14.5 million would relate to the tertiary education sector and \$4.0 million to the schools program.

### *Tertiary Education*

The *Commonwealth Tertiary Education Commission Act 1977* established the Commonwealth Tertiary Education Commission to promote balanced and co-ordinated development of tertiary education throughout Australia. The Commission replaced three former Commissions—the Universities Commission, the Commission on Advanced Education and the Technical and Further Education Commission—which had previously performed these functions. Relevant programs of assistance to the States towards these areas are administered by the Commission and currently are authorised under the *States Grants (Tertiary Education Assistance) Act 1978*.

In June 1981, the Government announced levels of expenditure for the 1982 tertiary programs and a program of recurrent expenditure for 1983 and 1984 for universities and colleges of advanced education. Planned savings resulting from the rationalisation of the administration and course offerings of higher education institutions have been effected in capital and recurrent programs for universities and colleges of advanced education. Expenditures on equipment, however, will increase in 1982 to permit them to replace outdated equipment and to respond to the needs of technological change. For the technical and further education sector, there is to be an overall increase in assistance in 1982. This includes an equipment program of \$10.1 million to be introduced in 1982. The figures referred to above in this section 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 Australian Capital Territory as well as the States but, in the case of technical and further education, they exclude the Australian Capital Territory.

### *Universities*

Assistance to the States for the recurrent expenditures of universities dates from 1951–52; in 1957–58 assistance was first given for expenditure on capital programs. In 1973–74 the Commonwealth assumed full financial responsibility in this area.

The program of financial assistance to the States for universities and colleges of advanced education in 1982 amounts to \$1660.3 million. The precise allocation of this amount between the two sectors will be determined following the Government's consideration of the report of the Commonwealth Tertiary Education Commission due for release at the end of August 1981.

The following table shows grants to the States for universities since 1977-78 and the estimated grants for 1981-82:

**Table 17—Grants for Universities(a), 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	222 893	152 808	78 127	56 872	46 532	17 234	574 465
1978-79	230 197	158 860	80 980	57 917	48 318	18 315	594 587
1979-80	252 856	173 556	89 684	63 161	53 190	20 227	652 674
1980-81	282 878	194 070	100 776	70 280	59 443	24 740	732 187
1981-82 (estimate)	317 448	210 918	112 203	76 056	64 644	28 788	810 057
CAPITAL							
1977-78	17 909	11 842	7 335	6 634	7 664	1 008	52 392
1978-79	21 840	10 849	6 042	6 439	5 185	788	51 143
1979-80	25 353	10 679	8 755	3 482	3 006	918	52 192
1980-81	18 634	9 283	6 253	3 599	3 199	1 043	42 011
1981-82 (estimate)	20 014	11 388	8 525	4 136	3 235	1 328	48 626
TOTAL							
1977-78	240 802	164 650	85 462	63 506	54 196	18 242	626 858
1978-79	252 037	169 709	87 022	64 356	53 503	19 103	645 730
1979-80	278 209	184 235	98 438	66 643	56 196	21 145	704 866
1980-81	301 512	203 353	107 029	73 879	62 641	25 783	774 198
1981-82 (estimate)	337 462	222 306	120 728	80 192	67 879	30 116	858 683

(a) Estimates only for 1981-82. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation for the period July to December 1981; see introductory paragraphs to the 'Education' section.

### *Colleges of Advanced Education*

Assistance to the States for colleges of advanced education began in 1964-65 when the Commonwealth agreed to provide capital grants. From the start of the 1967-69 triennium, assistance was extended to include recurrent grants. Grants to the States have been made since 1967-68 for teachers' colleges and since 1968-69 for pre-school teachers' colleges. In 1973-74 these grants were absorbed into an overall program of grants for colleges of advanced education.

The precise 1982 program for colleges of advanced education, as mentioned above under 'Universities', will be determined following the Government's consideration of the report by the Commonwealth Tertiary Education Commission due at the end of August 1981.

The following table shows grants to the States for colleges since 1977-78 and the estimated grants for 1981-82:

**Table 18—Grants for Colleges of Advanced Education and Teachers' Colleges(a), 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	98 303	141 522	56 616	41 724	48 080	9 256	395 501
1978-79	105 103	146 456	60 465	42 477	49 560	9 436	413 497
1979-80	115 272	159 680	67 445	46 612	53 290	10 068	452 366
1980-81	129 213	179 566	76 325	52 182	60 064	11 249	508 599
1981-82 (estimate)	120 236	182 390	77 540	52 834	61 296	7 988	502 284
CAPITAL							
1977-78	11 886	18 968	7 899	8 457	5 198	1 598	54 006
1978-79	20 070	23 112	10 712	5 177	5 863	3 221	68 155
1979-80	12 087	19 190	5 056	4 666	3 044	810	44 853
1980-81	9 390	16 793	5 674	3 237	2 773	952	38 819
1981-82 (estimate)	10 444	12 560	5 582	3 048	3 875	382	35 891
TOTAL							
1977-78	110 189	160 490	64 515	50 181	53 278	10 854	449 507
1978-79	125 174	169 568	71 177	47 654	55 423	12 657	481 653
1979-80	127 359	178 870	72 501	51 278	56 334	10 878	497 219
1980-81	138 603	196 359	81 999	55 419	62 837	12 201	547 418
1981-82 (estimate)	130 680	194 950	83 122	55 882	65 171	8 370	538 175

(a) Estimates only for 1981-82. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation for the period July to December 1981; see introductory paragraphs to the 'Education' section.

### *Technical and Further Education*

Assistance to the States for technical and further education, first provided in 1964-65, has been directed towards enhancing the quality and extending the availability of technical and further education, and compensating the States for not levying fees.

Grants are made on the understanding that the States do not reduce the levels of activity financed from their own resources.

The program of financial assistance to the States in 1982 amounts to \$206.8 million, including \$21.4 million which represents the final instalment on a Government undertaking in 1978 to provide an additional \$50 million for capital works. The allocation for 1981-82 is \$10.7 million. In addition to expenditure under this program, technical and further education will also benefit substantially from expenditures under the school-to-work transition program (see below).

The following table shows grants to the States for technical and further education since 1977-78 and the estimated grants for 1981-82:

**Table 19—Grants for Technical and Further Education(a), 1977-78 to 1981-82**  
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	19 184	11 163	4 885	4 737	4 521	1 110	45 600
1978-79	21 061	13 509	5 222	5 116	5 160	1 673	51 741
1979-80	23 546	16 087	6 932	6 661	4 780	2 005	60 011
1980-81	26 214	19 048	7 965	7 801	9 032	2 407	72 468
1981-82 (estimate)	27 305	22 002	8 723	8 343	8 543	2 562	77 478
CAPITAL							
1977-78	15 162	12 728	8 735	4 837	2 993	1 970	46 425
1978-79	19 279	19 592	15 078	6 901	3 726	394	64 970
1979-80	28 054	15 467	12 717	8 697	10 481	3 400	78 816
1980-81	34 554	27 634	12 277	8 718	9 148	4 772	97 103
1981-82 (estimate)	39 381	27 214	13 264	10 652	11 713	4 656	106 880
TOTAL							
1977-78	34 346	23 891	13 620	9 574	7 514	3 080	92 025
1978-79	40 340	33 101	20 300	12 017	8 886	2 067	116 711
1979-80	51 600	31 554	19 649	15 358	15 262	5 405	138 827
1980-81	60 768	46 682	20 242	16 520	18 181	7 179	169 571
1981-82 (estimate)	66 686	49 216	21 987	18 995	20 256	7 218	184 358

(a) Estimates only for 1981-82. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation for the period July to December 1981; see introductory paragraphs to the 'Education' section.

### 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 the Commonwealth 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, innovative projects and information programs.

The Commonwealth Schools Commission, established by the *Commonwealth Schools Commission Act* 1973, administers these programs of assistance. An amount of \$1,003.6 million will be provided in 1982.

The following table shows grants to the States for schools since 1977-78 and the estimated grants for 1981-82:

**Table 20—Grants for Government and Non-Government Schools(a), 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78 . . . . .	171 540	138 250	59 853	38 566	35 293	12 120	455 622
1978-79 . . . . .	180 739	152 062	66 818	39 746	38 741	13 290	491 395
1979-80 . . . . .	203 806	169 614	74 914	44 714	44 019	14 617	551 684
1980-81 . . . . .	240 612	202 048	93 611	53 289	51 656	17 565	658 781
1981-82 (estimate) . . . . .	286 399	248 185	120 593	63 360	65 668	19 748	803 953
CAPITAL							
1977-78 . . . . .	57 952	51 273	34 263	17 069	16 713	6 187	183 457
1978-79 . . . . .	58 954	48 993	29 475	16 178	20 971	4 385	178 956
1979-80 . . . . .	46 266	43 918	24 609	14 821	11 011	4 280	144 906
1980-81 . . . . .	45 663	40 515	21 015	13 275	14 079	3 988	138 534
1981-82 (estimate) . . . . .	53 419	45 913	25 375	13 789	14 604	4 831	157 931
TOTAL							
1977-78 . . . . .	229 492	189 523	94 116	55 635	52 006	18 307	639 080
1978-79 . . . . .	239 693	201 055	96 293	55 924	59 712	17 674	670 351
1979-80 . . . . .	250 072	213 532	99 523	59 535	55 029	18 898	696 590
1980-81 . . . . .	286 275	242 563	114 626	66 563	65 736	21 553	797 315
1981-82 (estimate) . . . . .	339 818	294 098	145 968	77 149	80 272	24 579	961 884

(a) Estimates only for 1981-82. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation for the period July to December 1981; see introductory paragraphs to the 'Education' section.

### *School-to-Work Transition*

The Commonwealth is providing up to \$150 million in real terms during the five years from the beginning of 1980 for a range of education, training and counselling activities in schools and technical and further education institutions. These activities are directed particularly to young people who have left or are likely to leave school early, and are intended to equip them better to move into the work force.

Additional funds will also be made available in 1981-82 under this program, and further funds are available for similar purposes under the Education Program for Unemployed Youth (which is now included in the Education function). The Commonwealth makes funds available largely by way of payments to the States. In 1981, up to \$28.6 million is being paid to the States and an estimated \$33.5 million will be made available in 1982.

Further assistance for the same purpose is to be provided under the program of grants for government schools in 1982. Although the exact amount has yet to be determined, it is estimated that about \$22.6 million of these grants could be made available for this purpose in 1981-82. In addition, almost \$13 million will be provided as living allowances to trainees under the program in 1981-82. However, this latter 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 following table shows grants to the States since 1979-80 and notional estimates for 1981-82:

**Table 21—Grants for School-to-Work Transition Activities(a), 1979-80 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1979-80 . . . . .	1 886	515	951	374	482	222	4 429
1980-81 . . . . .	7 438	5 409	5 089	1 765	2 567	971	23 237
1981-82 (estimate) . . . . .	11 896	8 869	5 203	3 864	3 064	1 243	34 139

(a) Excludes funds to be made available under the Schools Commission program in 1982.

### *Child Migrant and Refugee Education*

Grants are provided by the Commonwealth to the States for child migrant education in schools. Until 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 Commonwealth Schools Commission (*see above*). While administration of the remaining grants provided under the *Immigration (Education) Act* has been transferred to the Schools Commission from the Department of Education, the funds will continue to be provided outside the general recurrent grants until the end of 1981. From January 1982 this assistance will be included within the Commission's overall migrant program. Grants under the Act only provide for initial special instruction of newly arrived refugee children in government and non-government schools and for the purchase of language teaching materials and equipment. The expenditure shown below thus refers only to the first half of 1981-82 and is to cater for the large increase in refugee arrivals during 1980-81 and the further increase in intake agreed to for 1981-82.

For the period 1973-74 to 1976-77, assistance was also provided 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. Since 1978-79 funds have been provided on an emergency basis to assist government and non-government school systems to provide accommodation, where it is not already available, for newly arrived refugee children. These funds are for expenditure on activities such as the transport, erection and repair costs of portable classrooms provided by the school authorities.

The Commonwealth also reimburses the States for the cost of certain adult migrant education services. These reimbursements 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 Commonwealth Schools Commission program, since 1977-78 and estimates for the first half of 1981-82:

**Table 22—Grants for Child Migrant and Refugee Education (other than under the Schools Commission Programs), 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	165	41	15	16	41	..	278
1978-79	727	521	172	180	140	..	1 740
1979-80	1 008	1 045	262	180	125	3	2 623
1980-81	1 181	1 230	508	301	367	5	3 592
1981-82 (estimate)	1 068	1 112	253	338	187	11	2 969
CAPITAL							
1977-78	..	..	..	..	..	..	..
1978-79	0	88	40	..	..	..	129
1979-80	9	22	15	..	..	4	50
1980-81	..	33	3	20	..	10	66
1981-82 (estimate)	10	10	..	10	..	..	30
TOTAL							
1977-78	165	41	15	16	41	..	278
1978-79	727	610	212	180	140	..	1 868
1979-80	1 017	1 067	277	180	125	7	2 672
1980-81	1 181	1 263	511	321	367	15	3 657
1981-82 (estimate)	1 078	1 122	253	348	187	11	2 999

### *Pre-Schools*

Commonwealth grants to the States for pre-schools commenced in 1973-74 with the provision of funds for both capital and recurrent purposes. Since 1977-78 for the recurrent component and 1978-79 for the capital component, the assistance has been provided in the form of a block grant subject to certain broad requirements concerning priority of access. The following table shows payments to the States that have been made since 1977-78 and estimates for 1981-82:

**Table 23—Grants for Pre-schools, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	7 934	12 244	6 958	5 194	5 110	1 922	39 362
1978-79	7 130	9 015	6 605	3 730	4 860	1 410	32 750
1979-80	7 130	9 015	6 605	3 730	4 860	1 410	32 750
1980-81	7 130	7 108	6 605	3 730	4 860	1 410	30 843
1981-82 (estimate)	7 130	9 015	6 605	3 730	4 860	1 410	32 750
CAPITAL							
1977-78	3 053	3 500	..	..	79	..	6 632
TOTAL							
1977-78	10 987	15 744	6 958	5 194	5 189	1 922	45 994
1978-79	7 130	9 015	6 605	3 730	4 860	1 410	32 750
1979-80	7 130	9 015	6 605	3 730	4 860	1 410	32 750
1980-81	7 130	7 108	6 605	3 730	4 860	1 410	30 843
1981-82 (estimate)	7 130	9 015	6 605	3 730	4 860	1 410	32 750



### *Educational Research*

Grants to the States for the purposes of educational research are made under the *Education Research Act 1970*. To date most funds have been provided on the basis of recommendations to the Minister for Education by the Education Research and Development Committee, which was established to advise on priorities in education research. Following the recent Review of Commonwealth Functions, however, it has been decided that funds will no longer be provided through this Committee and it is to be disbanded. In 1981-82, \$480,000 will be made available to the States to meet outstanding commitments.

Under the Act payments are also being made to the States for research and evaluation commissioned by the Minister for Education. These payments, amounting to \$123,000 in 1981-82, have been in addition to the activities of the Education Research and Development Committee.

The following table shows grants to the States for educational research since 1977-78 and estimated grants in 1981-82:

**Table 24—Grants for Recurrent Expenditures on Educational Research, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	184	240	166	135	75	9	809
1978-79 . . . . .	159	302	131	124	74	11	801
1979-80 . . . . .	170	318	124	107	111	11	841
1980-81 . . . . .	368	315	109	113	99	19	1 024
1981-82 (estimate) . . . . .	197	133	82	85	79	27	603

### *Video Facilities*

Under a three-year pilot program beginning in 1981-82, the Commonwealth will provide the States with funds to make available video facilities on loan to isolated communities in areas that do not have regular television services. The program will commence with School of the Air students.

It is estimated that a total of \$1.34 million will be provided to four States in 1981-82, comprising an estimated \$700,000 to New South Wales, \$291,000 to Queensland, \$168,000 to South Australia and \$181,000 to Western Australia.

### HEALTH

The Commonwealth has been providing assistance to the States for health services and facilities since 1949-50. The level of assistance rose rapidly during the 1970's with the introduction of arrangements for the sharing of net operating costs of recognised hospitals, and the beginning of the Community Health Program and the School Dental Scheme.

However, as indicated in Chapter II, the Commonwealth has now decided to terminate certain major specific purpose payments for health and instead to provide additional general purpose payments which are identifiable as a Commonwealth contribution towards the cost of health programs in the States and the Northern Territory.

Consequently, payments to the States under the functional heading of Health, having risen rapidly from \$21 million in 1972-73 to \$1381.7 million in 1980-81, have been reduced to an estimated \$204.1 million in 1981-82.

#### *Health Insurance Program*

Under Section 30 of the *Health Insurance Act* 1973 the Commonwealth first entered into agreements with State Governments in early 1975-76 'for the provision of hospital services' by the States. Under these arrangements, the States provided free standard ward public hospital treatment without means test and free public hospital outpatient services. There were also 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. These agreements were later declared invalid by the Commonwealth, but the payments made thereunder were validated by the *States Grants (Hospital Operating Costs) Act* 1976.

Further cost-sharing arrangements under the *Health Insurance Act* 1973 were negotiated with the States and became effective from 1 October 1976. Apart from revisions to relevant charges and to conditions in respect of free hospital treatment (both of which have been revised still further since then), the main change from the previous arrangement was that the Commonwealth met 50 per cent of budgets approved by the Commonwealth and State Health Ministers. From 1 November 1978, eligible persons without hospital insurance were entitled to free standard ward accommodation and treatment.

Agreements with four of the States (New South Wales, Victoria, Queensland and Western Australia) were not renewed after a one year extension of their expiry date to 30 June 1981 during the course of the Commission of Inquiry into the Efficiency and Administration of Hospitals. Payments for public hospitals in these States have been replaced by identified health grants within the arrangements for general purpose payments for 1981-82 and later years under the *States (Tax Sharing and Health Grants) Act* 1981 (see Chapter II). Payments under the agreements since 1977-78 and estimated payments in respect of outstanding commitments in 1981-82 are given in Appendix VI.

The agreements with the two remaining States (South Australia and Tasmania) will remain in force until 30 June 1985 unless they voluntarily terminate them and like the other States take additional general purpose funds in lieu of specific purpose hospital payments. The Commonwealth has approached these two States with proposals to revise their agreements to limit, with effect from 1 September 1981, eligibility for free hospital treatment to eligible pensioners, persons identified as being in special need and their dependents, in line with the conditions applying under the funding arrangements for the other States. Estimated payments in 1981-82 under the agreements are \$116 million to South Australia and \$36.8 million to Tasmania including \$0.5 million and \$0.2 million respectively in respect of 1980-81.

#### *Launceston General Hospital*

Under an agreement with the Tasmanian Government, the Commonwealth is continuing to meet 50 per cent of the approved costs of Stage 1 of the redevelopment of the Launceston General Hospital. Payments to Tasmania for this purpose from 1976-77 to 1980-81 have totalled \$17.9 million. The estimated amount to be provided in 1981-82 is \$5 million.

### *Community Health Facilities and Services*

Under the Community Health Program, which commenced in 1973, the Commonwealth provided grants to the States and other eligible organisations towards recurrent and capital costs of approved projects including womens' refuges, interpreters and translators, and ethnic health workers. The assistance to the States was on a cost-sharing basis.

As from 1981-82, these arrangements with the States have been replaced by arrangements involving general purpose payments (*see* Chapter II).

Payments under the program since 1977-78 and estimated payments in respect of outstanding commitments in 1981-82 are given in Appendix VI.

### *School Dental Scheme*

Under arrangements commencing in 1973, the Commonwealth co-operated with the States in an Australia-wide School Dental Service for all primary school children. Assistance was on a cost-sharing basis (50:50 since 1978-79) and was for capital and operating costs of training facilities and clinics.

As from 1981-82, these arrangements have been replaced by arrangements involving general purpose payments (*see* Chapter II).

Payments under the scheme since 1977-78 and estimated payments in respect of outstanding commitments in 1981-82 are given in Appendix VI.

### *Drug Education Campaigns*

The Commonwealth is continuing to sponsor, in conjunction with the States, the National Drug Education Program. Funds have been provided to support State and national projects of drug education since 1970-71. It is estimated that \$1.6 million will be made available to the States for this purpose in 1981-82. Grants paid to the States since 1977-78 and estimates for 1981-82 are shown in the following table:

**Table 25—Grants for Drug Education Campaigns, 1977-78 to 1981-82**  
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	225	162	138	75	92	52	742
1978-79 . . . . .	280	206	100	107	121	59	873
1979-80 . . . . .	380	206	178	145	149	67	1 125
1980-81 . . . . .	550	314	237	175	180	120	1 576
1981-82 (estimate) . . .	550	314	236	175	180	120	1 575

### *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.

The annual operating costs of the services in the States are met by the States (60 per cent), the Society (the lower of 5 per cent of operating costs or 10 per cent of the previous year's income from donations) and the Commonwealth (the balance). Approved capital costs in the States are shared equally by the Commonwealth and the States.

Grants paid since 1977-78 and estimates for 1981-82 are shown in the following table:

**Table 26—Grants for Expenditures on Blood Transfusion Services, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
<b>RECURRENT</b>							
1977-78	1 495	1 376	736	606	588	124	4 924
1978-79	1 769	1 823	777	764	601	120	5 853
1979-80	2 196	2 095	936	990	687	131	7 034
1980-81	2 155	2 378	1 004	954	778	187	7 456
1981-82 (estimate)	2 576	2 869	1 112	978	914	184	8 632
<b>CAPITAL</b>							
1977-78	102	513	37	32	43	3	730
1978-79	100	909	34	25	73	9	1 149
1979-80	105	77	42	30	64	30	349
1980-81	71	197	46	140	48	3	505
1981-82 (estimate)	207	619	76	170	45	1	1 117
<b>TOTAL</b>							
1977-78	1 597	1 889	773	638	630	127	5 654
1978-79	1 869	2 732	811	788	674	128	7 002
1979-80	2 301	2 172	978	1 019	751	161	7 383
1980-81	2 226	2 575	1 050	1 094	826	190	7 961
1981-82 (estimate)	2 783	3 488	1 188	1 148	959	185	9 748

### *Health Planning Agencies*

The Government will continue to provide grants in 1981-82 for the support of State health planning agencies. Payment of grants for this purpose commenced in 1973-74. In years prior to 1978-79, these grants were provided to the States on a \$2 for \$1 basis. Since then, the Commonwealth has met 50 per cent of the approved costs of the agencies.

Grants to the States under this program since 1977-78 and estimates in 1981-82 are shown in the following table:

**Table 27—Grants for Recurrent Expenditures by Health Planning Agencies, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1977-78	166	24	100	100	135	35	560
1978-79	100	33	87	90	100	30	440
1979-80	83	57	100	100	100	10	450
1980-81	80	60	80	75	75	20	390
1981-82 (estimate)	80	60	80	75	75	20	390

### *Control of Encephalitis*

Following an 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.

To assist in the continued control of Australian Encephalitis, funds will be provided in 1981-82, not only for mosquito abatement programs, but also for co-ordination, research and teaching purposes. The campaign was extended in 1978-79 to include Western Australia and the Northern Territory, and in 1981-82 to include Queensland.

Grants paid to the States under these arrangements and estimated grants in 1981-82 are set out in the following table:

**Table 28—Grants for the Control of Australian Encephalitis, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Total
1977-78	6	43	..	9	..	58
1978-79	3	31	..	14	20	68
1979-80	17	39	..	8	33	98
1980-81	13	49	..	11	49	122
1981-82 (estimate)	13	49	16	15	24	118

#### *Disposal of Ships' Garbage*

The Commonwealth reimburses those States that have agreed to provide seaport waste disposal facilities on its behalf. Funds are made available for the provision and installation of new and replacement waste disposal facilities, including ancillary equipment and approved specialised transport and collection equipment, and necessary buildings, fences and access roads. Grants paid to the States from 1977-78 and estimates for 1981-82 are shown in the following table:

**Table 29—Grants for Capital Expenditures on the Disposal of Ships' Garbage, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1977-78	..	..	..	..	2	..	2
1978-79	..	..	4	..	..	..	4
1979-80	..	..	..	132	..	..	132
1980-81	..	..	..	53	..	70	122
1981-82 (estimate)	150	..	..	20	65	42	277

#### *High Security Quarantine Unit*

To meet the threat of new types of human quarantinable diseases, the Commonwealth is meeting the cost of establishing a national high security quarantine unit at the Fairfield Infectious Diseases Hospital, Victoria. The cost of constructing the unit, estimated to be approximately \$2.6 million, is being met in full by the Commonwealth. Payments to 30 June 1981 amounted to \$2.08 million, including a payment of \$0.94 million in 1980-81, and it is estimated that \$0.5 million will be provided in 1981-82.

### **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, on a \$1 for \$1 basis, the cost of approved house-keeping or other domestic assistance provided wholly or mainly for aged persons in their homes. Grants provided from 1977-78 and estimates for 1981-82 are shown in the following table:

**Table 30—Grants for Home Care Services, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- Land	South Australia	Western Australia	Tasmania	Total
1977-78	1 933	2 520	2 744	1 411	56	474	9 138
1978-79	1 875	3 450	1 797	915	44	505	8 586
1979-80	2 769	4 226	1 793	944	52	585	10 369
1980-81	3 611	4 331	1 873	1 006	57	630	11 508
1981-82 (estimate)	4 545	4 285	2 079	1 131	684	949	13 673

### Senior Citizens' Centres

Under the *States Grants (Home Care) Act 1969*, the Commonwealth shares with participating States, on a \$2 for \$1 basis, up to a maximum of two-thirds of the approved capital cost of senior citizens' centres. The Commonwealth also shares, on a \$1 for \$1 basis, the salaries of welfare officers employed in conjunction with such centres. Grants provided for these purposes since 1977-78 and estimates for 1981-82 are shown in the following table:

**Table 31—Grants for Senior Citizens' Centres, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	226	328	45	66	56	..	721
1978-79	300	350	42	65	65	..	822
1979-80	297	574	45	68	70	..	1 054
1980-81	383	620	58	96	97	..	1 254
1981-82 (estimate)	336	728	84	112	140	..	1 400
CAPITAL							
1977-78	1 064	1 616	439	342	348	136	3 946
1978-79	1 200	608	553	423	100	166	3 050
1979-80	1 129	859	331	567	174	185	3 245
1980-81	2 108	840	484	148	356	64	4 000
1981-82 (estimate)	1 200	880	875	525	440	80	4 000
TOTAL							
1977-78	1 291	1 944	484	408	404	136	4 668
1978-79	1 500	958	595	488	165	166	3 872
1979-80	1 426	1 433	376	635	244	185	4 299
1980-81	2 491	1 460	542	244	453	64	5 254
1981-82 (estimate)	1 536	1 608	959	637	580	80	5 400

### 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. Although all States have indicated their willingness to participate, 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 1977-78 and estimates for 1981-82 are shown in the following table:

**Table 32—Grants for Paramedical Services, 1977-78 to 1981-82 (\$ thousands)**

	Victoria	South Australia	Tasmania	Total
1977-78 . . . . .	283	284	15	582
1978-79 . . . . .	380	431	24	836
1979-80 . . . . .	352	504	21	876
1980-81 . . . . .	383	576	25	984
1981-82 (estimate) . . . . .	404	605	29	1 038

#### *Assistance for Deserted Wives*

Under the *States Grants (Deserted Wives) Act* 1968, the Commonwealth shared on a \$1 for \$1 basis with the States up to prescribed limits the cost of helping certain mothers of families without a breadwinner where the mothers were ineligible for a Class A widow's pension or, as from 1973-74, a supporting parent's benefit.

Following the withdrawal of a number of States from these arrangements, the Commonwealth replaced the assistance to the States under the Act by removing from 1 November 1980, the six month waiting period that applied to supporting parents' benefits in some cases. Grants totalling \$14.1 million were made in 1980-81 as final payments to the States. Payments made to each State since 1977-78 are given in Appendix VI.

#### *Children's Services*

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. Funds for pre-schools are included under the Education function discussed earlier in this Chapter.

The Government has decided that up to \$47 million will be provided in 1981-82 for children's services other than pre-schools. It is tentatively estimated that, of that total, approximately \$13.5 million will take the form of payments to the States.

The following table shows payments to the States that have been made since 1977-78 and estimates for 1981-82:

**Table 33—Grants for Children's Services, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	1 881	1 757	309	990	552	149	5 638
1978-79	2 461	2 477	367	1 858	783	248	8 194
1979-80	2 978	3 375	580	2 036	748	363	10 080
1980-81	3 257	4 477	810	2 534	984	461	12 523
1981-82 (estimate)	3 600	4 563	1 122	2 800	1 043	327	13 455
CAPITAL							
1977-78	625	702	..	31	10	..	1 368
1978-79	604	323	..	68	38	..	1 033
1979-80	376	347	..	29	..	..	752
1980-81	..	47	..	5	..	..	52
1981-82 (estimate)	..	..	..	..	..	..	..
TOTAL							
1977-78	2 506	2 459	309	1 021	562	149	7 006
1978-79	3 065	2 800	367	1 926	821	248	9 227
1979-80	3 354	3 722	580	2 065	748	363	10 832
1980-81	3 257	4 524	810	2 539	984	461	12 575
1981-82 (estimate)	3 600	4 563	1 122	2 800	1 043	327	13 455

#### *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 70 per cent of the annual running costs. Total payments for capital purposes to 30 June 1981 amounted to \$4 million, including a payment of \$700,000 in 1980-81. The final capital contribution of \$836,000 is expected to be paid in 1981-82. Recurrent payments in 1981-82 are estimated to be approximately \$680,000.

#### *Translating and Interpreting Service*

Arising out of its consideration of the Galbally Report on Post-Arrival Services for Migrants, the Government has offered the States assistance towards the provision of additional State-operated translating and interpreting services in areas of prime State responsibility. The Commonwealth meets the full costs of these services in the first year of the program and thereafter shares agreed costs equally with the States. To date New South Wales, Victoria and South Australia have accepted the offer and received funds totalling \$455,000. Payments to the States since 1979-80 and estimated payments in 1981-82 are given in Appendix VI.

#### 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. This assistance has been administered by the Department of Aboriginal Affairs. However, in line



with a decision, following the recent Review of Commonwealth Functions, to rationalise special housing assistance to the States, grants for Aboriginal housing previously provided in this way are to be included under the welfare housing program as from 1981-82.

Details of payments are included in the statements attached to the Budget Paper No. 1 and in Table 2 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 (other than for housing in 1981-82) specifically designated for this purpose are grouped together. For 1981-82, all Aboriginal housing payments are included under the Housing function.

The Commonwealth also provides assistance for Aboriginal advancement in the States by way of direct assistance to Aboriginal organisations and other bodies. The following table shows payments made to the States since 1977-78 and estimated payments in 1981-82:

**Table 34—Payments for Aboriginal Advancement(a), 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
<b>RECURRENT</b>							
1977-78	3 014	1 409	3 480	3 045	8 564	67	19 580
1978-79	2 982	1 331	3 917	3 404	8 544	44	20 221
1979-80	3 030	1 562	4 331	3 724	9 565	52	22 263
1980-81	3 420	1 676	5 088	4 278	11 170	86	25 718
1981-82 (estimate)(b)	3 809	1 673	5 350	4 538	10 754	84	26 208
<b>CAPITAL</b>							
1977-78	2 654	400	2 825	1 807	4 614	175	12 474
1978-79	3 057	237	2 536	2 291	5 443	115	13 678
1979-80	3 756	275	1 613	2 231	5 058	254	13 187
1980-81	3 353	329	1 507	2 101	3 233	180	10 703
1981-82 (estimate)(b)	80	1 351	2 045	512	..	..	3 900
<b>TOTAL</b>							
1977-78	5 668	1 809	6 305	4 852	13 178	242	32 054
1978-79	6 039	1 568	6 452	5 696	13 986	159	33 900
1979-80	6 786	1 837	5 944	5 955	14 623	306	35 451
1980-81	6 773	2 005	6 595	6 378	14 403	266	36 422
1981-82 (estimate)(b)	3 889	1 673	6 701	6 583	11 266	84	30 196

(a) The functional break up of these payments is shown in Table 95 in Appendix IV.

(b) Excludes Aboriginal housing payments, now recorded under the Housing function.

## HOUSING

### *Welfare Housing*

Under successive arrangements between the Commonwealth and the States, financial assistance has been made available to the States in one form or another since 1945-46 for the provision of housing, including assistance with home ownership, for families of low or moderate means.

For many years, housing funds were closely aligned with State Governments' Loan Council programs and for two years, 1971-72 and 1972-73, they were integrated within these programs (although additional specific recurrent grants of \$2.75 million per year

in respect of each of those two years were provided in lieu of former interest subsidies, and continue to be payable for 30 years). Since 1973-74, when appropriate 'offsets' were made to State Governments' Loan Council programs, financial assistance for welfare housing has been provided fully by way of specific purpose payments.

A detailed account of successive arrangements, together with statistics covering the period to 1975-76, is to be found on pages 66 through 68, 200, 201 and 224 of the 1975-76 issue of this paper.

Aside from the recurrent grants referred to above, and an additional \$2 475 289 to Queensland as the Commonwealth contribution to losses incurred in rental operations under the 1945 Housing Agreement in respect of the years 1973-74 to 1977-78, other payments in 1981-82 are to be provided under the *Housing Assistance Act* 1981.

Under the Act a five year Housing Agreement is to be executed with the States and the Northern Territory to cover the period 1981-82 to 1985-86. In accordance with the Agreement the Commonwealth will provide base financial assistance to the States and the Northern Territory amounting to \$200 million in each year of the Agreement. The Commonwealth may also provide additional financial assistance each year depending on budgetary and other circumstances. In 1981-82, the Commonwealth will provide \$262.2 million to the States and the Northern Territory for welfare housing, \$247 244 000 being for payment to the States.

As under the previous Agreement, the 1981 Agreement will lay particular importance on the effective use of funds and resources to assist those most in need. The States will have the flexibility to determine the uses to which housing funds can be put and the extent of assistance to individuals.

### *Loans*

In 1981-82, total loans (previously called 'advances') to the States are estimated at \$138.51 million, compared to \$166.5 million in 1980-81. Loans are repayable over 53 years as under earlier Agreements and attract a concessional fixed rate of interest of 4.5 per cent per annum. The loans, along with untied grant assistance (*see below*), will be provided on a \$1 for \$1 matching basis. State expenditures on welfare housing and surpluses arising from the operation of the rental housing and home purchase assistance programs under the Agreements are eligible for matching.

### *Pensioner Housing Grants*

Since 1969-70, the Commonwealth has provided grants to the States to assist with the provision of self-contained accommodation at reasonable rentals for certain categories of single aged and service pensioners who have little or no means of support apart from their pensions. From 1978-79 these grants have been provided under the welfare housing arrangements, with wider eligibility criteria and under conditions giving the States greater freedom in the way the funds can be applied than in earlier years. Eligible persons include those in receipt of an age or invalid pension, a widow's pension, a supporting parent's benefit, a special benefit, a sheltered employment allowance, a training allowance in certain circumstances and some classes of service pension. Married as well as single pensioners are being assisted. Grants totalling \$31.5 million have been allocated for this purpose in 1981-82, compared to \$31 million in 1980-81.

### Aboriginal Housing Grants

Grants totalling \$29,799,000 are earmarked for Aborigines in need of rental housing assistance in 1981-82 compared to \$21 million in 1980-81. The amount for 1981-82 includes an additional \$11,079,000 to take account of the transfer to the welfare housing program of grants to the States for Aboriginal housing previously provided through the Department of Aboriginal Affairs (*see* under Aboriginal Advancement earlier in this Chapter).

### Other Grants

In 1981-82, \$47,435,000 is to be provided as untied grant assistance. Under the 1981 Housing Agreement, these grants will be provided on the same \$1 for \$1 matching basis as applies to welfare housing loans. The States are free to allocate the grants between home purchase assistance programs and rental housing programs as they wish. This assistance compares to similar grants of \$53.5 million in 1980-81: \$52 million towards rental housing assistance for persons declared by the Minister for Housing and Construction to be in need of rental housing assistance and a special grant of \$1.5 million to Queensland for the re-housing of Cribb Island residents.

The following table shows recurrent and capital payments made to the States for housing from 1977-78 and estimated payments in 1981-82 (further details are given in Table 96 of Appendix IV):

**Table 35—Payments to the States for Housing, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT GRANTS(a)							
1977-78	1 848	1 347	480	941	627	314	5 557
1978-79	1 848	1 347	423	941	627	314	5 500
1979-80	1 848	1 347	423	941	627	314	5 500
1980-81	1 848	1 347	423	941	314	5 500	
1981-82(estimate)(d)	1 848	1 347	2 898	941	627	314	7 975
CAPITAL PAYMENTS(b)(c)							
1977-78	132 081	104 289	41 300	59 390	37 400	25 500	400 000
1978-79	109 416	85 839	34 307	48 711	30 853	20 874	330 000
1979-80	87 054	63 975	32 036	35 835	26 143	14 957	260 000
1980-81	90 441	66 519	35 000	37 295	27 239	15 506	272 000
1981-82(estimate)(d)	82 551	58 479	30 630	34 714	27 317	13 553	247 244
TOTAL PAYMENTS(b)							
1977-78	133 929	105 636	41 780	60 331	38 067	25 814	405 557
1978-79	111 264	87 186	34 730	49 652	31 480	21 188	335 500
1979-80	88 902	65 322	32 459	36 776	26 770	15 271	265 500
1980-81	92 289	67 866	35 423	38 236	27 866	15 820	277 500
1981-82(estimate)(d)	84 399	59 826	33 528	35 655	27 944	13 867	255 219

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

(b) Further details are given in Table 96 in Appendix IV.

(c) Pensioner housing grants in 1977-78 and previous years are recorded under the Social Security and Welfare function in statements attached to the Budget Speech and Table 2 in this paper.

(d) The 1981-82 estimate includes grants previously provided under the States Grants (Aboriginal Assistance) Act 1976.

## URBAN AND REGIONAL DEVELOPMENT NEC AND THE ENVIRONMENT

Payments to the States included under this functional heading relate to a number of programs, including assistance for development of Aboriginal communities. Payments in 1980-81 were \$43.1 million and are expected to total approximately \$13.7 million in 1981-82. (These figures are net of repayments.)

Payments in 1981-82 for most of the urban and regional development programs and for certain programs falling within other functional headings are being made mainly under the authority of the *Urban and Regional Development (Financial Assistance) Act 1974*.

### *Growth Centres*

In 1980-81 \$3.7 million and \$1.3 million were provided to New South Wales and Victoria respectively for the Albury-Wodonga growth centre for land development and headworks, housing and commercial development construction, studies and investigations and running costs of the Albury-Wodonga Development Corporation.

In 1981-82 further assistance of \$5 million will be provided towards expenditure on Albury-Wodonga. While the precise allocation of this amount between New South Wales and Victoria is not possible at this stage, preliminary consideration of the proposed program of expenditure for 1981-82 suggests that the bulk of the funds might go to New South Wales. For the purposes of this document the whole of the \$5 million has been allocated to that State.

The 1981-82 Budget also allows for \$27.5 million for capitalised interest on advances to the States for Albury-Wodonga in 1981-82 and earlier years, and on earlier advances for the Bathurst-Orange and Macarthur growth centres. This amount represents estimated interest payments which are deferred and added to the amount of principal outstanding and on which interest thus accrues. (In 1980-81 capitalised interest amounted to \$23.8 million.)

Payments to the States for growth centres and related projects since 1977-78 and estimated payments in 1981-82 for Albury-Wodonga, including capitalised interest, are given in Appendix VI.

### *Urban Flood Mitigation*

Since 1975-76 \$5.6 million, including \$126,000 in 1980-81, has been provided to Queensland under the *Urban and Regional Development (Financial Assistance) Act 1974* to assist with flood mitigation works on various creeks in the Brisbane metropolitan area.

Funds for urban flood mitigation in 1980-81 were also provided under the *National Water Resources (Financial Assistance) Act 1978*. The Commonwealth contributed \$785 000 under this Act towards the cost of construction of flood mitigation works on Kedron Brook in Brisbane and \$75 000 towards the cost of protection works for Launceston against flooding by the North Esk and South Esk rivers. Further assistance may be provided for urban flood mitigation works in 1981-82 under this legislation from funds which have yet to be allocated to particular projects under the National Water Resources Program (see page 70).

### *Assistance for Land Acquisition and Development in Urban Areas*

In 1973-74 a program of assistance by way of grants and loans was undertaken with the object of making land available for residential and associated uses at fair prices and to facilitate the planning and development of new urban areas.

With the discharge of remaining commitments in 1977-78, this program came to an end. Under the terms on which loans were provided under this program, repayments on the first of these loans are due to begin in 1983-84. Meanwhile, interest is being capitalised on advances in a similar manner to its treatment for growth centres and related projects (*see above*). However, an estimated \$36 million has been provided for in 1981-82 in respect of an expected repayment in settlement of loans provided in earlier years to South Australia. This is partly offset by \$10.6 million included in the estimates for 1981-82 for estimated capitalised interest on loans provided to other States in 1977-78 and earlier years. Victoria has also proposed earlier settlement of loans provided to it and this matter is the subject of further consultations with that State.

Capitalised interest since 1977-78 and estimated capitalised interest for 1981-82 are given in Appendix VI.

### *Woolloomooloo Redevelopment*

An agreement was concluded in 1974-75 with New South Wales under which up to \$17 million is being 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 have totalled \$12.2 million since 1975-76, including \$1.2 million in 1980-81. An amount of \$4.2 million has been included in the Budget for estimated payments to the State in 1981-82.

The Commonwealth also 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.

The agreement also provides for the State to make payments to the Commonwealth 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. A total of \$2.1 million has been received from the State under these provisions since 1976-77 including \$0.2 million in 1980-81. Similar payments by the State in 1981-82 are estimated to be \$0.2 million.

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

### *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. The agreement provided for financial assistance of up to \$2.5 million for expenditure on capital works and up to \$100 000, 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 wholly by way of grant.

Payments to the State since 1975-76 have amounted to \$2 million for capital works and \$88 000 for maintenance. There have been no further payments in respect of expenditure on capital works since 1978-79. \$12 000 has been included in the Budget for estimated payments in respect of expenditure in 1981-82 on maintenance.

#### *Legana Industrial Estate—Tasmania*

The Commonwealth provided \$0.2 million to Tasmania in 1980-81 by way of loan on a matching basis towards the development of an industrial estate at Legana, in the Launceston area.

### CULTURE AND RECREATION

The Commonwealth first provided grants to the States for cultural and recreational purposes in 1973-74. An estimated \$12.2 million will be made available for these purposes in 1981-82.

#### *National Fitness Program*

The Government announced, in the context of the recent Review of Commonwealth Functions, that Commonwealth support for the 'Life. Be In It' program was to be terminated. Consequently there are to be no further payments to the States for this purpose. Payments made to each State since 1977-78 are given in Appendix VI.

#### *Capital Assistance for Leisure and Cultural Activities*

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. The program was discontinued in December 1975 and payments since that date have been for outstanding commitments. A final payment of \$45 000 was made in 1980-81. Payments made to each State since 1977-78 are given in Appendix VI.

#### *Nature Conservation*

\$5 000 was provided to Tasmania in 1980-81 under the *States Grants (Nature Conservation) Act 1974* for the acquisition of land for nature conservation purposes. A further amount of \$9 000 is being provided in 1981-82. These payments represent the discharge of commitments entered into by the Commonwealth in providing assistance to the States for nature conservation purposes. Commitments remaining undischarged after payment of the above amounts are estimated at \$270 000. Cash disbursements are, however, subject to further negotiation in accordance with the terms of existing agreements made pursuant to the Act. Payments made to the States for nature conservation purposes since 1977-78 are given in Appendix VI.

#### *National Estate*

Since 1974 grants have been provided for the restoration, preservation and improvement of landscapes and buildings of special significance. 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 to the States are made in accordance with Agreements concluded under the *Urban and Regional Development (Financial Assistance) Act 1974*.

The following table shows grants paid since 1977-78 and the estimated grants for 1981-82:

**Table 36—Grants for Expenditure on the National Estate, 1977-78 to 1981-82**  
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	373	370	310	338	425	425	2 241
1978-79 . . . . .	415	415	415	415	415	415	2 190
1979-80 . . . . .	300	300	300	300	300	300	1 800
1980-81 . . . . .	330	330	330	330	330	330	1 980
1981-82 (estimate) (a) . . . . .	330	330	330	330	330	330	1 980

(a) The 1981-82 allocation by States is notional only. No commitment to the provision of the amount shown for each State is implied.

#### *Port Arthur Conservation Program*

Beginning in 1979-80 the Commonwealth is providing assistance on a \$2 for \$1 basis to Tasmania for a seven-year program to restore and develop the Port Arthur region. Payments up to and including 1980-81 have been \$1.2 million, and \$1.2 million is to be made available in 1981-82.

#### *Facilities for 1982 Commonwealth Games*

\$10 million by way of grant is being provided to Queensland for the construction of sporting facilities and athletes' and officials' accommodation for the 1982 Commonwealth Games in Brisbane. The final payment of \$2.5 million is to be made in 1981-82.

#### *International Standard Sports Facilities Program*

The Commonwealth has introduced a three-year program to develop international standard sports facilities in the States and Territories. The program is on a \$1 for \$1 matching basis with expenditure by the States and Territories. \$387 000 was provided to the States in 1980-81 and an estimate of \$6 513 000 has been included in the Budget for 1981-82. Payments to each State are given in Appendix VI.

### ECONOMIC SERVICES—TRANSPORT

Payments to the States included under this functional heading relate to programs under which assistance is provided for roads, construction of the second Hobart bridge, construction of the Burbong bridge in New South Wales, the Victorian transportation system, railway mainline upgrading projects, urban public transport and transport planning and research. The estimated total payments for this function, net of repayments, are \$734.5 million in 1981-82.

#### *Roads*

The Commonwealth has been providing assistance to the States for expenditure on roads since 1923-24. Details of this assistance in past years may be obtained from earlier issues of this Budget paper and, in particular, from the 1975-76 issue which provides details of Commonwealth assistance from 1923-24.

Over the five years 1980-81 to 1984-85, the Commonwealth is to provide \$3650 million to the States and the Northern Territory as grants for road construction and maintenance. Of this amount, \$606.9 million was provided to the States in 1980-81 and \$662.0 million is to be made available in 1981-82, an increase of 9.1 per cent.

The following table shows the distribution of roads grants to the States in 1980–81 and the quotas for expenditure by each State from its own resources:

**Table 37—Payments for Roads in 1980–81 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
National and Developmental Roads . . . . .	94 948	48 469	54 909	24 973	29 126	12 820	265 245
Rural Arterial Roads . . . . .	22 998	14 182	29 386	8 943	12 023	3 833	91 365
Urban Arterial Roads . . . . .	36 138	34 040	14 594	6 330	14 338	3 535	108 975
Local Roads . . . . .	42 417	29 668	28 875	11 371	21 427	7 538	141 296
Sub-Total . . . . .	101 553	77 890	72 855	26 644	47 788	14 906	341 636
Total . . . . .	196 501	126 359	127 764	51 617	76 914	27 726	606 881
Quotas(a) . . . . .	186 800	156 400	75 800	48 200	51 200	15 900	534 300

(a) To be met from State Sources.

The *Roads Grants Act* 1981 provides for Commonwealth assistance to the States and the Northern Territory for roads in 1981–82. It provides for a number of significant changes to the arrangements under which Commonwealth roads assistance is made available. The main changes are:

- limited appropriations have been made for each State for national roads in both 1982–83 and 1983–84; these are designed to provide the States with an assured minimum planning base for entering into contracts for national roads construction works;
- grants for national roads construction works are conditional upon tenders being called and dealt with in accordance with approved procedures;
- the number of road categories for which assistance is to be made available has been reduced from four to three: national roads (encompassing both national highways and developmental roads), arterial roads (formerly rural arterial roads and urban arterial roads) and local roads;
- program approval requirements have been discontinued for arterial roads and replaced by a retrospective reporting requirement under which the States must provide the Commonwealth at the end of each year with details of the arterial roads projects to which Commonwealth funds have been applied;
- provision has been made for the annual program approval requirements for local roads to be discontinued in States where certain principles governing the allocation of Commonwealth grants for local roads have been implemented; and
- the requirement that States meet quotas of matching expenditure from their own resources has been discontinued.



The following table shows the estimated payments to the States in 1981-82:

**Table 38—Payments for Roads in 1981-82 (estimate) (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
National Roads . . . . .	103 566	52 868	59 893	27 240	31 769	13 984	289 320
Arterial Roads . . . . .	64 503	52 599	47 972	16 659	28 754	8 037	218 524
Local Roads . . . . .	46 267	32 361	31 496	12 403	23 372	8 222	154 121
Total . . . . .	214 336	137 828	139 361	56 302	83 895	30 243	661 965

The following table shows the amounts paid to each State for roads since 1977-78 and estimated amounts for 1981-82:

**Table 39—Grants under General Roads Acts, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	155 611	98 900	100 000	40 400	61 301	21 700	477 912
1978-79 . . . . .	164 485	105 771	106 947	43 207	64 382	23 208	508 000
1979-80 . . . . .	176 789	113 683	114 947	46 439	69 198	24 944	546 000
1980-81 . . . . .	196 501	126 359	127 764	51 617	76 914	27 726	606 881
1981-82 (estimate) . . . . .	214 336	137 828	139 361	56 302	83 895	30 243	661 965

#### *Burbong Bridge—Canberra/Batemans Bay Road*

It is proposed that the Burbong Bridge, located in the Australian Capital Territory, be replaced. The only suitable site for a replacement is in New South Wales. Subject to negotiations with New South Wales, the project is to be undertaken by the appropriate authorities in that State. Planning and construction is estimated to cost \$2.7 million over the three years 1981-82 to 1983-84. An amount of \$0.3 million has been made available for this purpose in 1981-82.

#### *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 was to carry out the technical investigations and design associated with the provision of a second bridge across the Derwent River at Hobart. These studies, completed in 1978-79, were funded by the Commonwealth at a total cost of \$1.2 million.

The Commonwealth subsequently agreed to fund the full cost of providing the bridge and necessary approach roads. The bridge is expected to be completed in 1984 at an estimated total cost of \$43 million in June 1981 prices. An amount of \$6.4 million was provided in 1980-81, and an estimated \$17.5 million is to be made available in 1981-82.

#### *Railway Mainline Upgrading Projects*

Over the period to 1982-83, the Government is providing assistance to those States which operate their own rail systems for expenditure on projects designed to upgrade

the national mainline railway network. Up to \$70 million is being made available for this purpose by way of interest bearing repayable grants under the *National Railway Network (Financial Assistance Act) 1979*.

Agreements have been concluded with New South Wales, Victoria, Queensland and Western Australia, specifying the terms and conditions which will apply to the grants and the actual projects to be assisted in those States.

An allocation of \$24.3 million has been made in 1981-82, the fourth year of the program. Final decisions have yet to be made about the State-by-State distribution. Payments made to relevant States since 1979-80 are given in Appendix VI.

#### *Special Payment to Victoria for Transport*

The Commonwealth has announced its intention to provide assistance to Victoria of \$35 million in each of 1981-82 and 1982-83 for upgrading the Victorian transportation system.

#### *Urban Public Transport*

The Commonwealth first began providing assistance to the States for approved urban public transport projects in 1973-74. Since 1978-79, assistance has been provided under the *States Grants (Urban Public Transport) Act 1978*. In 1980-81, \$44.1 million was provided to the States under this Act including \$571,000 in respect of commitments entered into in 1979-80 but not paid in that year.

The Government announced in the context of the recent Review of Commonwealth Functions that its urban public transport function would be transferred to the States. The provision of Commonwealth financial assistance to the States under the *States Grants (Urban Public Transport) Act 1978* has therefore been terminated, subject to the provision of assistance in respect of commitments entered into by the States in 1980-81 on approved projects and not paid in that year. The estimates include \$1.5 million for this purpose in 1981-82. Allowance was made in determining States' tax sharing grants in 1981-82 (the base year under the new tax sharing arrangements) for assistance that otherwise would have been provided under the urban public transport program in that year.

Payments since 1977-78 are given in Appendix VI.

#### *Transport Planning and Research*

The Commonwealth provided assistance to the States for a number of years for a program of approved transport planning and research projects encompassing all land transport modes and their relationship to other modes. Since 1977-78, assistance had been provided under the *Transport Planning and Research (Financial Assistance) Act 1977*. In 1980-81, \$6.3 million was made available under the Act.

Following the recent Review of Commonwealth Functions, Commonwealth assistance for this purpose was terminated at the end of 1980-81. Payments since 1977-78 are given in Appendix VI.

Under the program, Commonwealth assistance had been used by the States partly to supplement funds provided from their own resources towards the costs of projects undertaken by the Australian Road Research Board and the Australian Railways Research and Development Organisation. In lieu of assistance to the States for this purpose, the Commonwealth, through the Department of Transport, is to make contributions directly to these organisations in 1981-82 amounting to \$1.7 million and \$0.8 million respectively.

## ECONOMIC SERVICES—WATER SUPPLY AND ELECTRICITY

### *Urban Water Supply*

Since 1974-75, payments amounting to \$38 million, including \$2.6 million paid in 1980-81, have been provided to South Australia to assist with the construction of water treatment plants in the Adelaide metropolitan area. Prior to 1979-80 assistance amounting to \$32.9 million was provided under the *Urban and Regional Development (Financial Assistance) Act* 1974. Subsequent assistance of \$5.1 million has been provided under the *National Water Resources (Financial Assistance) Act* 1978. The Commonwealth also provided \$177,000 to Western Australia in 1980-81 to assist in the development of a supplementary water supply for Port Hedland to relieve pressure on existing water supply sources, and \$350,000 to assist in the provision of additional water supplies for the West Pilbara region. Further funds in 1981-82 for such purposes may be provided from funds which have yet to be allocated to particular projects under the National Water Resources Program (see page 70).

### *Julius Dam*

A grant of \$250,000 was provided to Queensland in 1980-81 under the National Water Resources Program for on-passing to the Mount Isa City Council as assistance towards meeting the Council's share of the debt burden associated with the now completed Julius Dam. Payments amounting to \$1.3 million have now been provided for this purpose since 1977-78.

## ECONOMIC SERVICES—INDUSTRY ASSISTANCE AND DEVELOPMENT

### *Softwood Forestry*

Since 1966-67, interest-bearing loans have been provided to the States towards a program of increased planting of softwood forests.

Under the *Softwood Forestry Agreements Act* 1978 the Commonwealth agreed to provide loan assistance for a further five-year period commencing on 1 July 1977 to cover the cost of maintaining forestry planting financed by previous Commonwealth assistance. The loans are repayable over twenty years with repayment commencing fifteen years after the date of each advance.

Payments made in 1980-81 totalled \$4.8 million and are estimated at \$5 million for 1981-82.

The following table shows payments that have been made to the States for this purpose since 1977-78 and estimated payments in 1981-82:

**Table 40—Advances for Softwood Forestry, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	374	73	..	87	..	..	360
1978-79 . . . . .	3 175	613	1 485	..	1 302	1 090	7 665
1979-80 . . . . .	1 840	415	977	330	910	659	5 131
1980-81 . . . . .	1 891	521	841	155	811	603	4 823
1981-82 (estimate) . . .	2 000	400	800	150	1 000	650	5 000

#### *Assistance to the Forestry Industry in Tasmania*

The Commonwealth has agreed to provide financial assistance to Tasmania amounting to \$680,000 over the five years 1978-79 to 1982-83 towards the cost of establishing some small plantations and certain silviculture projects involving native trees. This assistance is being supplemented by a further \$400,000 over the four years 1979-80 to 1982-83 for the purchase of marginal farmland and the establishment of eucalypt plantations thereon.

The assistance, by way of loans on a \$1 for \$1 matching basis, is to be repayable over 40 years commencing 20 years after each advance is made. During the 20 years in which repayments are deferred, interest is to be capitalised.

Payments to 1980-81 have amounted to \$608,000, and \$236,000 is expected to be provided in 1981-82.

#### *Rural Adjustment*

Under an agreement reached between the Commonwealth and the States in 1976, assistance is being provided under the *States Grants (Rural AAdjustment) 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 Commonwealth and the States monitor the scheme closely and amend it as required to maintain its relevance in the light of changing adjustment needs in the rural sector. Wine-grape producers became eligible in 1978-79 for carry-on finance assistance, assistance for beef and dairy producers was discontinued as from 1979-80, and agreement in principle has been reached regarding the extension of adjustment assistance to the fishing industry.

Assistance under the scheme in 1980-81 amounted to \$16.4 million and an estimated \$17.1 million will be provided in 1981-82.

The following table shows payments made under the scheme since 1977-78 and estimated payments in 1981-82:

**Table 41—Payments for Rural Adjustment, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GRANTS							
1977-78 . . . . .	1 712	2 036	1 069	1 129	746	41	6 733
1978-79 . . . . .	1 843	1 666	1 198	854	1 429	173	7 162
1979-80 . . . . .	706	594	372	513	418	41	2 645
1980-81 . . . . .	669	709	425	415	405	46	2 669
1981-82 (estimate)	672	593	422	359	453	63	2 562
ADVANCES							
1977-78 . . . . .	8 138	10 114	8 517	6 256	4 254	212	37 490
1978-79 . . . . .	10 065	8 712	8 087	3 884	8 075	988	39 812
1979-80 . . . . .	3 485	3 281	1 744	2 041	1 720	202	12 472
1980-81 . . . . .	3 570	3 303	2 377	2 019	2 295	206	13 770
1981-82 (estimate)	3 805	3 363	2 389	2 036	2 566	354	14 513
TOTAL							
1977-78 . . . . .	9 850	12 150	9 587	7 385	5 000	253	44 223
1978-79 . . . . .	11 908	10 378	9 285	4 738	9 504	1 161	46 974
1979-80 . . . . .	4 191	3 875	2 116	2 554	2 138	242	15 117
1980-81 . . . . .	4 239	4 013	2 802	2 433	2 700	252	16 439
1981-82 (estimate)	4 477	3 956	2 811	2 395	3 019	417	17 075

### *Supplementary Assistance for Apple and Pear Growing Industries*

In early 1974 the Commonwealth agreed to provide assistance on a \$1 for \$1 matching basis with Queensland, Western Australia and Tasmania, to supplement assistance available under the Apple and Pear Stabilization Scheme. These arrangements have continued and, with the exception of New South Wales, all States have participated at various times.

In 1981 new arrangements were introduced. The Stabilization Scheme was terminated in respect of pears and will be phased out over four years for apples. At the same time, the Commonwealth agreed to underwrite apple and pear export returns during the 1981-85 export seasons at 95 per cent of the weighted average return during the four immediately preceding years. The Commonwealth also agreed to continue the provision of supplementary assistance on a similar basis with the States but with it being more flexible with a view to facilitating structural adjustment within the apple and pear industry.

The following table shows payments that have been made to the States for this purpose since 1977-78 and estimated payments in 1981-82:

**Table 42—Recurrent Grants for Apple and Pear Export Assistance, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78	..	16	..	..	..	39	55
1978-79	..	27	..	..	310	238	575
1979-80	..	1	2	..	248	437	689
1980-81	..	..	..	..	169	47	216
1981-82 (estimate)	3	90	6	..	250	693	1 042

#### *International Sugar Agreement*

The *International Sugar Agreement Act 1978* approves Australia's ratification of an Agreement which seeks to stabilise international trade in raw sugar through the management of special reserve stocks and the imposition of export quotas.

The International Monetary Fund has agreed to provide drawings from its Buffer Stock Facility to exporter members of the Agreement to assist in financing the acquisition costs of their stockholding obligations, and a foreign currency drawing equivalent to \$27.8 million was made by the Commonwealth in November 1979 and on-lent to the sugar industry through the Queensland Government. The local industry's special stock holdings were released for sale in February 1980 following a sharp increase in world sugar market prices, and the Commonwealth was required to repay the International Monetary Fund drawing in May 1980. The \$A equivalent of the foreign currency drawing at that date was \$27.4 million and this amount, together with accrued interest, was recovered from the State in 1980-81.

#### *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 Commonwealth has agreed to provide \$18.7 million during 1981-82 as payments to the States for this purpose.

In 1973 the Commonwealth joined with the mainland States in a scheme to compensate partially owners of livestock slaughtered following positive reaction to bovine tuberculosis tests, and, from July 1976, joined with these States in a bovine brucellosis slaughter compensation scheme. An estimated \$2.7 million is to be paid to the States for this purpose in 1981-82.

The following table shows payments that have been made under these schemes since 1977-78, and payments estimated to be made in 1981-82:

**Table 43—Grants for Current Expenditure on the Eradication of Bovine Brucellosis and Tuberculosis, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	4 535	5 858	4 180	1 201	854	120	16 749
1978-79 . . . . .	7 422	6 980	5 272	2 346	895	103	23 018
1979-80 . . . . .	7 593	5 754	5 290	1 986	1 013	57	21 691
1980-81 . . . . .	7 449	4 432	5 484	2 564	1 187	58	21 175
1981-82 (estimate) . . . . .	7 427	4 231	6 343	2 125	1 193	49	21 368

#### *Control and Eradication of Exotic Animal Diseases*

Under long-standing agreements between the Commonwealth and the States in relation to outbreaks of a number of exotic animal diseases, \$60,000 was paid to Tasmania in 1980-81 in respect of an outbreak of vesicular disease in pigs. In connection with an outbreak of blue tongue disease, amounts of \$1,000 and \$5,000 were also paid to Queensland and Western Australia respectively.

#### *Extension Services Grants*

From 1948-49 annual grants were made to the States to promote improved practices in the dairy industry and from 1952-53 further grants were provided for development in the States of agricultural advisory services generally. In addition to the payments to the States, a small amount has been expended directly by the Commonwealth on projects of national importance.

The Government announced in the context of the recent Review of Commonwealth Functions that this function would be transferred to the States. The program of assistance has therefore been terminated and allowance has been made in determining States' tax sharing grants in 1981-82 (the base year under the new tax sharing arrangements) for assistance that otherwise would have been provided under the program in that year.

Payments since 1977-78 are given in Appendix VI.

#### *Agricultural Research Grants*

Commonwealth Special Research Grants have been made to the States since 1960-61 to finance special investigation projects of a new, limited nature, usually on a \$1 for \$1 matching basis with the States and/or industry. Grants amounted to \$81,000 in 1980-81 and are estimated at \$89,000 in 1981-82. In 1981-82 \$209,000 will also be made available for projects sponsored by the Australian Agricultural Council under a separate program. \$156,000 was provided in this manner in 1980-81.

Grants paid to the States since 1977-78 and estimated grants in 1981-82 are shown in the following table:

**Table 44—Grants for Agricultural Research, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	82	22	5	16	..	..	125
1978-79 . . . . .	80	50	17	4	7	..	158
1979-80 . . . . .	108	64	34	8	8	..	221
1980-81 . . . . .	122	50	31	8	20	7	237
1981-82 (estimate) (a) .	123	81	34	16	35	10	298

(a) The 1981-82 allocations between the States are still to be determined. No commitment is implied to the provision of the amounts shown.

#### *Assistance to the Chrysotile Corporation of Australia*

The *New South Wales Grant (Chrysotile Corporation) Act 1978* provides for the Commonwealth to provide funds to New South Wales towards meeting the cash deficit of the Chrysotile Corporation's asbestos mine at Barraba for the period 1 October 1978 to 31 December 1979, on a \$1 for \$1 matching basis with the State, up to a maximum of \$1.4 million. An advance of \$1.2 million was made in 1979-80 in respect of that period, and the balance of \$0.2 million was paid in 1980-81.

#### *Launceston Precision Tool Annexe*

\$0.32 million was paid to Tasmania in 1980-81 to facilitate the re-establishment of the Launceston Precision Tool Annexe and a final payment of \$20,000 is being made in 1981-82. The assistance is repayable over 10 years.

#### *Iron Triangle Study—South Australia*

The Commonwealth is providing up to \$250,000 on a matching basis to South Australia towards the cost of a study for a long-term strategy for development in the Iron Triangle region of the State. An amount of \$50,000 was provided to the State in 1980-81 and \$200,000 is included in the Budget for 1981-82.

#### *Water Resources Management and Development*

The Commonwealth has for many years provided financial assistance to the States for water related purposes. Depending on these purposes, this assistance has come under a number of functional headings. While the following table groups all of the relevant assistance together, several projects are dealt with elsewhere in this paper and in Budget Paper No. 1 under their appropriate functional headings.

In November 1977, the Commonwealth established a National Water Resources Program to provide funds for water related purposes over the five years 1978-79 to 1982-83. (Assistance to the Northern Territory for these purposes has also been provided under this program since 1980-81.) The Commonwealth has indicated its intention to contribute \$200 million over the duration of the program.

The program encompasses the provision of funds to the States by way of grants and/or loans for programs, projects or activities of national significance or in special circumstances, for:

- urban and rural water supplies and water re-use;



- flood mitigation and flood plain management;
- problems representing a threat to long-term use of existing water resources;
- water resources assessment and control; and
- regional planning and management investigations.

In 1980-81, assistance of \$29.1 million was provided under the National Water Resources Program. Of this amount \$26.0 million was provided to the States and \$1.9 million to the Northern Territory. The balance, not classified as payments to the States and the Northern Territory, was allocated to meet the Commonwealth's contribution to the River Murray Commission (\$649,000), the Bureau of Meteorology for reimbursement for water resources assessment work undertaken on behalf of the States (\$90,000), the Australian Water Resources Council's research program (\$470,000), and the Burdekin Ecology Study (\$20,000).

Details of assistance provided to the States in 1980-81, including \$4.4 million dealt with under other functional headings, are given in the table below. For details of assistance in previous years, see Appendix VI and earlier issues of this paper.

**Table 45—Payments to the States for Water Projects in 1980-81 (\$ thousands)**

State	Amount	Purpose
New South Wales	1 800	Water Resources Assessment Program—the Commonwealth has contributed funds to this program since 1964-65.
	2 230	Murray Valley Salinity Mitigation—funds were first provided in 1978-79 for this purpose as part of a co-ordinated program with New South Wales, Victoria and South Australia for salinity reduction and drainage control.
	181	Flood Mitigation Study—continued funding of a joint study with New South Wales to develop comprehensive flood mitigation strategies for coastal rivers.
	888	Flood Mitigation—provided as a further grant for on-going expenditures on approved works included in the coastal rivers flood mitigation program, pending completion of the study referred to above.
	200	Flood Mitigation Study—Commonwealth contribution to a study to develop comprehensive flood plain management plans for inland rivers.
	69	Flood Mitigation—Commonwealth contribution to a program of approved works for inland rivers flood mitigation.
	112	Hunter Valley Economic Strategy Study—jointly funded with the Hunter Valley District Water Board to develop economic and financial strategies for the Board for the next twenty years.
	500	Split Rock Dam—assistance for dam construction; the dam is to provide additional security for irrigation water supplies in the Namoi Valley.
Victoria	1 250	Water Resources Assessment Program ( <i>see above</i> ).
	1 463	Murray Valley Salinity Mitigation ( <i>see above</i> ).
	760	Flood Plain Management—continuing contribution to the investigation of the cause, frequency and extent of flooding in selected areas, the identification and mapping of flood plain areas and the implementation of various flood mitigation works and measures.
	61	Water Resources Studies—contribution to the cost of studies on the financing of water supply and sewerage services for small communities and on the impact of sediments on the substrata and biota of the Thomson River.

*Table 45—Payments to the States for Water Projects in 1980–81(\$ thousands)—continued*

State	Amount	Purpose
Queensland	1 050 (a)785 (a)126 120 2 500 (a)250 1 300	Water Resources Assessment Program ( <i>see above</i> ). Urban Flood Mitigation—Kedron Brook Flood Mitigation Works ( <i>see page 58 for details</i> ). Urban Flood Mitigation—Brisbane Creeks Flood Mitigation Scheme ( <i>see page 58 for details</i> ). Flood Mitigation—contribution for the Proserpine Flood Mitigation Works. Bundaberg Irrigation Works—provided mainly as assistance for the construction of reticulation works included in Phase 2 of the project. Julius Dam ( <i>see page 65 for details</i> ). Eton Irrigation Project—provided as assistance for the construction of pump stations, balancing storages and reticulation work to serve the Brightley area and extension of the Oakenden Main Channel.
South Australia	800 (a)2 600 2 305	Water Resources Assessment Program ( <i>see above</i> ). Urban Water Supply—Adelaide Water Treatment Scheme ( <i>see page 65 for details</i> ). Murray Valley Salinity Mitigation ( <i>see above</i> ).
Western Australia	2 200 (a)177 (a)350 808 154 355 40	Water Resources Assessment Program ( <i>see above</i> ). Urban Water Supply—Port Hedland Water Supply ( <i>see page 65 for details</i> ). Urban Water Supply—West Pilbara Water Supply ( <i>see page 65 for details</i> ). Collie River Salinity Control—funds were provided for the control of the effects of dryland salinity in the Wellington Dam catchment. Water Resources Studies—contribution to studies of waste water management and residential water use. Ord River Irrigation Scheme—loan assistance mainly for the construction of rice storage facilities associated with the scheme. Carnarvon Flood Plain Management Study—the Commonwealth is contributing to a study to develop a comprehensive flood plain management strategy for Carnarvon and surrounding agricultural areas and to evaluate possible flood mitigation options.
Tasmania	(b)448 (a)75	Water Resources Assessment Program ( <i>see above</i> ). Urban Flood Mitigation—Launceston Flood Protection Works ( <i>see page 58 for details</i> ).
Total	25 956	

(a) Included elsewhere in this document under other appropriate functional headings.

(b) Includes \$213 000 committed in 1979–80 but not paid in that year.

It is estimated that \$35.0 million will be provided under the National Water Resources Program in 1981–82. Of this amount, an estimated \$31.5 million will be provided to the States (comprising \$31.4 million which has yet to be allocated to particular projects and \$0.1 million in respect of expenditures by the States in 1980–81) and \$1.9 million to the Northern Territory. The balance of \$1.5 million, not classified as a payment to the States and the Northern Territory, is to be allocated to meet the Commonwealth's contribution to the River Murray Commission (\$938,000) and the Australian Water Resources Council's research program (\$600,000).

### *Burdekin Dam Project*

It was announced in August 1980 that the Commonwealth would provide assistance by way of grants to Queensland—outside the National Water Resources Program—for the full cost of the Burdekin Dam. Queensland will finance the initial work associated with the project and the irrigation area development works. When complete, the project will provide irrigation for an additional 45 125 hectares adjacent to the existing Burdekin Irrigation Area for sugar, rice and horticultural production. It will also provide for the future urban water needs of Bowen and Townsville. It is not expected that the Commonwealth will incur expenditure in 1981–82 under this commitment.

## 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 excise is currently 15 cents per tonne of which an amount equivalent to 10 cents per tonne is 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 balance of the excise is applied to coal research.

Following the recent Review of Commonwealth Functions, the Commonwealth will be negotiating with the States, the industry and unions to terminate these arrangements.

The following table shows payments to the States since 1977–78 and estimated payments in 1981–82:

**Table 46—Grants for Coal Mining Industry Long Service Leave, 1977–78 to 1981–82 (\$ thousands)**

	New South Wales	Queens- land	Western Australia	Tasmania	Total
1977–78	4 759	730	268	27	5 784
1978–79	5 447	992	327	16	6 783
1979–80	5 969	1 361	395	9	7 735
1980–81	6 805	1 271	459	3	8 538
1981–82 (estimate)	6 462	1 230	500	8	8 200

### *Education Program for Unemployed Youth*

Under the Education Program for Unemployed Youth the Commonwealth has provided funds to the States to conduct courses to improve the skills and motivation of the young unemployed, particularly those with low or inadequate educational qualifications. The program, for which \$4.2 million has been made available in 1981–82, is now being administered in conjunction with the School-to-Work Transition Program (see earlier in this Chapter under Education). Payments to the States under the Education Program for Unemployed Youth from 1977–78 to 1980–81 are given in Appendix VI.

## OTHER ECONOMIC SERVICES

### *Centre for Regional Economic Analysis—Tasmania*

Provision of \$40,000 has been made in 1981–82 for a \$1 for \$1 matching grant to Tasmania to establish a Centre for Regional Economic Analysis at the University of Tasmania. The main purpose of the Centre will be to provide the Tasmanian Government and industry with quantitative information on the State's economy, including the impact of Commonwealth policies and programs.

## GENERAL PUBLIC SERVICES

### *Law, Order and Public Safety*

#### *Legal Aid*

\$0.4 million has been provided in 1981–82 as part of an ongoing program of assistance for community legal aid centres. The grants will provide supplementary funds to 29 services—four of which will be new recipients of Commonwealth assistance—in four States.

The following table shows payments to the States since 1977–78 and estimated payments in 1981–82:

**Table 47—Recurrent Grants for Legal Aid, 1977–78 to 1981–82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977–78	..	80	..	..	..	..	80
1978–79	..	21	..	..	..	..	21
1979–80	29	113	12	22	..	..	175
1980–81	94	148	11	18	..	..	270
1981–82 (estimate)	124	201	33	42	..	..	400

#### *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 given in Appendix VI.

## ASSISTANCE FOR LOCAL GOVERNMENT

Commencing in 1976–77 local government authorities have participated in the tax sharing arrangements introduced in 1976. Details of these arrangements as well as other schemes of assistance, insofar as they affect local government authorities, are given in Chapter VI.

## NATURAL DISASTER RELIEF

Commonwealth assistance for natural disaster relief is provided under the natural disaster relief arrangements. These long standing arrangements provide for Commonwealth financial assistance to help the States and the Northern Territory meet the unpredictable and sometimes large costs of providing natural disaster relief. The arrangements recognise the States' primary responsibility for the administration, provision and funding of relief measures, in line with their constitutional responsibilities in this area. The Commonwealth's role is confined to providing financial support when a State's expenditure on approved relief measures in a financial year goes beyond its financial capacity. Natural disasters covered by the arrangements are of a weather-related kind—cyclones, floods, storms, bushfires and droughts.

Under the arrangements, the Commonwealth provides assistance on a \$3 Commonwealth to \$1 State basis for expenditures by each State on approved relief and restoration measures in cases of 'major' disasters where such expenditures exceed a State's assessed financial capacity as represented by annual base amounts of expenditure. A major disaster is, for this purpose, defined as a disaster in respect of which a State's expenditure on approved measures exceeds one-tenth of that State's annual base amount. The existing base amounts, set in 1978-79, are:

	\$ million
New South Wales . . . . .	10.0
Victoria . . . . .	7.0
Queensland . . . . .	4.0
South Australia . . . . .	3.0
Western Australia . . . . .	3.0
Tasmania . . . . .	1.2
Northern Territory . . . . .	0.25

The Commonwealth also meets half of the cost of assistance provided by the States on approved measures for the immediate relief of personal hardship and distress where such expenditures do not qualify for \$3 for \$1 assistance under the conditions outlined above. Approved measures for the relief of personal hardship and distress comprise the provision of emergency food, clothing and accommodation, essential repairs to houses to make them habitable and secure, and the repair and replacement of essential items of furniture and personal effects. These measures are restricted to people in needy circumstances as a result of a disaster. In practice, the cost of assistance provided for the immediate relief of personal hardship and distress is minor compared with assistance provided under the other part of the arrangements.

The approved measures which attract Commonwealth assistance under the arrangements, are as follows:

- (a) grants for relief of personal hardship and distress (cyclones, floods, storms and bushfires);
- (b) grants for restoration of public assets and emergency protection and repair works by State, local and semi-government authorities (disasters as in (a));
- (c) concessional loans to small businesses (cyclones and floods);
- (d) concessional loans to churches, sporting associations and other voluntary non-profit organisations (disasters as in (c));
- (e) concessional loans to primary producers for carry-on, restocking and restoration purposes (cyclones, floods, storms, bushfires and droughts);
- (f) freight subsidies for primary producers (disasters as in (e));
- (g) subsidies for carriage of water to central dispersal points for primary producers (drought); and
- (h) assistance to State, local and semi-government authorities for the disposal of helpless and unsaleable stock (floods, bushfires and droughts).

As a result of the inclusion of the measures listed above in the arrangements, the States are able to assume that relief expenditure incurred in respect of these measures will be eligible for Commonwealth assistance following specified major disasters. If a State wishes to change the terms of previously approved measures (eg the size of concessional loans), it is required to seek Commonwealth agreement. It also remains open

to a State to request Commonwealth agreement to a new measure which it may wish to implement for a particular disaster or indeed to implement, completely at its own initiative and without seeking Commonwealth approval, measures for which the State would itself accept full financial responsibility.

Assistance to the States for natural disaster relief in 1980-81 was mainly in respect of the widespread and severe drought in New South Wales, Queensland and Western Australia. The Budget estimate for 1981-82 relates to outstanding commitments and continuing assistance in respect of disasters occurring in previous years in New South Wales, Queensland, Western Australia and Tasmania (particularly the drought), and also makes some allowance for likely payments in respect of possible new disasters of which some, on the basis of past experience, can be expected to qualify for Commonwealth assistance in 1981-82.

The following table shows payments to the States since 1977-78, including estimated payments in 1981-82. Reflecting the differing incidence of disasters, the amounts vary considerably from one State to another and from one year to another.

**Table 48—Payments for Natural Disaster Relief(a), 1977-78 to 1981-82**  
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
PAYMENTS OF A RECURRENT NATURE							
1977-78	1 237	99	231	218	526	..	2 311
1978-79	265	7	1 755	501	151	..	2 679
1979-80	45	..	1 303	..	293	..	1 641
1980-81	14 871	..	8 583	92	1 167	..	24 712
1981-82 (estimate)(b)	6 485	..	4 215	..	28	92	10 820
PAYMENTS OF A CAPITAL NATURE—GRANTS							
1977-78	6 945	522	11 080	15	2 258	..	20 820
1978-79	1 895	805	5 773	..	1 372	..	9 844
1979-80	..	-229	6 313	-270	1 057	..	6 870
1980-81	815	..	6 705	-737	1 447	..	8 230
1981-82 (estimate)(b)	409	..	4 953	..	32	235	5 629
PAYMENTS OF A CAPITAL NATURE—LOANS							
1977-78	1 485	1 291	3 762	12 117	15 714	..	34 369
1978-79	984	201	1 434	4 929	6 895	..	14 444
1979-80	..	..	216	..	7 092	..	7 308
1980-81	27 869	..	6 755	..	12 757	..	47 381
1981-82 (estimate)(b)	13 400	..	3 485	..	293	103	17 281
TOTAL PAYMENTS							
1977-78	9 667	1 912	15 073	12 350	18 498	..	57 500
1978-79	3 144	1 013	8 962	5 430	8 418	..	26 967
1979-80	45	-229	7 832	-270	8 442	..	15 819
1980-81	43 555	..	22 043	-645	15 371	..	80 324
1981-82 (estimate)(b)	20 294	..	12 653	..	353	430	33 730

(a) Excludes the cost of emergency services provided by the Defence Force.

(b) Estimates shown for 1981-82 are indicative only as they make some provision for expected payments in respect of possible new disasters of which some, on the basis of past experience, can be expected to qualify for Commonwealth assistance.

Tables 97 and 98 in Appendix IV provide a more detailed breakdown of Commonwealth natural disaster relief payments. Details of payments for natural disaster relief in past years may be obtained from earlier issues of this Budget paper and, in particular, from Tables 158 and 159 of the 1975-76 issue of this paper.

## CHAPTER V—PAYMENTS TO THE NORTHERN TERRITORY

On 1 July 1978 the Northern Territory of Australia became a self-governing Territory under the *Northern Territory (Self-Government) Act 1978*. Under this and associated legislation (and regulations thereunder) the Territory has expenditure responsibilities and revenue raising powers broadly approximating those of a State (though, of course, the Territory is not a State under the Constitution).

### FUNCTIONS TRANSFERRED

The Legislative Assembly of the Northern Territory has power, with the assent of the Administrator or Governor-General, to make laws 'for the peace, order and good government of the Territory' and the Ministers of the Territory have executive authority in respect of the matters listed in the 1980-81 Budget Paper No 7.

### PAYMENTS TO THE NORTHERN TERRITORY AND BORROWINGS BY NORTHERN TERRITORY AUTHORITIES IN 1979-80, 1980-81 AND 1981-82

The basic framework for financial arrangements between the Commonwealth and the Northern Territory is set out in a Memorandum of Understanding agreed between the Commonwealth and Northern Territory Governments in 1978.

As from 1 July 1979 the Northern Territory receives a tax sharing entitlement, a local government tax sharing entitlement, and specific purpose payments, under arrangements similar to those with the States. In addition, the Territory receives from the Commonwealth general purpose capital assistance comprising one-third grant and two-thirds loan on the same terms and conditions as apply to the State Governments' Loan Council programs.

The Northern Territory Government and its authorities are empowered to borrow subject to arrangements analogous to Loan Council arrangements and procedures. Individual borrowings may be guaranteed by the Commonwealth.

The detailed categories of assistance from 1979-80 do not correspond with the transitional arrangements that applied in 1977-78 and 1978-79 and consequently year to year comparisons of the figures can only be made at a very broad level of aggregation and have limited value. (Details of arrangements relating to these earlier years are contained in the 1978-79 and 1979-80 issues of this paper.)

The table immediately following shows payments to the Northern Territory, borrowing programs by or on behalf of Northern Territory authorities, and interest paid by the Northern Territory to the Commonwealth for 1979-80, 1980-81 and estimates for 1981-82. The succeeding table gives details of the main categories on a per capita basis.

**Table 49—Commonwealth Payments to the Northern Territory, Borrowings by Northern Territory Government and Authorities and Interest Payable by the Northern Territory to the Commonwealth, 1979–80 to 1981–82**

	1979–80	1980–81	1981–82 (estimate)
	\$'000	\$'000	\$'000
<i>General Revenue Funds—</i>			
Tax Sharing Grant (a)	208 865	274 177	315 100
Health Grant			20 600
Additional Assistance Grant	20 000	20 000	20 000
Recreation Leave and Furlough Entitlements			1 750
Grant in Lieu of Uranium Royalties		917	1 020
<b>TOTAL GENERAL REVENUE FUNDS</b>	<b>228 865</b>	<b>295 094</b>	<b>358 470</b>
<i>General Purpose Capital Funds—</i>			
Borrowings (from Commonwealth)	71 606	76 568	76 568
Capital Grants	35 803	38 284	38 284
<b>Total General Purpose Capital Funds</b>	<b>107 410</b>	<b>114 852</b>	<b>114 852</b>
<b>TOTAL GENERAL PURPOSE FUNDS</b>	<b>336 274</b>	<b>409 946</b>	<b>473 322</b>
<i>Specific Purpose Payments—Recurrent Purposes—</i>			
Debt Charges Assistance	1 573	12 369	24 507
Tertiary Education	3 746	3 870	4 207
Schools	3 577	4 619	6 033
School to Work Transition	17	191	352
Pre-school Education	340	340	340
Research and Development in Education	13		
Child Migrant Education	2	131	170
Public Hospitals—Running Costs (b)	19 897	23 324	800
Community Health Services (b)		10	10
Health Planning Agencies	411	474	10
Blood Transfusion Services	75	85	95
School Dental Scheme (b)	401	418	
Drug Education	22	50	51
Control of Encephalitis	4	3	7
Home Care Services	12	117	140
Assistance for Deserted Wives	233	229	
Other Children's Services	258	282	305
Sacred Sites Protection Assistance (b)	64	223	
National Fitness (b)	20	22	
Subsidy to Electricity Commission	30 000	43 000	45 700
Exotic Diseases Eradication	4		
Bovine Brucellosis and TB Eradication	1 322	1 420	1 698
Agricultural Extension Services (b)	50	50	
Education Program for Unemployed Youth	52	70	
Promotion of Road Safety Practices		3	3
Local Government Tax Sharing Assistance	1 062	1 440	1 681
<b>Total Specific Purpose Payments Recurrent</b>	<b>63 165</b>	<b>92 741</b>	<b>86 098</b>



*Table 49—Commonwealth Payments to the Northern Territory, Borrowings by Northern Territory Government and Authorities and Interest Payable by the Northern Territory to the Commonwealth, 1979–80 to 1981–82—continued*

	1979–80	1980–81	1981–82 (estimate)
	\$'000	\$'000	\$'000
<i>Specific Purpose Payments—Capital Purposes—</i>			
Tertiary Education . . . . .	2 522	2 292	4 256
Schools . . . . .	1 686	2 294	2 444
Aboriginal Education Assistance . . . . .	..	..	125
Community Health Services(b) . . . . .	1	17	..
Blood Transfusion Services . . . . .	13	..	5
School Dental Scheme(b) . . . . .	..	81	..
Housing—			
Advances for Housing . . . . .	11 099	10 650	7 490
Pensioner Housing Grants . . . . .	..	..	500
Other Grants . . . . .	2 650	2 750	2 565
Total Housing . . . . .	13 749	13 400	10 555
Housing for Aborigines . . . . .	1 060	1 100	4 401
Welfare Support for Aborigines . . . . .	..	..	1 865
International Standard Sports Facilities . . . . .	..	..	100
National Estate . . . . .	140	165	165
Roads—			
National Roads . . . . .	..	..	12 284
Arterial Roads . . . . .	..	..	1 964
Local Roads . . . . .	..	..	6 871
Total Roads . . . . .	19 000	21 119	23 035
Rural Adjustment Scheme . . . . .	500	593	625
Water Resources Assessment . . . . .	1 940	1 940	1 940
Jabiru Infrastructure Assistance . . . . .	948	8 246	9 974
Total Specific Purpose Payments—Capital . . . . .	41 559	51 248	59 490
TOTAL SPECIFIC PURPOSE PAYMENTS . . . . .	104 724	143 989	145 588
TOTAL PAYMENTS (gross) . . . . .	440 998	553 935	618 910
Payments Direct to Local Authorities(c) . . . . .	298	246	276
Less Repayments(d) . . . . .	1 903	2 944	4 057
TOTAL PAYMENTS (net) . . . . .	439 393	551 236	615 129
<i>Borrowings—</i>			
Authorities' Program(e) . . . . .	31 788	25 912	26 000
Borrowings by Smaller Authorities(f) . . . . .	1 240	842	..
TOTAL BORROWINGS . . . . .	33 028	26 754	26 000
INTEREST PAYABLE TO COMMONWEALTH . . . . .	13 283	23 496	35 028

(a) For 1979–80, includes \$7,000 for Establishment Grant. For 1981–82, includes \$4 million for specific purpose programs terminated in 1980–81 (see footnote (b)).

(b) These items were terminated with effect from 1 July 1981 and (with the exception of National Fitness program) replaced by a general revenue grant.

(c) For particulars, see Chapter VI.

(d) In respect of the loan portion of the general purpose capital payments and the liability attaching to the transfer of certain assets (for details of the latter, see previous issues of this paper).

(e) Allowance within Commonwealth authorities' Loan Council borrowing program for Northern Territory and its authorities.

(f) Estimated borrowings off-program by Northern Territory authorities borrowing not more than \$1.2 million.

**Table 50—Commonwealth Payments to the Northern Territory, Borrowings by the Northern Territory Government and Authorities and Interest Payable by the Northern Territory to the Commonwealth, 1979–80 to 1981–82 (\$ per head of population)**

	1979–80	1980–81	1981–82 (estimate)
	\$	\$	\$
General Revenue Funds (a)	1 965.65	2 390.74	2 777.33
General Purpose Capital Funds	922.51	930.49	889.84
<b>TOTAL GENERAL PURPOSE FUNDS</b>	<b>2 888.16</b>	<b>3 321.23</b>	<b>3 667.17</b>
<i>Specific Purpose Payments—</i>			
Recurrent	542.51	751.35	667.07
Capital	356.94	415.19	460.91
<b>TOTAL SPECIFIC PURPOSE PAYMENTS</b>	<b>899.44</b>	<b>1 166.54</b>	<b>1 127.98</b>
<b>TOTAL PAYMENTS (Gross)</b>	<b>3 787.60</b>	<b>4 487.77</b>	<b>4 795.15</b>
Payments Direct to Local Authorities (a)	2.56	1.99	2.14
Less Repayments (b)	-16.34	-23.85	-31.44
<b>TOTAL PAYMENTS (net)</b>	<b>3 773.82</b>	<b>4 465.91</b>	<b>4 765.85</b>
<i>Borrowings—</i>			
Authorities' Program (c)	273.02	209.93	201.44
Borrowings by Smaller Authorities (d)	10.65	6.82	..
<b>TOTAL BORROWINGS</b>	<b>283.67</b>	<b>216.75</b>	<b>201.44</b>
<b>INTEREST PAYABLE TO COMMONWEALTH</b>	<b>114.08</b>	<b>190.35</b>	<b>271.39</b>

(a) See footnote (a) to Table 49

(b) See footnote (d) to Table 49

(c) See footnote (e) to Table 49

(d) See footnote (f) to Table 49

### *General Purpose Payments*

General purpose payments to the Northern Territory comprise general purpose revenue payments (tax sharing grant, additional assistance grant, grant in lieu of uranium royalties and a payment to the Northern Territory for recreation leave and furlough entitlements in respect of former Commonwealth employees) and general purpose capital payments (provided on terms and conditions analogous to those applying to the State Government Loan Council programs).

### *Tax Sharing Grant*

At the Premiers' Conference of 4 May 1981, tax sharing arrangements with the States were reviewed in accordance with Section 13(1) of the *States (Personal Income Tax Sharing) Act 1976*. Also at that Conference, arrangements governing the tax sharing grant to the Northern Territory were changed for 1981–82 in line with changes made to arrangements with the States, and these changes, with some minor subsequent modifications, were incorporated in the *States (Tax Sharing and Health Grants) Act 1981* which received Royal Assent on 18 June 1981.

While this Act governs tax sharing arrangements with the States for the next four years, it covers the Northern Territory only in respect of 1981–82. For later years the basis for determining the Northern Territory's tax sharing grant will again be the relevant formula in the Memorandum of Understanding, but with one important change,

namely, that in line with a change for the States, the Memorandum formula will use total tax collections—as defined in the *States (Tax Sharing and Health Grants) Act 1981*—rather than net personal income tax collections in determining the rate of increase in the grant. That is, for the years following 1981-82, the Northern Territory tax sharing grant will be calculated by changing the entitlement for the year immediately preceding in proportion to the increase in total Commonwealth tax collections (lagged by one year) and the population of the Northern Territory.

The Northern Territory's 1981-82 tax sharing grant will be a fixed sum of \$315.1 million. This decision was taken subsequent to the enactment of the *States (Tax Sharing and Health Grants) Act 1981*.

#### *Special Grant and Additional Assistance Grant*

The Northern Territory is eligible to apply for a special grant on the recommendation of the Commonwealth Grants Commission.

Under the agreed arrangements between the Commonwealth and Northern Territory Governments an additional assistance grant of \$20 million is payable in each of the first three years of operation of the State-type financial arrangements; this will be phased out over the following three years to 1984-85. The additional assistance grant is intended to ensure that over the transition period total Commonwealth funds to the Territory are at a level commensurate with historical levels; special grants are based on comparisons with the States.

An additional assistance grant will not be payable in a year in which a special grant is recommended for payment if such special grant exceeds the additional grant otherwise payable. The intention is that in these initial years the Territory should receive *either* a special grant *or* an additional grant, whichever is greater.

Although the Northern Territory applied for a special grant in respect of 1980-81, it did not seek an advance grant and as a consequence received the additional assistance grant of \$20 million in that year. For 1981-82 the Commonwealth Grants Commission has recommended a completion grant in respect of 1979-80 of \$3.3 million. Since this amount is less than \$20 million, the Northern Territory will be entitled to the additional grant of \$20 million in 1981-82. The Territory has applied for a special grant in respect of 1981-82 but withdrew its request for an advance grant for that year.

#### *Health Grant*

The new arrangements for funding of health services for the States and the Northern Territory are discussed in Chapters II and IV. The previous specific purpose grants to the Northern Territory for the sharing of hospital costs, for community health and for school dental programs were terminated at the end of June 1981, and replaced by a system of general revenue grants which will constitute the Commonwealth's identifiable contribution towards the provision of the relevant health services in the Northern Territory. As explained in Chapter II, the health grant payable to the States (excluding South Australia and Tasmania) and the Northern Territory in 1981-82 and 1982-83 will be calculated by a formula which takes account of the real level of Commonwealth expenditure on the relevant cost-shared programs in 1980-81 and the assessed capacity of four States and the Northern Territory to raise revenue from certain specified hospital charges.

The total health grant determined for the four States and the Northern Territory in 1982-83 will be escalated in 1983-84 and 1984-85 in line with the increase in total Commonwealth taxation in the appropriate previous year.

In 1981-82, the health grant to the Northern Territory is equal to a base grant calculated by escalating the final payment for the relevant cost-sharing programs in 1980-81 by 10 per cent *less* 60 per cent of the Commonwealth's assessment of the Territory's capacity to raise revenue from the specified hospital charges. In 1982-83, 1983-84 and 1984-85 the Northern Territory will receive a share of the total health grant payable to the States (excluding South Australia and Tasmania) and the Northern Territory.

The distribution of the total health grant among the States (excluding South Australia and Tasmania) and the Northern Territory in 1982-83, 1983-84 and 1984-85 will be determined after an inquiry by the Commonwealth Grants Commission.

The health grant to the Northern Territory will be made on the condition that eligible pensioners, persons identified as being in special need and their dependants have access to treatment and accommodation in public hospitals without charge.

#### *Grant in Lieu of Uranium Royalties*

Special arrangements have been entered into in relation to mineral revenues, the principal features being as follows. The Commonwealth retains ownership of uranium but makes an additional grant to the Northern Territory of an amount in lieu of uranium royalties at a rate of 1.25 per cent of the value of production less certain allowable deductions. This grant was agreed to on the basis that its payment would be conditional on the Northern Territory ensuring that the terms of stamp duties and similar charges applying to mining agreements or to financial transactions in respect of such agreements are in line with those that apply in the States. The first payment (\$0.9 million) was made in 1980-81. It is estimated that \$1 million will be payable in 1981-82.

#### *Payments in respect of Recreation Leave and Furlough Entitlements*

The Commonwealth makes payments to the Territory in lieu of the accrued recreation leave and furlough entitlements of officers who transferred from the Commonwealth Public Service to the Northern Territory Public Service. Payments are made on an emerging cost basis and the estimate of \$1.75 million for 1981-82 relates to entitlements of officers who retired or resigned in 1978-79 and 1979-80.

#### *Capital Payment*

The Memorandum of Understanding provides for the general purpose capital payment to the Northern Territory to be changed from year to year in line with the increase in State Government Loan Council programs (excluding any special additions). On this basis the general purpose capital payment to the Northern Territory for 1981-82 will be \$114.9 million, the same money amount as in 1980-81.

As in the case of the analogous payments to the States, one-third of the general purpose capital payment to the Northern Territory is paid as a capital grant. The remaining two-thirds is provided at the same rates of interest as the States pay on their corresponding borrowing programs and the Territory is liable to make payments to the

Commonwealth analogous to the Sinking Fund liabilities of the States under the Financial Agreement. (As noted below, debt charges assistance is provided to the Territory to enable it to meet these charges.)

#### *Specific Purpose Payments*

In accordance with the Memorandum of Understanding, the Northern Territory is eligible for specific purpose assistance in respect of all relevant forms of assistance provided to the States under section 96 of the Constitution under terms and conditions similar to those applying to the States (*see* Chapter IV). The Northern Territory may also receive other forms of specific purpose assistance on terms and conditions agreed with the Commonwealth. Assistance estimated to be provided in 1981-82 and payments in 1979-80 and 1980-81 are shown in Table 49.

Further details are set out below for grants where there are special features.

#### *Northern Territory Electricity Commission—Subsidy*

The Commonwealth is providing a subsidy for the operations of the Northern Territory Electricity Commission for the period to the end of 1981-82 based on the difference between operating costs and the revenues the Commission would receive if it had applied average North Queensland tariffs. The 1981-82 estimate of \$45.7 million represents an increase of \$2.7 million on the 1980-81 provision. The payment is subject to subsequent variation depending on the actual outcome of operations.

#### *Debt Charges*

The Territory receives from the Commonwealth funds analogous to the State Government Loan Council programs and is required to meet debt charges on a portion of these funds under terms and conditions analogous to those that apply to the States' program. It has been agreed that in the early years of self-government the Commonwealth will make specific purpose payments to the Northern Territory equal to those debt charges. The estimated payment in 1981-82 is \$24.5 million compared with \$12.4 million in 1980-81. The rise in the Territory's interest payment reflects the fact that at the time of self-government the Territory had virtually no debt and therefore no debt charges to meet. The figures are also influenced by the timing of interest payments.

#### *Jabiru Township—Contribution to Social Infrastructure*

The Commonwealth has undertaken to reimburse the Northern Territory Government for additional capital or other expenditure, arising from the proposed uranium developments, to the extent that such expenditure is incurred by the Northern Territory Government in accordance with prior specific arrangements agreed between the two Governments. An amount of \$10 million is provided in 1981-82 for the Commonwealth's contribution towards approved State-type social infrastructure at Jabiru Township under this arrangement.

## CHAPTER VI—PAYMENTS TO OR FOR LOCAL GOVERNMENT AUTHORITIES

Local government authorities in Australia (except those in the Northern Territory) have been 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 those in the local government area.

There were, however, over this period—and there continue to be—a number of Commonwealth programs under which local authorities are among the bodies eligible for assistance either directly or through the States. Details of payments under these programs are provided later in this Chapter.

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

While the borrowing arrangements of local government authorities do not involve Commonwealth payments to or for such authorities, this Chapter includes material on those arrangements because of their relevance in the general context of inter-governmental financial relations.

An outline of various Commonwealth programs involving payments to or for local government authorities is contained in this Chapter. Payments to or for local government authorities in the Northern Territory are described in a separate section in this Chapter.

The Chapter ends with a summary of the various forms of payments in the years 1977-78 to 1981-82.

Particulars of programs in respect of which expenditures were not made in 1980-81, nor are expected to be made in 1981-82 but which involved expenditures in earlier years, may be found in previous issues of this paper.

### GENERAL PURPOSE ASSISTANCE

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 Commonwealth Grants Commission. It also provided that the grants to the States for local authorities be made available 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 as 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.

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

The arrangements agreed in 1976 between the Commonwealth and the States for the sharing of personal income tax collections with local government, and subsequently incorporated in the *Local Government (Personal Income Tax Sharing) Act 1976*, are broadly as follows:

- each year local government in the States is entitled to a fixed percentage of net personal income tax collections in the previous year;
- the amount so derived is divided among the States in specified proportions, subject to recommendation by the Commonwealth Grants Commission;
- each State will allocate a minimum of 30 per cent of the assistance among its 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; and
- the remaining assistance will be allocated among the local authorities, having regard to their respective financial needs, on the recommendation of State Grants Commissions.

In 1979-80 the *Local Government (Personal Income Tax Sharing) Act 1976* was amended on two occasions. The effect of these amendments was to increase the share of net personal income tax collections allocated to local government in the States from 1.52 per cent to 1.75 per cent in 1979-80 and to 2 per cent in 1980-81. The increases fulfil the Commonwealth's undertaking, given in November 1977, to raise the entitlement to 2 per cent over the following three years.

Section 12 (1) of the *Local Government (Personal Income Tax Sharing) Act 1976* required the Commonwealth to consult with the States before 30 June 1981 as to whether any changes should be made to the legislation. To this end, advice was sought from the State Governments in April 1981 as to possible changes to the legislation and some States subsequently provided comments on possible changes.

In his Second Reading Speech on the *States (Tax Sharing and Health Grants) Bill 1981*, the Treasurer announced that the existing tax sharing arrangements for local government would continue in 1981-82. However, since the existing legislation for those arrangements relied on certain definitions and other provisions of the *States (Personal Income Tax Sharing) Act 1976* for its operation, it was necessary to amend the *Local Government (Personal Income Tax Sharing) Act 1976* to make this Act self-sufficient after the repeal of the *States (Personal Income Tax Sharing) Act 1976*.

The Act provides for the assistance to be distributed among the States as follows:

**Table 51—Tax Sharing Funds for Local Government Authorities—  
Percentage Distribution Between States**

	Per cent
New South Wales	36.4977
Victoria	25.4513
Queensland	16.8606
South Australia	8.6010
Western Australia	9.3897
Tasmania	3.1997
Total	100.0000

The following table shows the amount of assistance paid to each State in the years 1977-78 to 1980-81 and the amount to be paid in 1981-82 for on-passing as general purpose assistance to local government authorities:

**Table 52—Grants to States for On-passing as General Purpose Assistance for Local Government, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1977-78	60 341	42 078	27 875	14 220	15 524	5 290	165 328
1978-79	65 487	45 666	30 252	15 433	16 848	5 741	179 427
1979-80	80 930	56 436	37 387	19 072	20 821	7 095	221 739
1980-81	109 780	76 554	50 714	25 871	28 243	9 624	300 786
1981-82	128 058	89 300	59 158	30 178	32 945	11 227	350 866

#### BORROWING ARRANGEMENTS FOR LOCAL GOVERNMENT AUTHORITIES

*It is emphasised that borrowings referred to in this Section are included in the totals of borrowings by the States' authorities in this paper.*

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, the Loan Council determines maximum interest rates and other terms and conditions of loans raised by authorities and approves annual total borrowing programs for the 'larger' authorities (since 1979-80 those authorities borrowing more than \$1.2 million in a year) of the Commonwealth and of each State. These borrowings are arranged by the individual authorities, with guarantees and other assistance being provided in some cases by the Government concerned. 'Smaller' authorities are not subject to any aggregate borrowing program restraint, but are subject to the Loan Council's decisions on the permissible terms and conditions for their borrowings.

#### BORROWINGS BY LOCAL GOVERNMENT AUTHORITIES 1980-81 AND 1981-82

The table following shows aggregate borrowings by all 'larger' and 'smaller' authorities in 1980-81 and the amounts borrowed within these aggregates by local government authorities, together with corresponding estimates for 1981-82. (Figures for earlier years are given in Appendix III.) 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 functions allocated to local government. As an example, the particularly high figures for Queensland reflect in part the borrowings by the Brisbane City Council which carries out a number of functions (eg sewerage) which in other States are undertaken by semi-government authorities.

**Table 53—New Money Borrowings by Commonwealth and State Authorities, (Excluding Infrastructure Financing) 1980–81 and 1981–82 (\$ thousands)**

	'Larger' Authorities(a)		'Smaller' Authorities(b)		
	Total	Local Government Authorities	Total	Local Government Authorities	All Local Government Authorities(c)
1980–81 ACTUAL					
Commonwealth Government	304 412		2 042	(d) 342	(d) 342
New South Wales	(e) 472 761	(f) 124 761	157 900	(f) 126 500	(f) 251 261
Victoria	382 657	11 300	134 538	84 469	95 769
Queensland	(e) 223 264	106 064	122 956	48 181	154 245
South Australia	56 812	3 900	35 847	21 187	25 087
Western Australia	(e) 117 313	7 230	54 047	35 124	42 354
Tasmania	44 445	1 730	21 060	13 390	15 120
Total States	1 297 252	254 985	526 348	328 851	583 836
Grand Total	1 601 664	254 985	528 390	329 193	584 178
1981–82 (ESTIMATE)(g)					
Commonwealth Government	341 000	(d)	2 500	(d)	(d)
New South Wales	(e) 472 761	(f) 135 000	140 000	(f) 110 000	(f) 245 000
Victoria	402 657	8 200	141 000	88 000	96 200
Queensland	223 264	106 522	115 800	51 800	158 322
South Australia	56 830	4 200	45 100	21 300	25 500
Western Australia	(e) 101 643	8 500	70 000	45 000	53 500
Tasmania	(e) 34 445	3 500	23 500	15 500	19 000
Total States	1 291 600	265 922	535 400	331 600	597 522
Grand Total	1 632 600	265 922	537 900	331 600	597 522

(a) For the years 1979–80 to 1981–82 'larger' authorities are defined as those authorities borrowing more than \$1 200 000 during the year. The annual aggregate borrowing programs for these authorities and the distribution of the total program between States is subject to approval by the Loan Council.

(b) For the years 1979–80 to 1981–82 'smaller' authorities are those borrowing \$1 200 000 or less. No aggregate limit is imposed by the Loan Council (see footnote (a)).

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

(d) Borrowings by local government authorities in the Northern Territory.

(e) Includes special temporary addition to the States' larger authorities basic new money borrowing program.

(f) Includes borrowings by County Councils.

(g) Amounts shown as total borrowings by all 'larger' authorities are the programs approved at the June 1981 meeting of the Loan Council. Other amounts for 1981–82 are tentative estimates made by the Commonwealth and State Treasuries.

Under the financial arrangements applying between the Commonwealth and the Northern Territory from 1 July 1978, Northern Territory semi-government and local authorities are subject to the Loan Council arrangements applying to Commonwealth authorities; individual borrowings may be guaranteed by the Commonwealth in appropriate circumstances—see Chapter V.

## 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 have received, Commonwealth assistance paid direct to them. The programs concerned are summarized below. Wide variations between the States in the amounts paid under particular programs reflect, among 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 approved deficits incurred in running the homes.

Local government authorities operating nursing homes on a non-profit basis are eligible to participate in this scheme and authorities in four States—New South Wales, South Australia, Western Australia and Tasmania—are receiving assistance under the scheme. It is estimated that an amount of \$1.9 million will be provided to meet the operating deficits of these nursing homes in 1981-82. Details of payments are set out in the following table:

**Table 54—Grants Direct to Local Government Authorities for Nursing Homes, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	..	318	169	..	486
1978-79 . . . . .	90	381	178	86	735
1979-80 . . . . .	295	420	220	141	1 076
1980-81 . . . . .	557	481	247	203	1 488
1981-82 (estimate) . . . . .	751	630	330	221	1 932

### *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 number 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 and/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, have been in New South Wales. The amounts of grants that have been paid to such authorities since 1977-78 and estimates for 1981-82 are as follows: 1977-78, \$223 000; 1978-79, \$290 000; 1979-80, \$394 000; 1980-81, \$411 000; 1981-82, \$550 000 (estimate).

### *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 \$12 100 for a single unit and \$14 035 for a double unit plus a maximum of \$1 920 a unit for land. The subsidies are reviewed periodically.

In 1969 the Act was amended to provide for the payment of personal care subsidies in respect of persons aged eighty years and over resident in hostel accommodation and receiving personal care services provided by an approved organisation. In 1973 the subsidy was extended to hostel residents aged less than eighty years who require, and are receiving, approved personal care. The subsidy is presently \$20 a week.

The greater part of the capital grants under this Act is paid to organisations other than local government authorities. In 1980-81 local government authorities received \$2.5 million out of total capital grants of \$29.5 million. For 1981-82 it is estimated that local government authorities will receive \$3.9 million out of total estimated payments under the Act of \$45.6 million.

The following table shows the grants for both recurrent and capital purposes that have been paid to local government authorities in each State since 1977-78 together with estimates for 1981-82.

**Table 55—Grants Made Direct to Local Government Authorities for Expenditure on Aged or Disabled Persons' Homes, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	..	..	..	52	..	..	52
1978-79	12	..	..	34	..	..	46
1979-80	35	199	..	65	25	..	324
1980-81	174	346	..	94	37	14	665
1981-82 (estimate)	192	380	..	103	41	15	731
CAPITAL							
1977-78	288	368	188	258	229	63	1 394
1978-79	1 340	248	91	82	529	3	2 292
1979-80	279	610	218	100	288	160	1 655
1980-81	532	982	15	26	867	123	2 545
1981-82 (estimate)	811	1 496	23	40	1 322	188	3 880
TOTAL							
1977-78	288	368	188	310	229	63	1 445
1978-79	1 352	248	91	116	529	3	2 338
1979-80	314	809	218	165	313	160	1 979
1980-81	706	1 328	15	120	904	137	3 210
1981-82 (estimate)	1 003	1 876	23	143	1 363	203	4 611

### *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 capital cost to eligible organisations of providing hostel accommodation up to a current maximum of \$18 150 per person. The subsidies are reviewed periodically. The Government also pays an additional grant of up to \$2400 per person for the purchase of land; a further \$250 per person is available for furnishings.

Local government authorities first received assistance under the Act in 1975-76. The following table shows grants paid to local government authorities since 1977-78 and estimated payments for 1981-82.

**Table 56—Grants Made Direct to Local Government Authorities under the Aged Persons' Hostels Act, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	Western Australia	Total
1977-78 . . . . .	124*	1 771	69	..	1 963
1978-79 . . . . .	695	1 523	..	..	2 218
1979-80 . . . . .	104	158	20	..	282
1980-81 . . . . .	..	1 412	..	..	1 412
1981-82 (estimate) . . . . .	..	1 130	..	..	1 130

#### *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. Assistance is at the rate of 45 cents for meals with an approved vitamin C supplement and 40 cents for meals without such a supplement. The table below shows grants that have been paid to local government authorities under this scheme since 1977-78 and estimated grants in 1981-82. In 1980-81 total payments under the Act were \$3.6 million of which \$1.3 million was paid to local government authorities. For 1981-82 it is estimated that local government authorities will receive \$1.5 million out of total estimated payments under the Act of \$4.1 million.

**Table 57—Grants Made Direct to Local Government Authorities for Delivered Meals, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Western Australia	Total
1977-78 . . . . .	138	516	51	705
1978-79 . . . . .	111	595	60	766
1979-80 . . . . .	173	656	56	885
1980-81 . . . . .	236	1 011	102	1 349
1981-82 (estimate) . . . . .	268	1 146	116	1 530

#### *Children's Services*

Under the Children's 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 1980-81 grants paid direct to local government authorities under the Children's Services Program totalled \$9.8 million and payments in 1981-82 are estimated to be

\$10.8 million. The following table shows grants made direct to local government authorities in the States in the years 1977-78 to 1980-81 and estimated payments for 1981-82.

In addition to the amounts shown in the table, \$246 000 was paid to local government authorities in the Northern Territory in 1980-81 (comprising \$61 000 for capital purposes and \$185 000 for recurrent expenses). It is estimated that in 1981-82 the Northern Territory will receive \$276 000 (all of it for recurrent expenses).

**Table 58—Grants Made Direct to Local Government Authorities for Children's Services, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	1 153	1 018	150	182	585	370	3 457
1978-79	1 639	1 711	287	222	736	402	4 997
1979-80	1 636	2 264	425	186	876	434	5 821
1980-81	2 747	3 532	614	140	1 132	561	8 726
1981-82 (estimate)	3 229	3 688	650	234	1 342	641	9 784
CAPITAL							
1977-78	386	1 193	1 161	104	108	455	3 407
1978-79	553	665	175	498	180	70	2 141
1979-80	321	338	23	35	176	179	1 072
1980-81	403	312	3	18	245	14	995
1981-82 (estimate)	320	421	155		131	35	1 062
TOTAL							
1977-78	1 539	2 211	1 311	286	693	825	6 864
1978-79	2 192	2 376	462	720	916	472	7 138
1979-80	1 957	2 602	448	221	1 052	613	6 894
1980-81	3 150	3 844	617	158	1 377	575	9 721
1981-82 (estimate)	3 549	4 109	805	234	1 473	676	10 846

### *Homeless Persons' Assistance*

Under the *Homeless Persons Assistance Act 1974* capital grants are made to voluntary agencies, and local government authorities, 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 up to half the salaries of welfare officers performing approved services for homeless persons.

Total payments for both recurrent and capital purposes since 1977-78 and estimated payments for 1981-82 are as follows:

**Table 59—Grants Made Direct to Local Government Authorities for Homeless Persons' Assistance, 1977-78 to 1981-82 (\$ thousands)**

	Victoria	Queens- land	Western Australia	Total
RECURRENT				
1977-78 . . . . .	8	..	..	8
1978-79 . . . . .	9	..	..	9
1979-80 . . . . .	..	..	8	8
1980-81 . . . . .	..	5	10	15
1981-82 (estimate) . . . . .	..	7	4	11
CAPITAL				
1977-78 . . . . .	..	..	..	..
1978-79 . . . . .	..	..	..	..
1979-80 . . . . .	..	..	..	..
1980-81 . . . . .	..	..	..	..
1981-82 (estimate) . . . . .	..	200	..	200
TOTAL				
1977-78 . . . . .	8	..	..	8
1978-79 . . . . .	9	..	..	9
1979-80 . . . . .	..	..	8	8
1980-81 . . . . .	..	5	10	15
1981-82 (estimate) . . . . .	..	207	4	211

### Arts

Local government authorities are eligible to receive assistance for community arts activities under a program administered by the Community Arts Board of the Australia Council which was established in 1977-78 to assist local government, service and welfare organisations to include the arts in their programs, to raise the standards of their arts activities, and to expand them to cater for new sectors of the community. Grants made by the Australia Council for the period 1977-78 to 1980-81 to local government authorities are shown in the following table. As these grants depend on the consideration of applications made during the course of the year, the grants that might be paid to local authorities in 1981-82 cannot be estimated at this stage.

**Table 60—Grants Made Direct to Local Government Authorities for Community Arts Activities, 1977-78 to 1980-81 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78 . . . . .	40	69	..	3	3	..	116
1978-79 . . . . .	29	45	8	8	3	..	94
1979-80 . . . . .	17	36	..	19	9	..	81
1980-81 . . . . .	20	65	14	15	11	..	126

### 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 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 1977-78 and estimated payments in 1981-82.

**Table 61—Grants Made Direct to Local Government Authorities for Aerodromes, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	645	173	336	22	76	10	1 262
1978-79	890	280	413	122	130	27	1 861
1979-80	782	231	485	46	129	27	1 700
1980-81	849	314	662	52	222	19	2 118
1981-82 (estimate)	870	390	672	54	230	22	2 238
CAPITAL							
1977-78	216	41	183	15	8	..	463
1978-79	259	268	527	86	24	..	1 164
1979-80	328	370	774	70	197	..	1 739
1980-81	280	753	456	269	76	..	1 834
1981-82 (estimate)	1 246	386	3 973	102	568	750	7 025
TOTAL							
1977-78	861	215	519	37	84	10	1 726
1978-79	1 149	547	941	208	154	27	3 025
1979-80	1 110	601	1 259	116	326	27	3 439
1980-81	1 129	1 067	1 118	321	298	19	3 952
1981-82 (estimate)	2 116	776	4 645	156	798	772	9 263

#### PAYMENTS TO THE STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES

As explained above, tax sharing funds provided by the Commonwealth as general purpose assistance for local government take the form of payments to 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 particular amounts paid to local authorities varies considerably among the 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 summarized, 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 passed on by the States at their own discretion, or at the request of the Commonwealth, to local government authorities. As with the programs of direct payments, differences between the States in the amounts of payments in this category 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 paper.*

Because of the lag, in some cases, between payment of 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 may not necessarily equal the amounts paid to those authorities in that year.

### *Community Health Facilities*

Until 30 June 1981 the Commonwealth provided assistance to the States and other eligible organisations under the Community Health Program. Specific assistance for this purpose has now been terminated and amounts have been included in general purpose health grants to compensate the States for their termination (*see* Chapter II). Local government authorities had some form of involvement in a small number of projects. However, the degree of involvement in the administration or funding of particular projects varied widely.

The following table shows assistance to local authorities from Commonwealth grants from 1977-78 to 1980-81.

**Table 62—Community Health Facilities—Grants to States Passed on by the State to Local Government Authorities, 1977-78 to 1980-81 (\$ thousands)**

	New South Wales	Victoria	South Australia	Western Australia	Total
1977-78	25	370	23	54	472
1978-79	..	280	12	117	410
1979-80	21	391	17	114	543
1980-81	9	410	17	122	558

### *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 among the bodies eligible for assistance. Of total grants of \$16.8 million paid to States under this Act in 1980-81, \$9.2 million or about 55 per cent was for local government authorities. Assistance under the Act is not available to State Government departments or agencies.

Since 1976-77 local government authorities in Victoria only have been receiving assistance for the provision of *home care services*. Amounts provided to Victoria since 1977-78 for on-passing to local authorities are as follows: 1977-78, \$2 520 000; 1978-79, \$3 450 000; 1979-80, \$4 226 000; 1980-81, \$4'331 000; and 1981-82, \$4 283 000 (estimate).



The grants that have been provided since 1977-78 to each State for on-passing to local government authorities in respect of *senior citizens' centres*, and estimates for 1981-82 are shown in the following table:

**Table 63—Senior Citizens' Centres—Grants to States for On-passing to Local Government Authorities, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1977-78	224	328	9	30	45	..	637
1978-79	283	350	19	22	21	..	695
1979-80	266	574	22	18	50	..	930
1980-81	346	620	25	62	76	..	1 129
1981-82 (estimate)	316	742	33	33	101	..	1 225
CAPITAL							
1977-78	1 064	1 616	439	342	348	136	3 946
1978-79	1 200	608	512	423	100	166	3 009
1979-80	1 129	859	253	567	174	185	3 167
1980-81	1 791	1 118	242	191	361	49	3 752
1981-82 (estimate)	1 200	880	264	520	440	80	3 384
TOTAL							
1977-78	1 288	1 944	448	372	393	136	4 583
1978-79	1 483	958	531	445	121	166	3 704
1979-80	1 395	1 433	275	585	224	185	4 097
1980-81	2 137	1 738	267	253	437	49	4 881
1981-82 (estimate)	1 516	1 622	297	553	541	80	4 609

### *Children's 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 for this purpose are made to the States. Some of the grants to the States are for on-passing to local government authorities for *children's services*.

The following table shows payments made in the years 1977-78 to 1980-81:

**Table 64—Children's Services—Grants to States for On-passing to Local Government Authorities, 1977-78 to 1980-81 (\$ thousands)**

	New South Wales	Victoria	South Australia	Western Australia	Tasmania	Total
1977-78	940	5 408	4	65	41	6 458
1978-79	716	4 179	34	73	46	5 048
1979-80	541	3 868	66	154	44	4 674
1980-81	724	4 487	171	214	61	5 658

### *Urban Flood Mitigation*

From 1975-76 to 1980-81 \$6.3 million was provided to Queensland for on-passing to the Brisbane City Council to assist with the costs of the now-completed flood mitigation works on the Breakfast and Enoggera Creeks. Of this amount, \$126 000 was provided in 1980-81 as a final contribution for this purpose.

### Urban Water Supply

Grants totalling \$1.3 million have been provided to Queensland since 1977-78 for on-passing to the Mount Isa City Council to assist with the Council's share of the debt burden associated with the Julius Dam. Of this amount, \$250 000 was provided in 1980-81.

### 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 passed on by the States to local government authorities in 1980-81 for projects undertaken by them amounted to \$393 000 out of total payments to the States under this program of \$1.98 million. It is estimated that \$1.98 million will also be made available to the States in 1981-82 for this program and provision will be made from within this amount for projects undertaken by local government authorities in 1981-82. No details of the amounts local government authorities will receive from the States in 1981-82 are available at this stage. The following table shows amounts passed on by individual States to local government authorities in the years 1977-78 to 1980-81.

**Table 65—National Estate—Grants to States Passed on by the States to Local Government Authorities, 1977-78 to 1980-81 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78	87	88	90	16	110	19	410
1978-79	91	173	72	34	170	14	553
1979-80	74	104	56	46	99	23	402
1980-81	47	54	28	82	133	49	393

### 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, as determined by the States, are passed on to the local government authorities for expenditure on roads which are the responsibility of those authorities.

The following table shows assistance to local authorities from Commonwealth grants from 1977-78 to 1980-81; estimates for 1981-82 are not available at this stage.

**Table 66—Roads Assistance—Assistance to Local Government Authorities by the States, 1977-78 to 1980-81 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977-78	32 722	38 000	14 746	5 971	20 559	4 956	116 954
1978-79	35 506	39 800	15 204	6 353	22 015	5 310	124 187
1979-80	38 162	42 100	15 292	6 461	22 240	7 165	131 420
1980-81	39 347	43 200	19 906	7 314	24 554	7 545	141 866

## PAYMENTS TO LOCAL GOVERNMENT AUTHORITIES IN THE NORTHERN TERRITORY

Before the Northern Territory became self-governing on 1 July 1978, two local government authorities had 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 executive responsibility for the Corporations was transferred to the Northern Territory Legislative Assembly. While the assistance given to these two authorities was of 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 had been provided to both Corporations and continuing operational subsidies were provided to the Corporations to meet the difference between income from ratepayers and the cost of providing municipal services at what were regarded as reasonable standards. These subsidies were subject to quinquennial review.

Capital assistance was 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 the emergency services provided by the Corporation following Cyclone Tracy. The two Corporations also received assistance under various specific programs from time to time.

The Northern Territory itself has established two further local government authorities, the Corporation of the Municipality of Katherine and the Corporation of the Municipality of Tennant Creek.

In 1978-79, the first year of self-government in the Northern Territory, the bulk of Commonwealth assistance to the Territory was provided as a global allocation. Included in this was an allowance for local authorities, but there was no requirement that the Northern Territory Government pass on specified amounts to local authorities.

Under the Memorandum of Understanding between the Commonwealth and the Northern Territory, the Northern Territory is entitled, as from 1979-80, to a share of net personal income tax collections for on-passing to its local government authorities.

The entitlement for the initial year, that is 1979-80, was the equivalent in per capita terms for population under local government of the analogous payment to the States in 1979-80. Assistance for subsequent years is determined by increasing the preceding year's entitlement in proportion to net personal income tax collections lagged by one year and adjusted for any changes in the percentage of personal income tax payable to local authorities in the States. The entitlement for 1980-81 amounted to \$1 440 224; that for 1981-82 is \$1 680 013.

Some local government authorities in the Northern Territory also receive assistance direct from the Commonwealth under the Children's Services Program described earlier in this chapter. The amount was \$246 000 in 1980-81, and is estimated to be \$276 000 in 1981-82.

The following amounts of Commonwealth assistance were passed on by the Northern Territory to its local authorities in 1980-81: Children's Services \$10 000; and Roads \$750 000.

Payments made in the period 1977-78 to 1981-82 are shown in the summary table following.

# A 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 the Commonwealth Government payments made to or for local government authorities between 1977-78 and 1980-81 together with, where available, estimates for 1981-82. The amounts shown in this table need to be interpreted very carefully, in the light of the comments provided in the foregoing text.

**Table 67—Summary of Commonwealth Government Payments to or for Local Government Authorities, 1977-78 to 1981-82 (\$ thousands)**

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate)
Local Government Tax Sharing Entitlements(a)	165 328	179 427	221 739	300 786	350 866
Direct Payments—					
Nursing Homes	486	735	1 076	1 488	1 932
Home Nursing	223	290	394	411	550
Aged/Disabled Persons Homes	1 445	2 338	1 979	3 210	4 611
Aged Persons Hostels	1 963	2 218	282	1 412	1 130
Delivered Meals Subsidy	705	766	885	1 349	1 530
Handicapped Persons Assistance	165	22	47		
Children's Services	6 864	7 138	6 894	9 721	10 846
Community Youth Support Scheme	472	828	847		
Homeless Persons Assistance	8	9	8	15	211
Arts	116	94	81	126	n.a.
Aerodrome Local Ownership Plan	1 726	3 025	3 439	3 952	9 263
Total(b)	14 173	17 463	15 931	21 684	30 073
Other Payments Through States—					
Assistance for Exmouth Shire	112	354	352		
Community Health Facilities	472	410	543	558	
Home Care Services	2 520	3 450	4 226	4 331	4 283
Senior Citizens' Centres	4 583	3 704	4 097	4 881	4 609
Children's Services	6 458	5 048	4 744	5 658	n.a.
Urban Flood Mitigation	992	818	762	126	
Urban Water Supply	325	500	250	250	
Capital Assistance for Leisure Facilities	1 667	432	108		
National Estate	410	553	402	393	n.a.
Roads	116 954	124 187	131 420	141 866	n.a.
Urban Public Transport	2 066		63		
Total (excluding roads)	19 605	15 269	15 547	16 197	n.a.
Total (including roads)	136 559	139 456	146 967	158 063	n.a.
Northern Territory—					
Operating Subsidies and Capital Grants(c)	2 562				
Local Government Tax Sharing Entitlement			1 062	1 440	1 681
Direct Payments—Children's Services			298	246	276
Other Payments Through the Northern Territory Government—					
Children's Services			2	10	n.a.
Roads			519	750	n.a.
Grand Total (excluding roads)	201 668	212 158	253 518	338 922	n.a.
Grand Total (including roads)	318 622	336 345	385 457	481 538	n.a.

(a) The local government tax sharing entitlement is paid, in the first instance, to the States, but is shown in this table as a separate category because of its importance.

(b) The estimated total for 1981-82 excludes the amount that might be paid for Community Arts Activities.

(c) The global allocation to the Northern Territory in 1978-79 (see Chapter V) included an allowance for local authorities but there was no requirement that the Northern Territory Government pass on the specified amounts to local authorities.



## APPENDIX I—SUMMARY TABLES

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NOTE: All per capita calculations are based on a residential population basis.

**Table 68—Commonwealth Government Payments to the States and Loan Council Borrowings, 1979–80 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Tax Sharing Grants . . . . .	1 663 466	1 233 934	952 533	630 392	662 888	272 696	5 415 910
Special Grants . . . . .	..	..	12 400	..	..	..	12 400
Total . . . . .	1 663 466	1 233 934	964 933	630 392	662 888	272 696	5 428 310
GENERAL PURPOSE CAPITAL FUNDS							
Loan Council Borrowings . . . . .	268 293	208 521	110 051	108 165	76 799	58 171	830 000
Capital Grants . . . . .	134 146	104 260	55 026	54 083	38 400	29 085	415 000
Total . . . . .	402 439	312 781	165 077	162 248	115 199	87 256	1 245 000
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 . . . . .	12 580	9 649	5 029	4 771	3 576	2 544	38 148
State Emergency Services . . . . .	502	257	438	55	114	77	1 442
Assistance for Exmouth Shire . . . . .	..	..	..	..	352	..	352
Universities . . . . .	252 856	173 556	89 684	63 161	53 190	20 227	652 674
Colleges of Advanced Education . . . . .	115 272	159 680	67 445	46 612	53 290	10 068	452 366
Technical and Further Education . . . . .	23 546	16 087	6 932	6 661	4 780	2 005	60 011
Schools . . . . .	203 806	169 614	74 914	44 714	44 019	14 617	551 684
Child Migrant and Refugee Education . . . . .	1 008	1 045	262	180	125	3	2 623
Educational Research . . . . .	170	318	124	107	111	11	841
Pre-School Education . . . . .	7 130	9 015	6 605	3 730	4 860	1 410	32 750
School-to-Work Transition . . . . .	1 886	515	951	374	482	222	4 429
Public Hospitals—Running Costs . . . . .	425 282	268 476	152 912	110 207	126 313	35 991	1 119 181
Community Health Services . . . . .	19 550	12 456	4 462	2 508	4 348	1 880	45 202
School Dental Scheme . . . . .	3 790	3 477	4 014	3 433	3 745	1 882	20 341
Drug Education Campaigns . . . . .	380	206	178	145	149	67	1 125
Blood Transfusion Services . . . . .	2 196	2 095	936	990	687	131	7 034
Health Planning Agencies . . . . .	83	57	100	100	100	10	450
Australian Encephalitis Control . . . . .	17	39	..	8	33	..	98
Home Care Services . . . . .	2 769	4 226	1 793	944	52	585	10 369
Senior Citizens Centres . . . . .	297	574	45	68	70	..	1 054
Paramedical Services . . . . .	..	352	..	504	..	21	876
Assistance for Deserted Wives . . . . .	7 538	4 967	5 054	2 981	3 092	1 036	24 668
Child Care Services . . . . .	2 978	3 375	580	2 036	748	363	10 080
1972–74 Employment Grants—Refunds . . . . .	-310	..	..	..	..	..	-310
Maryborough Employment Grants . . . . .	..	..	3 450	..	..	..	3 450
Translating/Interpreting Services . . . . .	59	102	..	60	..	..	221
Aboriginal Advancement . . . . .	3 030	1 562	4 331	3 724	9 565	52	22 263
Rental Assistance for Housing . . . . .	1 848	1 347	423	941	627	314	5 500
Sewerage . . . . .	..	..	16	..	..	..	16
National Fitness . . . . .	45	42	34	32	30	24	207
Nature Conservation . . . . .	..	..	..	..	..	125	125
Apple and Pear Export Assistance . . . . .	..	1	2	..	248	437	689
Bovine Brucellosis and T.B. Eradication . . . . .	7 593	5 754	5 290	1 986	1 013	57	21 691
Exotic Diseases Eradication . . . . .	..	..	11	..	..	..	11
Warehouse Beetle Eradication . . . . .	66	..	..	..	..	..	66
Plant Pest Control . . . . .	..	..	..	143	..	..	143
Agricultural Extension Services . . . . .	1 285	1 135	964	517	570	260	4 730
Minor Agricultural Research . . . . .	108	64	34	8	8	..	221
Coal Mining Industry—Long Service Leave . . . . .	5 969	..	1 361	..	395	9	7 735

Table 68—Commonwealth Government Payments to the States and Loan Council Borrowings, 1979–80 (\$ thousands)—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
Apprenticeship Training	446	121	159	..	178	172	1 076
Education Program for Unemployed Youth	800	777	760	745	105	297	3 484
Legal Aid	29	113	12	221	..	..	175
Road Safety Practices	37	30	28	19	25	11	150
Research Grants	4 547	2 951	1 422	2 120	994	282	12 316
Local Government Tax Sharing Assistance	80 930	56 436	37 387	19 072	20 821	7 095	221 739
Natural Disaster Relief	45	..	1 303	..	293	..	1 641
Total Specific Purpose Payments—Recurrent	1 195 995	914 722	481 636	325 082	340 053	102 817	3 360 306
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES							
Housing for Servicemen	1 360	45	..	..	50	..	1 455
Universities	25 353	10 679	8 755	3 482	3 006	918	52 192
Colleges of Advanced Education	12 087	19 190	5 056	4 666	3 044	810	44 853
Technical and Further Education	28 054	15 467	12 717	8 697	10 481	3 400	78 816
Schools	46 266	43 918	24 609	14 821	11 011	4 280	144 906
Child Migrant and Refugee Education	9	22	15	..	..	4	50
Launceston General Hospital	..	..	..	..	..	5 160	5 160
Community Health Services	969	678	327	142	471	57	2 643
School Dental Scheme	1 201	293	402	192	225	190	2 503
Blood Transfusion Services	105	77	42	30	64	30	349
Disposal of Ships' Garbage	..	..	..	132	..	..	132
High Security Quarantine Unit	..	850	..	..	..	..	850
Senior Citizens Centres	1 129	859	331	567	174	185	3 245
Child Care Services	376	347	..	29	..	..	752
Rehabilitation Centres	..	..	..	..	..	850	850
Aboriginal Advancement	3 756	275	1 613	2 231	5 058	254	13 187
Welfare Housing Loans	52 512	41 744	16 336	23 984	15 072	10 352	160 000
Pensioner Housing Grants	12 132	7 186	4 495	2 856	2 361	970	30 000
Other Housing Assistance	16 410	13 045	5 105	7 495	4 710	3 235	50 000
Rental Assistance for Aborigines	6 000	2 000	6 100	1 500	4 000	400	20 000
Growth Centres	16 977	8 804	..	1 311	..	..	27 091
Urban Flood Mitigation	..	..	762	..	..	..	762
Land Acquisition	2 338	3 267	..	7 329	2 771	..	15 706
Woolloomooloo Redevelopment	-22	..	..	..	..	..	-22
Leisure and Recreation/Culture	110	..	138	258	..	4	509
Nature Conservation	..	..	..	16	..	40	56
National Estate	300	300	300	300	300	300	1 800
Port Arthur Conservation Program	..	..	..	..	..	400	400
1982 Commonwealth Games Assistance	..	..	2 500	..	..	..	2 500
Roads	176 789	113 683	114 947	46 439	69 198	24 944	546 000
Second Hobart Bridge	..	..	..	..	..	998	998
Railway Mainline Upgrading	..	3 230	1 907	..	..	..	5 137
Urban Public Transport	14 125	12 131	9 219	4 000	1 533	1 075	42 084
Transport Planning and Research	2 670	1 842	1 056	504	658	186	6 916
Julius Dam	..	..	250	..	..	..	250
Port Hedland Water Supplies	..	..	..	..	690	..	690
Urban Water Supply	..	..	..	2 555	..	..	2 555
West Pilbara Water Supplies	..	..	..	..	500	..	500
Softwood Forestry	1 840	415	977	330	910	659	5 131
Native Forestry Assistance—Tasmania	..	..	..	..	..	272	272
Rural Adjustment Scheme	4 191	3 875	2 116	2 554	2 138	242	15 117
Sugar Industry	..	..	27 842	..	..	..	27 842
Water Resources Assessment	1 630	1 136	952	727	2 000	..	6 445
Salinity Reduction Control	1 620	1 409	..	1 341	700	..	5 070



*Table 68—Commonwealth Government Payments to the States and Loan Council Borrowings, 1979–80 (\$ thousands)—continued*

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
NSW Rivers Mitigation Study	284	..	..	..	..	..	284
Hunter Valley Strategic Study	75	..	..	..	..	..	75
Victorian Water Resources Study	..	57	..	..	..	..	57
WA Water Resources Study	..	..	..	..	30	..	30
Flood Mitigation	1 000	586	100	..	..	..	1 686
Bundaberg Irrigation Works	..	..	2 500	..	..	..	2 500
Ord River Project	..	..	..	..	14	..	14
Assistance for Chrysotile Corp- oration	1 179	..	..	..	..	..	1 179
Natural Disaster Relief	..	-229	6 529	-270	8 149	..	14 179
Total Specific Purpose Payments—Capital	432 824	307 180	257 998	138 218	149 318	60 216	1 345 755
TOTAL PAYMENTS							
	3 426 432	2 560 096	1 759 593	1 147 775	1 190 660	464 814	10 549 371
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS							
General Purpose	2 065 905	1 546 715	1 130 010	792 640	778 087	359 952	6 673 310
Specific Purpose	1 628 820	1 221 902	739 634	463 300	489 372	163 033	4 706 061
Total	3 694 725	2 768 617	1 869 644	1 255 940	1 267 459	522 985	11 379 371

**Table 69—Commonwealth Government Payments to the States and Loan Council Borrowings, 1980–81 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>GENERAL REVENUE FUNDS</b>							
Tax Sharing Grants . . . . .	1 839 065	1 354 860	1 093 078	691 540	734 172	298 602	6 011 318
Special Grants . . . . .	..	..	6 700	..	..	..	6 700
<b>Total</b> . . . . .	<b>1 839 065</b>	<b>1 354 860</b>	<b>1 099 778</b>	<b>691 540</b>	<b>734 172</b>	<b>298 602</b>	<b>6 018 018</b>
<b>GENERAL PURPOSE CAPITAL FUNDS</b>							
Loan Council Borrowings . . . . .	281 707	218 947	115 554	113 573	80 639	61 080	871 500
Capital Grants . . . . .	140 854	109 473	57 777	56 787	40 320	30 539	435 750
<b>Total</b> . . . . .	<b>422 561</b>	<b>328 420</b>	<b>173 331</b>	<b>170 360</b>	<b>120 959</b>	<b>91 619</b>	<b>1 307 250</b>
<b>SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES</b>							
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 . . . . .	13 152	10 100	5 265	5 007	3 738	2 675	39 937
State Emergency Services . . . . .	509	382	552	82	138	88	1 751
Universities . . . . .	282 878	194 070	100 776	70 280	59 443	24 740	732 187
Colleges of Advanced Education . . . . .	129 213	179 566	76 325	52 182	60 064	11 249	508 599
Technical and Further Education . . . . .	26 214	19 040	7 965	7 801	9 032	2 407	72 468
Schools . . . . .	240 612	202 048	93 611	53 289	51 656	17 565	658 781
Child Migrant and Refugee							
Education . . . . .	1 181	1 230	508	301	367	5	3 592
Educational Research . . . . .	368	315	109	113	99	19	1 024
Pre-School Education . . . . .	7 130	7 108	6 605	3 730	4 860	1 410	30 843
School-to-Work Transition . . . . .	7 438	5 409	5 089	1 765	2 567	971	23 237
Public Hospitals—Running Costs . . . . .	469 092	308 585	179 541	124 826	148 266	43 029	1 273 339
Community Health Services . . . . .	23 312	15 777	5 879	4 344	5 441	2 534	57 287
School Dental Scheme . . . . .	3 117	3 465	4 435	3 471	3 772	1 688	19 948
Drug Education Campaigns . . . . .	550	314	237	175	180	120	1 576
Blood Transfusion Services . . . . .	2 155	2 378	1 004	954	778	187	7 456
Health Planning Agencies . . . . .	80	60	80	75	75	20	390
Australian Encephalitis Control . . . . .	13	49	..	11	49	..	122
Home Care Services . . . . .	3 611	4 331	1 873	1 006	57	630	11 508
Senior Citizens Centres . . . . .	383	620	58	96	97	..	1 254
Paramedical Services . . . . .	..	383	..	576	..	25	984
Assistance for Deserted Wives . . . . .	6 379	194	3 384	1 552	1 886	704	14 098
Child Care Services . . . . .	3 257	4 477	810	2 534	984	461	12 523
Rehabilitation Centres . . . . .	..	..	..	..	..	340	340
Translating/Interpreting							
Services . . . . .	133	77	..	24	..	..	234
Aboriginal Advancement . . . . .	3 420	1 676	5 088	4 278	11 170	86	25 718
Rental Assistance for Housing . . . . .	1 848	1 347	423	941	627	314	5 500
National Fitness . . . . .	139	122	76	63	51	132	583
Rural Adjustment Scheme . . . . .	39	35	25	22	..	2	124
Apple and Pear Export Assistance . . . . .	..	..	..	..	169	47	216
Bovine Brucellosis and T.B. Eradication . . . . .	7 449	4 432	5 484	2 564	1 187	58	21 175
Exotic Diseases Eradication . . . . .	..	..	1	..	5	60	66
Agricultural Extension Services . . . . .	1 274	1 136	954	517	565	260	4 706
Minor Agricultural Research . . . . .	122	50	31	8	20	7	237
Coal and Groundwater Exploration . . . . .	..	..	..	..	..	200	200
South Australian Iron Triangle Feasibility Study . . . . .	..	..	..	50	..	..	50
Coal Mining Industry—Long Service Leave . . . . .	6 805	..	1 271	..	459	3	8 538
Apprenticeship Training . . . . .	..	7	14	..	30	..	51
Education Program for Unemployed Youth . . . . .	865	840	822	805	114	324	3 770

Table 69—Commonwealth Government Payments to the States and Loan Council Borrowings, 1980–81 (\$ thousands)—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
Legal Aid . . . . .	94	148	11	18	..	..	270
Road Safety Practices . . . . .	37	30	28	19	25	11	150
Local Government Tax Sharing Assistance . . . . .	109 780	76 554	50 714	25 871	28 243	9 624	300 786
Natural Disaster Relief . . . . .	14 871	..	8 583	92	1 167	..	24 712
Total Specific Purpose Payments—Recurrent . . . . .	1 373 351	1 050 617	569 822	370 850	398 329	122 530	3 885 499

SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES

Housing for Servicemen . . . . .	120	400	800	..	..	..	1 320
Universities . . . . .	18 634	9 283	6 253	3 599	3 199	1 043	42 011
Colleges of Advanced Education . . . . .	9 390	16 793	5 674	3 237	2 773	952	38 819
Technical and Further Education . . . . .	34 554	27 634	12 277	8 718	9 148	4 772	97 103
Schools . . . . .	45 663	40 515	21 015	13 275	14 079	3 988	138 534
Child Migrant and Refugee Education . . . . .	..	33	3	20	..	10	66
Launceston General Hospital . . . . .	..	..	..	..	..	3 400	3 400
Community Health Program . . . . .	909	546	450	155	236	1	2 297
School Dental Scheme . . . . .	..	..	367	..	..	55	422
Blood Transfusion Services . . . . .	71	197	46	140	48	3	505
Disposal of Ships' Garbage . . . . .	..	..	..	53	..	70	122
High Security Quarantine Unit . . . . .	..	935	..	..	..	..	935
Senior Citizens Centres . . . . .	2 108	840	484	148	356	64	4 000
Child Care Services . . . . .	..	47	..	5	..	..	52
Rehabilitation Centres . . . . .	..	..	..	..	..	955	955
Aboriginal Advancement . . . . .	3 353	329	1 507	2 101	3 233	180	10 703
Welfare Housing Loans . . . . .	54 650	43 440	17 000	24 960	15 680	10 770	166 500
Pensioner Housing Grants . . . . .	12 421	7 409	4 790	2 945	2 459	976	31 000
Other Housing Assistance . . . . .	17 070	13 570	6 810	7 790	4 900	3 360	53 500
Rental Assistance for Aborigines . . . . .	6 300	2 100	6 400	1 600	4 200	400	21 000
Growth Centres . . . . .	18 521	10 244	..	..	..	..	28 765
Urban Flood Mitigation . . . . .	..	..	911	..	..	..	911
Land Acquisition . . . . .	2 612	3 649	..	8 186	3 095	..	17 543
Woolloomooloo Redevelopment . . . . .	1 001	..	..	..	..	..	1 001
Captains Flat Project . . . . .	20	..	..	..	..	..	20
Legana Industrial Estate (Tasmania) . . . . .	..	..	..	..	..	195	195
Nature Conservation . . . . .	..	..	..	..	..	5	5
National Estate . . . . .	330	330	330	330	330	330	1 980
Port Arthur Conservation Program . . . . .	..	..	..	..	..	800	800
1982 Commonwealth Games Assistance . . . . .	..	..	2 500	..	..	..	2 500
International Standard Sports Facilities . . . . .	..	387	..	..	..	..	387
Roads . . . . .	196 501	126 359	127 764	51 617	76 914	27 726	606 881
Second Hobart Bridge . . . . .	..	..	..	..	..	6 413	6 413
Railway Projects . . . . .	..	..	..	863	..	..	863
Railway Mainline Upgrading . . . . .	5 000	5 212	3 851	..	730	..	14 793
Urban Public Transport . . . . .	15 750	13 500	7 875	4 308	1 447	1 178	44 057
Transport Planning and Research . . . . .	2 418	1 668	957	457	582	168	6 250
Julius Dam . . . . .	..	..	250	..	..	..	250
Port Hedland Water Supplies . . . . .	..	..	..	..	177	..	177
Urban Water Supply . . . . .	..	..	..	2 600	..	..	2 600
West Pilbara Water Supplies . . . . .	..	..	..	..	350	..	350
Softwood Forestry . . . . .	1 891	521	841	155	811	603	4 823
Native Forestry Assistance—Tasmania . . . . .	..	..	..	..	..	336	336
Rural Adjustment Scheme . . . . .	4 239	4 013	2 802	2 433	2 700	252	16 439
Water Resources Assessment . . . . .	1 800	1 250	1 050	800	2 200	448	7 548
Salinity Reduction Control . . . . .	2 230	1 463	..	2 305	808	..	6 806

Table 69—Commonwealth Government Payments to the States and Loan Council Borrowings, 1980–81 (\$ thousands)—continued

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
Split Rock Dam . . . . .	500	..	..	..	..	..	500
Eton (Mackay) Irrigation Scheme . . . . .	..	..	1 300	..	..	..	1 300
NSW Rivers Mitigation Study . . . . .	250	..	..	..	..	..	250
Launceston Flood Protection . . . . .	..	..	..	..	..	75	75
Hunter Valley Strategic Study . . . . .	112	..	..	..	..	..	112
Victorian Water Resources Study . . . . .	..	62	..	..	..	..	62
WA Water Resources Study . . . . .	..	..	..	..	154	..	154
Flood Mitigation . . . . .	1 088	760	120	..	40	..	2 007
Bundaberg Irrigation Works . . . . .	..	..	2 500	..	..	..	2 500
Ord River Project . . . . .	..	..	..	..	355	..	355
Assistance for Chrysotile Cor- poration . . . . .	222	..	..	..	..	..	222
Launceston Precision Tool Annex . . . . .	..	..	..	..	..	323	323
Natural Disaster Relief . . . . .	28 684	..	13 460	-737	14 204	..	55 611
<b>Total Specific Purpose Payments—Capital . . . . .</b>	<b>488 410</b>	<b>333 489</b>	<b>250 387</b>	<b>142 062</b>	<b>165 208</b>	<b>69 851</b>	<b>1 449 406</b>
<b>TOTAL PAYMENTS</b>							
	3 841 680	2 848 439	1 977 764	1 261 239	1 338 029	521 522	11 788 673
<b>TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS</b>							
General Purpose . . . . .	2 261 626	1 683 280	1 273 109	861 900	855 131	390 221	7 325 268
Specific Purpose . . . . .	1 861 761	1 384 106	820 209	512 912	563 537	192 381	5 334 906
<b>Total . . . . .</b>	<b>4 123 387</b>	<b>3 067 386</b>	<b>2 093 318</b>	<b>1 374 812</b>	<b>1 418 668</b>	<b>582 602</b>	<b>12 660 173</b>

**Table 70—Commonwealth Government Payments to the States and Loan Council Borrowings, 1981–82 (estimate) (\$ thousand)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Tax Sharing Grants	2 027 511	1 506 543	1 191 758	760 959	806 263	327 693	6 620 728
Additional Grants	24 500	15 000	29 500	..	..	..	69 000
Special Grants	..	..	58 500	..	..	..	58 500
Health Grants	483 500	316 700	165 600	8 600	150 900	4 700	1 130 000
Total	2 535 511	1 838 243	1 445 358	769 559	957 163	332 393	7 878 228
GENERAL PURPOSE CAPITAL FUNDS							
Loan Council Borrowings	281 707	218 947	115 554	113 573	80 639	61 080	871 500
Capital Grants	140 854	109 473	57 777	56 787	40 320	30 539	435 750
Total	422 561	328 420	173 331	170 360	120 959	91 619	1 307 250
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	13 765	10 584	5 571	5 256	3 911	2 813	41 900
State Emergency Services	515	393	537	76	133	90	1 744
Universities	317 448	210 918	112 203	76 056	64 644	28 788	810 057
Colleges of Advanced Education	120 236	182 390	77 540	52 834	61 296	7 988	502 284
Technical and Further Education	27 305	22 002	8 723	8 343	8 543	2 562	77 478
Schools	286 399	248 185	120 593	63 360	65 668	19 748	803 953
Education—Allowance for Cost Escalation	6 424	5 607	2 659	1 655	1 660	496	18 500
Child Migrant and Refugee Education	1 068	1 112	253	338	187	11	2 969
Educational Research	197	133	82	85	79	27	603
Pre-School Education	7 130	9 015	6 605	3 730	4 860	1 410	32 750
School-to-Work Transition	11 896	8 869	5 203	3 864	3 064	1 243	34 139
Public Hospitals—Running Costs	6 000	1 000	7 500	116 000	4 000	36 800	171 300
Community Health Program	24	46	..	261	..	101	432
School Dental Scheme	82	82	..	..	..	36	200
Drug Education Campaigns	550	314	236	175	180	120	1 575
Blood Transfusion Services	2 576	2 869	1 112	978	914	184	8 632
Health Planning Agencies	80	60	80	75	75	20	390
Australian Encephalitis Control	13	49	16	15	24	..	118
Home Care Services	4 545	4 285	2 079	1 131	684	949	13 673
Senior Citizens Centres	336	728	84	112	140	..	1 400
Paramedical Services	..	404	..	605	..	29	1 038
Child Care Services	3 600	4 563	1 122	2 800	1 043	327	13 455
Rehabilitation Centres	..	..	..	..	..	682	682
Translating/Interpreting Services	188	80	..	60	..	..	328
Aboriginal Advancement	3 809	1 673	5 350	4 538	10 754	84	26 208
Rental Assistance for Housing	1 848	1 347	2 898	941	627	314	7 975
Rural Adjustment Scheme	..	..	..	26	..	..	26
Apple and Pear Export Assistance	3	90	6	..	250	693	1 042
Bovine Brucellosis and T.B. Eradication	7 427	4 231	6 343	2 125	1 193	49	21 368
Warehouse Beetle Eradication	499	..	..	..	..	..	499
Minor Agricultural Research	123	81	34	16	35	10	298
South Australian Iron Triangle Feasibility Study	..	..	..	200	..	..	200
Coal Mining Industry—Long Service Leave	6 462	..	1 230	..	500	8	8 200
Regional Economic Studies Centre	..	..	..	..	..	40	40
Legal Aid	124	201	33	42	..	..	400
Road Safety Practices	37	30	28	19	25	11	150

*Table 70—Commonwealth Government Payments to the States and Loan Council Borrowings, 1981–82 (estimate) (\$ thousand)—continued*

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
Local Government Tax Sharing Assistance	128 058	89 300	59 158	30 178	32 945	11 227	350 866
Natural Disaster Relief	6 485		4 215		28	92	10 820
<b>Total Specific Purpose Payments—Recurrent</b>	<b>971 087</b>	<b>814 894</b>	<b>433 686</b>	<b>377 302</b>	<b>268 408</b>	<b>117 485</b>	<b>2 982 862</b>
<b>SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES</b>							
Housing for Servicemen	1 759	200	1 500	270	400	51	4 180
Universities	20 014	11 388	8 525	4 136	3 235	1 328	48 626
Colleges of Advanced Education	10 444	12 560	5 582	3 048	3 875	382	35 891
Technical and Further Education	39 381	27 214	13 264	10 652	11 713	4 656	106 880
Schools	53 419	45 913	25 375	13 789	14 604	4 831	157 931
Video Facilities	700		291	168	181		1 340
Child Migrant and Refugee Education	10	10		10			30
Launceston General Hospital						5 015	5 015
Hospital-Based Home Nurses		35 000					35 000
Blood Transfusion Services	207	619	76	170	45	1	1 117
Disposal of Ships' Garbage	150			20	65	42	277
High Security Quarantine Unit		500					500
Senior Citizens Centres	1 200	880	875	525	440	80	4 000
Rehabilitation Centres						836	836
Aboriginal Advancement	80		1 351	2 045	512		3 988
Welfare Housing Loans	45 464	36 135	14 148	20 761	13 038	8 964	138 510
Pensioner Housing Grants	12 430	7 447	5 009	3 033	2 589	992	31 500
Other Housing Assistance	15 570	12 375	4 845	7 110	4 465	3 070	47 435
Rental Assistance for Aborigines	9 087	2 522	6 628	3 810	7 225	527	29 799
Growth Centres	21 209	11 246					32 455
Land Acquisition	2 969	4 149			3 519		10 637
Woolloomooloo Redevelopment	4 194						4 194
Captains Flat Project	12						12
Nature Conservation						9	9
National Estate	330	330	330	330	330	330	1 980
Port Arthur Conservation Program						1 200	1 200
1982 Commonwealth Games Assistance			2 500				2 500
International Standard Sports Facilities	2 074	2 814	500	410	225	490	6 513
Roads	214 336	137 828	139 361	56 302	83 895	30 243	661 965
Burbong Bridge Construction	300						300
Second Hobart Bridge						17 500	17 500
Railway Mainline Upgrading	10 000	3 500	7 800	3 000			24 300
Urban Public Transport				192	1 321		1 514
Victorian Transport System		35 000					35 000
Softwood Forestry	2 000	400	800	150	1 000	650	5 000
Native Forestry Assistance—Tasmania						236	236
Rural Adjustment Scheme	4 477	3 956	2 811	2 395	3 019	417	17 075
Unallocated Water Programs	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	31 377
New South Wales Rivers Mitigation Study	40						40
Flood Mitigation			82				82
Ord River Project					45		45
Launceston Precision Tool Annex						20	20
Natural Disaster Relief	13 809		8 438		325	338	22 910
<b>Total Specific Purpose Payments—Capital (a)</b>	<b>485 664</b>	<b>356 986</b>	<b>250 091</b>	<b>132 326</b>	<b>156 065</b>	<b>82 207</b>	<b>1 494 717</b>

**Table 70—Commonwealth Government Payments to the States and Loan Council Borrowings, 1981–82 (estimate) (\$ thousand)—continued**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>TOTAL PAYMENTS (a) (b)</b>							
	4 133 116	3 119 596	2 186 912	1 335 974	1 421 957	562 625	12 791 557
<b>TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS</b>							
General Purpose . . . . .	2 958 072	2 166 663	1 618 689	939 919	1 078 122	424 012	9 185 478
Specific Purpose (a) . . . . .	1 456 751	1 171 880	683 777	509 628	424 474	199 693	4 477 579
Total . . . . .	4 414 823	3 338 543	2 302 466	1 449 547	1 502 596	623 705	13 663 057

(a) Individual State amounts will not add to Six State total. See footnote (b).

(b) The totals for individual States exclude the item for which a State-by-State dissection of the total is not yet available (designated by n.a. above).

**Table 71—Summary of Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs and Payments made direct to Local Government Authorities, 1977-78 to 1981-82 (\$ 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—TAX SHARING, ADDITIONAL AND SPECIAL GRANTS							
1977-78	1 319 609	984 690	795 339	507 761	519 891	214 150	4 341 441
1978-79	1 464 397	1 090 025	865 837	559 841	579 532	240 737	4 800 369
1979-80	1 663 466	1 233 934	964 933	630 392	662 888	272 696	5 428 310
1980-81	1 839 065	1 354 860	1 099 778	691 540	734 172	298 602	6 018 018
1981-82 (estimate)	2 052 011	1 521 543	1 279 758	760 959	806 263	327 693	6 748 228
GENERAL REVENUE FUNDS—HEALTH GRANTS							
1981-82 (estimate)	483 500	316 700	165 600	8 600	150 900	4 700	1 130 000
GENERAL PURPOSE CAPITAL FUNDS (a)							
1977-78	463 467	360 213	190 110	186 853	132 666	100 488	1 433 797
1978-79	463 467	360 213	190 110	186 853	132 672	100 488	1 433 803
1979-80	402 439	312 781	165 077	162 248	115 199	87 256	1 245 000
1980-81	422 561	328 420	173 331	170 360	120 959	91 619	1 307 250
1981-82	422 561	328 420	173 331	170 360	120 959	91 619	1 307 250
TOTAL GENERAL PURPOSE FUNDS							
1977-78	1 783 076	1 344 903	985 449	694 614	652 557	314 638	5 775 238
1978-79	1 927 864	1 450 238	1 055 947	746 694	712 204	341 225	6 234 172
1979-80	2 065 905	1 546 715	1 130 010	792 640	778 087	359 952	6 673 310
1980-81	2 261 626	1 683 280	1 273 109	861 900	855 131	390 221	7 325 268
1981-82 (estimate)	2 958 072	2 166 663	1 618 689	939 919	1 078 122	424 012	9 185 478
SPECIFIC PURPOSE PAYMENTS—RECURRENT							
1977-78	1 012 713	783 117	401 288	291 861	295 430	89 495	2 873 904
1978-79	1 075 623	836 013	432 067	299 769	311 096	93 161	3 047 728
1979-80	1 195 995	914 722	481 636	325 082	340 053	102 817	3 360 306
1980-81	1 373 351	1 050 617	569 822	370 850	398 329	122 530	3 885 499
1981-82 (estimate)(b)	971 087	814 894	433 686	377 302	268 408	117 485	2 982 862
SPECIFIC PURPOSE PAYMENTS—CAPITAL							
1977-78	492 898	365 590	273 354	193 322	175 044	74 988	1 575 195
1978-79	465 404	338 892	246 537	158 779	165 234	62 977	1 437 823
1979-80	432 824	307 180	257 998	138 218	149 318	60 216	1 345 755
1980-81	488 410	333 489	250 387	142 062	165 208	69 851	1 449 406
1981-82 (estimate) (c)	485 664	356 986	250 091	132 326	156 065	82 207	1 494 717
TOTAL SPECIFIC PURPOSE PAYMENTS							
1977-78	1 505 611	1 148 707	674 642	485 183	470 473	164 483	4 449 099
1978-79	1 541 027	1 174 905	678 604	458 547	476 330	156 138	4 485 551
1979-80	1 628 820	1 221 902	739 634	463 300	489 372	163 033	4 706 061
1980-81	1 861 761	1 384 106	820 209	512 912	563 537	192 381	5 334 906
1981-82 (estimate)(b)	1 456 751	1 171 880	683 777	509 628	424 474	199 693	4 477 579
TOTAL PAYMENTS(d)							
1977-78	2 979 709	2 253 468	1 533 351	1 055 228	1 034 584	412 129	9 268 470
1978-79	3 159 913	2 385 001	1 607 811	1 080 673	1 100 088	430 371	9 763 856
1979-80	3 426 432	2 560 096	1 759 593	1 147 775	1 190 660	464 814	10 549 371
1980-81	3 841 680	2 848 439	1 977 764	1 261 239	1 338 029	521 522	11 788 673
1981-82 (estimate) (c)	4 133 116	3 119 596	2 186 912	1 335 974	1 421 957	562 625	12 791 557
TOTAL PAYMENTS AND LOAN COUNCIL BORROWING PROGRAMS(e)							
1977-78	3 288 687	2 493 610	1 660 091	1 179 797	1 123 030	479 121	10 224 337
1978-79	3 468 891	2 625 143	1 734 551	1 205 242	1 188 534	497 363	10 719 723
1979-80	3 694 725	2 768 617	1 869 644	1 255 940	1 267 459	522 985	11 379 371
1980-81	4 123 387	3 067 386	2 093 318	1 374 812	1 418 668	582 602	12 660 173
1981-82 (estimate) (c)	4 414 823	3 338 543	2 302 466	1 449 547	1 502 596	623 705	13 663 057



*Table 71—Summary of Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs and Payments made direct to Local Government Authorities, 1977-78 to 1981-82 (\$ thousands)—continued*

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)</b>							
1977-78 . . . . .	3 295	5 405	2 095	1 066	1 384	928	14 173
1978-79 . . . . .	6 005	5 729	1 501	1 603	1 988	636	17 463
1979-80 . . . . .	4 411	5 357	1 945	1 158	2 028	1 033	15 931
1980-81 . . . . .	6 210	8 728	1 769	1 095	2 948	934	21 684
1981-82 (estimate) . . . . .	8 237	9 037	5 680	1 163	4 084	1 872	30 073
<b>TOTAL PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENT LOAN COUNCIL BORROWING PROGRAMS, AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)</b>							
1977-78 . . . . .	3 291 982	2 499 016	1 662 186	1 180 863	1 124 414	480 049	10 238 510
1978-79 . . . . .	3 474 896	2 630 872	1 736 052	1 206 845	1 190 522	497 999	10 737 185
1979-80 . . . . .	3 699 135	2 773 974	1 871 589	1 257 098	1 269 487	524 018	11 395 302
1980-81 . . . . .	4 129 597	3 076 113	2 095 087	1 375 907	1 421 616	583 537	12 681 857
1981-82 (estimate) (c) . . . . .	4 423 060	3 347 580	2 308 146	1 450 710	1 506 680	625 577	13 693 130
<b>REPAYMENTS BY STATES AND LOCAL GOVERNMENT AUTHORITIES (f)</b>							
1977-78 . . . . .	-84 358	-54 274	-35 112	-27 410	-22 952	-14 843	-238 949
1978-79 . . . . .	-89 580	-59 355	-38 586	-29 824	-24 693	-16 954	-258 992
1979-80 . . . . .	-87 371	-64 157	-45 345	-33 503	-26 484	-19 594	-276 455
1980-81 . . . . .	-87 906	-66 178	-70 348	-38 498	-33 685	-17 888	-314 504
1981-82 (estimate) . . . . .	-91 114	-70 042	-46 151	-71 052	-32 384	-20 362	-331 105
<b>TOTAL PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENTS LOAN COUNCIL BORROWING PROGRAMS, AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET)</b>							
1977-78 . . . . .	3 207 624	2 444 742	1 627 075	1 153 453	1 101 462	465 206	9 999 561
1978-79 . . . . .	3 385 316	2 571 517	1 697 466	1 177 021	1 165 829	481 044	10 478 193
1979-80 . . . . .	3 611 764	2 709 817	1 826 245	1 223 595	1 243 003	504 424	11 118 847
1980-81 . . . . .	4 041 690	3 009 935	2 024 739	1 337 409	1 387 931	565 648	12 367 353
1981-82 (estimate) (c) . . . . .	4 331 947	3 277 538	2 261 995	1 379 658	1 474 296	605 215	13 362 025
<b>PAYMENTS TO THE NORTHERN TERRITORY AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES IN THE NORTHERN TERRITORY (NET BASIS) (g)</b>							
1977-78 . . . . .	..	..	..	..	..	..	53 029
1978-79 . . . . .	..	..	..	..	..	..	288 073
1979-80 . . . . .	..	..	..	..	..	..	439 393
1980-81 . . . . .	..	..	..	..	..	..	551 236
1981-82 (estimate) . . . . .	..	..	..	..	..	..	615 129
<b>GRAND TOTAL—PAYMENTS TO OR FOR THE STATES, THE NORTHERN TERRITORY AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)</b>							
1977-78 . . . . .	3 207 624	2 444 742	1 627 075	1 153 453	1 101 462	465 206	10 052 590
1978-79 . . . . .	3 385 316	2 571 517	1 697 466	1 177 021	1 165 829	481 144	10 766 266
1979-80 . . . . .	3 611 764	2 709 817	1 826 245	1 223 595	1 243 003	504 424	11 558 241
1980-81 . . . . .	4 041 690	3 009 935	2 024 739	1 337 409	1 387 931	565 648	12 918 589
1981-82 (estimate) (c) . . . . .	4 331 947	3 277 538	2 261 995	1 379 658	1 474 296	605 215	13 977 154

- (a) See Chapter III, under heading, 'Treatment of Loan Council Programs in This and Other Budget Papers.'
- (b) The decrease in 1981-82 is largely due to the termination of hospital cost-sharing payments to the States (other than to South Australia and Tasmania). These payments were replaced by general revenue payments identified for health purposes, (see above).
- (c) Individual State amounts will not add to the six State total. See footnotes to Table 70.
- (d) Comprises all the amounts shown above, with the exception of the borrowing program component of general purpose capital funds. See reference in footnote (a).
- (e) 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 V table.
- (f) That is, repayments of Commonwealth advances to the States and local government authorities and sinking fund payments on State Loan Council borrowings, see Appendix V. Repayments of Commonwealth advances made direct to local government authorities (not included in Appendix V) were \$20 000 in each of the years 1977-78 to 1980-81 and are estimated to be \$20 000 in 1981-82.
- (g) For further details see tables in Chapter V.

**Table 72—Summary of Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs and Payments made direct to Local Government Authorities, 1977-78 to 1981-82 (\$ per head of population)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>PAYMENTS TO OR FOR THE STATES AND STATE LOAN COUNCIL PROGRAMS</b>							
<b>GENERAL REVENUE FUNDS—TAX SHARING, ADDITIONAL AND SPECIAL GRANTS</b>							
1977-78 . . . . .	262.56	254.81	373.29	391.90	427.05	513.92	311.20
1978-79 . . . . .	287.76	279.43	401.09	429.68	467.71	572.96	340.19
1979-80 . . . . .	322.61	313.63	438.62	481.76	525.85	641.58	380.01
1980-81 . . . . .	351.82	341.17	488.27	526.21	572.14	695.23	415.67
1981-82 (estimate) . . . . .	387.43	379.62	555.80	576.27	617.19	753.91	460.04
<b>GENERAL REVENUE FUNDS—HEALTH GRANTS</b>							
1981-82 (estimate) . . . . .	91.29	79.02	71.92	6.51	115.51	10.81	77.04
<b>GENERAL PURPOSE CAPITAL FUNDS (a)</b>							
1977-78 . . . . .	92.22	93.21	89.23	144.22	108.97	241.15	102.78
1978-79 . . . . .	91.07	92.34	88.07	143.41	107.07	239.16	101.61
1979-80 . . . . .	78.05	79.50	75.04	123.99	91.38	205.29	87.16
1980-81 . . . . .	80.84	82.70	76.95	129.63	94.26	213.31	90.29
1981-82 . . . . .	79.78	81.94	75.28	129.01	92.59	210.78	89.12
<b>TOTAL GENERAL PURPOSE FUNDS</b>							
1977-78 . . . . .	354.78	348.03	462.52	536.11	536.02	755.07	413.98
1978-79 . . . . .	378.84	371.77	489.15	573.08	574.79	812.12	441.80
1979-80 . . . . .	400.66	393.13	513.66	605.75	617.23	846.87	467.17
1980-81 . . . . .	432.66	423.86	565.23	655.85	666.40	908.54	505.97
1981-82 (estimate) . . . . .	558.49	540.58	703.00	711.79	825.30	975.51	626.20
<b>SPECIFIC PURPOSE PAYMENTS—RECURRENT</b>							
1977-78 . . . . .	201.50	202.65	188.35	225.26	242.67	214.77	206.00
1978-79 . . . . .	211.37	214.31	200.15	230.07	251.07	221.72	215.99
1979-80 . . . . .	231.95	232.50	218.93	248.43	269.75	241.90	235.24
1980-81 . . . . .	262.73	264.55	252.99	282.19	310.42	285.28	268.38
1981-82 (estimate) (b) . . . . .	183.34	203.31	188.35	285.73	205.47	270.29	203.35
<b>SPECIFIC PURPOSE PAYMENTS—CAPITAL</b>							
1977-78 . . . . .	98.07	94.60	128.30	149.21	143.78	179.96	112.91
1978-79 . . . . .	91.45	86.87	114.20	121.86	133.35	149.89	101.90
1979-80 . . . . .	83.94	78.08	117.28	105.63	118.45	141.67	94.21
1980-81 . . . . .	93.44	83.98	111.17	108.10	128.75	162.63	100.11
1981-82 (estimate) . . . . .	91.69	89.07	108.61	100.21	119.47	189.13	101.87
<b>TOTAL SPECIFIC PURPOSE PAYMENTS</b>							
1977-78 . . . . .	299.57	297.25	316.64	374.47	386.45	394.73	318.92
1978-79 . . . . .	302.82	301.19	314.35	351.93	384.42	371.61	317.88
1979-80 . . . . .	315.89	310.57	336.21	354.06	388.20	383.57	329.45
1980-81 . . . . .	356.16	348.53	364.15	390.29	439.16	447.92	368.49
1981-82 (estimate) (b) . . . . .	275.04	292.38	296.96	385.94	324.93	459.43	305.25
<b>TOTAL PAYMENTS (c)</b>							
1977-78 . . . . .	592.87	583.14	719.68	814.44	849.82	989.03	664.38
1978-79 . . . . .	620.94	611.39	744.80	829.41	887.83	1 024.29	691.95
1979-80 . . . . .	664.52	650.70	799.85	877.15	944.52	1 093.59	738.51
1980-81 . . . . .	734.93	717.26	878.08	959.71	1 042.72	1 214.25	814.26
1981-82 (estimate) . . . . .	780.34	778.33	949.77	1 011.72	1 088.50	1 294.41	872.03

*Table 72—Summary of Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs and Payments made direct to Local Government Authorities, 1977–78 to 1981–82 (\$ per head of population)—continued*

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>TOTAL PAYMENTS AND LOAN COUNCIL BORROWING PROGRAMS(d)</b>							
1977–78 . . . . .	654.35	645.28	779.17	910.58	922.47	1 149.80	732.89
1978–79 . . . . .	681.66	672.95	803.51	925.02	959.21	1 183.73	759.69
1979–80 . . . . .	716.56	703.70	849.87	959.81	1 005.44	1 230.45	796.61
1980–81 . . . . .	788.82	772.39	929.38	1 046.14	1 105.56	1 356.46	874.45
1981–82 (estimate) . . . . .	833.53	832.96	999.96	1 097.73	1 150.23	1 434.94	931.45
<b>PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)</b>							
1977–78 . . . . .	.66	1.40	.90	.82	1.14	2.23	1.02
1978–79 . . . . .	1.18	1.47	.70	1.23	1.60	1.51	1.24
1979–80 . . . . .	.86	1.36	.88	.88	1.61	2.43	1.12
1980–81 . . . . .	1.19	2.20	.79	.83	2.30	2.18	1.50
1981–82 (estimate) . . . . .	1.56	2.25	2.47	.88	3.13	4.31	2.05
<b>TOTAL PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENT LOAN COUNCIL BORROWING PROGRAMS, AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)</b>							
1977–78 . . . . .	655.00	646.68	780.15	911.40	923.61	1 152.02	733.91
1978–79 . . . . .	682.84	674.42	804.20	926.25	960.81	1 185.25	760.92
1979–80 . . . . .	717.41	705.06	850.76	960.70	1 007.05	1 232.88	797.73
1980–81 . . . . .	790.01	774.59	930.17	1 046.97	1 107.86	1 358.63	875.95
1981–82 (estimate) . . . . .	835.09	835.21	1 002.43	1 098.61	1 153.36	1 439.24	933.50
<b>REPAYMENTS BY STATES AND LOCAL GOVERNMENT AUTHORITIES</b>							
1977–78 . . . . .	-16.78	-14.04	-16.48	-21.16	-18.85	-35.62	-17.13
1978–79 . . . . .	-17.60	-15.22	-17.87	-22.89	-19.93	-40.35	-18.35
1979–80 . . . . .	-16.94	-16.31	-20.61	-25.60	-21.01	-46.10	-19.35
1980–81 . . . . .	-16.82	-16.66	-31.23	-29.29	-26.25	-41.65	-21.72
1981–82 (estimate) . . . . .	-17.20	-17.48	-20.04	-53.81	-24.79	-46.85	-22.57
<b>TOTAL PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENT LOAN COUNCIL BORROWING PROGRAMS, AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET)</b>							
1977–78 . . . . .	638.22	632.63	763.67	890.25	904.76	1 116.41	716.78
1978–79 . . . . .	665.24	659.21	786.33	903.36	940.88	1 144.89	742.57
1979–80 . . . . .	700.47	688.76	830.14	935.09	986.04	1 186.78	778.38
1980–81 . . . . .	773.20	757.93	898.93	1 017.67	1 081.61	1 316.98	854.23
1981–82 (estimate) . . . . .	817.88	817.73	982.38	1 044.80	1 128.57	1 392.40	910.92
<b>PAYMENTS TO THE NORTHERN TERRITORY AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES IN THE NORTHERN TERRITORY (NET BASIS)</b>							
1977–78 . . . . .	..	..	..	..	..	..	493.48
1978–79 . . . . .	..	..	..	..	..	..	2 565.87
1979–80 . . . . .	..	..	..	..	..	..	3 773.82
1980–81 . . . . .	..	..	..	..	..	..	4 465.91
1981–82 (estimate) . . . . .	..	..	..	..	..	..	4 765.85
<b>GRAND TOTAL — PAYMENTS TO OR FOR THE STATES, THE NORTHERN TERRITORY AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)</b>							
1977–78 . . . . .	638.22	632.63	763.67	890.25	904.76	1 116.40	715.07
1978–79 . . . . .	665.24	659.21	786.33	903.36	940.88	1 144.89	756.96
1979–80 . . . . .	700.47	688.76	830.14	935.09	986.04	1 186.78	802.59
1980–81 . . . . .	773.20	757.93	898.93	1 017.67	1 081.61	1 316.98	884.76
1981–82 (estimate) . . . . .	817.88	817.73	982.38	1 044.80	1 128.57	1 391.40	944.55

See footnotes to previous table.

**Table 73—Total Payments to or for the States and State Governments' Loan Council Programs—Dissection Between Funds for Recurrent and Capital Purposes(a) 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>FUNDS FOR RECURRENT PURPOSES</b>							
1977-78	2 332 322	1 767 808	1 196 627	799 622	815 321	303 645	7 215 345
1978-79	2 540 020	1 926 038	1 297 904	859 610	890 628	333 898	7 848 097
1979-80	2 859 461	2 148 656	1 446 569	955 474	1 002 942	375 513	8 788 616
1980-81	3 212 416	2 405 477	1 669 600	1 062 390	1 132 502	421 132	9 903 517
1981-82 (estimate)	3 506 598	2 653 137	1 879 044	1 146 861	1 225 572	449 878	10 861 090
<b>FUNDS FOR CAPITAL PURPOSES</b>							
1977-78	956 365	725 803	463 464	380 175	307 710	175 476	3 008 992
1978-79	928 871	699 105	436 647	345 632	297 906	163 465	2 871 626
1979-80	835 263	619 961	423 075	300 466	264 517	147 472	2 590 755
1980-81	910 971	661 909	423 718	312 422	286 167	161 470	2 756 656
1981-82 (estimate)(b)	908 225	685 406	423 422	302 686	277 024	173 826	2 801 967

(a) Gross basis, i.e. *before* deducting repayments of Commonwealth advances to the States and sinking fund payments on State Loan Council borrowings.

(b) Individual State amounts will not add to the six State total. See footnotes to Table 70.

Note that this table also excludes payments made to the Northern Territory, and payments made direct to local government authorities. See footnotes to previous tables in this Appendix.

**Table 74—Total Payments to or for the States and State Governments' Loan Council Programs—Dissection Between Funds for Recurrent and Capital Purposes 1977-78 to 1981-82 (\$ Per Head of Population\*)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>FUNDS FOR RECURRENT PURPOSES</b>							
1977-78	464.06	457.46	561.64	617.16	669.72	728.69	517.20
1978-79	499.13	493.74	601.24	659.75	718.78	794.68	556.18
1979-80	554.56	546.13	657.56	730.19	795.60	883.49	615.25
1980-81	614.55	605.72	741.26	808.40	882.55	980.51	684.05
1981-82 (estimate)	662.06	661.95	816.07	868.51	938.17	1 035.02	740.43
<b>FUNDS FOR CAPITAL PURPOSES</b>							
1977-78	190.29	187.82	217.53	293.42	252.76	421.11	215.69
1978-79	182.53	179.21	202.27	265.27	240.43	389.05	203.51
1979-80	161.99	157.58	192.31	229.62	209.83	346.96	181.37
1980-81	174.27	166.67	188.12	237.73	223.01	375.95	190.41
1981-82 (estimate)	171.48	171.01	183.89	229.22	212.06	399.92	191.02

\* See footnotes to previous table.

**Table 75—Total Payments to or for the States and State Governments' Loan Council Programs—Dissection between Grants and Loans, 1977–78 to 1981–82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
COMMONWEALTH GOVERNMENT PAYMENTS—GRANTS							
1977–78	2 814 145	2 125 064	1 468 571	960 370	972 808	383 314	8 724 272
1978–79	3 018 161	2 281 484	1 559 317	1 013 474	1 051 512	407 856	9 331 806
1979–80	3 346 741	2 499 310	1 710 571	1 112 780	1 163 031	453 330	10 285 763
1980–81	3 727 226	2 781 669	1 946 140	1 225 919	1 302 306	509 412	11 492 672
1981–82 (estimate)(a)	4 032 510	3 060 603	2 156 790	1 309 757	1 401 096	552 267	12 544 400
COMMONWEALTH GOVERNMENT PAYMENTS—LOANS (GROSS)							
1977–78	165 564	128 404	64 781	94 857	61 777	28 815	544 198
1978–79	141 752	103 517	48 493	67 199	48 575	22 515	432 050
1979–80	79 690	60 787	49 022	34 995	27 629	11 484	263 600
1980–81	114 454	66 770	31 625	35 320	35 723	12 111	296 002
1981–82 (estimate)	100 606	58 993	30 122	26 217	20 861	10 358	247 157
TOTAL COMMONWEALTH GOVERNMENT LOANS AND LOAN COUNCIL BORROWINGS (GROSS)(b)							
1977–78	474 542	368 546	191 521	219 426	150 223	95 807	1 500 065
1978–79	450 730	343 659	175 233	191 768	137 021	89 507	1 387 917
1979–80	347 983	269 308	159 073	143 160	104 428	69 655	1 093 608
1980–81	396 161	285 717	147 179	148 893	116 362	73 191	1 167 502
1981–82 (estimate)	382 313	277 940	145 676	139 790	101 500	71 438	1 118 657

(a) Individual State amounts will not add to the six State total. See footnotes to Table 70.

(b) Figures on a net basis are given in Appendix V.

**Table 76—Total Payments to or for the States and State Governments' Loan Council Programs—Dissection between Grants and Loans, 1977–78 to 1981–82 (\$ Per Head of Population)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
COMMONWEALTH GOVERNMENT PAYMENTS GRANTS							
1977–78	559.93	549.91	689.28	741.22	799.08	919.88	625.37
1978–79	593.09	584.86	722.33	777.84	848.62	970.71	661.33
1979–80	649.07	635.25	777.56	850.41	922.60	1 066.57	720.06
1980–81	713.04	700.45	864.04	932.84	1 014.88	1 186.05	793.81
1981–82 (estimate)	761.35	763.61	936.69	991.87	1 072.53	1 270.58	855.18
COMMONWEALTH GOVERNMENT PAYMENTS LOANS (GROSS)							
1977–78	32.94	33.23	30.40	73.21	50.74	69.15	39.01
1978–79	27.86	26.54	22.46	51.57	39.20	53.59	30.62
1979–80	15.46	15.45	22.28	26.74	21.92	27.02	18.45
1980–81	21.90	16.81	14.04	26.88	27.84	28.20	20.45
1981–82 (estimate)	18.99	14.72	13.08	19.85	15.97	23.83	16.85
TOTAL COMMONWEALTH GOVERNMENT LOANS AND LOAN COUNCIL BORROWINGS (GROSS)							
1977–78	94.42	95.37	89.89	169.36	123.40	229.92	107.53
1978–79	88.57	88.10	81.17	147.18	110.58	213.03	98.36
1979–80	67.49	68.45	72.31	109.41	82.84	163.88	76.56
1980–81	75.79	71.95	65.34	113.30	90.68	170.41	80.64
1981–82 (estimate)	72.18	69.35	63.27	105.86	77.70	164.35	76.26

See footnotes to previous table in this Appendix.

## APPENDIX II—PART I—HISTORY OF GENERAL REVENUE ASSISTANCE TO THE STATES

### INTRODUCTION

Under Section 87 of the Constitution the Commonwealth Government was required to pay to the States three-quarters of customs and excise revenue collected during the first ten years after the establishment of the Commonwealth Government 'and thereafter until the Parliament otherwise provides'. In addition, Sections 89, 93 and 94 of the Constitution provided that, for a certain period, and thereafter until Parliament otherwise provided, all surplus revenue not required by the Commonwealth Government was to be paid to the States.

Payments to the States of surplus revenue of the Commonwealth Government ceased in 1907-08 when that Government commenced to pay such surplus revenue into a trust account as a reserve for old age and invalid pensioners. However, payment of three-quarters of customs and excise revenue under Section 87 continued until 1909-10 and was then replaced by per capita payments under the *Surplus Revenue Act* 1910. That Act provided for the payment of \$2.50 (25s) per head of its population to each State. Payments were made to the States on this basis in each year from 1910-11 to 1926-27 inclusive. In addition, 'special grants' were paid to Western Australia from 1910-11 and to Tasmania from 1912-13.

Under the 1927 Financial Agreement between the Commonwealth and State Governments it was provided that the Commonwealth Government would pay to the States for fifty-eight years from 1927-28 an annual amount of \$15.17 million as a contribution towards interest on State debts. These interest payments replaced the per capita grants and they were (and are) distributed between the States in the same proportions as the 1926-27 per capita grant. The Financial Agreement also provided for Commonwealth Government contributions towards sinking fund payments in respect of the States' debts existing at 30 June 1927 and those incurred after that date.

In 1929-30 payments of special grants to South Australia were commenced. From 1934-35 onwards these special grants to South Australia, Western Australia and Tasmania were paid on the recommendations of the Commonwealth Grants Commission which was established in 1933. (See Part II of this Appendix for more detail on the special grants.)

### THE SECOND WORLD WAR

At the outbreak of the Second World War, the financial resources available to the States were, for the most part, sufficient to enable them to meet their own expenditures principally from funds which they themselves were responsible for raising. Commonwealth Government payments to them, although they had increased over the years, were still relatively small and confined to a fairly narrow field, eg, tiding the States over difficult periods, assisting the financially weaker States, or providing funds for purposes in which the Commonwealth Government had a common interest with the States.

The Second World War radically changed this situation. To finance its greatly increased war-time expenditure, it was necessary for the Commonwealth Government to maximise its revenue from all sources. The incidence of State income taxes, which were then levied concurrently with Commonwealth Government income tax, differed widely between States and, as the Commonwealth is constitutionally forbidden from discriminating between States in the imposition of taxes, its rates were in practice limited by the scope available for additional tax in the State with the highest rate of tax at each income level. This, of course, meant that in other States there were large untapped sources of income tax revenue.

This problem was the subject of discussion between Commonwealth and State Governments on a number of occasions during the early war years, but no mutually acceptable solution was reached.

### THE COMMITTEE ON UNIFORM TAXATION

On 23 February 1942, the Treasurer appointed a Committee to consider the questions of the Commonwealth Government becoming the sole income taxing authority for the duration of the war and for payments, by way of grants, to the States for their retirement from the income tax field.

The Committee presented its report on 28 March 1942 and recommended that for the duration of the war and one year afterwards the Commonwealth Government should be the sole authority to impose taxes on income. It suggested that a scheme of uniform taxation should operate from 1 July 1942 and that the States should be compensated on retiring from the field of income tax.

#### THE INTRODUCTION OF UNIFORM TAXATION

In May 1942 legislation was introduced in the Commonwealth Parliament to implement, with minor amendments, the recommendations of this Committee. Under this legislation a uniform income tax scheme came into operation on 1 July 1942.

In the same year the validity of the Commonwealth uniform tax legislation was challenged in the High Court by four of the State Governments. The challenge was unsuccessful, the High Court finding that Commonwealth Government could enforce priority in the collection of its income tax and could make grants to the States under Section 96 of the Constitution on the condition that they vacated the field of income taxation.

Under this war-time uniform income tax scheme, therefore, the Commonwealth Government was the sole income taxing authority for the period of the war and one year thereafter. By way of compensation, the States were paid tax reimbursement grants (provided they did not impose taxes on income) based upon their average collections from taxes on income in the years 1939–40 and 1940–41.

Later in 1942 the Commonwealth Government, in agreement with the States concerned, established a uniform entertainments tax on a similar basis and provided for annual reimbursement grants, based on collections in 1941–42, to be paid to the five States which previously levied entertainments tax.

#### TAX REIMBURSEMENT GRANTS—WAR-TIME BASIS

The tax reimbursement grants (less any arrears of income tax collected by or on behalf of the States) paid to the States in the period 1942–43 to 1945–46 inclusive, amounted to \$68.5 million, of which \$67 million was by way of income tax reimbursement grants and \$1.5 million by way of entertainments tax reimbursement grants. The amounts payable to each State in each year are shown in Table 82 in Part III of this Appendix.

Under the war-time legislation any State could apply for additional financial assistance if the income tax reimbursement grant appeared to be insufficient to meet that State's revenue requirements in any year. On the recommendation of the Commonwealth Grants Commission, the additional financial assistance given by the Commonwealth Government under this provision was \$1.1 million in respect of 1945–46 and \$4.3 million in respect of 1946–47. The amounts paid to the States concerned are shown in Table 82 in Part III of this Appendix.

#### THE CONTINUATION OF UNIFORM TAXATION AFTER THE WAR

At a Premiers' Conference in January 1946 the States were informed that the Commonwealth Government proposed to continue uniform income tax indefinitely. The Conference decided that the total tax reimbursement grants in both 1946–47 and 1947–48 should be \$80 million, and that the grants in subsequent years should be determined by means of a formula under which this base amount would be increased in accordance with variations in population and half of the percentage increase in average wages per person employed in Australia as a whole. The grants continued to be conditional upon the States refraining from levying income tax, but the condition requiring the States to refrain from imposing entertainments tax was discontinued. These provisions were incorporated in the *States Grants (Tax Reimbursement) Act 1946*.

Following further discussions with the States during the next two years, the total grant for 1947–48 was increased to \$90 million and the formula embodied in the 1946 Act was amended. Beginning in 1948–49, the aggregate grant payable to the States in each year under the Act, as amended, was determined by varying the sum of \$90 million in accordance with a formula which took account of:

- (a) variations in the total population of the six States since 1 July 1947; and
- (b) the full percentage increase in the level of average wages per person employed in Australia as a whole over the level of 1945–46.

The *States Grants (Tax Reimbursement) Act* 1946 included a schedule determining the distribution of the aggregate grants in 1946–47 and 1947–48. It further provided that in each of the financial years 1948–49 to 1956–57 inclusive, a percentage of the grant was to be distributed in accordance with this schedule and the remainder was to be distributed in proportion to the populations of the States adjusted for density and for numbers of children between 5 and 15 years of age. The percentage to be divided according to the schedule was 90 per cent in 1948–49, 80 per cent in 1949–50 and so on down to 10 per cent in 1956–57 and nothing in 1957–58. Thus, in 1957–58 and 1958–59 the whole of the tax reimbursement grants was distributed in proportion to the States' adjusted populations so that the distribution of the grants between States was no longer determined, directly or indirectly, by reference to the amounts of income tax collected by each State.

Although no change was made in the tax reimbursement formula after 1948–49, the Commonwealth Government made ad hoc grants to supplement the amount yielded by the formula in each subsequent year of its operation. These supplementary grants were distributed in some years when they took account of special circumstances, in proportions which differed from those of the formula grants. The total amount of the tax reimbursement formula grants and supplementary grants paid to the States in 1946–47 was \$84.3 million. Between that year and 1958–59 the amounts made available by way of these grants increased year by year so that the total amount paid in 1958–59 was \$410 million. Details of the amounts paid each year are shown in Table 82 in Part III of this Appendix.

#### FURTHER DISCUSSIONS ON UNIFORM TAXATION

The question of resumption of State income tax was further discussed at Premiers' Conferences in September 1950 and August 1951. In October 1952 Victoria took out a writ in the High Court challenging the validity of the uniform tax legislation. However, this challenge was not pursued.

In July 1952 the Commonwealth Government informed the States that it was willing to discuss with them the possibility of resumption of State income tax. A report subsequently prepared by Commonwealth and State Treasury officers on the technical problems involved was presented to a Premiers' Conference held in February 1953. At that Conference Commonwealth and State Treasury officers were asked to prepare a further report as a basis for discussion on the extent to which the Commonwealth Government might vacate the income tax field. This report was received at a Premiers' Conference held in August 1953, together with a report on the special problems facing Queensland in the event of the return of taxing powers. No agreement could be arrived at between the Commonwealth Government and the States on the extent to which the income tax field should be vacated by the Commonwealth Government.

#### FURTHER LEGAL CHALLENGE TO UNIFORM TAXATION

In December 1955 the Victorian Government took out a new writ in the High Court challenging the validity of the uniform tax legislation. In particular, Victoria disputed—

- (a) the power of the Commonwealth Government to make tax reimbursement grants conditional upon the States not levying income tax; and
- (b) the Commonwealth Government's power to provide an absolute priority for payment of Commonwealth Government income tax over income taxes levied by the States.

In November 1956 the New South Wales Government intervened to support Victoria's challenge. In August 1957 the High Court ruled:

- (a) unanimously, that the condition attaching to the tax reimbursement grants that the States should not levy income tax was valid; and
- (b) by a majority of four to three, that Section 221(1) (a) of the *Income Tax and Social Services Contribution Assessment Act* 1936–1956, which prohibited a taxpayer paying State income tax until Commonwealth Government income tax was paid, was invalid.

#### THE MARCH 1959 PREMIERS' CONFERENCE

At a special Premiers' Conference held in March 1959 all the main aspects of the financial relations between the Commonwealth and State Governments were considered. In particular,



extensive discussions took place on the question of the resumption of income tax by the States, but there were considerable differences of opinion on the complex issues involved and no acceptable solutions emerged.

The Conference then turned its attention to the question of revising the tax reimbursement arrangements, and it was suggested that the Commonwealth Government might closely examine the whole system of revenue grants to the States with a view to submitting precise proposals at the normal meeting of the Premiers in June 1959.

#### THE JUNE 1959 PREMIERS' CONFERENCE

The Commonwealth Government's proposals submitted at the Premiers' Conference in June 1959 were for a new system of financial assistance grants to the States to replace the existing tax reimbursement arrangements.

The proposals were devised in the light of generally expressed dissatisfaction with the methods of determination and distribution of the tax reimbursement grants, and in the knowledge that two non-claimant States had applied for special grants subject to the recommendation of the Commonwealth Grants Commission. In particular, it was considered desirable—

- (a) to amalgamate within some new revenue grant arrangements the large grants which were then being paid to supplement the tax reimbursement formula grants, and to devise a more liberal formula which would avoid the necessity for supplementary grants;
- (b) to reduce to two the number of States which would in future continue regularly to apply for special grants recommended by the Grants Commission, and to reduce the dependence of these States on special grants to more marginal proportions; and
- (c) to arrive at a more generally acceptable basis of distribution as between the States of Commonwealth Government general revenue grants.

With these ends in view, the Commonwealth Government proposed that financial assistance grants amounting to \$485 million be paid to the States in 1959–60. This compared with the sum of \$451.5 million paid to the States in 1958–59 by way of tax reimbursement, supplementary and special grants.

It was proposed that the shares of New South Wales, Victoria, Queensland and South Australia in the sum of \$485 million be determined by rounding up to the nearest whole number the percentage shares of those four States in the sum of \$451.5 million paid in 1958–59, which comprised tax reimbursement, supplementary and special grants. As regards Western Australia and Tasmania, the effect of these proposed changes in the distribution would be to give them a slightly smaller share of the new financial assistance grants than their share of tax reimbursements and supplementary grants. However, as it was proposed that these two States would still have regular access to the Commonwealth Grants Commission, their shares of total general revenue grants (i.e. financial assistance grants and special grants) would continue to be determined, in effect, by the size of the special grants recommended by the Commission. The shares of Queensland and South Australia were designed to enable them, unless exceptional circumstances arose, to avoid applying for special grants in future years.

The Commonwealth Government further proposed that, in the years following 1959–60, the financial assistance grants payable to each State be determined under a formula by which the grant paid to each State in the previous year would be varied in accordance with annual movements in each State's own population and annual increases in the level of average wages for Australia as a whole. In addition, to assist the States to improve the standard and range of services provided by them, it was proposed that a 'betterment factor' equal to 10 per cent of the increase for the year in average wages be introduced; thus an increase of 4 per cent in average wages would be raised to 4.4 per cent.

In outlining these proposals the Commonwealth Government emphasized at the outset that it considered that the system of special grants, made upon the recommendation of the Commonwealth Grants Commission, should be continued. At the same time it expressed the view that the machinery which had been developed over the years by the Commonwealth Grants Commission would become unworkable if the Commission were to be asked to consider applications for special grants from as many as five States. Applications for special grants had recently been submitted to the Commonwealth Government by Queensland and Victoria.

The Commonwealth Government suggested that, so far as future arrangements for special grants were concerned, the States might be regarded as falling into three categories. At one extreme were the two wealthier States of New South Wales and Victoria, which should not participate in any arrangements for special grants, and at the other extreme were Western Australia and Tasmania, which for the time being might be regarded as having a continuing need for special grants. In an intermediate category were the States of South Australia, which had been a claimant State up to that time, and Queensland. The Commonwealth Government considered that, while these two States ought not be denied the right of access to the Commonwealth Grants Commission, the main revenue grants to them should be increased sufficiently to enable them, unless exceptional circumstances arose, to avoid applying for special grants.

This approach was accepted by the States and, in agreeing to the new revenue grant arrangements, the Premiers of Queensland and South Australia each gave an undertaking that his State would not exercise the right of applying for special grants in future unless special or unexpected circumstances endangered its budgetary position relative to that of other States.

The Commonwealth Government stated that its proposals were based on the assumptions that the States and their authorities would continue to meet pay-roll tax levied by the Commonwealth Government and that the distribution of taxing powers between the Commonwealth Government and the States would remain unchanged. If any changes between the Commonwealth and State Governments' relations having a major effect on the finances of the States were to occur during the currency of the new revenue grant arrangements, they would be subject to review.

Following representations by New South Wales, the Commonwealth Government agreed to add \$2 million to that State's share of the proposed grants for 1959-60, mainly because the rounding of percentage shares had produced a decline in its share of the proposed grants *vis-a-vis* Victoria. South Australia was also given an extra \$2 million; it had argued that it could expect to receive about that amount in respect of 1958-59 by way of final adjustment to the advance payment of its special grant for that year. In the result, the distribution of general revenue grants between the four non-claimant States in 1959-60 was only slightly changed from the distribution in 1958-59; the distribution between New South Wales, Victoria and Queensland largely reflected the distribution of adjusted populations between those States; as South Australia's grant for 1959-60 was in effect determined on the basis of the total of its special grant and tax reimbursement grant for 1958-59, it received a share larger than its share of either adjusted or unadjusted population of the four non-claimant States.

After allowing for the additions of \$2 million to the proposed grants to New South Wales and South Australia, the total grant proposed for 1959-60 became \$489 million. With these adjustments to the grants for New South Wales and South Australia the proposals were unanimously accepted by the Premiers and were embodied in the *States Grants Act* 1959, which was passed by the Commonwealth Parliament in November of that year.

#### THE STATES GRANTS ACT 1962

In 1961-62, in addition to the amounts determined under the *States Grants Act* 1959, further amounts were paid to Victoria, Western Australia and Tasmania under the *States Grants Act* 1962.

This action was taken because the Census held in June 1961 revealed that the populations of those three States as at 1 July 1960 had been over-estimated. Since the terms of the 1959 Act required the 1961 Census results to be compared with unrevised estimates of population as at 1 July 1960 for the purpose of calculating the increase in population of each State during 1960-61, the resulting estimates of population increases for these States were lower than the actual increases. As these three States had framed their budgets on the basis of preliminary estimates made prior to the Census results, the Commonwealth Government agreed to pay them grants equal to those preliminary estimates, revised to take account of the finally determined increase in average wages for Australia as a whole. As a result, an additional amount of \$2 048 000 was paid to Victoria, \$678 000 to Western Australia and \$194 000 to Tasmania.

The *States Grants Act* 1962 also authorised, for the purpose of calculating Victoria's grant in 1962-63 and subsequent years, the adoption of a new 'base amount' for 1961-62. This new base amount of \$145.46 million represented the grant which would have been received in 1961-62 by

Victoria had the financial assistance grants for that State been calculated, in each year since 1959-60, in accordance with estimates of the population of that State revised in the light of the 1961 Census.

#### ADDITIONAL ASSISTANCE GRANTS IN 1961-62, 1962-63 AND 1963-64

As one of the measures adopted by the Commonwealth Government in February 1962 to stimulate employment, an additional assistance grant of \$20 million was made available to the States for expenditure on employment-giving activities, chiefly in the works field, in the remainder of that financial year. This grant was allocated by first setting aside \$5 million for Queensland and \$1 million for Tasmania, the two States in which unemployment as a percentage of the work force was significantly above the national level, and then allocating the remaining \$14 million among all States on the same basis as the State works and housing programs for 1961-62 as determined by the Loan Council.

At the Loan Council meeting and Premiers' Conference in June 1962 the Commonwealth Government offered to make available to the States in 1962-63 a further grant of \$25 million to be expended by the States at their discretion on employment-giving activities. As some of the Premiers indicated at the Conference that their budgetary problems were likely to be more difficult in 1962-63 than in the previous year, the Commonwealth Government made it clear that, while the overall purpose of the grant was to stimulate employment, in pursuing that general objective each State was free to utilise any part of its share of the grant to assist its budget. This grant was allocated on the same basis as the \$20 million grant made available in 1961-62 with the extra \$5 million distributed in proportion to the States' works and housing programs for 1962-63.

A further amount of \$10 million for expenditure on employment-giving activities in 1962-63 was offered to the States at the Loan Council meeting and Premiers' Conference in February 1963, thus bringing the total additional assistance grant for that financial year to \$35 million. As this additional amount of \$10 million was allocated among the States in proportion to their 1962-63 borrowing programs, \$29 million of the total additional assistance grant paid in 1962-63 was allocated in proportion to the States' works and housing programs. Of the additional \$6 million, Queensland received \$5 million and Tasmania \$1 million. In offering this extra \$10 million to the States, it was stipulated that the money should be expended on employment-giving activities and that this expenditure should be over and above that made under the States' works and housing programs.

At the Loan Council meeting and Premiers' Conference held in June 1963, the Commonwealth Government agreed to provide an additional assistance grant of \$40 million for employment-giving expenditure by the States in 1963-64. This grant was allocated among the States in proportion to their 1962-63 borrowing programs for works and housing. As was the case with the grant made available in June 1962, each State was free to use any part of its share to assist its budget if it so desired.

#### PROPOSAL FOR A 'MARGINAL' STATE INCOME TAX

In September 1964 the Victorian Government announced its intention of introducing a 'marginal' income tax to be payable by individuals living in Victoria to operate as from the beginning of 1965-66 and requested the Commonwealth Government to collect the tax on its behalf. The Commonwealth Government refused to accede to the Victorian request, pointing out that an arrangement involving the abandonment or modification of uniform taxation could only be contemplated if it were supported by all States, contained adequate safeguards for the interests of taxpayers and provided a sound basis for future financial relationships between the Commonwealth Government and each of the States. The Victorian Government then indicated that it did not propose to set up the machinery for assessment and collection of its own income tax. Although Victoria again raised the question at the Premiers' Conference held in June 1965, none of the other States supported the idea of a 'marginal' State income tax.

#### THE JUNE 1965 PREMIERS' CONFERENCE

This Conference followed an earlier Premiers' Conference held in April 1965 at which the States had expressed the view that the annual rate of growth of the financial assistance grants under the 1959 arrangements had been too slow when considered in relation to the rate of growth

of their commitments for expenditure on important government services. Variations were suggested including proposals designed to increase the share of the grants going to particular States.

After considering in detail the proposals made by the States at the April Conference the Commonwealth Government put forward a scheme at the June 1965 Conference designed to meet the main points raised by the States.

It was proposed that the annual financial assistance grant payable to each State would continue to increase in proportion to variations in population and increases in wages — the two main factors affecting current expenditure of the States. However, it was proposed to improve the betterment factor by fixing it at 1.2 per cent per annum regardless of the size of the increase in average wages. During the period of the 1959 arrangements the betterment factor had contributed about 0.4 per cent per annum to the increase in the grants.

The Commonwealth Government also proposed that, in order to reduce the time lag before changes in population and wages were reflected in the grants, more up-to-date statistics for these two items should be used in calculating the grants. Specifically, it was proposed that the increase in average wages used to determine the grant for a financial year should be that for the year ending March in *that* financial year (instead of that for the *preceding* financial year) and that the increase in population used should be the increase during the year ending December in the financial year (instead of the increase during the preceding financial year).

It was suggested that the proposed new arrangements should continue for five years—from 1965–66 to 1969–70.

The proposals were acceptable to the States except that most of them did not favour the proposed reduction in the time-lag in average wages since, in that event, their 1965–66 grants would be determined without reference to the large rise in average wages which was expected to occur in 1964–65. It was therefore agreed that the increase in average wages would continue to be calculated as under the 1959 arrangements.

As regards the distribution of the grants between the States, it was agreed to increase Queensland's share of the grants by adding \$2 million to the amount on which Queensland's grant for each year would be calculated. This addition, which had the effect of progressively increasing Queensland's share of the grants relative to the other States was made mainly in recognition of Queensland's large area and relatively small population. It was also agreed to make an addition of \$1.2 million to the grant which Victoria would receive in 1965–66 under the proposed new formula. This addition, which had the effect of reducing the difference between Victoria's grant per head and that of New South Wales, formed part of the base used in calculating the grant paid each year to Victoria under the grants formula.

Thus, the arrangements agreed at the June 1965 Premiers' Conference provided for two main changes in the grants formula — the increase in the betterment factor and the reduction in the time lag before changes in population were reflected in the grants — as well as for special additions to the grants payable to Queensland and Victoria.

In outlining its proposals at the Conference the Commonwealth Government said that, while it envisaged that Western Australia and Tasmania would continue to be eligible to receive special grants, it expected that each of the other four States would agree to remain 'non-claimant' for the period of the new arrangements. However, the Commonwealth Government indicated that, if there were a major change in the financial position of a State through circumstances beyond its control, it would be ready to review the position of that State under the financial assistance arrangements. In contrast to the action taken in 1959, it was agreed that no part of the existing special grants would be incorporated in the claimant States' financial assistance grants.

The Commonwealth Government also made it clear that, as in 1959, the new arrangements were based on the assumption that there would be no significant changes in the financial relationships between the Commonwealth Government and the States. In particular, the proposals were based on the understanding that the distribution of taxing powers would remain unchanged and that the States and their authorities would continue to pay pay-roll tax.

These arrangements were embodied in the *States Grants Act 1965*.

## DEVELOPMENTS IN 1966-67 AND 1967-68

At a Premiers' Conference in February 1967 it was agreed to reduce the time lag before increases in average wages were reflected in the grants. The percentage increase in average wages used to calculate each year's grant (including the grant for 1966-67) became that for the twelve months ended March in the year of payment instead of that for the financial year immediately preceding the year of payment. The other elements of the formula were not altered.

The Commonwealth Government also agreed at that Conference to pay the States special assistance of \$5 million in 1966-67. This amount was distributed among the States in the same proportions as the grants produced by the formula.

In 1966-67 the Commonwealth Government also provided special financial assistance of a general revenue nature to New South Wales and Queensland to help those States meet budgetary problems arising from the effects of drought on State revenues. This assistance, which was additional to the assistance provided by the Commonwealth Government in meeting the two States' expenditures on drought measures, amounted to \$8 million in the case of New South Wales and \$2.75 million in the case of Queensland.

At a Premiers' Conference in June 1967 the Government agreed that, for purposes of determining the formula grants for 1967-68 and future years, the special assistance of \$5 million in 1966-67 would be treated as part of the formula grant of that year.

These amendments to the financial assistance grants arrangements were authorised by the *States Grants Act 1967* and the *States Grants Act (No. 2) 1967*.

In 1967-68 further special revenue assistance totalling \$14 million was provided to help offset the adverse effects of drought on the revenues of New South Wales, Victoria, Queensland and South Australia. An amount of \$13 million was divided among these four States in proportion to the financial assistance grants they received in 1967-68 under the grants formula. The other \$1 million was provided to Victoria.

## THE JUNE 1968 PREMIERS' CONFERENCE

The Commonwealth Government made it clear at the Premiers' Conference in June 1968 that it regarded State receipts duties on wages and salaries and comparable payments such as superannuation and pensions as an income tax and, as such, in breach of the financial assistance grants arrangements. (Payments of the type mentioned had been made liable to the new form of receipts duty introduced in Western Australia and Victoria in 1966-67 and 1967-68 respectively.) The Commonwealth Government stated that it adhered firmly to the principle of uniform income taxation and was convinced of the desirability of avoiding multiplication of income taxes. If receipts duty on wages and salaries continued in existence when the grants arrangements were being reviewed in 1970, the Commonwealth Government would regard that as a decisive factor in determining its attitude on the allocation to a State imposing that form of taxation. In the meantime, should a State that continued the impost on wages and salaries impose it at a higher rate, the Commonwealth Government would move forthwith to amend its legislation and seek to reduce that State's grant. (The duty as it applied to wages and salaries was subsequently removed by Victoria as from July 1970 and by Western Australia as from January 1971. Receipts duties generally ceased to apply to receipts after the end of September 1970.)

It was also stated at the Conference that the Commonwealth Government did not object in principle to modest extensions of State taxation into the general field of business receipts or business turnover, provided it was not carried to a point where it could significantly affect the Commonwealth Government's ability to carry out national policies or to raise revenue. However, the Commonwealth Government did not favour the imposition of a pay-roll tax by the States.

It was agreed at the Conference to meet Western Australia's request to withdraw from the special grants system as from 1968-69 but that this move should not disturb the existing formula grants arrangements. It was decided that —

- (a) in lieu of the special grant the Commonwealth Government would pay Western Australia the sum of \$15.5 million in each of the years 1968-69 and 1969-70 in addition to the State's formula grant;

- (b) the completion payment to be recommended by the Commonwealth Grants Commission in respect of 1966-67 would be paid in the normal way in 1968-69. However, it was agreed that the advance payment of \$15.5 million in respect of 1967-68 would be regarded as the final grant for that year; and
- (c) the sum of Western Australia's formula grant for 1969-70 and the amount of \$15.5 million would be regarded for purposes of the 1970 review of the financial assistance arrangements as constituting Western Australia's financial assistance grant for 1969-70.

The additional financial assistance grants payable to Western Australia in 1968-69 and 1969-70 under these arrangements were authorized by the *States Grants Act* 1968.

#### SPECIAL ASSISTANCE 1968-69

In 1968-69 the Commonwealth Government provided an amount of \$14 million by way of special revenue assistance in recognition of the budgetary difficulties experienced by the States. An amount of \$12 million was divided among the States in proportion to the financial assistance grants they received in 1968-69 under the grants formula. South Australia received an additional \$2 million in recognition of its special budgetary difficulties.

#### THE FEBRUARY 1970 PREMIERS' CONFERENCE

Prior to this Conference the six State Premiers presented a joint Statement to the Prime Minister entitled 'The Financial Relationships of the Commonwealth and the States'. The main argument put forward in this document was that the existing financial assistance grants formula produced an insufficient rate of growth in general revenue assistance to the States when considered in relation to their increasing expenditure commitments, particularly in the areas of debt charges and social services expenditure, and taking into account the restricted revenue fields open to the States.

The proposals advanced by the Premiers, and with which they sought the concurrence of the Commonwealth Government at the Conference, were summarised at the conclusion of the document as follows—

- '(1) That the tax reimbursements grants for a transitional period from 1 July 1970, should be determined by adequately increasing the base total as determined under present arrangements, and adopting a new system of increases upon that base in line with the observed rate of growth in income tax yields.
- (2) That Commonwealth and State Treasury officers be instructed to devise a scheme whereby the States shall have access to income tax broadly along the lines of the system presently operating in Canada, but adapted to Australian circumstances and to the recognized needs of the less populous States.
- (3) Upon re-entry of the States into the field of income taxation appropriate adjustments be made to financial assistance grants to offset the effects of the lower per capita yields available to the less populous States from income tax, to preserve the financial equalisation provisions presently available to the less populous States, and to provide for escalation of the continuing financial assistance grants in line with the expected yield of income taxation.
- (4) In the course of financial re-arrangements, consideration must be given to permitting participation by the States in such capital and developmental funds as may be secured from revenue sources; to a review of the recent trend to proliferation of Commonwealth 'special purpose' grants; and to the possibility of the States securing access to wider revenue fields presently under the control of the Commonwealth, as well as to income tax.'

At the Conference, the Prime Minister said that the Commonwealth Government did not accept the proposal that the States re-enter the field of income taxation, or that the annual increases in the general revenue grants to the States should be related to increases in income tax collections. Allowing the States access to income taxation could make the Commonwealth Government's task of managing the economy more difficult and, if a scheme along the Canadian lines were adopted, it could result in different rates of income tax applying in the various States. This would mean the end of uniform income taxation, which was beneficial and which the Australian people

had come to accept. Further, as income tax collections fluctuated markedly from time to time, the adoption of the States' proposals could create difficult budgetary problems for the States in some years. In addition, the fact that the per capita yield of income tax varied markedly between the States would make it difficult to work out 'equalisation' grants satisfactory to the less populous States.

The Prime Minister agreed, however, that there was a need for a significant increase in revenue assistance to the States and outlined, in general terms, four ways in which this might be achieved. He proposed that the burden of State debt charges might be relieved by the Commonwealth Government taking over part of existing State debt and also by providing a portion of future borrowing programs for State works in the form of interest-free grants. In addition, the Commonwealth Government was prepared to increase the financial assistance grants by an immediate addition to the base level and also by increasing the betterment factor to provide for a faster rate of growth in the grants. The Prime Minister added that the Commonwealth Government was willing to join with the States in examining any proposals made by them for an alternative field of growth tax.

The Prime Minister suggested that the precise details of the Commonwealth Government's proposals could be left to be settled at the usual Premiers' Conference in June and that, before then, Commonwealth and State Treasury officers could meet to discuss them. The Premiers accepted this suggestion and, at two subsequent meetings, Commonwealth and State Treasury officers reached tentative agreement on the procedures for the progressive take-over by the Commonwealth Government of responsibility for \$1,000 million of State debt and for an annual capital grant in lieu of loan raisings.

#### SPECIAL ASSISTANCE IN 1969-70

At the Premiers' Conference in February 1970 the States submitted that they were facing considerable budgetary difficulties on account of increases in wage and interest rates and other factors and the Commonwealth Government agreed to pay \$12 million special revenue assistance in 1969-70, which was distributed between the States in proportion to their formula grants but which was not incorporated in the base used for calculating grants in future years. In pursuance of an undertaking given by the Commonwealth Government when the income tax rebate on Commonwealth Government loan interest was removed in November 1968, a further \$2.5 million was paid to the States to compensate them for the estimated additional interest cost incurred by them up to 30 June 1970 as a result of the removal of the rebate. This additional cost was one of the factors taken into account by the Commonwealth Government in the new revenue assistance arrangements applying from 1970-71.

Subsequent to the February 1970 Premiers' Conference it was decided to make an additional payment of \$1.5 million to Tasmania for 1969-70, representing special assistance of a temporary nature to help the State finance its expected revenue deficit. It was part of the understanding between the Commonwealth Government and the State that the \$1.5 million would result in the final adjustment to the 1969-70 advance payment of Tasmania's special grant being correspondingly decreased by that amount.

These three forms of special revenue assistance in 1969-70, totalling \$16 million, were authorised by the *State Grants (Special Financial Assistance) Act 1970*.

A \$10 million special repayable advance to Victoria was made on 30 June 1970 to help the State finance its revenue deficit for 1969-70. This advance bore interest at 6.5 per cent, being the rate of interest on short-term bonds offered in the May 1970 cash loan. No interest was payable on the loan in 1970-71. Interest was payable semi-annually on 31 December and 30 June in each of the subsequent four years on the outstanding balance of the loan. The advance was repayable over five years by annual instalments of \$2 million on 30 June each year with the provisos, first, that Victoria undertook to repay more than \$2 million in any year if its budgetary position permitted and, secondly, that the Commonwealth Government would agree to postponement of an annual instalment if it were satisfied that the Victorian budgetary position in the year concerned did not permit repayment to be made without deficit financing. This latter proviso, however, did not affect the requirement that the whole of the loan be repaid by 30 June 1975. The Treasurer agreed to requests by the State for the postponement of the four repayments which were due on 30 June from 1971 to 1974. The whole of the \$10 million was repaid on 30 June 1975.

## THE JUNE 1970 PREMIERS' CONFERENCE

At this Conference the Prime Minister gave details of four ways in which the Commonwealth Government was prepared to increase the revenue assistance to the States.

*Firstly*, an addition of \$40 million would be made to the 1970-71 grants determined under the existing formula and this amount would be incorporated in the 1970-71 base for purposes of determining the formula grants for 1971-72 and later years. The amount of \$40 million would be distributed between the States in the same proportions as their 1970-71 formula grants.

*Secondly*, there would be an increase in the betterment factor from 1.2 per cent to 1.8 per cent, to apply from 1971-72.

*Thirdly*, an interest-free capital grant would be made starting at \$200 million in 1970-71 and increasing in future years in proportion to the increase in the total Loan Council works and housing program. This would relieve the States of debt charges they would otherwise have to pay and would free State funds for other purposes.

*Fourthly*, grants would be made to meet the debt charges on \$200 million of existing State debt in 1970-71 and an additional \$200 million in each of the subsequent four years so that, as from the commencement of 1974-75, the Commonwealth Government would have taken over full responsibility for the debt charges on \$1000 million of State debt, with this amount of debt being formally transferred to the Commonwealth Government in June 1975.

The Prime Minister also made two proposals in relation to the grants to individual States.

Firstly, there would be a continuation of the \$2 million addition that had been made to the base on which Queensland's grant was calculated in each of the five years of the previous arrangements. The Prime Minister stated that the Government had 'come to the conclusion that in spite of the considerable improvement that has been effected in Queensland's share of the grants over the last five years, the grants being received by that State are still too low compared to other States'.

Secondly, in addition to its formula financial assistance grant and in lieu of the amount of \$15.5 million paid in both 1968-69 and 1969-70, Western Australia would receive amounts starting at \$12.5 million in 1970-71 and reducing by \$3 million per annum in each of the subsequent four years. The Prime Minister said that the Government had 'noted that since 1967-68 there appears to have been a significant improvement in the relative capacity of Western Australia to finance its budget expenditure . . . ' and that 'if the State continued to receive its present share of the revenue grants, including the special amount of \$15.5 million, the situation would become increasingly unfair to the other States and could result in a significant distortion in the allocation of governmental funds between the States'. However, in recognition of the rapid rate of population growth and economic development in the State, the Commonwealth Government would, in the Loan Council, support increases in Western Australia's share of the borrowing programs to offset the reductions in the revenue grants.

The Premiers regarded these proposals as inadequate and suggested a minimum increase in the 1970-71 grants of \$90 million and a minimum betterment factor of 3 per cent to apply from 1970-71.

After considering the States' arguments, and in particular the case put by New South Wales and Victoria that the absolute gap between their per capita grants and those of the smaller States was becoming larger year by year, the Prime Minister proposed that a grant of \$2 per capita be paid to New South Wales and Victoria in each of the next five years. This would be additional to the formula grants and would not be included in the base used to determine those grants. In the event that any of the four less populous States considered that the additional per capita grants would adversely affect their ability to provide services of a standard comparable with those in New South Wales and Victoria, the Prime Minister said that it would be open for them to make an application to the Commonwealth Grants Commission for a grant in addition to their share of the financial assistance grants. Under the previous arrangements the Commonwealth Government had indicated that it expected each of the then non-claimant States to remain non-claimant for the period of the arrangements.



The Prime Minister also suggested that it might be helpful for the Commonwealth Grants Commission to be given the additional task of investigating and recommending on the distribution of the general revenue grants between all the States for purposes of the quinquennial reviews of the arrangements.

The Prime Minister said that the new revenue assistance arrangements, including the special arrangements for Queensland and Western Australia and the additional \$2 per capita payable to New South Wales and Victoria, were to apply for the five years 1970-71 to 1974-75. As under the previous arrangements, they were proposed on the basis that there would be no significant changes in the existing division of financial responsibilities between the Commonwealth Government and the States during the period and on the understanding that the distribution of tax resources would remain unchanged and that the States and their authorities would continue to pay pay-roll tax.

On the question of State tax powers, the Prime Minister said that the Commonwealth Government would be prepared to have Commonwealth and State Treasury officials examine alternative possibilities for new growth taxes for the States.

At the Conference, figures were circulated showing that, on certain assumptions, the States would, under the new arrangements, receive an estimated \$70 million more financial assistance in 1970-71, and about \$800 million more over the five years as a whole, than they would have received if the previous arrangements continued unaltered. These amounts included estimated savings in debt charges from the interest free capital grant and from the grants to meet debt charges on existing State debt, together with the 'formula' financial assistance grants, the \$40 million addition to the 1970-71 grants and the additional grants for particular States. It was also shown that this section of the revenue assistance to the States would grow at an average of probably between 2.5 to 3 per cent per annum faster than if the previous arrangements had continued unchanged.

After the June 1970 Premiers' Conference, the Commonwealth Government agreed to transfer \$10 million of Tasmania's special grant to the State's financial assistance grant.

#### LEGAL CHALLENGE TO PAY-ROLL TAX AS APPLIED TO STATE GOVERNMENTS

In the Victorian Budget for 1970-71 no appropriation was made to meet pay-roll tax levied by the Commonwealth Government and, on 6 October 1970, the State Government took out a writ in the High Court challenging the constitutional validity of the *Pay-roll Tax Assessment Act 1941-1969* as it applied to the State Government. On 26 November 1970 South Australia intervened to support Victoria's challenge.

In a statement in Parliament on 30 September 1970 the Prime Minister said that, as the revenue grants arrangements were conditional on the States and their authorities continuing to pay pay-roll tax, the Commonwealth Government could not accept the position taken by the Victorian Government and would consider what course of action it should take in order to see that the Commonwealth Government's Budget was not impaired. Before judgement in the case had been delivered the *States Grants Bill 1971* was passed by the Commonwealth Parliament. The Bill authorised, inter alia, deductions to be made from the grants otherwise payable to a State under the *States Grants Act 1970* in the event that the State or its authorities failed to pay pay-roll tax to the Commonwealth Government. The Bill also authorised the Commonwealth Statistician, in calculating the increase in average wages for purposes of the grants formula, to take account of wages and employees not included in pay-roll tax returns where this occurred because an employer failed to lodge returns, as the Victorian Government and some of its authorities had done during 1970-71.

Subsequently, on 14 May 1971, the High Court unanimously ruled that the *Pay-roll Tax Assessment Act 1941-1969* was valid in its application to State Governments.

On the understanding that the arrears of pay-roll tax payable to the Commonwealth Government by Victoria would be paid by the State no deductions from the grants payable to any State in 1970-71 were made under the *States Grants Act 1970-71*.

## CESSATION OF STATE RECEIPTS DUTY

At the February 1970 Premiers' Conference the Premiers asked that, in the light of recent decisions by the High Court invalidating State receipts duty in its application to certain types of receipts, the Commonwealth Government confirm an undertaking given at a Premiers' Conference held in November 1969 that, in the event of the receipts duty being found invalid in some or all respects, the Commonwealth Government would introduce legislation, to operate retrospectively to 18 November 1969, to impose a like tax for the benefit of the States. The Premiers also asked that the Commonwealth Government legislation should have continuing operation beyond 30 June 1970.

The Prime Minister agreed to the Premiers' requests on the basis that the Commonwealth legislation would apply only to business receipts. Such legislation was introduced in June 1970 but was rejected by the Senate.

At the June 1970 Premiers' Conference, and in the Budget Speech on 18 August, it was stated that the Commonwealth Government proposed to re-introduce the receipts duty legislation during the 1970-71 Budget Session. On 1 October the Prime Minister announced that the legislation would be limited to imposing a duty on moneys received during the period 18 November 1969 to 30 September 1970, and that the Commonwealth Government would make good the reasonable losses of State revenue thereafter resulting from the termination of the legislation on 30 September.

At a Premiers' Conference on 8 October 1970 it was agreed that receipts duty would not be imposed after 30 September 1970 even in those areas where the States were legally able to do so, and that the whole of the resultant loss of revenue to the States in 1970-71 would be made good by way of additional Commonwealth Government grants. In addition, Queensland would receive an additional grant to allow for the fact that in the first quarter of 1970-71 the Queensland rate of duty was only 0.02 per cent compared with 0.1 per cent in all other States. The Commonwealth Government also agreed that, for 1971-72 and subsequent years, the amounts of receipts duty which it was estimated would have been collected by the States in 1970-71 had it been a 'normal' year would be added to the base used in determining the financial assistance grants payable under the grants formula. By this means the Commonwealth Government in effect provided for the continued payment to the States of compensation for loss of receipts duty revenue.

Legislation imposing duty on business receipts up to 30 September 1970 was introduced into the Commonwealth Parliament and passed in November 1970. The *States Grants Act 1971* was passed in May 1971 and embodied the receipts duty compensation arrangements. For the purposes of the Act, estimates of receipts duty that would have been collected in the whole of 1970-71 had it been a 'normal' year, and in the last three-quarters of the year had Commonwealth and State Government legislation continued in operation, were settled in discussions between Commonwealth and State Treasury officials. The additional financial assistance grants paid in 1970-71 totalled \$59.71 million, while the amounts added to the base grants for calculating the formula grants in 1971-72 and subsequent years totalled \$88.4 million. The figures for each State are set out in the following Table:—

**Table 77—Compensation Grants to the States to Cover Cessation of Receipts Duty (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1970-71 . . . . .	24 000	17 330	8 020	4 670	4 350	1 340	59 710
1971-72(a) . . . . .	36 000	26 000	10 900	7 000	6 500	2 000	88 400
Total . . . . .	60 000	43 330	18 920	11 670	10 850	3 340	148 110

(a) Amounts *deemed* to be compensation for the loss of receipts duty. (Amounts are those set down for 1971-72 in the *States Grants Act 1970-71*.)

## SPECIAL ASSISTANCE IN 1970-71

A Premiers' Conference was held in February 1971 to discuss the effects on the States' budgets of the national wage decision announced in December 1970. The States presented information showing that the cost to their budgets of that and other wage awards for State Government employees granted since their budgets were brought down was much greater than in previous years and they requested special revenue assistance to help meet those costs. The Commonwealth Government, while conceding that the States were facing budget difficulties, asked them to examine the possibility of taking measures to cope with these financial difficulties from their own resources. However, it was agreed that a further Conference would be held in April at which the States would present revised estimates for 1970-71, as well as estimates for 1971-72, in the light of any measures they may have been able to take in the interim.

Subsequent to the February Conference all the States took special action to improve their financial positions. In most but not all States this action took the form mainly of cuts in expenditure below the levels estimated in February. However, this still left the States facing substantial prospective budget deficits in 1970-71.

At the Premiers' Conference in April 1971 the Commonwealth Government agreed to provide the States with additional revenue assistance of \$43 million in 1970-71 on the understanding that the States used this assistance to reduce their prospective budget deficits rather than add to their expenditures. Payment of this assistance, which was distributed between the States in proportion to their financial assistance grants (other than receipts duty compensation grants), was authorised by the *States Grants Act 1971*.

## TRANSFER OF PAY-ROLL TAX TO THE STATES

At the June 1970 Premiers' Conference the Commonwealth Government had offered to examine with the States any proposals put forward by them for a new growth tax. No such proposals were put forward. However, at a Premiers' Conference in April 1971 (the main purpose of which was to discuss short term budgetary difficulties the States were facing) the Prime Minister informed the States that the Commonwealth Government had under examination alternative means by which the States might be given access to a new growth tax.

At the Premiers' Conference in June 1971 the Commonwealth Government agreed to transfer pay-roll tax to the States on the basis that, subject to certain qualifications noted below, the resulting losses to the Commonwealth Government budget, and gains to the States, would be offset by reductions in the financial assistance grants. In making this offer, the Prime Minister pointed out that the constitutional position debarred the States from imposing virtually any form of sales tax. He said that, in the Commonwealth Government's view, it would not be advisable to re-open the field of personal income tax to the States, and that pay-roll tax therefore appeared to be the sole remaining practicable possibility. While it was not an ideal tax, it was broadly based, grew almost directly in line with the economy, was relatively simple to administer and offered 'some prospect for raising additional revenue should States wish to use it for that purpose'.

The Prime Minister indicated that the transfer could only be made if all the States agreed to take over the tax and on a common date. He said that the Commonwealth Government would continue to operate the export incentive scheme so as to give exporters the same benefits, based on the pay-roll tax rate of 2.5 per cent, as they enjoyed under the existing scheme. The Commonwealth Government would continue to impose its own tax in the Territories at the existing rate of 2.5 per cent, with the rate being subject to review in the light of any changes the States might make in their individual rates of tax.

The Premiers re-affirmed their views that the States needed access to a new area of growth taxation to assist them in financing improvements in the services which State Governments provide. They indicated that, while some of them would prefer that the States be given access to income tax, they accepted that pay-roll tax would constitute a useful addition to their resources. They also said that, because of the full-year costs of the abnormally high wage and salary awards granted to State Government employees in 1970-71, they would still find it very difficult to cope with their prospective 1971-72 budgetary situations. It was agreed that the off-setting deductions

from the financial assistance grant for 1971-72 would be less than the amount of pay-roll tax receivable by the States (at the then rate of 2.5 per cent) by:—

- (a) an amount of \$20 million to be distributed between the States in proportion to pay-roll tax collections in 1971-72 at the rate of 2.5 per cent and further amounts for the less populous States so as to bring their allocations to what they would have been if the amount of \$20 million had been distributed in proportion to the financial assistance grants—these extra amounts, estimated at \$2.7 million at the time of the Conference, totalled \$2.3 million, giving total assistance of \$22.3 million;
- (b) an amount equal to the estimated pay-roll tax payable in respect of non-business activities of local authorities in 1971-72 subsequent to the date of transfer of the tax; and
- (c) an amount equal to the administrative expenditure incurred by the States in 1971-72 as a result of their imposing pay-roll tax.

For 1972-73 and subsequent years, it was agreed that the deductions from the States' grants would be effected by reducing the 1971-72 base used to determine the formula grants for those years. The deductions from the 1971-72 base would, however, be less than the amount of the pay-roll tax receivable in 1971-72 from a full year's collections at the tax rate of 2.5 per cent by:

- (a) the amounts referred to under (a) in the preceding paragraph—thus ensuring that these amounts would continue and escalate in future years;
- (b) an amount equal to the estimated tax payable in respect of non-business activities of local authorities in the whole of 1971-72 (in this way the Commonwealth Government would, in effect, continue to meet the cost of exemption in future years by way of higher financial assistance grants to State Governments than would have been paid if the authorities had not been exempted);
- (c) an amount of \$3 million, as a rough allowance to take account of the probability that revenues from pay-roll tax would grow somewhat more slowly than the financial assistance grants the States would be losing; and
- (d) an amount equal to the administrative expenditure that would have been incurred by the States in 1971-72 if they had imposed pay-roll tax for the whole of the year.

The amendments to the financial assistance grants arrangements which it was agreed would accompany the transfer of pay-roll tax were incorporated in the *States Grants Act (No. 2) 1971*, which repealed the *States Grants Act 1970-71*.

#### SPECIAL ASSISTANCE IN 1971-72

At the Premiers' Conference in June 1971 the States argued that, even after taking into account additional revenue they might be able to raise from their existing taxes and charges, they would find it very difficult to cope with their prospective 1971-72 budget deficits which, they said, were abnormally high due largely to the unavoidable 'full-year' costs of wage and salary awards granted in 1970-71.

The Commonwealth Government agreed to provide special revenue assistance in 1971-72 in the form of a non-recurring grant of \$40 million to be distributed between the States in proportion to their financial assistance grants. The Commonwealth Government also agreed, as part of the arrangements to transfer pay-roll tax to the States, to provide additional revenue assistance in 1971-72 estimated at the time of the Conference at \$22.7 million but which finally amounted to \$22.3 million. (See under Transfer of Pay-roll Tax above.) Payment of this additional assistance was authorized by the *States Grants Act (No. 2) 1971*.

At the February 1972 Premiers' Conference, the Commonwealth Government agreed to provide further special revenue assistance in 1971-72 totalling \$32.5 million. Of this amount, \$15 million was provided by way of non-recurring grants distributed between the States in proportion to their financial assistance grants and the remaining \$17.5 million was a special repayable advance to New South Wales.

In announcing this loan, the Prime Minister said that New South Wales clearly had a much greater budgetary problem in 1971-72 than any of the other States and the purpose of the loan was to enable that State to avoid taking extreme measures to improve its budgetary position. The loan was made on 30 June 1972 and was to be repaid by 30 June 1977 by annual instalments of

\$3.5 million, with provision for the advancement or deferment of repayments similar to the provisions with the loan of \$10 million made to Victoria in 1969-70 (see above section 'Special Assistance in 1969-70'). As with the loan to Victoria, no interest was payable in the first year. For the following four years interest was payable semi-annually at 5.3 per cent, this being the short-term bond rate offered in the February 1972 cash loan. The repayments were deferred in accordance with the terms of the loan and the whole of the \$17.5 million was to be repaid by 30 June 1977. However, following representations by the State Government in 1976-77 concerning continuing budgetary difficulties, this loan, together with a \$10 million loan made in 1972-73, were consolidated and repayable over four years. (See section 'Special Assistance in 1972-73' below).

The additional assistance of \$15 million was authorised by the *States Grants Act* 1972. The special advance to New South Wales was authorised in the *Appropriation Act (No. 5)* 1971-1972.

Thus, special assistance totalling \$72.5 million was paid in 1971-72.

#### ADDITIONAL GRANTS AGREED TO AT THE JUNE 1972 PREMIERS' CONFERENCE

At the June 1972 Premiers' Conference the Commonwealth Government and the States agreed to the following amendments to the financial assistance grants arrangements:—

- (a) a permanent increase of \$112 million to the financial assistance grants payable in 1972-73 — this increase to be built into the formula grants for the purpose of calculating the grants for subsequent years and to be distributed in proportion to the 1971-72 formula grants escalated under the formula as it was to apply in 1972-73;
- (b) an increase in the per capita grants to New South Wales and Victoria from \$2 to \$3.50 per head of population in 1972-73 — the increased per capita payments to be added to the formula grants for the purpose of calculating the grants in future years (this change increased the grants payable to New South Wales and Victoria in 1972-73 by \$7.0 million and \$5.4 million respectively); and
- (c) a payment of a further amount of \$3.5 million to Western Australia in 1972-73 as a special temporary addition to the State's financial assistance grant in that year.

These amendments were authorised in the *States Grants Act (No. 2)* 1972 which amended the *States Grants Act* 1971-72.

#### SPECIAL ASSISTANCE IN 1972-73

On 20 September 1972, the Commonwealth Government announced that, having regard to the extraordinarily difficult budgetary situation which was confronting New South Wales, it was prepared to provide special budgetary assistance to the State in 1972-73 in the form of a loan of \$15 million. The loan was authorised in the *Appropriation Act (No. 4)* 1972-73 and was paid to the State on 29 June 1973. The terms of the loan provided that it be repaid by 30 June 1978 by annual instalments of \$3 million with provision for the advancement or deferment of repayments similar to the provisions applying to the loans of \$10 million made to Victoria in 1969-70 and \$17.5 million made to New South Wales in 1971-72. No interest was payable in the first year. In the following four years, interest was payable semi-annually at a rate determined to be the rate which would have applied on five-year securities if they had been issued in the Commonwealth Government loan immediately prior to 29 June 1973—that is, the May 1973 loan. The loan interest rate set was 5.9 per cent. Repayments for this loan were also deferred. As previously mentioned, this loan was consolidated, with an earlier loan, in 1976-77. The total, \$32.5 million, was to be repaid by annual instalments of \$10 million each over the three years 1976-77 to 1978-79 with the balance of \$2.5 million to be repaid in 1979-80. The interest rate was set at 8.5 per cent.

#### ADDITIONAL GRANTS AGREED UPON AT THE JUNE 1973 PREMIERS' CONFERENCE

It was decided to vary the arrangements which had been agreed at the June 1970 Premiers' Conference (see above) under which Western Australia had received financial assistance grants additional to those calculated under the formula. These additional grants were \$12.5 million in 1970-71, \$9.5 million in 1971-72 and \$6.5 million in 1972-73 and were to have been \$3.5 million and \$0.5 million in 1973-74 and 1974-75 respectively. At the June 1973 Premiers' Conference it

was agreed that the additional grant payable to Western Australia in 1973-74 should remain at \$6.5 million instead of being reduced to \$3.5 million as provided in the then existing legislation. As a corollary, the special temporary addition to the State's borrowing program for larger authorities in 1973-74 was reduced from the \$9 million it would otherwise have been to \$6 million.

It was also agreed at the Conference that Western Australia would receive an additional temporary grant in 1973-74, the amount of which would be the subject of further discussion between the Commonwealth and Western Australian Governments. It was subsequently agreed, following such discussion, that a special temporary addition of \$3.5 million—the same as the amount added in the previous year—would be made to the State's revenue grants in 1973-74. Furthermore, it was agreed that the additional financial assistance grant for Western Australia would remain at \$6.5 million in 1974-75 (in lieu of the amount of \$0.5 million authorised by the legislation then in force), and that the special temporary addition to the State's borrowing program for larger authorities in that year would remain at \$6 million (instead of being increased as it would have been under the arrangements existing prior to the Premiers' Conference).

At this Conference the Commonwealth Government, in recognition of the States' expected budgetary problems in 1973-74, also agreed to provide special additional revenue assistance of \$25 million, to be distributed among the States in proportion to the financial assistance grants payable under the formula. The foregoing changes were authorised by the *States Grants Act* 1973.

#### *June 1974 Premiers' Conference and Withdrawal of Tasmania from Special Grants System*

No alterations to the financial assistance grants arrangements were agreed upon at the June 1974 Premiers' Conference. However, at that Conference, the Premier of Tasmania requested discussions with the Commonwealth Government concerning the possibility of his State withdrawing from the special grants system. Following such discussions it was agreed that, to enable such a withdrawal, an amount of \$15 million would be added to the financial assistance grants otherwise payable to the State in 1974-75, to be built into the base on which the formula grants for 1975-76 and subsequent years would be calculated. These arrangements were incorporated in the *States Grants Act* 1974.

#### ADJUSTMENTS TO GENERAL PURPOSE FUNDS IN 1973-74 AND 1974-75 TO OFFSET FINANCIAL EFFECTS OF SHIFTS IN RESPONSIBILITIES BETWEEN COMMONWEALTH AND STATE GOVERNMENTS

In his opening speech at the June 1973 Premiers' Conference, the Prime Minister stated:—

'Where the national government undertakes new or additional commitments which relieve the States or their authorities of the need to allocate funds for expenditures at present being carried by them, there should be adjustments in the financial arrangements between us to take account of the shift of new financial responsibilities. These adjustments will normally take the form of appropriate reductions in the general purpose funds allocated to States. We have proposed such reductions, for example, as part of the program by which the Australian Government will assume financial responsibility for tertiary education.'

At the June 1973 Premiers' Conference the States accepted the Commonwealth Government's offer to take full financial responsibility for financing tertiary education from 1 January 1974 and it was agreed, in pursuance of the 'offsets' policy, that estimated amounts of recurrent expenditure of which the States would thereby be relieved should be deducted from the financial assistance grants otherwise payable. (The estimated capital expenditures of which the States were being relieved were deducted from the State Loan Council programs.) The agreed reductions in the financial assistance grants are shown in the following table. At the June 1973

Premiers' Conference/ Loan Council meeting 'offsets' to the States Loan Council program were also agreed to on account of new arrangements for financing welfare housing expenditure in the States introduced in 1973-74.

**Table 78—Reductions in Financial Assistance Grants  
Accompanying Transfer of Tertiary Education(a)  
(\$'000)**

	1973-74	1974-75
New South Wales . . . . .	36 400	75 200
Victoria . . . . .	34 800	70 800
Queensland . . . . .	13 500	27 600
South Australia . . . . .	12 000	24 700
Western Australia . . . . .	11 600	24 200
Tasmania . . . . .	3 500	7 200
Adjustment for recurrent purposes only . . . . .	111 800	229 700

(a) The amounts shown for 1973-74 represent estimates of the half-year 'savings' to the States; the amounts shown for 1974-75 represent the estimated full-year 'savings'. The 1974-75 amounts are to be subtracted from the 'base' amounts for purposes of calculating the formula grants in 1975-76 and subsequent years.

A document entitled 'The General Revenue Arrangements Between the Commonwealth and the States' submitted by the six Premiers to the Commonwealth Government in May 1975 (see below for further details) included an Appendix in which the States expressed their opposition to the way the 'offsets' principle had been applied. The main argument was that 'offsets' to general revenue assistance should be limited to a proportion of the expenditures taken over by the Commonwealth Government equivalent to the proportion of the State's budget represented by the general revenue assistance provided to it. The States also argued, inter alia, that because of differences between the States in their relative per capita expenditures on the services concerned, application of the 'offsets' principle had resulted and would continue to result in 'distortions in the established distribution of general revenue assistance between the States'.

The Commonwealth Government rejected the States' argument on this matter at the June 1975 Premiers' Conference and reaffirmed its basic policy on the matter.

#### SPECIAL ASSISTANCE IN 1974-75

At the Premiers' Conference in February 1975, the Commonwealth Government agreed to provide \$60 million in additional general revenue grants divided between the States in proportion to the distribution of their financial assistance grants. The assistance was provided on the basis of the States' firm assurances that the funds would be used in such a way as to have the greatest practicable effect on employment within 1974-75.

Special payments of \$10 million to South Australia and \$5 million to Tasmania in 1974-75 were also made in connection with the railway transfers (see below) bringing total special assistance in 1974-75 to \$75 million.

#### ADJUSTMENTS TO FINANCIAL ASSISTANCE GRANTS IN RESPECT OF RAILWAY TRANSFERS AND SOUTH AUSTRALIA'S WITHDRAWAL FROM THE COMMONWEALTH GRANTS COMMISSION SYSTEM

In May 1975 the Commonwealth Government concluded Agreements with the Governments of South Australia and Tasmania for the transfer of the States' railway systems (non-metropolitan only in South Australia) as from 1 July 1975. In accordance with the 'offsets' principle (see above), adjustments were made to general purpose funds provided to the two States. It

was also agreed that adjustments be made to the 1974-75 'bases' on which the States' financial assistance grants for 1975-76 were to be calculated. These adjustments reflected the railway losses of which the two States were expected to be relieved but it was agreed that the adjustments would be less than the amounts of those losses so as to give the States net budgetary gains.

As part of the negotiations on the railways transfer, arrangements were agreed with South Australia for the withdrawal of that State from the Commonwealth Grants Commission system at the end of 1974-75. To compensate the State for the loss of special grants an addition of \$25 million was made to the 1974-75 'base' on which the State's financial assistance grant for 1975-76 was calculated.

The following table summarises the adjustments made to the financial assistance grants in connection with these matters.

**Table 79—Adjustments to Financial Assistance Grants to South Australia and Tasmania in Connection with Railway Transfers and Withdrawal of South Australia from Grants Commission System (\$ million)**

	Adjustment to 1974-75 Financial Assistance Grants Base (a)
<b>South Australia—</b>	
Amount representing loss of non-metropolitan railways in 1974-75	- 29.0(b)
Adjustment to give budgetary assistance to State	+ 25.0
Sub-Total	- 4.0
Adjustment to compensate for loss of special grant	+ 25.0
Total	+ 21.0
<b>Tasmania—</b>	
Amount representing railway loss in 1974-75	- 14.0(b)
Adjustment to give budgetary assistance to State	+ 3.3
Total	- 10.7

(a) That is, adjustments to the bases to which the formula applied for purposes of calculating the grants in 1975-76.

(b) These amounts do not equal the actual amounts of railways losses in 1974-75 because of various adjustments to the figures.

#### REVISED REVENUE ASSISTANCE ARRANGEMENTS IN 1975

In his opening speech at the June 1974 Premiers' Conference, the Prime Minister stated:—

'The present revenue assistance arrangements between the Australian and State Governments were originally settled in June 1970 and were intended to apply over the five years 1970-71 to 1974-75. My Government accepts the obligation to review the arrangements before the end of 1974-75 with a view to determining what changes in them, if any, should apply from 1975-76.'

The Prime Minister wrote to the Premiers in November 1974 inviting them to submit any written statements of views that they wished to put forward in connection with the review.

Discussions on aspects of the review took place between Commonwealth and State Treasury officers in January, May and June 1975.



In May 1975 the Premiers submitted a document entitled 'The General Revenue Arrangements Between the Commonwealth and the States', the main proposals in which were that:—

- the general revenue grants arrangements be based, in effect, on the principle that they should compensate the States for their lack of access to income tax;
- to put that principle into effect the average wages element in the formula be replaced by a new 'progression' factor equal to 1.5 times the increase in average wages each year, this change to apply as from and including the calculation of the 1975-76 grants; and
- an addition of \$350 million be made to the base on which the 1975-76 grants would be calculated.

It was estimated that the effect of these proposals would have been to increase the financial assistance grants for 1975-76 by some \$750 million above what would have been payable under the existing financial assistance arrangements.

Prior to the Premiers' Conference held on 19-20 June 1975 the Prime Minister wrote to the Premiers responding to the proposals put forward in the document which they had submitted. The Prime Minister said, inter alia, that the Australian Government:

- was unable to accept the concept that the grants arrangements should be based on the concept of reimbursement or compensation for income tax forgone; successive Australian Governments had taken the view that it was more logical and appropriate that the grants be based on the States' financial needs rather than on movements in one of the revenue sources from which the financial assistance grants are financed;
- could not accept the assumptions about continuation of existing income tax rates on which the States' proposed 'progression' factor of 1.5 times the increase in average wages each year was in effect based, having regard to the effects, in a period of rising wages and salaries, of the progressive rate structure of personal income tax;
- found the concept of the 'progression' factor as proposed by the States unacceptable, as in times of rapid increase in wages and salaries it could have the effect of shifting the financial burden of various State Government services—particularly business undertakings—from the users of those services to the Australian Government's budget and hence to taxpayers in general, without explicit regard for equity or economics; and
- did accept, however, that the level of general revenue assistance in 1975-76 should be increased beyond the amounts which would be produced by existing arrangements and that the growth formula to apply subsequently should be improved.

At the June 1975 Premiers' Conference the Commonwealth Government, having reaffirmed the attitude expressed in the Prime Minister's earlier letter, undertook to introduce into the Commonwealth Parliament legislation to provide for the following changes in the financial assistance grants arrangements:—

- (i) a total of \$220 million to be paid to the States in 1975-76 in addition to the financial assistance grants otherwise payable in that year and to be divided between the States in proportion to the grants otherwise payable—this to be 'built in' to the base on which the grants were to be calculated in 1976-77 and subsequent years;
- (ii) \$5.0 million to be added to the base grants on which Western Australia's financial assistance grants for 1975-76 and subsequent years were to be calculated; and
- (iii) the 'betterment' factor in the formula to apply for purposes of calculating the grants for 1976-77 and subsequent years to be increased from the then current 1.8 per cent to 3.0 per cent.

The addition referred to as (ii) above was made following representations by the Western Australian Government in relation to the additional financial assistance grants it had received since 1967-68 following its withdrawal from the special grants system. (The State had requested a 'building in' to the 1974-75 base grants of the full amount of the additional grant of \$6.5 million received in that year.)

Under the arrangements described earlier in this Appendix, Queensland, since 1965-66, had received annual additions of \$2 million to the base on which its formula grants had been calculated. Existing legislation for this arrangement did not continue beyond 1974-75. Prior to the Conference, the State requested that an annual addition of at least \$4 million be made as from

and including 1975-76 on the basis that this would eventually enable the State to cease receiving special grants under the Commonwealth Grants Commission arrangements. The Commonwealth Government did not accept this request, pointing out that, if the State were to remain a claimant State, under the procedures of the Commonwealth Grants Commission the total level of general revenue assistance paid to the State would not be affected by the amounts of financial assistance grants (if those grants were higher the special grants would be correspondingly lower). The Commonwealth Government stated, however, that if the State should wish to withdraw from the special grants system, either now or at some time in the future, the Commonwealth Government would be willing to enter into negotiations with a view to determining an appropriate addition to the State's financial assistance grants to compensate for loss of special grants.

The Commonwealth Government stated at the Conference that the improved arrangements were made on the clear understanding that subsequent requests by the States for general revenue assistance supplementary to that yielded by the formula arrangements would not be entertained except in circumstances which were truly abnormal and unpredictable, and with which the States were clearly unable to cope unaided. The Commonwealth Government proposed to review these arrangements after five years—that is, before the end of 1979-80. It intended, following past practice, that the arrangements would be subject to revision before then if there were to occur substantial and relevant changes in Commonwealth/State financial relationships, or in major factors affecting those relationships. In particular, the arrangements were subject to the States continuing to refrain from levying taxes on income.

#### PERSONAL INCOME TAX SHARING WITH THE STATES

In 1976, the Commonwealth and States decided to replace the Financial Assistance Grants arrangements with a new system of personal income tax sharing.

These tax sharing arrangements with the States represented a central element in the Government's Federalism policy which had been enunciated in a statement issued by the Coalition Parties in September 1975. Some of the other main elements in the policy were:

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

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

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

The tax sharing arrangements were designed to be introduced in two stages. Under Stage 1, which commenced in 1976-77, the Commonwealth continued to be the sole Government imposing taxes on income but the States received a specified proportion of net personal income tax collections. Relevant legislation—the *State's (Personal Income Tax Sharing) Act 1976*—received Royal Assent in November 1976.

Under Stage 2, which was originally intended to be ready for implementation in 1977-78, the Stage 1 arrangements were to continue but, in addition, each State would 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. Any rebate of tax in a State would be at the State's expense. Relevant Commonwealth legislation—the *Income Tax (Arrangements with the States) Act 1978*—received Royal Assent in June 1978. To date, no State has passed the necessary enabling State legislation.

Following 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 VI).

*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 vis-a-vis 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 were 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 vis-a-vis 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 were incorporated into the *States (Personal Income Tax Sharing) Act 1976* or the *Income Tax (Arrangements with the States) Act 1978*. Others have been developed further in discussions at the Premiers' Conferences in 1977, 1978, 1979 and 1980 (*see below*).

#### *Tax Sharing Entitlements for 1976-77*

The States' tax sharing entitlements for 1976-77 were determined in accordance with the relevant Points of Understanding between the Commonwealth and the States as incorporated in the *States (Personal Income Tax Sharing) Act 1976*. The aggregate entitlement for the six States was determined by taking 33.6 per cent of net personal income tax collections in 1976-77. This amount was distributed among the States in proportion to their estimated populations at 31 December 1975 as 'weighted' by the per capita relativities established by the financial assistance grants paid to the States in 1975-76.

The derivation of State per capita relativities and the distribution of the aggregate tax sharing entitlement among the States in 1976-77 are shown in Table 81 in Part III of this Appendix.

### *Further Developments Since 1976-77*

Although the majority of matters relating to the Stage 1 arrangements had been settled at the 1976 Premiers' Conferences, some outstanding issues, together with matters relating to Stage 2, were considered at Premiers' Conferences held in April, July and October 1977, June 1978 and June and December 1979 and June 1980, mostly on the basis of joint reports by Commonwealth and State officers. Developments relating to the move from a calculation of tax sharing entitlements based on current year income tax collections to one based on the previous year's collections; the change in 1980-81 in the guarantee arrangements set down in Point of Understanding (11); and the review of tax sharing relativities are discussed in Chapter II. The position reached on other major issues is set out below. (Table 81 in Part III of this Appendix shows the calculation of States' tax sharing entitlements in the years 1976-77 to 1980-81.)

- (1) The States and the Commonwealth agreed in April 1977 on a scheme unanimously recommended by Commonwealth and State officers under which, 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, 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.
- (2) Consideration was given at the April and July 1977 Premiers' Conferences to 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.
- (3) Following the 1976 Census, the Australian Statistician revised the State population estimates. This resulted in changes in the estimated entitlements of the individual States for 1976-77, although the total entitlement of the States as a whole was not affected by the revision. Officers were directed by the April 1977 Premiers' Conference to examine and report on the implications of the revision of population figures. While no change was made to the tax sharing arrangements in this regard, the general question of whether estimates of State populations could be made more accurate was considered at the October 1977 and June 1978 Premiers' Conferences on the basis of officers' reports. The Australian Statistician's efforts to overcome certain estimation problems were noted and it was agreed that no further action could usefully be taken at that stage.
- (4) The *States (Personal Income Tax Sharing) Amendment Act* 1980 which received Royal Assent in May 1980 extended the definition of withholding tax in the *States (Personal Income Tax Sharing) Act* 1976 to include the withholding tax on certain revenues derived from the use of land for mining purposes, which came into effect on 1 July 1979. The effect of this amendment is that, like collections of withholding tax on dividends and interest, collections of mining withholding tax are excluded from the taxation collections in which the States share.

### *Stage 2 of the Tax Sharing Arrangements*

The April 1977 Premiers' Conference had before it a 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 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 accepted by all States.

At the April 1977 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 a framework of enabling 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 1977 sittings. This Bill was designed 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 1977 Premiers' Conference, the Prime Minister invited comments from the States on the Bill.

The 1977 Bill lapsed with the dissolution of the Commonwealth Parliament on 10 November 1977.

Subsequently, after careful consideration, the Commonwealth Government agreed to some changes being made to the provisions of the 1977 Bill to meet points raised by the Premiers before re-introducing the Bill into the Parliament. The revised Bill, basically the same as the 1977 Bill but incorporating these changes, and a number of minor technical and machinery improvements, was passed by the Parliament late in the 1978 Autumn sittings and became the *Income Tax (Arrangements with the States) Act* 1978.

The drafting of possible enabling legislation which might be adopted by individual States is a State matter, but one on which the Commonwealth has indicated a willingness to consult and co-operate.

## APPENDIX II—PART II—SPECIAL GRANTS

Before the establishment of the Commonwealth Grants Commission in 1933, grants comparable with what are now called 'special grants' were made to South Australia, Western Australia and Tasmania. The grants to Western Australia date from 1910–11; those to Tasmania from 1912–13 and to South Australia from 1929–30. Details of grants paid up to the period 1933–34 are contained in Table 83 in Part III of this Appendix.

The Grants Commission was established under the *Commonwealth Grants Commission Act* 1933 and, with only minor amendments to the Act, the Commission functioned under that Act until September 1973. New legislation, the *Grants Commission Act* 1973, was passed by Parliament in the Autumn 1973 sittings and came into effect in September 1973. This legislation gave the Commission the additional role of recommending grants to the States to be on-passed to local government organisations, but it left essentially unaltered the Commission's traditional function of recommending special grants to be paid to claimant States.

Further changes were made to the legislation in 1978. They related to periodic reviews of the per capita relativities between the States in their tax sharing entitlements and to applications for assistance by the Northern Territory.

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

- any application made by a State or the Northern Territory for financial assistance for the purpose of making it possible for the State (or the Northern Territory), by reasonable effort, to function at standards not appreciably below the standard of other States (or the States); and

- any other matters relating 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 to States are made under the first of these provisions; the wording is based on the principle of financial need as set out by the Commission in its Third Report (1936), expressed as follows:—

'Special grants are justified when a State through financial stress from any cause is unable efficiently to discharge its functions as a member of the Federation and should be determined by the amount of help found necessary to make it possible for that State by reasonable effort to function at a standard not appreciably below that of other States'.

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.

Special grants were paid to South Australia, Western Australia and Tasmania on the recommendation of the Commission from 1934-35 to 1958-59, when South Australia ceased to apply. South Australia again applied for a special grant in July 1970 and received special grants in respect of 1970-71 to 1974-75 when it withdrew from claimancy. Western Australia withdrew from the special grants system as from 1968-69. Tasmania, which withdrew from claimancy in 1974-75 applied for a special grant in respect of 1977-78 but subsequently withdrew its application and has not since applied. Queensland applied for a special grant for 1971-72 in September 1971 and has remained a claimant State since then.

Further information on the history and methods of assessing the special grants can be obtained from the Annual Reports of the Commonwealth Grants Commission, and its 'Report on Tax Sharing Entitlements 1981'. Details of the Special Grants paid to the States can be obtained from Table 83 in Part III of this Appendix.



**APPENDIX II**  
**PART III—TABLES OF GENERAL REVENUE ASSISTANCE TO THE STATES**

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**Table 80—General Revenue Assistance, 1950-51 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>TAX REIMBURSEMENT GRANTS</b>							
1950-51	73 632	44 496	28 558	14 538	14 354	5 218	180 796
1951-52	95 800	59 000	38 000	20 400	18 800	8 000	240 000
1952-53	107 973	66 433	43 423	23 194	21 709	9 069	271 801
1953-54	112 571	70 000	45 434	24 481	22 695	9 664	284 844
1954-55	116 948	74 757	48 209	26 321	23 612	10 153	300 000
1955-56	122 672	78 934	49 309	27 753	24 627	10 705	314 000
1956-57	130 558	92 126	54 524	31 433	27 411	12 048	348 100
1957-58	141 471	100 811	59 389	34 962	29 931	13 436	380 000
1958-59	152 188	109 165	63 789	37 969	32 349	14 540	410 000
<b>FINANCIAL ASSISTANCE GRANTS</b>							
1959-60	166 900	121 250	72 750	55 350	50 924	21 826	489 000
1960-61	183 977	134 743	79 901	61 454	55 954	23 960	539 989
1961-62	198 498	146 029	87 460	66 451	60 171	25 671	584 280
1962-63	206 642	152 267	91 083	69 552	62 480	26 616	608 640
1963-64	215 712	159 482	94 821	72 729	65 597	27 626	635 967
1964-65	230 537	171 750	101 111	78 155	70 498	29 297	681 349
1965-66	255 001	191 922	113 356	86 467	78 474	32 131	757 351
1966-67	276 794	208 790	125 514	94 346	86 396	34 773	826 616
1967-68	302 827	228 254	139 601	102 738	96 152	37 968	907 533
1968-69	333 393	250 563	155 963	112 768	123 796	41 710	1 018 193
1969-70	373 908	280 008	176 522	125 706	138 835	46 340	1 141 319
1970-71	470 835	351 024	216 672	151 602	163 313	65 071	1 418 518
1971-72	462 204	348 464	231 603	158 491	170 960	69 156	1 440 878
1972-73	521 963	396 087	271 946	181 430	196 369	79 498	1 647 293
1973-74	585 507	437 604	318 245	204 918	222 388	91 243	1 859 905
1974-75	737 522	548 405	414 446	261 737	279 830	131 871	2 373 811
1975-76	946 660	706 389	536 792	363 091	363 031	156 816	3 072 780
<b>TAX SHARING ENTITLEMENTS(a)</b>							
1976-77	1 133 400	841 700	660 200	433 200	440 800	186 294	3 695 594
1977-78	1 319 609	984 690	770 539	507 761	519 891	214 150	4 316 641
1978-79	1 464 397	1 090 025	844 137	559 841	579 532	240 737	4 778 669
1979-80	1 663 466	1 233 934	952 533	630 392	662 888	272 696	5 415 910
1980-81	1 839 065	1 354 860	1 093 078	691 540	734 172	298 602	6 011 318
1981-82 (estimate)	2 027 511	1 506 543	1 191 758	760 959	806 263	327 693	6 620 728
<b>GENERAL REVENUE FUNDS—HEALTH GRANTS(b)</b>							
1981-82 (estimate)	483 500	316 700	165 600	8 600	150 900	4 700	1 130 000

Table 80—General Revenue Assistance, 1950-51 to 1981-82 (\$ thousands)—continued

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>SPECIAL GRANTS</b>							
1950-51	..	..	..	10 664	11 678	2 008	24 350
1951-52	..	..	..	9 116	10 176	1 752	21 044
1952-53	..	..	..	12 686	16 082	3 100	31 868
1953-54	..	..	..	12 200	15 600	3 000	30 800
1954-55	..	..	..	4 500	14 900	5 200	24 600
1955-56	..	..	..	10 800	17 800	8 400	37 000
1956-57	..	..	..	11 600	18 400	7 000	37 000
1957-58	..	..	..	11 400	20 300	7 300	39 000
1958-59	..	..	..	10 500	22 200	8 800	41 500
1959-60	..	..	..	2 852	7 000	6 800	16 562
1960-61	..	..	..	..	8 618	8 618	17 236
1961-62	..	..	..	..	12 312	10 150	22 462
1962-63	..	..	..	..	12 420	10 082	22 502
1963-64	..	..	..	..	12 144	10 756	22 900
1964-65	..	..	..	..	17 120	14 600	31 720
1965-66	..	..	..	..	24 038	17 732	41 770
1966-67	..	..	..	..	19 406	20 666	40 072
1967-68	..	..	..	..	15 518	19 889	35 407
1968-69	..	..	..	..	582	16 810	17 392
1969-70	..	..	..	..	..	21 900	21 900
1970-71	..	..	..	5 000	..	13 680	18 680
1971-72	..	..	9 000	7 000	..	7 800	23 800
1972-73	..	..	10 000	21 000	..	7 600	38 600
1973-74	..	..	10 000	19 900	..	8 650	38 550
1974-75	..	..	24 750	(c) 39 934	..	..	(c) 64 684
1975-76	..	..	36 300	2 500	..	..	38 800
1976-77	..	..	27 000	..	..	..	27 000
1977-78	..	..	24 800	..	..	..	24 800
1978-79	..	..	21 700	..	..	..	21 700
1979-80	..	..	12 400	..	..	..	12 400
1980-81	..	..	6 700	..	..	..	6 700
1981-82 (estimate)	..	..	58 500	..	..	..	58 500
<b>SPECIAL REVENUE ASSISTANCE</b>							
1966-67	8 000	..	2 750	..	..	..	10 750
1967-68	5 090	4 837	2 347	1 727	..	..	14 000
1968-69	3 990	2 999	1 867	3 350	1 296	499	14 000
1969-70	4 775	13 635	2 182	1 690	1 545	2 174	26 000
1970-71	14 140	10 560	6 603	4 650	5 030	2 017	43 000
1971-72	35 813	13 621	8 606	5 929	6 014	2 517	72 500
1972-73	15 000	..	..	..	..	..	15 000
1973-74	7 926	6 020	4 228	2 764	2 855	1 207	25 000
1974-75	18 641	13 861	10 475	(d) 16 616	7 073	(d) 8 333	75 000
1975-76	..	..	..	..	..	..	..
1976-77	..	..	..	..	..	..	..
1977-78	..	..	..	..	..	..	..
1978-79	..	..	..	..	..	..	..
1979-80	..	..	..	..	..	..	..
1980-81	..	..	..	..	..	..	..
1981-82(e)	24 500	15 000	29 500	..	..	..	69 000

Table 80—General Revenue Assistance, 1950-51 to 1981-82 (\$ thousands)—continued

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
TOTAL GENERAL REVENUE ASSISTANCE							
1950-51	73 632	44 496	28 558	25 202	26 032	7 226	205 146
1951-52	95 800	59 000	38 000	29 516	28 976	9 752	261 044
1952-53	107 973	66 433	43 423	35 880	37 791	12 169	303 669
1953-54	112 571	70 000	45 434	36 681	38 295	12 664	315 644
1954-55	116 948	74 757	48 209	30 821	38 512	15 353	324 600
1955-56	122 672	78 934	49 309	38 553	42 427	19 105	351 000
1956-57	130 558	92 126	54 524	43 033	45 811	19 048	385 100
1957-58(f)	141 471	100 811	59 389	46 362	50 231	20 736	419 000
1958-59	152 188	109 165	63 789	48 469	54 549	23 340	451 500
1959-60	166 900	121 250	72 750	58 202	57 924	28 626	505 652
1960-61	183 977	134 743	79 901	61 454	64 572	32 578	557 225
1961-62	198 498	146 029	87 460	66 451	72 483	35 821	606 742
1962-63(f)	206 642	152 267	91 083	69 552	74 900	36 698	631 142
1963-64(f)	215 712	159 482	94 821	72 729	77 741	38 382	658 867
1964-65	230 537	171 750	101 111	78 155	87 618	43 897	713 069
1965-66	255 001	191 922	113 356	86 467	102 512	49 863	799 121
1966-67	284 794	208 790	128 264	94 346	105 802	55 439	877 435
1967-68	307 917	233 091	141 948	104 465	111 670	57 857	956 946
1968-69	337 383	253 562	157 830	116 117	125 674	59 019	1 049 585
1969-70	378 683	293 643	178 704	127 396	140 380	70 414	1 189 219
1970-71	484 975	361 584	223 275	161 252	168 343	80 768	1 480 198
1971-72	498 017	362 085	249 209	171 420	176 974	79 473	1 537 178
1972-73	536 963	396 087	281 946	202 430	196 369	87 098	1 700 893
1973-74	593 433	443 624	332 472	227 582	225 243	101 101	1 923 455
1974-75	756 163	562 266	449 671	318 287	286 903	140 204	2 513 495
1975-76	946 660	706 389	573 092	365 591	363 031	156 816	3 111 580
1976-77	1 133 400	841 700	687 200	433 200	440 800	186 294	3 722 594
1977-78	1 319 609	984 690	795 339	507 761	519 891	214 150	4 341 441
1978-79	1 464 397	1 090 025	865 837	559 841	579 532	240 737	4 800 369
1979-80	1 663 466	1 233 934	964 933	630 392	662 888	272 696	5 428 310
1980-81	1 839 065	1 354 860	1 099 778	691 540	734 172	298 602	6 018 018
1981-82 (estimate)	2 535 511	1 838 243	1 445 358	769 559	957 163	332 393	7 878 228

- (a) From 1976-77 to 1980-81, these were personal income tax sharing entitlements determined in accordance with the provisions of the *States (Personal Income Tax Sharing) Act 1976*. For 1981-82, entitlements have been determined in accordance with the provisions of the *States (Tax Sharing and Health Grants) Act 1981*. After a transitional year in 1981-82, these grants will be calculated by reference to movements in total Commonwealth tax collections.
- (b) Health grants are determined in accordance with the provisions of the *States (Tax Sharing and Health Grants) Act 1981*. They incorporate funds previously provided to the States as specific purpose payments for hospital costs, community health and school dental programs (in the case of NSW, Victoria, Queensland and Western Australia); and for community health and school dental programs only (in the case of South Australia and Tasmania).
- (c) Includes grants totalling \$16 434 000 paid in connection with South Australia's withdrawal from the Grants Commission system and not on recommendation of the Grants Commission.
- (d) Includes special payments of \$10 million for South Australia and \$5 million for Tasmania in connection with railway transfers.
- (e) Includes \$60 million by way of additional grants to New South Wales, Victoria and Queensland in recognition of the likelihood that tax sharing relativities could be adjusted in their favour following the Grants Commission's review of its assessment of appropriate tax sharing relativities in June 1981. \$9 million of Queensland's additional grant is in consideration of the effect on Queensland's tax sharing grant of the Australian Statistician's decision to determine the States' populations on a de jure basis in 1981-82 and subsequent years.
- (f) Not including additional assistance grants.

**Table 81—Distribution of States' Personal Income Tax Sharing Entitlements, 1975-76 to 1980-81**

DISTRIBUTION OF STATES' PERSONAL INCOME TAX SHARING ENTITLEMENTS IN 1975-76 AND 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	1 121 799	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 (excluding receipts from the Health Insurance Levy) in 1976-77 as determined by the 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 were reduced by these amounts.

Table 81—Distribution of States' Personal Income Tax Sharing Entitlements, 1975-76 to 1980-81—continued

DISTRIBUTION OF STATES' PERSONAL INCOME TAX SHARING ENTITLEMENTS IN 1977-78

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
(1) Population at 31 December 1977(a)	4 979 268	3 799 420	2 155 102	1 283 844	1 211 098	412 063	13 840 795
(2) Per capita relativities(b)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188	..
(3) Row (1) weighted by Row (2)	5 115 700	3 799 420	2 997 424	1 960 122	2 016 672	824 901	16 714 239
(4) Percentage distribution of Row (3) between States (per cent)	30.60684	22.73164	17.93335	11.72726	12.06559	4.93532	100.00000
(5) States' shares of \$4336.1 million(c)—Distributed according to Row (4) (\$'000)	1 327 143	985 667	777 608	508 506	523 176	214 000	4 336 100
(6) Amount guaranteed under section 8 of the Act (Financial Assistance Grants formula) (\$'000)(d)	1 297 454	968 656	742 589	499 589	511 070	214 150	4 233 477
(7) States' entitlements under the Act (\$'000)(e)	1 327 143	985 667	777 608	508 506	523 176	214 150	4 336 250
(8) Over-payments of entitlements in respect of 1976-77 (\$'000)(f)	7 534	976	7 069	745	3 285	..	19 609
(9) Actual payments made in 1977-78 (\$'000)(g)	1 319 609	984 690	770 539	507 761	519 150	214 150	4 316 641

(a) Determined by the Australian Statistician in accordance with section 9 of the *States (Personal Income Tax Sharing) Act 1976*.

(b) Relativities specified in section 4 (1) of the Act. For derivation, see above in 'Data Relating to 1975-76'.

(c) Amount provided in section 7 (2) of the Act.

(d) Determined by the Australian Statistician in accordance with section 8 of the Act. Calculated by applying to the notional 1976-77 financial assistance grants the estimated increases in State populations in the year ended 31 December 1977 (New South Wales 0.94 per cent, Victoria 0.92 per cent, Queensland 1.58 per cent, South Australia 1.19 per cent, Western Australia 2.32 per cent, and Tasmania 0.69 per cent), the estimated increase in average wages for Australia as a whole in the year ended 31 March 1978 of 10.84 per cent and the betterment factor of 3.0 per cent.

(e) For all States except Tasmania, amounts in row (5); for Tasmania, amount in row (6).

(f) For derivation, see Table.

(g) Row (7) minus row (8).

**Table 81—Distribution of States' Personal Income Tax Sharing Entitlements,  
1975-76 to 1980-81—continued**

**DISTRIBUTION OF STATES' PERSONAL INCOME TAX SHARING ENTITLEMENTS IN 1978-79**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
(1) Population at 31 December 1978(a)	5 042 730	3 836 343	2 179 885	1 290 915	1 232 281	415 645	13 997 799
(2) Per capita relativities(b)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188	..
(3) Row (1) weighted by Row (2)	5 180 901	3 836 343	3 031 893	1 970 917	2 051 945	832 071	16 904 070
(4) Percentage distribution of Row (3) between States (per cent)	30.64884	22.69479	17.93588	11.65942	12.13876	4.92231	100.00000
(5) Share of 39.87 per cent of \$11 804.4 million (c)—Distributed according to Row (4) (\$'000)	1 442 462	1 068 111	844 137	548 741	571 300	231 664	4 706 415
(6) Amount guaranteed under section 8 of the Act (Financial Assistance Grants formula) (d) (\$'000)	1 464 397	1 090 025	837 065	559 841	579 737	240 737	4 771 597
(7) States' entitlements under the Act (\$'000) (e)	1 464 397	1 090 025	844 137	559 841	579 532	240 737	4 778 669

(a) Determined by the Australian Statistician in accordance with section 9 of the *States (Personal Income Tax Sharing) Act 1976*.

(b) Relativities specified in section 4 (1) of the Act. For derivation, see above in 'Data Relating to 1975-76'.

(c) Net personal income tax collections (excluding receipts from the Health Insurance levy) in 1977-78 as determined by the Commissioner of Taxation in accordance with section 6 of the Act.

(d) Determined by the Australian Statistician in accordance with section 8 of the Act. Calculated by applying to the notional 1977-78 financial assistance grants the estimated increases in State populations in the year ended 31 December 1978 (New South Wales 1.27 per cent, Victoria 0.97 per cent, Queensland 1.15 per cent, South Australia 0.55 per cent, Western Australia 1.75 per cent and Tasmania 0.87 per cent), the estimated increase in average wages for Australia as a whole in the year ended 31 March 1979 of 8.20 per cent and the betterment factor of 3.0 per cent.

(e) For all States except Queensland, amounts in Row (6); for Queensland, amount in Row (5).

**Table 81—Distribution of States' Personal Income Tax Sharing Entitlements,  
1975-76 to 1980-81—continued**

**DISTRIBUTION OF STATES' PERSONAL INCOME TAX SHARING ENTITLEMENTS IN 1979-80**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
(1) Population at 31 December 1979(a)	5 111 561	3 874 450	2 213 020	1 297 171	1 257 039	420 098	14 173 339
(2) Per capita relativities(b)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188	
(3) Row 1 weighted by Row (2)	5 251 618	3 874 450	3 077 979	1 980 469	2 093 171	840 986	17 118 673
(4) Percentage distribution of Row (3) between States (per cent)	30.67772	22.63289	17.98024	11.56906	12.22741	4.91268	100.00000
(5) Share of 39.87 per cent of \$12670.8 million(c)—Distributed according to Row (4) (\$'000)	1 549 794	1 143 381	908 336	584 452	617 711	248 181	5 051 855
(6) Amount guaranteed under section 8 of the Act (Financial Assistance Grants formula) (d) (\$'000)	1 663 466	1 233 934	952 533	630 392	662 888	272 696	5 415 910
(7) States' entitlements under the Act(e) (\$'000)	1 663 466	1 233 934	952 533	630 392	662 888	272 696	5 415 910

- (a) Determined by the Australian Statistician in accordance with section 9 of the *States (Personal Income Tax Sharing) Act 1976*.
- (b) Relativities specified in section 4 (1) of the Act. For derivation, see above in 'Data Relating to 1975-76'.
- (c) Net personal income tax collections (excluding receipts from the Health Insurance levy) in 1978-79 as determined by the Commissioner of Taxation in accordance with section 6 of the Act.
- (d) Determined by the Australian Statistician in accordance with section 8 of the Act. Calculated by applying to the notional 1978-79 financial assistance grants the estimated increases in State populations in the year ended 31 December 1979 (New South Wales 1.35 per cent, Victoria 1.00 per cent, Queensland 1.53 per cent, South Australia 0.47 per cent, Western Australia 2.06 per cent and Tasmania 1.07 per cent), the estimated increase in average wages for Australia as a whole in the year ended 31 March 1980 of 8.81 per cent and the betterment factor of 3.0 per cent.
- (e) For all States, amounts in Row (6).



**Table 81—Distribution of States' Personal Income Tax Sharing Entitlements, 1975-76 to 1980-81—continued**

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
(1) Population at 31 December 1980(a)	5 183 259	3 907 934	2 275 707	1 302 404	1 276 696	424 617	14 370 617
(2) Per capita relativities(b)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188	...
(3) Row (1), weighted by Row (2)	5 325 280	3 907 934	3 165 167	1 988 458	2 125 903	850 032	17 362 774
(4) Percentage distribution of Row (3) between States (per cent)	30.67067	22.50754	18.22962	11.45242	12.24403	4.89572	100.00000
(5) Share of 39.87 per cent of \$15 039.3 million(c)—Distributed according to Row (4) (\$'000)	1 839 065	1 349 590	1 093 078	686 706	734 172	293 556	5 996 167
(6) States' minimum entitlements under guarantee arrangements for 1980-81 (d) (\$'000)	1 833 139	1 354 860	1 044 929	691 540	723 874	298 602	5 946 944
(7) States entitlements under the Act (e) (\$'000)	1 839 065	1 354 860	1 093 078	691 540	734 172	298 602	6 011 318

(a) Determined by the Australian Statistician in accordance with section 9 of the *States (Personal Income Tax Sharing) Act 1976*.

(b) Relativities specified in section 4 (1) of the Act. For derivation, see above in 'Data Relating to 1975-76'.

(c) Net personal income tax collections (excluding receipts from the Health Insurance levy) in 1979-80 as determined by the Commissioner of Taxation in accordance with section 6 of the Act.

(d) The guarantee arrangements for 1980-81 were adopted at the 7 December 1979 Premiers' Conference. The guarantee ensures that each State will receive no less in real terms than the amount it received in 1979-80 as measured by the Consumer Price Index for the four quarters to March 1981 compared with the four quarters to March 1980 in the capital city of the State. (New South Wales 10.20 per cent, Victoria 9.80 per cent, Queensland 9.70 per cent, South Australia 9.70 per cent, Western Australia 9.20 per cent and Tasmania 9.50 per cent).

(e) For New South Wales, Queensland and Western Australia, amounts in Row (5); for Victoria, South Australia and Tasmania amounts in Row (6).

**Table 82—Tax Reimbursement Grants, 1942-43 to 1958-59 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
FORMULA GRANTS							
1942-43(a)	30 952	13 594	11 642	4 868	5 240	1 830	68 126
1943-44(a)	31 034	13 780	11 642	4 916	5 288	1 850	68 510
1944-45(a)	31 034	13 780	11 642	4 916	5 288	1 550	68 510
1945-46(a)	31 034	13 780	11 642	4 916	5 288	1 830	68 510
1946-47*	32 954	17 720	13 202	6 916	6 768	2 440	80 000
1947-48*	37 074	19 934	14 852	7 780	7 614	2 746	90 000
1948-49*	44 044	24 196	17 664	9 260	8 990	3 334	107 488
1949-50	50 980	28 608	20 462	10 740	10 344	3 940	125 074
1950-51	57 078	32 676	22 930	12 080	11 534	4 498	140 796
1951-52	69 653	40 753	27 989	14 819	14 020	5 612	172 846
1952-53	86 982	52 172	34 981	18 685	17 489	7 203	217 510
1953-54	95 533	58 756	38 557	20 776	19 260	8 133	241 014
1954-55	101 431	64 838	41 813	22 829	20 479	8 806	260 196
1955-56	108 453	72 137	45 063	25 363	22 506	9 783	283 305
1956-57	116 706	80 474	48 739	28 098	24 503	10 770	309 290
1957-58	123 493	88 000	51 842	30 519	26 127	11 728	331 709
1958-59	129 592	92 957	54 318	32 332	27 546	12 381	349 126
SUPPLEMENTARY GRANTS							
1945-46(b)	..	..	..	1 106	..	..	1 106
1946-47(b)	..	..	..	2 202	1 826	238	4 266
1947-48	..	..	..	..	..	..	..
1948-49	..	..	..	..	..	..	..
1949-50	6 522	3 660	2 618	1 374	1 322	504	16 000
1950-51	16 554	11 820	5 628	2 458	2 820	720	40 000
1951-52	26 147	18 247	10 011	5 581	4 780	2 388	67 154
1952-53	20 991	14 263	8 442	4 509	4 220	1 866	54 291
1953-54	17 038	11 244	6 877	3 705	3 435	1 531	43 830
1954-55	15 517	9 919	6 396	3 492	3 133	1 347	39 804
1955-56	14 219	6 797	4 246	2 390	2 121	922	30 695
1956-57	13 852	11 652	5 785	3 335	2 908	1 278	38 810
1957-58(c)	17 978	12 811	7 547	4 443	3 804	1 708	48 291
1958-59	22 596	16 208	9 471	5 637	4 803	2 159	60 874

Table 82—Tax Reimbursement Grants, 1942-43 to 1958-59  
(\$ thousands)—continued

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
TOTAL TAX REIMBURSEMENT GRANTS							
1942-43(a)	30 952	13 594	11 642	4 868	5 240	1 830	68 126
1943-44(a)	31 034	13 780	11 642	4 916	5 288	1 850	68 510
1944-45(a)	31 034	13 780	11 642	4 916	5 288	1 850	68 510
1945-46(a)	31 034	13 780	11 642	6 022	5 288	1 850	69 616
1946-47	32 954	17 720	13 202	9 118	8 594	2 678	84 266
1947-48	37 074	19 934	14 852	7 780	7 614	2 746	90 000
1948-49	44 044	24 196	17 664	9 260	8 990	3 334	107 488
1949-50	57 502	32 268	23 080	12 114	11 666	4 444	141 074
1950-51	73 632	44 496	28 558	14 538	14 354	5 218	180 796
1951-52	95 800	59 000	38 000	20 400	18 800	8 000	240 000
1952-53	107 973	66 433	43 423	23 194	21 709	9 069	271 801
1953-54	112 571	70 000	45 434	24 481	22 695	9 664	284 844
1954-55	116 948	74 757	48 209	26 321	23 612	10 153	300 000
1955-56	122 672	78 934	49 309	27 753	24 627	10 705	314 000
1956-57	130 558	92 126	54 524	31 433	27 411	12 048	348 100
1957-58(c)	141 471	100 811	59 389	34 962	29 931	13 436	380 000
1958-59	152 188	109 165	63 789	37 969	32 349	14 540	410 000

\* Formula altered in these years.

(a) Includes annual amounts of entertainments tax reimbursement grants as follows:

	Income Tax Reimbursement	Entertainments Tax Reimbursement	Total Tax Reimbursement
	\$'000	\$'000	\$'000
New South Wales	30 712	322	31 034
Victoria	13 034	746	13 780
Queensland	11 642	..	11 642
South Australia	4 722	194	4 916
Western Australia	5 092	196	5 288
Tasmania	1 776	74	1 850
Total	66 978	1 532†	68 510†

† Because the legislation came into operation on 1 October 1942, the total amount paid as entertainments tax reimbursement in 1942-43 was in fact \$384 000 less than the amount shown here. The total tax reimbursement grant for 1942-43 was, therefore, \$68 126 000.

(b) Paid on recommendation of the Grants Commission.

(c) An additional assistance grant was also provided in this year to meet special circumstances. See Chapter IV of 'Commonwealth Payments to or for the States, 1967-68'.

**Table 83—Special Grants 1910–11 to 1981–82 (\$ thousands)**

	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIAL GRANTS PAID PRIOR TO ESTABLISHMENT OF GRANTS COMMISSION					
1910–11	..	..	500	..	500
1911–12	..	..	480	..	480
1912–13	..	..	460	190	650
1913–14	..	..	440	180	620
1914–15	..	..	420	180	600
1915–16	..	..	400	180	580
1916–17	..	..	380	180	560
1917–18	..	..	360	180	540
1918–19	..	..	340	180	520
1919–20	..	..	320	180	500
1920–21	..	..	300	180	480
1921–22	..	..	280	170	450
1922–23	..	..	260	170	430
1923–24	..	..	240	170	410
1924–25	..	..	220	292	512
1925–26	..	..	900	136	1 036
1926–27	..	..	600	756	1 356
1927–28	..	..	600	756	1 356
1928–29	..	..	600	440	1 040
1929–30	..	720	600	500	1 820
1930–31	..	2 340	600	500	3 440
1931–32	..	2 000	600	500	3 100
1932–33	..	2 000	1 000	660	3 660
1933–34	..	2 300	1 200	760	4 260

Table 83—Special Grants 1910–11 to 1981–82 (\$ thousands)—continued

	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIAL GRANTS PAID SUBSEQUENT TO ESTABLISHMENT OF GRANTS COMMISSION(a)					
1934–35	..	2 800	1 200	800	4 800
1935–36	..	3 000	1 600	900	5 500
1936–37	..	2 660	1 000	1 200	4 860
1937–38	..	2 400	1 150	1 150	4 700
1938–39	..	2 080	1 140	820	4 040
1939–40	..	1 990	1 190	860	4 040
1940–41	..	2 000	1 300	800	4 100
1941–42	..	2 300	1 260	1 040	4 600
1942–43	..	1 600	1 600	1 150	4 350
1943–44	..	1 800	1 700	1 440	4 940
1944–45	..	2 400	1 808	1 484	5 692
1945–46	..	2 800	1 900	1 292	5 992
1946–47	..	4 000	3 746	1 750	9 496
1947–48	..	4 636	5 954	1 494	12 084
1948–49	..	5 700	7 200	2 000	14 900
1949–50	..	8 348	11 236	2 524	22 108
1950–51	..	10 664	11 678	2 008	24 350
1951–52	..	9 116	10 176	1 752	21 044
1952–53	..	12 686	16 082	3 100	31 868
1953–54	..	12 200	15 600	3 000	30 800
1954–55	..	4 500	14 900	5 200	24 600
1955–56	..	10 800	17 800	8 400	37 000
1956–57	..	11 600	18 400	7 000	37 000
1957–58	..	11 400	20 300	7 300	39 000
1958–59	..	10 500	22 200	8 800	41 500
1959–60	..	(b) 2 852	7 000	6 800	16 652
1960–61	..	..	8 618	8 618	17 236
1961–62	..	..	12 312	10 150	22 462
1962–63	..	..	12 420	10 082	22 502
1963–64	..	..	12 144	10 756	22 900
1964–65	..	..	17 120	14 600	31 720
1965–66	..	..	24 038	17 732	41 770
1966–67	..	..	19 406	20 666	40 072
1967–68	..	..	15 518	19 889	35 407
1968–69	..	..	(c) 582	16 810	17 392
1969–70	..	..	..	21 900	21 900
1970–71	..	5 000	..	(d) 13 680	(d) 18 680
1971–72	9 000	7 000	..	7 800	23 800
1972–73	10 000	21 000	..	7 600	38 600
1973–74	10 000	19 900	..	8 650	38 550
1974–75	24 750	(e) 39 934	..	..	(e) 64 684
1975–76	36 300	(f) 2 500	..	..	38 800
1976–77	27 000	..	..	..	27 000
1977–78	24 800	..	..	..	24 800
1978–79	21 700	..	..	..	21 700
1979–80	12 400	..	..	..	12 400
1980–81	6 700	..	..	..	6 700
1981–82 (estimate)	(g) 58 500	..	..	..	58 500

(a) From 1949–50 special grants have generally been paid in two parts. One part represents the advance payment for the current financial year; the other represents the adjustment to the advance payment made two years earlier and is now known as the completion payment. The figures shown here are the amounts actually paid each year.

(b) Adjustments to special grants for 1957–58 and 1958–59. The amounts were \$798 000 and \$2 054 000 respectively.

(c) Completion payment in respect of 1966–67.

(d) Grant recommended by the Commission for Tasmania was \$23 680 000, of which \$10 000 000 was transferred to the State's financial assistance grant for 1970–71.

(e) See footnote (c) to Table 80 in this Appendix.

(f) South Australia withdrew from the special grants system at the end of 1974–75. Amount shown is completion payment in respect of 1973–74.

(g) Comprises a completion grant in respect of 1979–80 of \$33 500 000 and an 'interim' grant in respect of 1980–81 of \$25 000 000.

**Table 84—Escalation Factors Used in Calculation of Financial Assistance Grants, 1965-66 to 1975-76 (Per Cent)**

	Increase in Average Wages(a)						Betterment Factor(a)
1965-66							1.2
1966-67							1.2
1967-68							1.2
1968-69							1.2
1969-70							1.2
1970-71							1.2
1971-72							1.8
1972-73							1.8
1973-74							1.8
1974-75							1.8
1975-76							1.8

  

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Six States(b)
POPULATION FACTOR(c)							
1965-66	1.89	2.29	1.27	1.91	2.54	1.23	1.93
1966-67	1.46	1.69	1.70	1.99	2.91	1.16	1.75
1967-68	1.73	1.65	1.80	1.26	3.49	1.53	1.84
1968-69	1.91	1.61	1.95	1.60	4.26	1.69	2.04
1969-70	2.28	1.92	1.92	1.66	3.87	1.33	2.20
1970-71	2.07	1.77	1.94	1.95	3.58	1.13	2.09
1971-72	1.70	1.56	2.16	1.30	3.41	0.70	1.83
1972-73	0.96	1.17	2.47	0.93	1.61	0.69	1.32
1973-74	0.87	0.97	2.52	1.22	1.75	0.90	1.31
1974-75	1.26	1.56	2.63	2.32	2.93	1.47	1.88
1975-76	0.16	0.51	1.07	0.21	1.78	0.99	0.64
COMBINED ESCALATION FACTOR(d)							
1965-66	10.61	11.05	9.94	10.64	11.31	9.90	10.65
1966-67	7.89	8.13	8.15	8.45	9.43	7.57	8.19
1967-68	9.41	9.32	9.48	8.89	11.23	9.19	9.52
1968-69	10.09	9.77	10.14	9.76	12.63	9.85	10.24
1969-70	12.15	11.75	11.75	11.47	13.89	11.10	12.06
1970-71	13.48	13.15	13.34	13.34	15.15	12.44	13.50
1971-72	15.24	15.08	15.76	14.78	17.18	14.11	15.39
1972-73	11.59	11.82	13.26	11.56	12.31	11.30	11.98
1973-74	19.15	19.27	21.10	19.56	20.19	19.18	19.67
1974-75	30.68	31.08	32.45	32.05	32.83	30.96	31.49
1975-76	19.17	19.59	20.25	19.23	21.09	20.15	19.74

- (a) The average wages factor is the Statistician's estimate of the increase in average wages for Australia as a whole for the year ending 31 March in the year of payment (except for 1965-66 when the increase in average wages for the year ending 30 June 1965 was used). Both the average wages and the betterment factors are the same for each State.
- (b) Weighted average for the six States.
- (c) Calculated from the Statistician's estimates of increases in States' populations in the year ended 31 December in the year of payment.
- (d) The method used to calculate the combined escalation factor is illustrated as follows for New South Wales in 1965-66:  
 $1.0727$  (average wages factor)  $\times 1.012$  (betterment factor)  $\times 1.0189$  (population factor) =  $1.1061$ ;  
that is a combined increase of 10.61 per cent.

# APPENDIX III—TABLES OF GENERAL PURPOSE CAPITAL FUNDS

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NOTE: All per capita calculations are based on a residential population basis.

**Table 85—General Purpose Capital Funds for State Governments(a), 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>APPROVED LOAN COUNCIL BORROWING PROGRAMS</b>							
1977-78	308 978	240 142	126 740	124 569	88 446	66 992	955 867
1978-79	308 978	240 142	126 740	124 569	88 446	66 992	955 867
1979-80	268 293	208 521	110 051	108 165	76 799	58 171	830 000
1980-81	281 707	218 947	115 554	113 573	80 639	61 080	871 500
1981-82(b)	281 707	218 947	115 554	113 573	80 639	61 080	871 500
<b>CAPITAL GRANTS</b>							
1977-78(c)	154 489	120 071	63 370	62 284	44 220	33 496	477 930
1978-79(c)	154 489	120 071	63 370	62 284	44 226	33 496	477 936
1979-80	134 146	104 260	55 026	54 083	38 400	29 085	415 000
1980-81	140 854	109 473	57 777	566 787	40 320	30 539	435 750
1981-82(b)	140 854	109 473	57 777	56 787	40 320	30 539	435 750
<b>TOTAL GENERAL PURPOSE CAPITAL FUNDS</b>							
1977-78	463 467	360 213	190 110	186 853	132 666	100 488	1 433 797
1978-79	463 467	360 213	190 110	186 853	132 672	100 488	1 433 803
1979-80	402 439	312 781	165 077	162 248	115 199	87 256	1 245 000
1980-81	422 561	328 420	173 331	170 360	120 959	91 619	1 307 250
1981-82(b)	422 561	328 420	173 331	170 360	120 959	91 619	1 307 250

(a) For an explanation of the amounts shown in this table, see Chapter III, particularly under the heading 'Treatment of Loan Council Programs in This and Other Budget Documents'.

(b) Amounts approved at the June 1981 meeting of the Loan Council.

(c) Western Australia was short paid \$3 000 in 1977-78 which was adjusted in 1978-79.

**Table 86—Commonwealth and State Larger Authorities' Conversion Borrowings, 1980-81 and 1981-82 (\$ thousand)**

	Total States	Common- wealth Govern- ment	Grand Total
1980-81	548 124	158 313	706 437
1981-82(estimate)	429 385	131 826	561 211



**Table 87—Semi-Government and Local Authority Borrowings, 1977-78 to 1981-82**  
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tas- mania	Total States	Common- wealth Govern- ment	Total
<b>BORROWINGS BY LARGER AUTHORITIES(a)</b>									
1977-78	443 127	357 612	239 651	52 860	69 309	32 191	1 194 750	262 394	1 457 144
1978-79	472 746	382 645	244 256	56 828	104 656	34 444	1 295 575	288 957	1 584 532
1979-80	472 761	382 657	235 264	56 830	108 593	34 445	1 290 550	285 708	1 576 258
1980-81	472 761	382 657	223 264	56 812	117 313	44 445	1 297 252	304 412	1 601 664
1981-82 (estimate)	472 761	402 657	223 264	56 830	101 643	34 445	1 291 600	341 000	1 632 600
<b>INFRASTRUCTURE BORROWINGS BY LARGER AUTHORITIES</b>									
1978-79	79 000	45 000				25 000	149 000		149 000
1979-80	146 000	116 100	84 000	10 000	15 300	28 000	399 400	30 000	429 400
1980-81	201 000	173 700	137 300	15 000	34 900	27 500	589 400	62 000	651 400
1981-82 (estimate)	204 900	198 000	180 300	59 800	121 200	42 500	806 700	22 000	828 700
<b>BORROWINGS BY SMALLER AUTHORITIES(a)</b>									
1977-78	91 318	115 501	77 063	39 784	45 861	15 985	385 512		385 512
1978-79	115 445	111 906	77 179	51 746	45 711	17 536	419 523	853	420 376
1979-80	132 441	126 018	98 673	47 672	48 664	18 821	472 289	3 240	475 529
1980-81	157 900	134 538	122 956	35 847	54 047	21 060	526 348	2 042	528 390
1981-82 (estimate)(b)	140 000	141 000	115 800	45 100	70 000	23 500	535 400	2 500	537 900
<b>BORROWINGS BY ALL SEMI-GOVERNMENT AND LOCAL AUTHORITIES</b>									
1977-78	534 445	473 113	316 714	92 644	115 170	48 176	1 580 262	262 394	1 842 656
1978-79	667 191	539 551	321 435	108 574	150 367	76 980	1 864 098	289 810	2 153 908
1979-80	751 202	624 775	417 937	114 502	172 557	81 266	2 162 239	318 948	2 481 187
1980-81	831 661	690 895	483 520	107 659	206 260	93 005	2 413 000	368 454	2 781 454
1981-82 (estimate)	817 661	741 657	519 364	161 730	292 843	100 445	2 633 700	365 500	2 999 200

(a) See Chapter III under the heading 'Borrowing Programs for State Authorities'. Borrowings by larger authorities exclude special additions under the infrastructure financing program.

(b) Tentative estimates by the Commonwealth and State Treasuries.

**Table 88—Semi-Government and Local Authority Borrowings, 1977-78 to 1981-82**  
(\$ Per head of population)

	New South Wales	Victoria	Queens- Land	South Australia	Western Australia	Tasmania	Total
<b>BORROWINGS BY LARGER AUTHORITIES (a)</b>							
1977-78	88.17	92.54	112.48	40.80	56.93	77.25	85.64
1978-79	92.90	98.09	113.15	43.62	84.46	81.98	91.81
1979-80	91.69	97.26	106.94	43.43	86.14	81.04	90.35
1980-81	90.44	96.36	99.12	43.23	91.42	103.48	89.60
1981-82 (estimate)	89.26	100.46	96.96	43.04	77.81	79.25	88.05
<b>INFRASTRUCTURE BORROWINGS BY LARGER AUTHORITIES</b>							
1978-79	15.52	11.54				59.50	10.56
1979-80	28.32	29.51	38.18	7.64	12.14	65.88	27.96
1980-81	38.45	43.74	60.96	11.41	27.20	64.03	40.71
1981-82 (estimate)	38.69	49.40	78.30	45.29	92.78	97.78	54.99
<b>BORROWINGS BY SMALLER AUTHORITIES (a)</b>							
1977-78	18.17	29.89	36.17	30.71	37.67	38.36	27.63
1978-79	22.69	28.69	35.75	39.71	36.89	41.74	29.73
1979-80	25.69	32.03	44.85	36.43	38.60	44.28	33.06
1980-81	30.21	33.88	54.59	27.28	42.12	49.03	36.36
1981-82 (estimate) (b)	26.43	35.18	50.29	34.15	53.58	54.07	36.50
<b>BORROWINGS BY ALL SEMI-GOVERNMENT AND LOCAL AUTHORITIES</b>							
1977-78	106.34	122.43	148.65	71.50	94.60	115.61	113.28
1978-79	131.11	138.31	148.90	83.33	121.35	183.21	132.10
1979-80	145.69	158.80	189.98	87.50	136.88	191.20	151.37
1980-81	159.10	173.97	214.67	81.92	160.74	216.54	166.67
1981-82 (estimate)	154.38	185.04	225.56	122.48	224.17	231.09	179.55

(a) (b) See footnotes to Table 87.

**Table 89—General Purpose Capital Funds for State Governments and State Semi-Government and Local Authority Borrowings, 1977-78 to 1981-82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS (a)</b>							
1977-78	463 467	360 213	190 110	186 853	132 666	100 488	1 433 797
1978-79	463 467	360 213	190 110	186 853	132 672	100 488	1 433 803
1979-80	402 439	312 781	165 077	162 248	115 199	87 256	1 245 000
1980-81	422 561	328 420	173 331	170 360	120 959	91 619	1 307 250
1981-82	422 561	328 420	173 331	170 360	120 959	91 619	1 307 250
<b>BORROWINGS BY STATE AND SEMI-GOVERNMENT AND LOCAL AUTHORITIES (b)</b>							
1977-78	534 445	473 113	316 714	92 644	115 170	48 176	1 580 262
1978-79	667 191	539 551	321 435	108 574	150 367	76 980	1 864 098
1979-80	751 202	624 775	417 937	114 502	172 557	81 266	2 162 239
1980-81	831 661	690 895	483 520	107 659	206 260	93 005	2 413 000
1981-82 (estimate)	817 661	741 657	519 364	161 730	292 843	100 445	2 633 700
<b>TOTAL GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS AND STATE SEMI-GOVERNMENT AND LOCAL AUTHORITY BORROWINGS</b>							
1977-78	997 912	833 326	506 824	279 497	247 836	148 664	3 014 059
1978-79	1 130 658	899 764	511 545	295 427	283 039	177 468	3 297 901
1979-80	1 153 641	937 556	583 014	276 750	287 756	168 522	3 407 239
1980-81	1 254 222	1 019 315	656 851	278 019	327 219	184 624	3 720 250
1981-82 (estimate)	1 240 222	1 070 077	692 695	332 090	413 802	192 064	3 940 950

(a) (b) See footnotes to Table 87.

**Table 90—General Purpose Capital Funds for State Governments and State Semi-Government and Local Authority Borrowings, 1977–78 to 1981–82 (\$ per head of population)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS(a)</b>							
1977–78	92.22	93.21	89.23	144.22	108.97	241.15	102.78
1978–79	91.07	92.34	88.07	143.41	107.07	239.16	101.61
1979–80	78.05	79.50	75.04	123.99	91.38	205.29	87.16
1980–81	80.84	82.70	76.95	129.63	94.26	213.31	90.29
1981–82	79.78	81.94	75.28	129.01	92.59	210.78	89.12
<b>BORROWINGS BY STATE AND SEMI-GOVERNMENT AND LOCAL AUTHORITIES(b)</b>							
1977–78	106.34	122.43	148.65	71.50	94.60	115.61	113.28
1978–79	131.11	138.31	148.90	83.33	121.35	183.21	132.10
1979–80	145.69	158.80	189.98	87.50	136.88	191.20	151.37
1980–81	159.10	173.97	214.67	81.92	160.74	216.54	166.67
1981–82 (estimate)	154.38	185.04	225.56	122.48	224.17	231.09	179.55
<b>TOTAL GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS AND STATE SEMI-GOVERNMENT AND LOCAL AUTHORITY BORROWINGS</b>							
1977–78	198.55	215.64	237.88	215.72	203.58	356.77	216.05
1978–79	222.18	230.65	236.97	226.74	228.43	422.38	233.72
1979–80	223.74	238.30	265.02	211.50	228.27	396.49	238.52
1980–81	239.94	256.67	291.63	211.55	255.00	429.85	256.96
1981–82 (estimate)	234.16	266.98	300.84	251.49	316.76	441.87	268.66

(a) (b) See footnotes to Table 87.

**Table 91—Borrowings by Local Government Authorities(a) 1977–78 to 1981–82 (\$ thousands)**

	New South Wales(b)	Victoria	Queens- land	South Australia	Western Australia	Tas- mania	Six State Total	Northern Territory	Total
<b>'LARGER' AUTHORITIES(c)</b>									
1977–78	130 127	13 920	81 253	4 750	7 450	8 148	245 648	1 697	247 345
1978–79	133 046	15 295	90 252	4 300	7 815	9 571	260 279	..	260 279
1979–80	132 921	9 900	104 378	4 300	6 772	5 385	263 656	..	263 656
1980–81	124 761	11 300	106 064	3 900	7 230	1 730	254 985	..	254 985
1981–82(Est.)(d)	135 000	8 200	106 522	4 200	8 500	3 500	265 922	..	265 922
<b>'SMALLER' AUTHORITIES(e)</b>									
1977–78	72 103	70 573	36 740	14 674	29 031	9 257	232 378	..	232 378
1978–79	82 595	66 500	36 457	20 321	31 471	8 270	245 614	631	246 245
1979–80	102 486	80 802	43 570	22 304	33 564	10 041	292 767	1 240	294 007
1980–81	126 500	84 469	48 181	21 187	35 124	13 390	328 851	342	329 193
1981–82(Est.)(d)	110 000	88 000	51 800	21 300	45 000	15 500	331 600	..	331 600
<b>TOTAL</b>									
1977–78	202 230	84 493	117 993	19 424	36 481	17 405	478 026	1 697	479 723
1978–79	215 641	81 795	126 709	24 621	39 286	17 841	505 893	631	506 524
1979–80	235 407	90 702	147 948	26 604	40 336	15 426	556 423	1 240	557 663
1980–81	251 261	95 769	154 245	25 087	42 354	15 120	583 836	342	584 178
1981–82(Est.)(d)	245 000	96 200	158 322	25 500	53 500	19 000	597 522	..	597 522

(a) For the interpretation of the figures shown in this table, see Chapter VI, 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 62.

(d) State estimates supplied by State Treasuries; tentative only.

(e) That is, borrowings by local government within the smaller authorities category. See footnote (b) to Table 53.

**Table 92—Summary of the Financing of State Government Loan Council Programs, 1976-77 to 1980-81(a)**

	Total Programs	Amounts Met from Public Loan Raisings and Overseas Borrowings		Amounts Met from Consolidated Revenue Fund			
		Amount	Percentage of Total Programs	Special Loans	Capital Grants Met Direct from Consolidated Revenue Fund	Total	
						Amount	Percentage of Total Programs
	\$'000	\$'000	per cent	\$'000	\$'000	\$'000	per cent
1976-77	(b) 1 356 000	1 356 000	100	..	..	..	..
1977-78	(b) 1 433 797	(c) 1 228 934	86	204 863	..	204 863	14
1978-79	(b) 1 433 803	(c) 1 195 850	83	237 950	(c) 3	237 953	17
1979-80	(b) 1 245 000	1 245 000	100	..	..	..	..
1980-81	(b) 1 307 250	1 307 250	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 \$452 000 000 in 1976-77, \$477 933 000 in 1977-78 and 1978-79, \$415 000 000 in 1979-80 and \$435 750 000 in 1980-81.
- (c) Western Australia was underpaid \$3 000 in 1977-78 and this was adjusted with a payment from Consolidated Revenue Fund in 1978-79.

**Table 93—Details of the Financing of State Government Loan Council Programs; 1976-77 to 1980-81 (a) (\$ thousands)**

	1976-77	1977-78	1978-79	1979-80	1980-81
<b>SPECIAL LOANS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES</b>					
Commonwealth Government Subscription to Special Loans	..	204 863	237 950	609 405	..
Less—Amounts used by Commonwealth Government—					
for advances for welfare housing	..	..	..	48 463	..
for redemptions	..	..	..	(h) 560 942	..
(A)	..	204 863	237 950	..	..
<b>LOAN RAISINGS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES</b>					
Public Loans raised in Australia—					
Cash Loans/Tap Issues	1 580 967	610 815	780 539	874 012	2 748 168
Savings Bonds	736 240	719 631	531 182	806 123	2 024 019
State Domestic Raisings	35 365	57 898	35 816	36 461	54 633
Overseas Loans applied direct to Borrowing Programs and Housing Advances	437 718	1 737 835	1 540 784	463 402	76 294
Total Loan Raisings	2 790 290	3 126 179	2 888 321	2 179 998	4 903 114
Less Amounts Used—					
for redemptions	(b) 1 057 487	(c) 704 098	(f) 421 095	(h) 822 857	(i) 3 696 996
by Commonwealth Government (War Service Land Settlement, Other)	1 804	686 548	749 894	322 685	486
for capital grant for works program	452 000	(d) 477 930	477 933	415 000	334 132
for advances for welfare housing	375 000	390 000	316 000	111 537	..
Less—Amounts carried forward	..	(e) 116 599	(g) 205 482	(g) 322 081	..
(B)	904 000	751 004	717 917	830 000	871 500
<b>CAPITAL GRANTS</b>					
Capital Grants—					
Financed from other loan proceeds	452 000	(d) 477 930	477 933	415 000	334 132
Financed direct from Consolidated Revenue Fund	..	..	(d) 3	..	101 618
(C)	452 000	(d) 477 930	(d) 477 936	415 000	435 750
<b>TOTAL PROGRAMS</b>					
Total Programs (A + B + C)	1 356 000	(d) 1 433 797	(d) 1 433 803	1 245 000	1 307 250

(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 program.

(b) Includes \$720 320 000 cash proceeds applied to the redemption of Treasury Bills.

(c) Includes \$503 806 000 cash proceeds applied to the redemption of Treasury Notes and Treasury Bills.

(d) Western Australia was underpaid by \$3 000 in 1977-78 and this was adjusted in 1978-79.

(e) Proceeds of overseas loan held in Loan Fund to finance the approved Loan Council borrowing program 1978-79.

(f) Includes \$414 005 000 cash proceeds applied to the redemption of Treasury Bills.

(g) Proceeds of overseas cash loan (\$322 081 000) held in Loan Fund to finance the approved Loan Council borrowing program 1979-80.

(h) Includes \$376 800 000 cash proceeds applied to the redemption of Treasury Bills.

(i) Redemption of Treasury Bonds—\$1 410.6 million; Special Bonds and ASBs—\$2 042.6 million; and Treasury Bills—\$243.9 million.

# APPENDIX IV—TABLES OF SPECIFIC PURPOSE PAYMENTS

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**Table 94—Grants for Schools, 1977–78 to 1981–82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>GRANTS FOR RECURRENT PURPOSES</b>							
<b>GOVERNMENT SCHOOLS</b>							
1977–78	91 721	71 107	24 708	23 478	17 551	6 916	235 481
1978–79	92 925	71 856	28 208	23 449	18 834	7 274	242 544
1979–80	101 584	76 204	30 510	25 256	21 432	7 819	262 804
1980–81	113 947	85 756	39 352	29 728	24 166	9 469	302 416
1981–82 (estimate)	115 451	91 948	46 960	32 086	28 892	8 853	324 190
<b>NON-GOVERNMENT SCHOOLS</b>							
1977–78	70 164	59 674	30 198	12 415	14 989	3 942	191 382
1978–79	79 172	73 130	34 127	13 918	16 669	4 845	221 862
1979–80	93 818	87 390	40 050	16 592	19 905	5 709	263 464
1980–81	117 380	108 626	49 757	20 726	24 491	6 817	327 798
1981–82 (estimate)	158 214	145 338	67 026	27 035	32 409	9 460	439 482
<b>JOINT PROGRAMS</b>							
1977–78	9 655	7 469	4 947	2 673	2 753	1 262	28 759
1978–79	8 642	7 076	4 483	2 379	3 238	1 171	26 989
1979–80	8 405	6 020	4 354	2 866	2 682	1 089	25 417
1980–81	9 285	7 666	4 502	2 835	3 000	1 279	28 567
1981–82 (estimate)	12 734	10 899	6 607	4 239	4 367	1 435	40 281
<b>TOTAL</b>							
1977–78	171 540	138 250	59 853	38 566	35 293	12 120	455 622
1978–79	180 739	152 062	66 818	39 746	38 741	13 290	491 395
1979–80	203 806	169 614	74 914	44 714	44 019	14 617	551 684
1980–81	240 612	202 048	93 611	53 289	51 656	17 565	658 781
1981–82 (estimate)	286 399	248 185	120 593	63 360	65 668	19 748	803 953
<b>GRANTS FOR CAPITAL PURPOSES</b>							
<b>GOVERNMENT SCHOOLS</b>							
1977–78	47 851	40 882	29 506	14 335	13 838	4 816	151 227
1978–79	44 882	36 313	23 753	13 469	18 414	3 685	140 516
1979–80	36 988	33 440	19 464	13 000	8 411	3 780	115 083
1980–81	32 446	30 055	15 541	11 248	11 153	3 388	103 830
1981–82 (estimate)	37 167	31 282	18 257	10 774	10 626	3 625	111 731
<b>NON-GOVERNMENT SCHOOLS</b>							
1977–78	10 064	10 301	4 704	2 723	2 869	1 370	32 030
1978–79	14 072	12 668	5 717	2 709	2 558	699	38 423
1979–80	9 279	10 478	5 145	1 821	2 599	500	29 822
1980–81	13 217	10 460	5 474	2 027	2 926	600	34 703
1981–82 (estimate)	16 252	14 631	7 118	3 015	3 978	1 206	46 200
<b>JOINT PROGRAMS</b>							
1977–78	38	91	54	11	6	1	201
1978–79	..	12	5	..	..	..	17
1979–80	..	..	..	..	..	..	..
1980–81	..	..	..	..	..	..	..
1981–82 (estimate)	..	..	..	..	..	..	..
<b>TOTAL</b>							
1977–78	57 952	51 273	34 263	17 069	16 713	6 187	183 457
1978–79	58 954	48 993	29 475	16 178	20 971	4 385	178 956
1979–80	46 266	43 918	24 609	14 821	11 011	4 280	144 906
1980–81	45 663	40 515	21 015	13 275	14 079	3 988	138 534
1981–82 (estimate)	53 419	45 913	25 375	13 789	14 604	4 831	157 931

**Table 95—Payments for Aboriginal Advancement, by Function 1977-78 to 1981-82**  
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>EDUCATION</b>							
<b>RECURRENT PAYMENTS</b>							
1977-78 . . . . .	1 013	634	858	1 479	2 184	36	6 204
1978-79 . . . . .	690	633	904	1 560	1 996	28	5 811
1979-80 . . . . .	756	931	724	1 642	2 047	29	6 128
1980-81 . . . . .	1 022	1 002	801	1 795	2 218	63	6 901
1981-82 (estimate) . . . . .	1 082	1 075	835	1 966	2 321	68	7 347
<b>CAPITAL PAYMENTS</b>							
1977-78 . . . . .	..	..	84	50	61	..	195
1978-79 . . . . .	..	..	57	149	159	..	364
1979-80 . . . . .	..	..	41	23	23	..	87
1980-81 . . . . .	..	..	33	5	21	..	59
1981-82 (estimate) . . . . .	..	..	24	17	..	..	41
<b>TOTAL PAYMENTS</b>							
1977-78 . . . . .	1 013	634	942	1 529	2 245	36	6399
1978-79 . . . . .	690	633	961	1 709	2 155	28	6 175
1979-80 . . . . .	756	931	765	1 665	2 070	29	6 215
1980-81 . . . . .	1 022	1 002	834	1 800	2 239	63	6 960
1981-82 (estimate) . . . . .	1 082	1 075	859	1 983	2 321	68	7 388
<b>HEALTH</b>							
<b>RECURRENT PAYMENTS</b>							
1977-78 . . . . .	1 642	348	2 393	1 185	5 380	16	10 963
1978-79 . . . . .	1 579	325	2 774	1 290	5 258	16	11 241
1979-80 . . . . .	1 608	389	3 119	1 282	5 645	23	12 065
1980-81 . . . . .	1 612	366	3 799	1 380	6 325	23	13 505
1981-82 (estimate) . . . . .	1 748	390	4 020	1 481	6 412	16	14 067
<b>CAPITAL PAYMENTS</b>							
1977-78 . . . . .	64	..	526	59	755	..	1 404
1978-79 . . . . .	35	7	194	51	1 076	..	1 362
1979-80 . . . . .	92	..	299	80	612	..	1 083
1980-81 . . . . .	40	11	225	..	110	..	386
1981-82 (estimate) . . . . .	80	..	245	30	153	..	508
<b>TOTAL PAYMENTS</b>							
1977-78 . . . . .	1 706	348	2 918	1 244	6 135	16	12 367
1978-79 . . . . .	1 614	332	2 967	1 340	6 334	16	12 602
1979-80 . . . . .	1 700	389	3 418	1 362	6 257	23	13 148
1980-81 . . . . .	1 652	377	4 024	1 380	6 435	23	13 891
1981-82 (estimate) . . . . .	1 828	390	4 265	1 511	6 565	16	14 575



Table 95—Payments for Aboriginal Advancement, by Function 1977-78 to 1981-82  
(\$ thousands)—continued

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>SOCIAL SECURITY AND WELFARE</b>							
<b>RECURRENT PAYMENTS</b>							
1977-78	359	427	230	346	1 000	15	2 378
1978-79	713	374	239	515	1 290	..	3 130
1979-80	666	162	488	644	1 513	..	3 472
1980-81	786	174	488	883	1 665	..	3 996
1981-82 (estimate)	979	208	495	1 091	1 780	..	4 553
<b>CAPITAL PAYMENTS</b>							
1977-78	..	..	..	..	98	..	98
1978-79	..	..	..	28	88	..	116
1979-80	59	..	..	4	57	70	..
	189	..	..	..	..	..	..
1980-81	7	..	..	16	25	..	49
1981-82 (estimate)	..	..	..	3	58	..	61
<b>TOTAL PAYMENTS</b>							
1977-78	359	427	230	346	1 098	15	2 476
1978-79	713	374	239	543	1 378	..	3 246
1979-80	725	162	491	701	1 583	..	3 661
1980-81	793	174	488	899	1 690	..	4 044
1981-82 (estimate)	979	208	495	1 094	1 838	..	4 614
<b>HOUSING</b>							
<b>RECURRENT PAYMENTS</b>							
1977-78	..	..	..	15	..	..	15
1978-79	..	..	..	40	..	..	40
1979-80	..	82	..	156	249	..	487
1980-81	..	134	..	220	767	..	1 121
1981-82 (estimate) (a)	..	..	..	..	..	..	..
<b>CAPITAL PAYMENTS</b>							
1977-78	2 590	400	1 665	1 586	3 700	175	10 116
1978-79	3 022	230	1 650	1 954	4 120	115	11 091
1979-80	3 605	275	1 270	1 930	4 259	254	11 593
1980-81	3 307	318	930	2 026	2 862	180	9 623
1981-82 (estimate) (a)	..	..	..	..	..	..	..
<b>TOTAL PAYMENTS</b>							
1977-78	2 590	400	1 665	1 600	3 700	175	10 130
1978-79	3 022	230	1 650	1 994	4 120	115	11 131
1979-80	3 605	357	1 270	2 086	4 508	254	12 080
1980-81	3 307	452	930	2 247	3 629	180	10 744
1981-82 (estimate) (a)	..	..	..	..	..	..	..

**Table 95—Payments for Aboriginal Advancement, by Function 1977-78 to 1981-82**  
(\$ thousands)—continued

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>URBAN AND REGIONAL DEVELOPMENT N.E.C. AND THE ENVIRONMENT</b>							
<b>RECURRENT PAYMENTS</b>							
1977-78	..	..	..	21	..	..	21
1978-79	..	..	..	..	..	..	..
1979-80	..	..	..	..	111	..	111
1980-81	..	..	..	..	196	..	196
1981-82 (estimate)	..	..	..	..	241	..	241
<b>CAPITAL PAYMENTS</b>							
1977-78	..	..	550	112	..	..	662
1978-79	..	..	635	110	..	..	745
1979-80	..	..	..	142	94	..	236
1980-81	..	..	319	53	215	..	587
1981-82 (estimate)	..	..	1 082	1 995	301	..	3 378
<b>TOTAL PAYMENTS</b>							
1977-78	..	..	550	133	..	..	683
1978-79	..	..	635	110	..	..	745
1979-80	..	..	..	142	205	..	347
1980-81	..	..	319	53	411	..	783
1981-82 (estimate)	..	..	1 082	1 995	542	..	3 619
<b>TOTAL—ALL FUNCTIONS</b>							
<b>RECURRENT PAYMENTS</b>							
1977-78	3 014	1 409	3 480	3 045	8 564	67	19 580
1978-79	2 982	1 331	3 917	3 404	8 544	44	20 221
1979-80	3 030	1 562	4 331	3 724	9 565	52	22 263
1980-81	3 420	1 676	5 088	4 278	11 170	86	25 718
1981-82 (estimate)	3 809	1 673	5 350	4 538	10 754	84	26 208
<b>CAPITAL PAYMENTS</b>							
1977-78	2 654	400	2 825	1 807	4 614	175	12 474
1978-79	3 057	237	2 536	2 291	5 443	115	13 678
1979-80	3 756	275	1 613	2 231	5 058	254	13 187
1980-81	3 353	329	1 507	2 101	3 233	180	10 703
1981-82 (estimate)	80	..	1 351	2 045	512	..	3 988
<b>TOTAL PAYMENTS</b>							
1977-78	5 668	1 809	6 305	4 852	13 178	242	32 054
1978-79	6 039	1 568	6 452	5 696	13 986	159	33 900
1979-80	6 786	1 837	5 944	5 955	14 623	306	35 451
1980-81	6 773	2 005	6 595	6 379	14 403	266	36 422
1981-82 (estimate)	3 889	1 673	6 701	6 583	11 266	84	30 196

(a) Included under the Welfare Housing Program (see Chapter IV for details).

**Table 96—Details of Payments to the States for Housing(a), 1977–78 to 1981–82**  
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>RECURRENT GRANTS(b)</b>							
1977–78	1 848	1 347	480	941	627	314	5 557
1978–79	1 848	1 347	423	941	627	314	5 500
1979–80	1 848	1 347	423	941	627	314	5 500
1980–81	1 848	1 347	423	941	627	314	5 500
1981–82 (estimate)	1 848	1 347	2 898	941	627	314	7 975
<b>PENSIONER HOUSING GRANTS</b>							
1977–78	4 070	2 530	1 490	930	700	280	10 000
1978–79	5 695	3 388	2 050	1 343	1 086	438	14 000
1979–80	12 132	7 186	4 495	2 856	2 361	970	30 000
1980–81	12 421	7 409	4 790	2 945	2 459	976	31 000
1981–82 (estimate)	12 430	7 447	5 009	3 033	2 589	992	31 500
<b>ABORIGINAL HOUSING GRANTS (c)</b>							
1979–80	6 000	2 000	6 100	1 500	4 000	400	20 000
1980–81	6 300	2 100	6 400	1 600	4 200	400	21 000
1981–82 (estimate)	9 087	2 522	6 628	3 810	7 225	527	29 799
<b>OTHER HOUSING GRANTS (d)</b>							
1979–80	16 410	13 045	5 105	7 495	4 710	3 235	50 000
1980–81	17 070	13 570	6 810	7 790	4 900	3 360	53 500
1981–82 (estimate)	15 570	12 375	4 845	7 110	4 465	3 070	47 435
<b>LOANS</b>							
1977–78	128 011	101 759	39 810	58 460	36 740	25 220	390 000
1978–79	103 721	82 451	32 257	47 368	29 767	20 436	316 000
1979–80	52 512	41 744	16 336	23 984	15 072	10 352	160 000
1980–81	54 650	43 440	17 000	24 960	15 680	10 770	166 500
1981–82 (estimate)	45 464	36 135	14 148	20 761	13 038	8 964	138 510
<b>TOTAL PAYMENTS</b>							
1977–78	133 929	105 636	41 780	60 331	38 067	25 814	405 557
1978–79	111 264	87 186	34 730	49 652	31 480	21 188	355 500
1979–80	88 902	65 322	32 459	36 776	26 770	15 271	265 500
1980–81	92 289	67 866	35 423	38 236	27 866	15 820	277 500
1981–82 (estimate)	84 399	59 826	33 528	35 655	27 944	13 867	255 219

(a) For a description of these items see Chapter IV under heading 'Housing'.

(b) Includes contributions toward rental losses under the Commonwealth-State Housing Agreement 1945.

(c) The 1981–82 estimate includes payments provided under the *State Grants (Aboriginal Assistance) Act 1976* (Housing).

(d) The 1981–82 payments include a special payment to Queensland for rehousing Cribb Island residents.

**Table 97.—Payments for Natural Disaster Relief Estimated by Type of Disaster(a)(b), 1977-78 to 1980-81 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
<b>DROUGHT</b>							
1977-78	1 458	399	3 091	12 350	15 269	..	32 567
1978-79	743	173	2 942	5 430	6 036	..	15 324
1979-80	..	-229	1 224	-270	6 922	..	7 647
1980-81	42 447	..	14 780	-737	13 523	..	70 013
<b>FLOOD, STORM AND CYCLONE</b>							
1977-78	8 195	1 320	11 982	..	3 228	..	24 725
1978-79	2 393	797	6 020	..	2 382	..	11 592
1979-80	..	..	6 608	..	1 520	..	8 128
1980-81	833	..	7 263	65	1 849	..	10 010
<b>BUSHFIRE</b>							
1977-78	14	192	..	..	..	..	206
1978-79	8	43	..	..	..	..	51
1979-80	45	..	..	..	..	..	45
1980-81	275	..	..	27	..	..	302
<b>ALL NATURAL DISASTERS</b>							
1977-78	9 667	1 912	15 073	12 350	18 498	..	57 500
1978-79	3 144	1 013	8 962	5 430	8 418	..	26 967
1979-80	45	-229	7 832	-270	8 442	..	15 819
1980-81	43 554	..	22 043	-645	15 371	..	80 324

- (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 are received (also see footnotes to table in Chapter IV).
- (b) Payments for Natural Disaster Relief are not designed to provide assistance on a disaster-by-disaster basis, but rather to assist States in meeting the costs of relief measures when they exceed a State's assessed annual financial capacity. This Table is derived from States' advice on their expenditures by type of disaster and apportioning Commonwealth assistance accordingly.

**Table 98—Further Details of Natural Disaster Relief to the States, 1976–77 to 1980–81 (\$ thousands)**

	New South Wales					Victoria					Queensland				
	1976–77	1977–78	1978–79	1979–80	1980–81	1976–77	1977–78	1978–79	1979–80	1980–81	1976–77	1977–78	1978–79	1979–80	1980–81
<i>Expenditures by States in Year(a)</i>															
Personal hardship and distress	437	1 049	226	90	..	119	108	63	..	..	52	71	5	4	507
Housing repair and rebuilding	..	..	..	..	..	365	..	..	..	..	..	..	..	..	..
Freight subsidies	1 009	859	910	..	22 234	865	198	23	..	..	1	214	2 945	2 101	12 510
Stock slaughter assistance and compensation	20	32	4	..	150	573	..	..	..	..	..	307	261	11	..
Loans to primary producers	2 013	3 171	3 973	..	42 231	1 523	3 736	1 656	..	..	409	4 133	2 218	386	9 960
Loans to small businesses	35	51	198	..	..	79	..	..	..	..	96	..	35	17	358
Loans to sporting clubs	21	10	17	..	..	..	..	..	..	..	24	..	10	..	..
Restoration of State, local and semi-government assets	12 784	10 485	7 944	..	1 275	2 042	783	6 567	..	..	12 140	12 707	9 785	11 457	10 197
Emergency protection works and repairs to essential services	536	450	246	..	30	1 086	52	..	..	..	43	..	..	..	..
Assistance to tertiary education institutions(b)	..	..	..	..	..	..	..	..	..	..	45	..	..	..	..
Water cartage	..	..	..	..	182	..	..	..	..	..	..	..	..	..	..
Fencing	..	..	..	..	..	..	51	51	..	..	..	..	..	..	40
Other drought measures	..	..	..	..	..	..	81	..	..	..	..	..	..	..	..
Disposal of unsaleable stock	..	..	..	..	..	..	..	..	..	..	..	..	..	..	321
<b>Total</b>	<b>16 854</b>	<b>16 107</b>	<b>13 518</b>	<b>90</b>	<b>66 102</b>	<b>6 653</b>	<b>4 929</b>	<b>8 440</b>	<b>..</b>	<b>..</b>	<b>12 810</b>	<b>17 433</b>	<b>15 259</b>	<b>13 975</b>	<b>33 893</b>
<i>Less—</i>															
Expenditure in Year attributable to States(c)—															
Base-line amount	5 000	5 000	10 000	..	10 000	3 500	3 500	7 000	..	..	2 000	2 000	4 000	4 000	4 000
Expenditure by State above 'base-line'	..	..	880	..	14 026	..	..	356	..	..	..	..	2 815	2 531	7 437
States' share of expenditure for personal hardship and distress	..	..	..	45	..	..	..	9	..	..	..	..	..	..	72
Expenditure in Year to be reimbursed in subsequent years(d)	(e)–574	1 440	123	..	(e)–1 479	222	(e)–335	63	..	..	153	513	(e)–5	(e)–429	(e)–96
Refunds of overpayments in respect of previous years	..	..	..	..	..	50	74	..	229	..	..	..	..	41	436
<i>Plus—</i>															
Amounts paid in Year in respect of previous years	301	..	628	..	..	..	222	..	..	..	481	153	513	..	..
<b>Payments to States in Year</b>	<b>12 729</b>	<b>9 667</b>	<b>3 144</b>	<b>45</b>	<b>43 555</b>	<b>2 880</b>	<b>1 912</b>	<b>1 013</b>	<b>229</b>	<b>..</b>	<b>11 139</b>	<b>15 073</b>	<b>8 962</b>	<b>7 832</b>	<b>22 043</b>

Table 98—Further Details of Natural Disaster Relief to the States, 1976–77 to 1980–81 (\$ thousands)—continued

	New South Wales					Victoria					Queensland				
	1976–77	1977–78	1978–79	1979–80	1980–81	1976–77	1977–78	1978–79	1979–80	1980–81	1976–77	1977–78	1978–79	1979–80	1980–81
	South Australia					Western Australia					Total				
	1976–77	1977–78	1978–79	1979–80	1980–81	1976–77	1977–78	1978–79	1979–80	1980–81	1976–77	1977–78	1978–79	1979–80	1980–81
<i>Expenditures by States in Year(a)</i>															
Personal hardship and distress	..	..	..	..	183	..	368	28	306	298	608	1 596	322	400	988
Housing repair and rebuilding	..	..	..	..	..	..	..	..	..	..	365	..	..	..	..
Freight subsidies	..	245	256	..	..	142	231	257	228	1 332	2 017	1 747	4 391	2 329	36 076
Stock slaughter assistance and compensation	..	16	14	..	..	..	..	..	..	..	593	355	279	11	150
Loans to primary producers	..	13 319	8 752	..	..	2 684	17 906	9 594	12 539	18 733	6 629	42 265	26 193	12 925	70 924
Loans to small businesses	..	..	..	..	..	..	..	..	20	205	210	51	233	37	563
Loans to sporting clubs	..	..	..	..	..	..	..	..	5	..	45	10	27	5	..
Restoration of State, local and semi-government assets	..	..	209	..	..	3 336	3 431	1 889	2 191	2 080	30 302	27 406	26 394	13 648	13 552
Emergency protection works and repairs to essential services	..	..	..	..	..	1	..	..	..	..	1 666	502	246	..	30
Assistance to tertiary education institutions(b)	..	..	..	..	..	..	..	..	..	..	45	..	..	..	..
Water cartage	..	..	25	..	..	134	18	..	..	..	134	18	25	..	222
Fencing	..	..	..	..	..	..	..	23	..	..	..	51	74	..	..
Other drought measures	..	..	..	..	..	..	..	..	..	144	..	..	81	..	465
Disposal of unsaleable stock	..	..	..	..	..	..	..	..	..	14	..	..	..	..	14
Total	..	13 580	9 257	..	183	6 297	21 955	11 791	15 289	22 805	42 614	74 004	58 265	29 355	122 984
<i>Less—</i>															
Expenditure in Year attributable to States(c)—															
Base-line amount	..	1 500	3 000	..	..	1 500	1 500	3 000	3 000	3 000	12 000	13 500	27 000	7 000	17 000
Expenditure by State above 'base-line'	..	..	1 564	..	..	..	..	2 198	3 072	4 951	..	..	7 813	5 603	26 414
States' share of expenditure for personal hardship and distress	..	..	..	..	92	..	..	..	..	..	..	..	9	45	164
Expenditure in Year to be reimbursed in subsequent years(d)	..	(e)-270	(e)-737	..	..	(e)-35	2 062	96	871	353	(e)-234	3 410	(e)-460	442	(e)-1 222
Refunds of overpayments in respect of previous years	..	..	..	270	737	1 130	..	..	..	..	1 180	74	..	540	1 173
<i>Plus—</i>															
Amounts paid in Year in respect of previous years	..	..	..	..	..	..	105	1 922	96	871	782	480	3 063	96	871
Payments to States in Year	..	12 350	5 430	-270	-645	3 702	18 498	8 418	8 442	15 371	30 450	57 500	26 967	15 820	80 324

(a) Actual amounts for New South Wales in 1976–77, Queensland and Western Australia to 1979–80, and South Australia to 1977–78. All other amounts are 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) For explanations see Chapter IV.

(d) For administrative reasons payments to the States in a year are not always equal to the amounts payable to them in respect of that year.

(e) Refers to overpayment to State in year concerned, adjusted in a subsequent year.

# **APPENDIX V—ADVANCES, DEBT CHARGES, NET ADVANCES, NET PAYMENTS AND STATE GOVERNMENT DEBT OUTSTANDING**

TABLE No.	SUBJECT	PAGE
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99	Six States Combined . . . . .	185
100	New South Wales . . . . .	188
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**Table 99—Six States Total—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
<b>ADVANCES(a)</b>					
<i>Loan Council Borrowings</i> . . . . .	955 867	955 867	830 000	871 500	871 500
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	22 519	11 600	1 455	1 320	4 180
Welfare Housing Loans(b) . . . . .	390 000	316 000	160 000	166 500	138 510
Growth Centres . . . . .	25 486	24 822	27 091	28 765	32 455
Land Acquisition . . . . .	26 160	14 587	15 706	17 543	10 637
Captains Flat Project . . . . .	..	15	..	..	..
Legana Industrial Estate (Tasmania) . . . . .	..	..	..	195	..
Railway Projects . . . . .	20	..	..	..	..
Railway Mainline Upgrading . . . . .	..	..	5 137	14 793	24 300
Urban Water Supply . . . . .	4 200	3 105	..	..	..
Gladstone Power Station . . . . .	191	..	..	..	..
Softwood Forestry . . . . .	360	7 665	5 131	4 823	5 000
Native Forestry Assistance—Tasmania . . . . .	..	..	272	336	236
Dairy Adjustment Program . . . . .	672	..	..	..	..
Rural Adjustment Scheme . . . . .	34 585	39 815	12 472	13 770	14 513
Beef Industry Assistance . . . . .	33	-3	..	..	..
Rural Reconstruction . . . . .	2 199	..	..	..	..
Sugar Industry . . . . .	..	..	27 842	..	..
Ord River Project . . . . .	20	..	14	355	45
Assistance for Mount Lyell Mining . . . . .	3 383	..	..	..	..
Assistance for Chrysotile Corporation . . . . .	..	..	1 179	222	..
Natural Disaster Relief . . . . .	34 369	14 444	7 308	47 381	17 281
Total Commonwealth Government Loans . . . . .	544 198	432 050	263 608	296 002	247 157
<b>TOTAL ADVANCES</b> . . . . .	<b>1 500 065</b>	<b>1 387 917</b>	<b>1 093 608</b>	<b>1 167 502</b>	<b>1 118 657</b>



Table 99—Six States Total—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)—continued

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings (c)</i>	171 032	185 269	195 210	203 436	213 700
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance	10 000	10 000	2 500	..	..
Housing for Servicemen	789	840	894	941	992
Unemployment Relief Works	..	2	2	2	2
Aboriginal Advancement	21	..	23	25	25
Welfare Housing Loans	27 684	30 880	33 504	35 551	37 824
Growth Centres	28	137	252	5 354	249
Area Improvement	7	..	..	..	..
Land Acquisition	..	..	..	..	36 000
Captains Flat Project	..	4	7	8	9
Legana Industrial Estate (Tasmania)	..	..	..	..	20
Sewerage	608	696	765	839	923
Community Facilities—Townsville	4	5	5	6	6
Exmouth Township—Electrical Services	9	10	15	5	15
Beef Cattle Roads	570	570	570	570	570
Railway Projects	4 335	3 998	4 753	5 555	5 241
King Island Harbour Works	45	45	45	45	45
King Island Shipping Service	87	87	87	87	87
Coal Loading Facilities	13	13	6	..	..
Northern Harbours	98	98	98	98	..
Derby Jetty	53	53	..	..	..
Weipa Development	81	85	90	95	100
Natural Gas	1 875	1 875	1 875	..	..
Julius Dam	80	88	97	107	118
Urban Water Supply	46	62	77	90	99
Hydro-electricity	2 989	2 989	2 989	2 989	2 989
Gladstone Power Station	..	..	1 072	2 242	2 378
Softwood Forestry	12	150	305	497	689
Dairy Adjustment Program	1 807	2 239	2 632	2 550	2 600
Rural Adjustment Scheme	..	188	1 712	1 708	1 800
Beef Industry Assistance	891	2 385	4 367	2 688	4 360
Rural Reconstruction	4 296	5 054	6 531	6 834	6 960
Sugar Industry	2 610	2 740	2 877	27 391	..
Canned Fruit Industry	1 470	759	1 461	491	263
Chowilla Reservoir	137	148	148	148	148
Blowering Reservoir	1 805	2 015	2 035	2 035	2 035
Exmouth Township Water and Sewerage	..	4	4	4	4
Ord River Project	..	..	..	10	34
Western Australia Water Supply	244	367	508	613	745
Assistance for Mount Lyell Mining	..	1 009	2 374	..	..
Launceston Precision Tool Annexe	..	..	..	..	33
War Service Land Settlement	352	366	379	394	408
Brigalow Lands Development Scheme	508	346	693	693	693
Natural Disaster Relief	4 343	3 396	5 473	10 386	8 924
Total Repayments of Commonwealth Government Loans	67 897	73 703	81 225	111 049	117 385
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	238 929	258 972	276 435	314 484	331 085
NET ADVANCES(d) (Advances Less Repayments)					
Loan Council Borrowings	784 835	770 598	634 790	668 064	657 800
Commonwealth Government Loans	476 301	358 347	182 383	184 953	129 772
Total Net Advances	1 261 136	1 128 945	817 173	853 017	787 572

Table 99—Six States Total—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)—continued

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (e) . . . . .	947 629	1 017 905	1 088 740	1 258 311	1 485 500
Interest on Commonwealth Government Loans—					
Special Budgetary Assistance . . . . .	1 913	1 063	213		
Housing for Servicemen . . . . .	14 623	16 841	17 731	17 802	18 001
Aboriginal Advancement—Bamaga . . . . .	14		12	11	10
Housing . . . . .	133 992	148 483	158 237	164 551	170 141
Growth Centres . . . . .	17 862	20 482	22 971	24 618	28 182
Land Acquisition . . . . .	12 132	14 587	15 706	17 543	10 637
Legana Industrial Estate (Tasmania) . . . . .					14
Community Facilities—Townsville . . . . .	41	41	41	40	40
Exmouth Township . . . . .	11	17	22	10	19
Captains Flat Project . . . . .	37	39	40	39	39
Sewerage . . . . .	21 734	21 704	21 635	21 560	21 477
Beef Cattle Roads . . . . .	136	107	79	50	22
Railway Projects . . . . .	3 994	2 737	3 538	4 212	3 455
King Island Harbour Works . . . . .	37	34	31	28	24
King Island Shipping Service . . . . .	102	93	85	77	68
Coal Loading Facilities . . . . .	1	1	0		
Northern Harbours . . . . .	18	13	9	4	
Derby Jetty . . . . .	4	2			
Weipa Development . . . . .	145	140	136	131	126
Natural Gas . . . . .	304	194	83		
Julius Dam . . . . .	168	159	151	141	130
Urban Water Supply . . . . .	1 724	2 049	2 287	2 279	2 270
Hydro-electricity . . . . .	890	702	515	328	141
Blowering Reservoir . . . . .	921	822	717	610	504
Gladstone Power Station . . . . .			8 578	10 392	10 256
Softwood Forestry . . . . .	13	135	564	1 196	2 646
Dairy Adjustment Program . . . . .	966	992	984	873	900
Rural Adjustment Scheme . . . . .	565	2 709	5 071	6 140	6 900
Canned Fruit Industry . . . . .	301	372	337	30	10
Sugar Industry . . . . .	411	281	871	1 233	
Rural Reconstruction . . . . .	9 006	8 732	8 350	8 166	7 761
Ord River Project . . . . .	191	193	193	194	239
Dartmouth Dam . . . . .	2 276	2 528	2 528	2 528	2 528
Chowilla Reservoir . . . . .	67	59	51	44	36
Western Australia Water Supply . . . . .	691	675	652	621	582
Launceston Precision Tools Annexe . . . . .					25
War Service Land Settlement . . . . .	869	856	842	828	813
Brigalow Lands Development Scheme . . . . .	447	485	936	889	843
Total Interest on Commonwealth Govern- ment Loans . . . . .	226 605	248 329	274 194	287 166	288 836
TOTAL INTEREST ON LOAN COUN- CIL BORROWINGS AND COMMON- WEALTH GOVERNMENT LOANS . . . . .	1 174 234	1 266 234	1 362 934	1 545 477	1 774 336

- (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 1981–82 estimates in some cases; see relevant sections of the text.
- (b) Comprising advances from 1974–75 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 1, 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 100—New South Wales—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
<b>ADVANCES (a)</b>					
<i>Loan Council Borrowings</i> . . . . .	308 978	308 978	268 293	281 707	281 707
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	7 947	5 423	1 360	120	1 759
Welfare Housing Loans (b) . . . . .	128 011	103 721	52 512	54 650	45 464
Growth Centres . . . . .	15 323	16 231	16 977	18 521	21 209
Land Acquisition . . . . .	4 287	2 137	2 338	2 612	2 969
Captains Flat Project . . . . .	..	15	..	..	..
Railway Mainline Upgrading . . . . .	..	..	..	5 000	10 000
Softwood Forestry . . . . .	374	3 175	1 840	1 891	2 000
Rural Adjustment Scheme . . . . .	6 495	10 065	3 485	3 570	3 805
Rural Reconstruction . . . . .	1 643	..	..	..	..
Assistance for Chrysotile Corporation . . . . .	..	..	1 179	222	..
Natural Disaster Relief . . . . .	1 485	984	..	27 869	13 400
Total Commonwealth Government Loans . . . . .	165 564	141 752	79 690	114 454	100 606
<b>TOTAL ADVANCES</b> . . . . .	<b>474 542</b>	<b>450 730</b>	<b>347 983</b>	<b>396 161</b>	<b>382 313</b>
<b>REPAYMENTS OF ADVANCES</b>					
<i>Sinking Fund Payments on Loan Council Borrowings (c)</i> . . . . .	58 218	62 633	65 924	68 675	70 202
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance . . . . .	10 000	10 000	2 500	..	..
Housing for Servicemen . . . . .	293	312	334	354	373
Welfare Housing Loans . . . . .	9 658	10 730	11 594	12 275	13 059
Growth Centres . . . . .	28	35	45	49	..
Area Improvement . . . . .	7	..	..	..	..
Captains Flat Project . . . . .	..	4	7	8	9
Sewerage . . . . .	226	256	281	309	340
Railway Projects . . . . .	96	96	96	96	96
Softwood Forestry . . . . .	..	60	108	180	236
Dairy Adjustment Program . . . . .	137	141	148	153	190
Rural Adjustment Scheme . . . . .	..	..	218	29	122
Beef Industry Assistance . . . . .	238	594	916	334	920
Rural Reconstruction . . . . .	1 288	1 692	1 871	2 073	2 187
Canned Fruit Industry . . . . .	169	..	..	..	..
Chowilla Reservoir . . . . .	137	148	148	148	148
Blowering Reservoir . . . . .	1 805	2 015	2 035	2 035	2 035
War Service Land Settlement . . . . .	171	177	184	191	198
Natural Disaster Relief . . . . .	1 888	688	964	1 000	1 000
Total Repayments of Commonwealth Government Loans . . . . .	26 140	26 947	21 447	19 231	20 912
<b>TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS</b> . . . . .	<b>84 358</b>	<b>89 580</b>	<b>87 371</b>	<b>87 906</b>	<b>91 114</b>
<b>NET ADVANCES (d) (Advances Less Repayments)</b>					
<i>Loan Council Borrowings</i> . . . . .	250 760	246 345	202 369	213 032	211 505
<i>Commonwealth Government Loans</i> . . . . .	139 424	114 805	58 243	95 223	79 694
<b>TOTAL NET ADVANCES</b> . . . . .	<b>390 184</b>	<b>361 150</b>	<b>260 613</b>	<b>308 255</b>	<b>291 199</b>

Table 100—New South Wales—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)—continued

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings . . . . .	311 602	334 673	357 354	414 564	475 041
Interest on Commonwealth Government Loans—					
Special Budgetary Assistance . . . . .	1 913	1 063	213	..	..
Housing for Servicemen . . . . .	6 949	7 809	8 232	8 318	8 411
Housing . . . . .	45 805	50 615	53 895	56 003	57 904
Growth Centres . . . . .	10 176	11 672	13 220	15 267	17 209
Land Acquisition . . . . .	1 687	2 137	2 338	2 612	2 969
Captains Flat Project . . . . .	37	39	40	39	39
Sewerage . . . . .	8 174	8 151	8 126	8 098	8 068
Railway Projects . . . . .	166	161	156	339	842
Blowering Reservoir . . . . .	921	822	717	610	504
Softwood Forestry . . . . .	..	44	269	612	1 441
Dairy Adjustment Program . . . . .	82	80	73	68	70
Rural Adjustment Scheme . . . . .	98	545	1 131	1 415	1 592
Canned Fruit Industry . . . . .	145	..	..	..	..
Rural Reconstruction . . . . .	2 756	2 724	2 639	2 520	2 400
Dartmouth Dam . . . . .	759	843	843	843	843
Chowilla Reservoir . . . . .	67	59	51	44	36
War Service Land Settlement . . . . .	421	415	408	401	394
Total Interest on Commonwealth Govern- ment Loans . . . . .	80 155	87 179	92 350	97 190	102 721
TOTAL INTEREST ON LOAN COUN- CIL BORROWINGS AND COMMON- WEALTH GOVERNMENT LOANS . . . . .	391 757	421 852	449 704	511 754	577 762

(a) (b) (c) (d)—See footnotes in previous table.

**Table 101—Victoria—Advances, Debt Charges on Advances and Net Advances, 1977-78 to 1981-82 (\$ thousands)**

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate)
<b>ADVANCES (a)</b>					
<i>Loan Council Borrowings</i> . . . . .	240 142	240 142	208 521	218 947	218 947
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	753	948	45	400	200
Welfare Housing Loans (b) . . . . .	101 759	82 451	41 744	43 440	36 135
Growth Centres . . . . .	9 075	7 391	8 804	10 244	11 246
Land Acquisition . . . . .	5 340	3 201	3 267	3 649	4 149
Railway Mainline Upgrading . . . . .	..	..	3 230	5 212	3 500
Softwood Forestry . . . . .	73	613	415	521	400
Dairy Adjustment Program . . . . .	363	..	..	..	..
Rural Adjustment Scheme . . . . .	9 733	8 712	3 281	3 303	3 363
Rural Reconstruction . . . . .	18	..	..	..	..
Natural Disaster Relief . . . . .	1 291	201	..	..	..
Total Commonwealth Government Loans . . . . .	128 404	103 517	60 787	66 770	58 993
<b>TOTAL ADVANCES</b> . . . . .	368 546	343 659	269 308	285 717	277 940
<b>REPAYMENTS OF ADVANCES</b>					
<i>Sinking Fund Payments on Loan Council Borrowings (c)</i> . . . . .	42 171	45 868	48 195	50 313	53 984
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	236	248	260	272	287
Unemployment Relief Works . . . . .	..	2	2	2	2
Welfare Housing Loans . . . . .	8 142	9 004	9 740	10 327	10 987
Growth Centres . . . . .	..	103	207	205	249
Sewerage . . . . .	193	226	248	273	300
Railway Projects . . . . .	96	96	96	96	96
Softwood Forestry . . . . .	..	12	32	51	84
Dairy Adjustment Program . . . . .	899	1 348	1 513	1 427	1 280
Rural Adjustment Scheme . . . . .	..	1	25	90	98
Beef Industry Assistance . . . . .	6	143	349	543	350
Rural Reconstruction . . . . .	962	1 163	1 687	1 515	1 528
Canned Fruit Industry . . . . .	1 301	759	1 255	491	263
War Service Land Settlement . . . . .	182	189	196	203	210
Natural Disaster Relief . . . . .	85	193	343	369	325
Total Repayments of Commonwealth Government Loans . . . . .	12 103	13 486	15 962	15 866	16 058
<b>TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS</b> . . . . .	54 274	59 355	64 157	66 178	70 042
<b>NET ADVANCES(d) (Advances Less Repayments)</b>					
<i>Loan Council Borrowings</i> . . . . .	197 971	194 274	160 326	168 634	164 963
<i>Commonwealth Government Loans</i> . . . . .	116 301	90 031	44 825	50 904	42 935
<b>TOTAL NET ADVANCES</b> . . . . .	314 272	284 304	205 150	219 539	207 898

Table 101—Victoria—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)—continued

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
INTEREST ON ADVANCES					
Interest on Loan-Council Borrowings	239 403	257 316	274 649	318 364	364 975
Interest on Commonwealth Government Loans—					
Housing for Servicemen	2 838	2 899	2 922	2 920	2 952
Housing	36 439	40 078	42 478	44 063	45 553
Growth Centres	6 598	7 609	8 440	9 350	10 973
Land Acquisition	2 887	3 201	3 267	3 649	4 149
Sewerage	7 179	7 160	7 137	7 113	7 086
Railway Projects	166	161	156	151	147
Softwood Forestry		9	30	58	100
Dairy Adjustment Program	308	345	349	304	320
Rural Adjustment Scheme	259	939	1 502	1 764	1 902
Canned Fruit Industry	156	372	145	18	10
Rural Reconstruction	2 012	1 951	1 593	1 800	1 708
Dartmouth Dam	759	843	843	843	843
War Service Land Settlement	447	441	434	426	419
Total Interest on Commonwealth Government Loans	60 049	66 008	69 296	72 461	76 161
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	299 452	323 323	343 945	390 825	441 136

(a) (b) (c) and (d)—See corresponding footnotes to Table 100.

**Table 102—Queensland—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
<b>ADVANCES(a)</b>					
<i>Loan Council Borrowings</i> . . . . .	126 740	126 740	110 051	115 554	115 554
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	12 500	5 229		800	1 500
Welfare Housing Loans (b) . . . . .	39 810	32 257	16 336	17 000	14 148
Railway Mainline Upgrading . . . . .			1 907	3 851	7 800
Gladstone Power Station . . . . .	191				
Softwood Forestry . . . . .		1 485	977	841	800
Dairy Adjustment Program . . . . .	21				
Rural Adjustment Scheme . . . . .	8 440	8 087	1 744	2 377	2 389
Beef Industry Assistance . . . . .	33				
Rural Reconstruction . . . . .	23				
Sugar Industry . . . . .			27 842		
Natural Disaster Relief . . . . .	3 762	1 434	216	6 755	3 485
Total Commonwealth Government Loans . . . . .	64 781	48 493	49 022	31 625	30 122
<b>TOTAL ADVANCES</b> . . . . .	<b>191 521</b>	<b>175 233</b>	<b>159 073</b>	<b>147 179</b>	<b>145 676</b>
<b>REPAYMENTS OF ADVANCES</b>					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i> . . . . .	22 795	24 734	26 093	27 045	28 411
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	192	208	224	236	249
Aboriginal Advancement . . . . .	21		23	25	25
Welfare Housing Loans . . . . .	2 506	2 820	3 077	3 277	3 486
Sewerage . . . . .	58	65	71	78	86
Community Facility—Townsville . . . . .	4	5	5	6	6
Beef Cattle Roads . . . . .	570	570	570	570	570
Railway Projects . . . . .	1 969	2 079	2 195	2 317	2 446
Coal Loading Facilities . . . . .	13	13	6		
Weipa Development . . . . .	81	85	90	95	100
Julius Dam . . . . .	80	88	97	107	118
Gladstone Power Station . . . . .			1 072	2 242	2 378
Softwood Forestry . . . . .	8	27	65	102	148
Dairy Adjustment Program . . . . .	334	356	393	423	550
Rural Adjustment Scheme . . . . .		138	1 360	1 415	1 415
Beef Industry Assistance . . . . .	451	1 445	2 868	1 706	2 868
Rural Reconstruction . . . . .	842	906	1 152	1 267	1 266
Sugar Industry . . . . .	2 610	2 740	2 877	27 391	
Brigalow Lands Development Scheme . . . . .	508	346	693	693	693
Natural Disaster Relief . . . . .	2 050	1 939	2 391	1 335	1 315
Total Repayments of Commonwealth Government Loans . . . . .	12 297	13 832	19 231	43 283	17 720
<b>TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS</b> . . . . .	<b>35 092</b>	<b>38 566</b>	<b>45 325</b>	<b>70 328</b>	<b>46 131</b>
<b>NET ADVANCES(d) (Advances Less Repayments)</b>					
<i>Loan Council Borrowings</i> . . . . .	103 945	102 006	83 958	88 509	87 143
<i>Commonwealth Government Loans</i> . . . . .	52 484	34 661	29 791	11 659	12 402
<b>TOTAL NET ADVANCES</b> . . . . .	<b>156 429</b>	<b>136 667</b>	<b>113 749</b>	<b>76 850</b>	<b>99 545</b>

Table 102—*Queensland—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)—continued*

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings (e)</i> . . . . .	121 463	129 761	139 979	158 301	223 463
<i>Interest on Commonwealth Government Loans—</i>					
· Housing for Servicemen . . . . .	3 709	4 880	5 327	5 316	5 375
· Aboriginal Advancement—Bamaga . . . . .	14	..	12	11	10
· Housing . . . . .	11 935	13 414	14 391	15 012	15 525
· Community Facilities—Townsville . . . . .	41	41	41	40	40
· Sewerage . . . . .	2 109	2 119	2 113	2 106	2 098
· Beef Cattle Roads . . . . .	136	107	79	50	22
· Railway Projects . . . . .	949	839	723	601	471
· Coal Loading Facilities . . . . .	1	1	0	..	..
· Weipa Development . . . . .	145	140	136	131	126
· Julius Dam . . . . .	168	159	151	141	130
· Gladstone Power Station . . . . .	..	..	8 578	10 392	10 256
· Softwood Forestry . . . . .	6	24	62	119	182
· Dairy Adjustment Program . . . . .	454	457	427	395	400
· Rural Adjustment Scheme . . . . .	161	548	927	1 116	1 220
· Sugar Industry . . . . .	411	281	871	1 233	..
· Rural Reconstruction . . . . .	1 645	1 603	1 547	1 470	1 404
· Brigalow Lands Development Scheme . . . . .	447	485	936	889	843
Total Interest on Commonwealth Govern- ment Loans . . . . .	22 331	25 099	36 320	39 022	38 100
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMON- WEALTH GOVERNMENT LOANS . . . . .	143 794	154 860	176 299	197 323	261 563

(a), (b), (c), (d) and (e)—See corresponding footnotes to Table 100.



**Table 103—South Australia—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
<b>ADVANCES(a)</b>					
<i>Loan Council Borrowings</i>	124 569	124 569	108 165	113 573	113 573
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	1 317				270
Welfare Housing Loans (b)	58 460	47 368	23 984	24 960	20 761
Growth Centres	1 088	1 201	1 311		
Land Acquisition	11 507	6 712	7 329	8 186	
Railway Mainline Upgrading					3 000
Urban Water Supply	4 200	3 105			
Softwood Forestry	—87		330	155	150
Rural Adjustment Scheme	5 956	3 884	2 041	2 019	2 036
Rural Reconstruction	300				
Natural Disaster Relief	12 117	4 929			
Total Commonwealth Government Loans	94 857	67 199	34 995	35 320	26 217
<b>TOTAL ADVANCES</b>	<b>219 426</b>	<b>191 768</b>	<b>143 160</b>	<b>148 893</b>	<b>139 790</b>
<b>REPAYMENTS OF ADVANCES</b>					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	21 199	23 102	24 416	25 460	26 810
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	17	18	19	20	21
Welfare Housing Loans	3 645	4 108	4 488	4 782	5 088
Growth Centres				5 100	
Land Acquisition					36 000
Sewerage	29	33	36	39	43
Railway Projects	2	2	2		
Natural Gas	1 875	1 875	1 875		
Urban Water Supply	46	62	77	90	99
Softwood Forestry	4	12	21	35	47
Dairy Adjustment Program	50	76	74	77	70
Rural Adjustment Scheme			4	54	4
Beef Industry Assistance	94	60	107	47	72
Rural Reconstruction	449	477	696	757	763
Canned Fruit Industry			206		
Natural Disaster Relief			1 481	2 036	2 036
Total Repayments of Commonwealth Government Loans	6 211	6 723	9 087	13 038	44 242
<b>TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS</b>	<b>27 410</b>	<b>29 824</b>	<b>33 503</b>	<b>38 498</b>	<b>71 052</b>

Table 103—South Australia—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)—continued

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
<b>NET ADVANCES(d)</b> (Advances Less Repayments)					
Loan Council Borrowings	103 370	101 467	83 749	88 113	86 763
Commonwealth Government Loans	88 646	60 476	25 909	22 282	-18 025
<b>Total Net Advances</b>	<b>192 016</b>	<b>161 943</b>	<b>109 657</b>	<b>110 395</b>	<b>68 738</b>
<b>INTEREST ON ADVANCES</b>					
<i>Interest on Loan Council Borrowings (e)</i>	119 300	128 583	137 630	160 146	184 124
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	457	587	586	583	589
Housing	20 397	22 602	24 078	25 031	25 882
Growth Centres	1 088	1 201	1 311	..	..
Land Acquisition	5 507	6 712	7 329	8 186	..
Sewerage	985	983	979	976	972
Railway Projects	208	208	208	..	..
Natural Gas	304	194	83	..	..
Urban Water Supply	1 724	2 049	2 287	2 279	2 270
Softwood Forestry	3	16	31	72	143
Dairy Adjustment Program	21	19	19	16	16
Rural Adjustment Scheme	15	340	628	813	945
Canned Fruit Industry	..	..	192	11	..
Rural Reconstruction	1 013	999	967	930	882
Dartmouth Dam	759	843	843	843	843
<b>Total Interest on Commonwealth Government Loans</b>	<b>32 481</b>	<b>36 751</b>	<b>39 541</b>	<b>39 740</b>	<b>32 542</b>
<b>TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS</b>	<b>151 781</b>	<b>165 335</b>	<b>177 171</b>	<b>199 886</b>	<b>216 666</b>

(a), (b), (c), (d) and (e)—See corresponding footnotes to Table 100.

**Table 104—Western Australia—Advances, Debt Charges on Advances and Net Advances, 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate)
<b>ADVANCES(a)</b>					
<i>Loan Council Borrowings</i> . . . . .	88 446	88 446	76 799	80 639	80 639
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	2	..	50	..	400
Welfare Housing Loans (b) . . . . .	36 740	29 767	15 072	15 680	13 038
Land Acquisition . . . . .	5 026	2 537	2 771	3 095	3 519
Railway Projects . . . . .	20	..	..	..	..
Railway Mainline Upgrading . . . . .	..	..	..	730	..
Softwood Forestry . . . . .	..	1 302	910	811	1 000
Dairy Adjustment Program . . . . .	208	..	..	..	..
Rural Adjustment Scheme . . . . .	3 857	8 075	1 720	2 295	2 566
Rural Reconstruction . . . . .	189	..	..	..	..
Ord River Project . . . . .	20	..	14	355	45
Natural Disaster Relief . . . . .	15 714	6 895	7 092	12 757	293
Total Commonwealth Government Loans . . . . .	61 777	48 575	27 629	35 723	20 861
<b>TOTAL ADVANCES</b> . . . . .	150 223	137 021	104 428	116 362	101 500
<b>REPAYMENTS OF ADVANCES</b>					
<i>Sinking Fund Payments on Loan Council Borrowings (c)</i> . . . . .	16 839	18 171	19 105	19 786	19 948
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	48	50	53	55	58
Welfare Housing Loans . . . . .	2 443	2 736	2 966	3 147	3 348
Sewerage . . . . .	80	92	101	111	122
Exmouth Township—Electricity Services . . . . .	9	10	15	5	15
Railway Projects . . . . .	2 173	1 725	2 364	3 046	2 603
Northern Harbours . . . . .	98	98	98	98	..
Derby Jetty . . . . .	53	53	..	..	..
Softwood Forestry . . . . .	..	18	38	72	90
Dairy Adjustment Program . . . . .	212	227	230	240	275
Rural Adjustment Scheme . . . . .	..	..	..	19	32
Beef Industry Assistance . . . . .	101	142	82	58	100
Rural Reconstruction . . . . .	651	744	921	1 069	1 058
Exmouth Township Water and Sewerage . . . . .	..	4	4	4	4
Ord River Project . . . . .	..	..	..	10	34
Western Australia Water Supply . . . . .	244	367	508	613	745
Natural Disaster Relief . . . . .	..	256	..	5 352	3 954
Total Repayments of Commonwealth Government Loans . . . . .	6 112	6 522	7 380	13 899	12 436
<b>TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS</b> . . . . .	22 952	24 693	26 484	33 685	32 384

Table 104—Western Australia—Advances, Debt Charges on Advances and Net Advances, 1977-78 to 1981-82 (\$ thousands)—continued

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate)
NET ADVANCES(d) (Advances Less Repayments)					
Loan Council Borrowings	71 607	70 275	57 694	60 853	60 691
Commonwealth Government Loans	55 664	42 053	20 249	21 824	8 425
Total Net Advances	127 271	112 328	77 943	82 677	69 116
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (e)	92 080	98 619	105 202	120 732	138 584
Interest on Commonwealth Government Loans—					
Housing for Servicemen	617	615	613	614	622
Housing	11 642	13 032	13 982	14 597	15 096
Land Acquisition	2 051	2 537	2 771	3 095	3 519
Exmouth Township	11	17	22	10	19
Sewerage	2 959	2 951	2 942	2 932	2 921
Railway Projects	2 504	1 367	2 295	3 121	1 996
Northern Harbours	18	13	9	4	..
Derby Jetty	4	2	..	..	..
Softwood Forestry	4	27	132	267	683
Dairy Adjustment Program	81	78	80	68	70
Rural Adjustment Scheme	33	335	814	986	1 136
Rural Reconstruction	1 377	1 353	1 312	1 260	1 193
Ord River Project	191	193	193	194	239
Western Australia Water Supply	691	675	652	621	582
Total Interest on Commonwealth Government Loans	22 183	23 196	25 816	27 770	28 076
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	114 263	121 815	131 017	148 501	166 660

(a), (b), (c), (d) and (e)—See corresponding footnotes to Table 100.

**Table 105—Tasmania—Advances, Debt Charges on Advances and Net Advances, 1977-78 to 1981-82 (\$ thousands)**

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate)
<b>ADVANCES(a)</b>					
<i>Loan Council Borrowings</i>	66 992	66 992	58 171	61 080	61 080
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen					51
Welfare Housing Loans(b)	25 220	20 436	10 352	10 770	8 964
Legana Industrial Estate (Tasmania)				195	
Softwood Forestry		1 090	659	603	650
Native Forestry Assistance—Tasmania			272	336	236
Dairy Adjustment Program	81				
Rural Adjustment Scheme	104	991	202	206	354
Beef Industry Assistance		-3			
Rural Reconstruction	27				
Assistance for Mount Lyell Mining	3 383				
Natural Disaster Relief					103
Total Commonwealth Government Loans	28 815	22 515	11 484	12 111	10 358
<b>TOTAL ADVANCES</b>	<b>95 807</b>	<b>89 507</b>	<b>69 655</b>	<b>73 191</b>	<b>71 438</b>
<b>REPAYMENTS OF ADVANCES</b>					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	9 810	10 761	11 477	12 157	14 345
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	3	3	3	3	4
Welfare Housing Loans	1 289	1 482	1 630	1 744	1 856
Legana Industrial Estate (Tasmania)					20
Sewerage	20	24	26	29	32
King Island Harbour Works	45	45	45	45	45
King Island Shipping Service	87	87	87	87	87
Hydro-electricity	2 989	2 989	2 989	2 989	2 989
Softwood Forestry		21	40	56	84
Dairy Adjustment Program	176	91	274	230	235
Rural Adjustment Scheme		48	105	101	129
Beef Industry Assistance			46		50
Rural Reconstruction	104	73	204	152	159
Assistance for Mount Lyell Mining		1 009	2 374		
Launceston Precision Tool Annexe					33
Natural Disaster Relief	320	320	294	294	294
Total Repayments of Commonwealth Government Loans	5 033	6 193	8 118	5 731	6 017
<b>TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS</b>	<b>14 843</b>	<b>16 954</b>	<b>19 594</b>	<b>17 888</b>	<b>20 362</b>

*Table 105—Tasmania—Advances, Debt Charges on Advances and Net Advances, 1977-78 to 1981-82 (\$ thousands)—continued*

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate)
<b>NET ADVANCES(d)</b> (Advances Less Repayments)					
Loan Council Borrowings . . . . .	57 182	56 231	46 694	48 923	46 735
Commonwealth Government Loans . . . . .	23 782	16 322	3 367	6 380	4 341
<b>Total Net Advances . . . . .</b>	<b>80 964</b>	<b>72 552</b>	<b>50 061</b>	<b>55 302</b>	<b>51 076</b>
<b>INTEREST ON ADVANCES</b>					
<i>Interest on Loan Council Borrowings(e)</i> . . . . .	63 781	68 953	73 926	86 204	99 313
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen . . . . .	52	52	52	51	52
Housing . . . . .	7 773	8 743	9 413	9 844	10 181
Legana Industrial Estate (Tasmania) . . . . .					14
Sewerage . . . . .	328	340	337	335	332
King Island Harbour Works . . . . .	37	34	31	28	24
King Island Shipping Service . . . . .	102	93	85	77	68
Hydro-electricity . . . . .	890	702	515	328	141
Softwood Forestry . . . . .		15	40	67	97
Dairy Adjustment Program . . . . .	21	13	37	21	24
Rural Adjustment Scheme . . . . .		3	70	46	105
Rural Reconstruction . . . . .	203	102	291	187	175
Launceston Precision Tool Annexe . . . . .					25
<b>Total Interest on Commonwealth Govern- ment Loans . . . . .</b>	<b>9 406</b>	<b>10 096</b>	<b>10 872</b>	<b>10 983</b>	<b>11 237</b>
<b>TOTAL INTEREST ON LOAN COUN- CIL BORROWINGS AND COMMON- WEALTH GOVERNMENT LOANS . . . . .</b>	<b>73 187</b>	<b>79 049</b>	<b>84 798</b>	<b>97 188</b>	<b>110 550</b>

(a), (b), (c), (d) and (e)—See corresponding footnotes to Table 100.

**Table 106—Total Commonwealth Government Loans to the States and Loan Council Borrowings—Net Basis, 1977–78 to 1981–82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977–78 . . . . .	390 184	314 272	156 429	192 016	127 271	80 964	1 261 136
1978–79 . . . . .	361 150	284 304	136 667	161 943	112 328	72 552	1 128 945
1979–80 . . . . .	260 613	205 150	113 749	109 657	77 943	50 061	817 173
1980–81 . . . . .	308 255	219 539	76 850	110 395	82 677	55 302	853 017
1981–82 (estimate) . . . . .	291 199	207 898	99 545	68 738	69 116	51 076	787 572

**Table 107—Total Commonwealth Government Payments to the States and Loan Council Borrowings—Net Basis, 1977–78 to 1981–82 (\$ thousands)**

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1977–78 . . . . .	3 204 329	2 439 336	1 625 000	1 152 387	1 100 078	464 279	9 985 408
1978–79 . . . . .	3 379 311	2 565 788	1 695 985	1 175 418	1 163 840	480 409	10 460 751
1979–80 . . . . .	3 607 354	2 704 460	1 824 320	1 222 437	1 240 975	503 391	11 102 936
1980–81 . . . . .	4 035 480	3 001 208	2 022 990	1 336 314	1 384 983	564 714	12 345 689
1981–82 (estimate) . . . . .	4 323 710	3 268 501	2 256 335	1 378 495	1 470 212	603 303	13 331 932

**APPENDIX VI—COMMONWEALTH PAYMENTS TO OR FOR THE  
STATES AND STATE GOVERNMENT LOAN COUNCIL  
BORROWINGS, 1977-78 TO 1981-82**

TABLE No.	SUBJECT	PAGE
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109	New South Wales . . . . .	209
110	Victoria . . . . .	213
111	Queensland . . . . .	217
112	South Australia . . . . .	220
113	Western Australia . . . . .	223
114	Tasmania . . . . .	227



**Table 108—Six States Total—Commonwealth Payments and Loan Council Borrowings (a), 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
<b>GENERAL REVENUE FUNDS</b>					
Tax Sharing Grants . . . . .	4 336 250	4 778 669	5 415 910	6 011 318	6 620 728
Adjustments for Previous Year . . . . .	-19 609	..	..	..	..
Additional Grant . . . . .	..	..	..	..	69 000
Health Grants . . . . .	..	..	..	..	1 130 000
Special Grants . . . . .	24 800	21 700	12 400	6 700	58 500
<b>Total</b> . . . . .	<b>4 341 441</b>	<b>4 800 369</b>	<b>5 428 310</b>	<b>6 018 018</b>	<b>7 878 228</b>
<b>GENERAL PURPOSE CAPITAL FUNDS (c)</b>					
Loan Council Borrowings . . . . .	955 867	955 867	830 000	871 500	871 500
Capital Grants (d) . . . . .	477 930	477 936	415 000	435 750	435 750
<b>Total</b> . . . . .	<b>1 433 797</b>	<b>1 433 803</b>	<b>1 245 000</b>	<b>1 307 250</b>	<b>1 307 250</b>
<b>SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES</b>					
Payments under Financial Agreement—					
Interest on State Debt . . . . .	15 170	15 170	15 170	15 170	15 170
Sinking Fund on State Debt . . . . .	33 747	35 959	38 148	39 937	41 900
State Emergency Services . . . . .	1 250	1 390	1 442	1 751	1 744
Assistance for Exmouth Shire . . . . .	112	354	352	..	..
Universities . . . . .	574 465	594 587	652 674	732 187	810 057
Colleges of Advanced Education . . . . .	395 501	413 497	452 366	508 599	502 284
Technical and Further Education . . . . .	45 600	51 741	60 011	72 468	77 478
Schools . . . . .	455 622	491 395	551 684	658 781	803 953
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	18 500
Child Migrant and Refugee Education . . . . .	278	1 740	2 623	3 592	2 969
Education Research . . . . .	809	801	841	1 024	603
Pre-School Education . . . . .	39 362	32 750	32 750	30 843	32 750
School-to-Work Transition . . . . .	..	..	4 429	23 237	34 139
Public Hospitals—Running Costs . . . . .	945 682	1 030 155	1 119 181	1 237 339	1 71 300
Community Health Program . . . . .	56 874	41 532	45 202	57 287	432
Tuberculosis Control . . . . .	2 332	..	..	..	..
School Dental Scheme . . . . .	15 447	13 885	20 341	19 948	200
Drug Education Campaigns . . . . .	742	873	1 125	1 576	1 575
Blood Transfusion Services . . . . .	4 924	5 853	7 034	7 456	8 632
Health Planning Agencies . . . . .	560	440	450	390	390
Home Dialysis Scheme . . . . .	3	..	..	..	..
Australian Encephalitis Control . . . . .	58	68	98	122	118
Home Care Services . . . . .	9 138	8 586	10 369	11 508	13 673
Senior Citizens Centres . . . . .	721	822	1 054	1 254	1 400
Paramedical Services . . . . .	582	836	876	984	1 038
Assistance for Deserted Wives . . . . .	20 083	26 075	24 668	14 098	..
Child Care Services . . . . .	5 638	8 194	10 080	12 523	13 455
1972–74 Employment Grants—Refunds . . . . .	-408	..	-310	..	..
Maryborough Employment Grants . . . . .	3 000	3 000	3 450	..	..
Rehabilitation Centres . . . . .	..	..	..	340	682
Community Welfare Relief . . . . .	50	..	..	..	..
Translating/Interpreting Services . . . . .	..	..	221	234	328
Aboriginal Advancement . . . . .	19 580	20 221	22 263	25 718	26 208
Rental Assistance for Housing . . . . .	5 557	5 500	5 500	5 500	7 975
Sewerage . . . . .	241	..	16	..	..
National Fitness . . . . .	207	207	207	583	..
Nature Conservation . . . . .	282	75	125	..	..
Tasman Bridge Disaster . . . . .	730	..	..	..	..
Trawl and Danish Seine Fishery . . . . .	21	8	..	..	..
Rural Adjustment Scheme . . . . .	..	..	..	124	26
Apple and Pear Export Assistance . . . . .	55	575	689	216	1 042
Bovine Brucellosis and T.B. Eradication . . . . .	16 749	23 018	21 691	21 175	21 368
Exotic Diseases Eradication . . . . .	..	175	11	66	..

Table 108—Six States Total—Commonwealth Payments and Loan Council Borrowings(a), 1977-78 to 1981-82 (\$ thousands)—continued

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate) (b)
Warehouse Beetle Eradication	156	84	66	..	499
Plant Pest Control	..	307	143	..	..
Agricultural Extension Services	9 780	9 746	4 730	4 706	..
Minor Agricultural Research	125	158	221	237	298
Water Hyacinth Control	50	..	..	..	..
Coal and Groundwater Exploration	..	..	..	200	..
S.A. Iron Triangle Feasibility Study	..	..	..	50	200
Coal Mining Industry-Long Service Leave	5 784	6 783	7 735	8 538	8 200
Apprenticeship Training	6 689	4 159	1 076	51	..
Education Program for Unemployed Youth	1 466	3 000	3 484	3 770	..
Regional Economic Study Centre	..	..	..	..	40
Legal Aid	80	21	175	270	400
Family Courts	1 065	..	..	..	..
Road Safety Practices	150	150	150	150	150
Research Grants	10 155	11 734	12 316	..	..
Local Government Tax Sharing Assistance	165 328	179 427	221 739	300 786	350 866
Natural Disaster Relief	2 311	2 679	1 641	24 712	10 820
<b>Total Specific Purpose Payments--Recurrent</b>	<b>2 873 904</b>	<b>3 047 728</b>	<b>3 360 306</b>	<b>3 885 499</b>	<b>2 982 862</b>
<b>SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES</b>					
Housing for Servicemen	22 519	11 600	1 455	1 320	4 180
Universities	52 392	51 143	52 192	42 011	48 626
Colleges of Advanced Education	54 006	68 155	44 853	38 819	35 891
Technical and Further Education	46 425	64 970	78 816	97 103	106 880
Schools	183 457	178 956	144 906	138 534	157 931
Video Facilities	..	..	..	..	1 340
Child Migrant & Refugee Education	..	129	50	66	30
Pre-School Education	6 632	..	..	..	..
Hospitals-Capital Development	44 540	..	..	..	..
Launceston General Hospital	3 350	4 959	5 160	3 400	5 015
Hospital-Based Home Nurses	..	..	..	..	35 000
Community Health Program	10 411	6 125	2 643	2 297	..
School Dental Scheme	8 265	4 096	2 503	422	..
Blood Transfusion Services	730	1 149	349	505	1 117
Disposal of Ships' Garbage	2	4	132	122	277
High Security Quarantine Unit	200	89	850	935	500
Senior Citizens Centres	3 946	3 050	3 245	4 000	4 000
Child Care Services	1 368	1 033	752	52	..
Rehabilitation Centres	922	917	850	955	836
Aboriginal Advancement	12 474	13 678	13 187	10 703	3 988
Welfare Housing Loans	390 000	316 000	160 000	166 500	138 510
Pensioner Housing Grants(e)	10 000	14 000	30 000	31 000	31 500
Other Housing Assistance	..	..	50 000	53 500	47 435
Rental Assistance for Aborigines	..	..	20 000	21 000	29 799
Growth Centres	25 640	24 822	27 091	28 765	32 455
Urban Flood Mitigation	992	818	762	911	..
Land Acquisition	26 260	14 587	15 706	17 543	10 637
Woolloomooloo Redevelopment	213	275	-22	1 001	4 194
Air Quality Monitoring	80	70	..	..	..
Captains Flat Project	..	144	..	20	12
Legana Industrial Estate (Tasmania)	..	..	..	195	..
Leisure Recreation/Culture	3 229	652	509	..	..
Nature Conservation	70	125	56	5	9
National Estate	2 241	2 490	1 800	1 980	1 980
Port Arthur Conservation Program	..	..	400	800	1 200
1982 Commonwealth Games Assistance	..	2 500	2 500	2 500	2 500
International Standard Sports Facilities	..	..	..	387	6 513
Roads	477 912	508 000	546 000	606 881	661 965
Burbong Bridge Construction	..	..	..	..	300
Second Hobart Bridge	518	49	998	6 413	17 500
Railway Projects	34	..	..	863	..
Railway Mainline Upgrading	..	..	5 137	14 793	24 300

Table 108—Six States Total—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
Urban Public Transport . . . . .	51 000	41 869	42 084	44 057	1 514
Victorian Transport System . . . . .	..	..	..	..	35 000
Newcastle Drydock . . . . .	-305	-178	..	..	..
Transport Planning and Research . . . . .	8 924	6 404	6 916	6 250	..
Tasman Bridge Disaster . . . . .	5 870	-725	..	..	..
Julius Dam . . . . .	325	500	250	250	..
Port Hedland Water Supplies . . . . .	..	..	690	177	..
Urban Water Supply . . . . .	6 000	4 490	2 555	2 600	..
West Pilbara Water Supplies . . . . .	..	..	500	350	..
Gladstone Power Station . . . . .	191	..	..	..	..
Softwood Forestry . . . . .	360	7 665	5 131	4 823	5 000
Native Forestry Assistance—Tasmania . . . . .	..	..	272	336	236
Cheynes Beach Whale Company Assistance . . . . .	..	25	..	..	..
Dairy Adjustment Program . . . . .	1 015	..	..	..	..
Rural Adjustment Scheme . . . . .	40 243	46 977	15 117	16 439	17 075
Beef Industry Assistance . . . . .	33	-3	..	..	..
Rural Reconstruction . . . . .	2 932	..	..	..	..
Fruitgrowing Industry . . . . .	679	-20	..	..	..
Sugar Industry . . . . .	..	..	27 842	..	..
Namoi River Weirs . . . . .	1 000	..	..	..	..
Water Resources Assessment . . . . .	6 660	8 014	6 445	7 548	..
Unallocated Water Programs . . . . .	..	..	..	..	31 377
Salinity Reduction Control . . . . .	..	1 800	5 070	6 806	..
Water Hyacinth Control . . . . .	..	15	..	..	..
Split Rock Dam . . . . .	..	..	..	500	..
Eton (Mackay) Irrigation Scheme . . . . .	..	..	..	1 300	..
NSW Rivers Mitigation Study . . . . .	..	..	284	250	40
Launceston Flood Protection . . . . .	..	..	..	75	..
Hunter Valley Strategic Study . . . . .	..	..	75	112	..
Victorian Water Resources Study . . . . .	..	..	57	62	..
WA Water Resources Study . . . . .	..	..	30	154	..
Flood Mitigation . . . . .	1 236	1 062	1 686	2 007	82
Bundaberg Irrigation Works . . . . .	1 500	950	2 500	2 500	..
Ord River Project . . . . .	20	..	14	355	45
Assistance for Mount Lyell Mining . . . . .	3 383	..	..	..	..
Assistance for Chrysotile Corporation . . . . .	..	..	1 179	222	..
Launceston Precision Tool Annexe . . . . .	..	..	..	323	20
Tailem Bend to Keith Pipeline . . . . .	17	..	..	..	..
Soil Conservation . . . . .	95	105	..	..	..
Natural Disaster Relief . . . . .	55 189	24 288	14 179	55 611	22 910
Total Specific Purpose Payments—Capital . . . . .	1 575 195	1 437 823	1 345 755	1 449 406	1 494 717
TOTAL PAYMENTS(f)					
	9 268 470	9 763 856	10 549 371	11 788 673	12 791 517
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(g) . . . . .	5 775 238	6 234 172	6 673 310	7 325 268	9 185 478
Specific Purpose . . . . .	4 449 099	4 485 551	4 706 061	5 334 906	4 477 579
Total . . . . .	10 224 337	10 719 723	11 379 371	12 660 173	13 663 017

- (a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to other levels of government, details of which are given in Chapters V and VI.
- (b) Important qualifications attach to the 1981–82 estimates in some cases. See relevant sections of the text.
- (c) See Chapter III, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.
- (d) Western Australia was underpaid by \$3000 in 1977–78 which was adjusted in 1978–79.
- (e) See Chapter IV and Table 96 for details.
- (f) Comprising general revenue funds, specific purpose payments and general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (c).
- (g) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (c).

**Table 109—New South Wales—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
<b>GENERAL REVENUE FUNDS</b>					
Tax Sharing Grants . . . . .	1 327 143	1 464 397	1 663 466	1 839 065	2 027 511
Adjustments for Previous Year . . . . .	-7 534	..	..	..	..
Additional Grant . . . . .	..	..	..	..	24 500
Health Grants . . . . .	..	..	..	..	483 500
<b>Total . . . . .</b>	<b>1 319 609</b>	<b>1 464 397</b>	<b>1 663 466</b>	<b>1 839 065</b>	<b>2 535 511</b>
<b>GENERAL PURPOSE CAPITAL FUNDS(c)</b>					
Loan Council Borrowings . . . . .	308 978	308 978	268 293	281 707	281 707
Capital Grants . . . . .	154 489	154 489	134 146	140 854	140 854
<b>Total . . . . .</b>	<b>463 467</b>	<b>463 467</b>	<b>402 439</b>	<b>422 561</b>	<b>422 561</b>
<b>SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES</b>					
Payments under Financial Agreement—					
Interest on State Debt . . . . .	5 835	5 835	5 835	5 835	5 835
Sinking Fund on State Debt . . . . .	11 168	11 876	12 580	13 152	13 765
State Emergency Services . . . . .	455	472	502	509	515
Universities . . . . .	222 893	230 197	252 856	282 878	317 448
Colleges of Advanced Education . . . . .	98 303	105 103	115 272	129 213	120 236
Technical and Further Education . . . . .	19 184	21 061	23 546	26 214	27 305
Schools . . . . .	171 540	180 739	203 806	240 612	286 399
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	6 424
Child Migrant and Refugee Education . . . . .	165	727	1 008	1 181	1 068
Educational Research . . . . .	184	159	170	368	197
Pre-School Education . . . . .	7 934	7 130	7 130	7 130	7 130
School-to-Work Transition . . . . .	..	..	1 886	7 438	11 896
Public Hospitals—Running Costs . . . . .	346 438	383 785	425 282	469 092	6 000
Community Health Program . . . . .	27 118	17 203	19 550	23 312	24
Tuberculosis Control . . . . .	1 626	..	..	..	..
School Dental Scheme . . . . .	2 911	2 374	3 790	3 117	82
Drug Education Campaigns . . . . .	225	280	380	550	550
Blood Transfusion Services . . . . .	1 495	1 769	2 196	2 155	2 576
Health Planning Agencies . . . . .	166	100	83	80	80
Australian Encephalitis Control . . . . .	6	3	17	13	13
Home Care Services . . . . .	1 933	1 875	2 769	3 611	4 545
Senior Citizens Centres . . . . .	226	300	297	383	336
Assistance for Deserted Wives . . . . .	6 376	9 521	7 538	6 379	..
Child Care Services . . . . .	1 881	2 461	2 978	3 257	3 600
1972–74 Employment Grants—Refunds . . . . .	-408	..	-310	..	..
Translating/Interpreting Services . . . . .	..	..	59	133	188
Aboriginal Advancement . . . . .	3 014	2 982	3 030	3 420	3 809
Rental Assistance for Housing . . . . .	1 848	1 848	1 848	1 848	1 848
National Fitness . . . . .	45	45	45	139	..
Trawl and Danish Seine Fishery . . . . .	21	8	..	..	..
Rural Adjustment Scheme . . . . .	..	..	..	39	..
Apple and Pear Export Assistance . . . . .	..	..	..	..	3
Bovine Brucellosis and T.B. Eradication . . . . .	4 535	7 422	7 593	7 449	7 427
Exotic Diseases Eradication . . . . .	..	1	..	..	..
Warehouse Beetle Eradication . . . . .	156	84	66	..	499
Agricultural Extension Services . . . . .	2 592	2 597	1 285	1 274	..
Minor Agricultural Research . . . . .	82	80	108	122	123
Water Hyacinth Control . . . . .	50	..	..	..	..
Coal Mining Industry—Long Service Leave . . . . .	4 759	5 447	5 969	6 805	6 462
Apprenticeship Training . . . . .	2 099	1 393	446	..	..
Education Program for Unemployed Youth . . . . .	376	634	800	865	..
Legal Aid . . . . .	..	..	29	94	124
Road Safety Practices . . . . .	37	37	37	37	37
Research Grants . . . . .	3 867	4 322	4 547	..	..

*Table 109—New South Wales—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued*

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
Local Government Tax Sharing Assistance . . . . .	60 341	65 487	80 930	109 780	128 058
Natural Disaster Relief . . . . .	1 237	265	45	14 871	6 485
Total Specific Purpose Payments—Recurrent	1 012 713	1 075 623	1 195 995	1 373 351	971 087
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen . . . . .	7 947	5 423	1 360	120	1 759
Universities . . . . .	17 909	21 840	25 353	18 634	20 014
Colleges of Advanced Education . . . . .	11 886	20 070	12 087	9 390	10 444
Technical and Further Education . . . . .	15 162	19 279	28 054	34 554	39 381
Schools . . . . .	57 952	58 954	46 266	45 663	53 419
Video Facilities . . . . .	..	..	..	..	700
Child Migrant and Refugee Education . . . . .	..	..	9	..	10
Pre-School Education . . . . .	3 053	..	..	..	..
Hospitals—Capital Development . . . . .	15 810	..	..	..	..
Community Health Program . . . . .	3 319	2 468	969	909	..
School Dental Scheme . . . . .	1 069	976	1 201	..	..
Blood Transfusion Services . . . . .	102	100	105	71	207
Disposal of Ships' Garbage . . . . .	..	..	..	..	150
Senior Citizens Centres . . . . .	1 064	1 200	1 129	2 108	1 200
Child Care Services . . . . .	625	604	376	..	..
Aboriginal Advancement . . . . .	2 654	3 057	3 756	3 353	80
Welfare Housing Loans . . . . .	128 011	103 721	52 512	54 650	45 464
Pensioner Housing Grants (d) . . . . .	4 070	5 695	12 132	12 421	12 430
Other Housing Assistance . . . . .	..	..	16 410	17 070	15 570
Rental Assistance for Aborigines . . . . .	..	..	6 000	6 300	9 087
Growth Centres . . . . .	15 342	16 231	16 977	18 521	21 209
Land Acquisition . . . . .	4 287	2 137	2 338	2 612	2 969
Woolloomooloo Redevelopment . . . . .	213	275	-22	1 001	4 194
Air Quality Monitoring . . . . .	..	30	..	..	..
Captains Flat Project . . . . .	..	144	..	20	12
Leisure and Recreation/Culture . . . . .	570	250	110	..	..
National Estate . . . . .	373	415	300	330	330
International Standard Sports Facilities . . . . .	..	..	..	..	2 074
Roads . . . . .	155 611	164 485	176 789	196 501	214 336
Burbong Bridge Construction . . . . .	..	..	..	..	300
Railway Mainline Upgrading . . . . .	..	..	..	5 000	10 000
Urban Public Transport . . . . .	20 395	14 000	14 125	15 750	..
Newcastle Drydock . . . . .	-305	-178	..	..	..
Transport Planning and Research . . . . .	3 495	2 484	2 670	2 418	..
Softwood Forestry . . . . .	374	3 175	1 840	1 891	2 000
Rural Adjustment Scheme . . . . .	7 660	11 908	4 191	4 239	4 477
Rural Reconstruction . . . . .	2 190	..	..	..	..
Fruitgrowing Industry . . . . .	..	-28	..	..	..
Namoi River Weirs . . . . .	1 000	..	..	..	..
Water Resources Assessment . . . . .	1 630	1 755	1 630	1 800	..
Salinity Reduction Control . . . . .	..	1 000	1 620	2 230	..
Water Hyacinth Control . . . . .	..	15	..	..	..
Split Rock Dam . . . . .	..	..	..	500	..
NSW Rivers Mitigation Study . . . . .	..	..	284	250	40
Hunter Valley Strategic Study . . . . .	..	..	75	112	..
Flood Mitigation . . . . .	1 000	1 000	1 000	1 088	..
Assistance for Chrysotile Corporation . . . . .	..	..	1 179	222	..
Soil Conservation . . . . .	..	40	..	..	..
Natural Disaster Relief . . . . .	8 430	2 879	..	28 684	13 809
Total Specific Purpose Payments—Capital	492 898	465 404	432 824	488 410	485 664
TOTAL PAYMENTS(e)					
	2 979 709	3 159 913	3 426 432	3 841 680	4 133 116

**Table 109—New South Wales—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	1 783 076	1 927 864	2 065 905	2 261 626	2 958 072
Specific Purpose	1 505 611	1 541 027	1 628 820	1 861 761	1 456 751
Total	3 288 687	3 468 891	3 694 725	4 123 387	4 414 823

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to other levels of government, details of which are given in Chapters 5 and 6.

(b) Important qualifications attach to the 1981–82 estimates in some cases. See relevant sections of the text.

(c) See Chapter 3, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.

(d) See Chapter IV and Table 96 for details.

(e) Comprising general revenue funds, specific purpose payments and general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (c).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (c).

**Table 110—Victoria—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
<b>GENERAL REVENUE FUNDS</b>					
Tax Sharing Grants . . . . .	985 667	1 090 025	1 233 934	1 354 860	1 506 543
Adjustments for Previous Year . . . . .	-976	..	..	..	..
Additional Grant . . . . .	..	..	..	..	15 000
Health Grants . . . . .	..	..	..	..	316 700
<b>Total . . . . .</b>	<b>984 690</b>	<b>1 090 025</b>	<b>1 233 934</b>	<b>1 354 860</b>	<b>1 838 243</b>
<b>GENERAL PURPOSE CAPITAL FUNDS(c)</b>					
Loan Council Borrowings . . . . .	240 142	240 142	208 521	218 947	218 947
Capital Grants . . . . .	120 071	120 071	104 260	109 473	109 473
<b>Total . . . . .</b>	<b>360 213</b>	<b>360 213</b>	<b>312 781</b>	<b>328 420</b>	<b>328 420</b>
<b>SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES</b>					
Payments under Financial Agreement—					
Interest on State Debt . . . . .	4 254	4 254	4 254	4 254	4 254
Sinking Fund on State Debt . . . . .	8 540	9 098	9 649	10 100	10 584
State Emergency Services . . . . .	303	370	257	382	393
Universities . . . . .	152 808	158 860	173 556	194 070	210 918
Colleges of Advanced Education . . . . .	141 522	146 456	159 680	179 566	182 390
Technical and Further Education . . . . .	11 163	13 509	16 087	19 048	22 002
Schools . . . . .	138 250	152 062	169 614	202 048	248 185
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	5 607
Child Migrant and Refugee Education . . . . .	41	521	1 045	1 230	1 112
Educational Research . . . . .	240	302	318	315	133
Pre-school Education . . . . .	12 244	9 015	9 015	7 108	9 015
School to Work Transition . . . . .	..	..	515	5 409	8 869
Public Hospitals—Running Costs . . . . .	228 557	252 575	268 476	308 585	1 000
Community Health Program . . . . .	14 239	10 528	12 456	15 777	46
School Dental Scheme . . . . .	2 121	2 389	3 477	3 465	82
Drug Education Campaigns . . . . .	162	206	206	314	314
Blood Transfusion Services . . . . .	1 376	1 823	2 095	2 378	2 869
Health Planning Agencies . . . . .	24	33	57	60	60
Home Dialysis Scheme . . . . .	3	..	..	..	..
Australian Encephalitis Control . . . . .	43	31	39	49	49
Home Care Services . . . . .	2 520	3 450	4 226	4 331	4 285
Senior Citizens Centres . . . . .	328	350	574	620	728
Paramedical Services . . . . .	283	380	352	383	404
Assistance for Deserted Wives . . . . .	4 003	4 917	4 967	194	..
Child Care Services . . . . .	1 757	2 477	3 375	4 477	4 563
Community Welfare Relief . . . . .	50	..	..	..	..
Translating/Interpreting Services . . . . .	..	..	102	77	80
Aboriginal Advancement . . . . .	1 409	1 331	1 562	1 676	1 673
Rental Assistance for Housing . . . . .	1 347	1 347	1 347	1 347	1 347
Sewerage . . . . .	100	..	..	..	..
National Fitness . . . . .	42	42	42	122	..
Rural Adjustment Scheme . . . . .	..	..	..	35	..
Apple and Pear Export Assistance . . . . .	16	27	1	..	90
Bovine Brucellosis and T.B. Eradication . . . . .	5 858	6 980	5 754	4 432	4 231
Agricultural Extension Services . . . . .	2 341	2 307	1 135	1 136	..
Minor Agricultural Research . . . . .	22	50	64	50	81
Apprenticeship Training . . . . .	2 123	1 062	121	7	..
Education Program for Unemployed Youth . . . . .	272	679	777	840	..
Legal Aid . . . . .	80	21	113	148	201
Road Safety Practices . . . . .	30	30	30	30	30
Research Grants . . . . .	2 470	2 856	2 951	..	..
Local Government Tax Sharing Assistance . . . . .	42 078	45 666	56 436	76 554	89 300
Natural Disaster Relief . . . . .	99	7	..	..	..
<b>Total Specific Purpose Payments—Recurrent</b>	<b>783 117</b>	<b>836 013</b>	<b>914 722</b>	<b>1 050 617</b>	<b>814 894</b>

Table 110—Victoria—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	753	948	45	400	200
Universities	11 842	10 849	10 679	9 283	11 388
Colleges of Advanced Education	18 968	23 112	19 190	16 793	12 560
Technical and Further Education	12 728	19 592	15 467	27 634	27 214
Schools	51 273	48 993	43 918	40 515	45 913
Child Migrant and Refugee Education	..	88	22	33	10
Pre-School Education	3 500	..	..	..	..
Hospitals—Capital Development	11 800	..	..	..	..
Hospital-Based Home Nurses	..	..	..	..	35 000
Community Health Program	3 430	1 945	678	546	..
School Dental Scheme	1 740	963	293	..	..
Blood Transfusion Services	513	909	77	197	619
High Security Quarantine Unit	200	89	850	935	500
Senior Citizens Centres	1 616	608	859	840	880
Child Care Services	702	323	347	47	..
Aboriginal Advancement	400	237	275	329	..
Welfare Housing Loans	101 759	82 451	41 744	43 440	36 135
Pensioner Housing Grants(d)	2 530	3 388	7 186	7 409	7 447
Other Housing Assistance	..	..	13 045	13 570	12 375
Rental Assistance for Aborigines	..	..	2 000	2 100	2 522
Growth Centres	9 140	7 391	8 804	10 244	11 246
Land Acquisition	5 340	3 201	3 267	3 649	4 149
Leisure and Recreation/Culture	450	92	..	..	..
Nature Conservation	..	100	..	..	..
National Estate	370	415	300	330	330
International Standard Sports Facilities	..	..	..	387	2 814
Roads	98 900	105 771	113 683	126 359	137 828
Railway Mainline Upgrading	..	..	3 230	5 212	3 500
Urban Public Transport	9 830	12 000	12 131	13 500	..
Victorian Transport System	..	..	..	..	35 000
Transport Planning and Research	2 411	1 714	1 842	1 668	..
Softwood Forestry	73	613	415	521	400
Dairy Adjustment Program	604	..	..	..	..
Rural Adjustment Scheme	11 522	10 378	3 875	4 013	3 956
Rural Reconstruction	24	..	..	..	..
Fruitgrowing Industry	223	..	..	..	..
Water Resources Assessment	1 136	1 136	1 136	1 250	..
Salinity Reduction Control	..	550	1 409	1 463	..
Victorian Water Resources Study	..	..	57	62	..
Flood Mitigation	..	..	586	760	..
Soil Conservation	..	30	..	..	..
Natural Disaster Relief	1 813	1 006	-229	..	..
Total Specific Purpose Payments—Capital	365 590	338 892	307 180	333 489	356 986
TOTAL PAYMENTS(e)					
	2 253 468	2 385 001	2 560 096	2 848 439	3 119 596



Table 110—Victoria—Commonwealth Payments and Loan Council Borrowings(a), 1977-78 to 1981-82 (\$ thousands)—continued

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate) (b)
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	1 344 903	1 450 238	1 546 715	1 683 280	2 166 663
Specific Purpose	1 148 707	1 174 905	1 221 902	1 384 106	1 171 880
Total	2 493 610	2 625 143	2 768 617	3 067 386	3 338 543

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to other levels of government, details of which are given in Chapters V and VI.

(b) Important qualifications attach to the 1981-82 estimates in some cases. See relevant sections of the text.

(c) See Chapter III, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.

(d) See Chapter IV and Table 96 for details.

(e) Comprising general revenue funds, specific purpose payments and general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (c).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (c).

**Table 111—Queensland—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
<b>GENERAL REVENUE FUNDS</b>					
Tax Sharing Grants . . . . .	777 608	844 137	952 533	1 093 078	1 191 758
Adjustments for Previous Year . . . . .	-7 069	..	..	..	..
Additional Grant . . . . .	..	..	..	..	29 500
Health Grants . . . . .	..	..	..	..	165 600
Special Grants . . . . .	24 800	21 700	12 400	6 700	58 500
<b>Total . . . . .</b>	<b>795 339</b>	<b>865 837</b>	<b>964 933</b>	<b>1 099 778</b>	<b>1 445 358</b>
<b>GENERAL PURPOSE CAPITAL FUNDS(c)</b>					
Loan Council Borrowings . . . . .	126 740	126 740	110 051	115 554	115 554
Capital Grants . . . . .	63 370	63 370	55 026	57 777	57 777
<b>Total . . . . .</b>	<b>190 110</b>	<b>190 110</b>	<b>165 077</b>	<b>173 331</b>	<b>173 331</b>
<b>SPECIFIC PURPOSE PAYMENTS RECURRENT PURPOSES</b>					
Payments under Financial Agreement—					
Interest on State Debt . . . . .	2 192	2 192	2 192	2 192	2 192
Sinking Fund on State Debt . . . . .	4 447	4 740	5 029	5 265	5 571
State Emergency Services . . . . .	379	373	438	552	537
Universities . . . . .	78 127	80 980	89 684	100 776	112 203
Colleges of Advanced Education . . . . .	56 616	60 465	67 445	76 325	77 540
Technical and Further Education . . . . .	4 885	5 222	6 932	7 965	8 723
Schools . . . . .	59 853	66 818	74 914	93 611	120 593
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	2 659
Child Migrant and Refugee Education . . . . .	15	172	262	508	253
Educational Research . . . . .	166	131	124	109	82
Pre-School Education . . . . .	6 958	6 605	6 605	6 605	6 605
School-to-Work Transition . . . . .	..	..	951	5 089	5 203
Public Hospitals—Running Costs . . . . .	126 960	139 314	152 912	179 541	7 500
Community Health Program . . . . .	5 190	4 979	4 462	5 879	..
Tuberculosis Control . . . . .	667	..	..	..	..
School Dental Scheme . . . . .	2 027	2 383	4 014	4 435	..
Drug Education Campaigns . . . . .	138	100	178	237	236
Blood Transfusion Services . . . . .	736	777	936	1 004	1 112
Health Planning Agencies . . . . .	100	87	100	80	80
Australian Encephalitis Control . . . . .	..	..	..	..	16
Home Care Services . . . . .	2 744	1 797	1 793	1 873	2 079
Senior Citizens Centres . . . . .	45	42	45	58	84
Assistance for Deserted Wives . . . . .	3 888	3 665	5 054	3 384	..
Child Care Services . . . . .	309	367	580	810	1 122
Maryborough Employment Grants . . . . .	3 000	3 000	3 450	..	..
Aboriginal Advancement . . . . .	3 480	3 917	4 331	5 088	5 350
Rental Assistance for Housing . . . . .	480	423	423	423	2 898
Sewerage . . . . .	2	..	16	..	..
National Fitness . . . . .	34	34	34	76	..
Nature Conservation . . . . .	200	..	..	..	..
Rural Adjustment Scheme . . . . .	..	..	..	25	..
Apple and Pear Export Assistance . . . . .	..	..	2	..	6
Bovine Brucellosis and T.B. Eradication . . . . .	4 180	5 272	5 290	5 484	6 343
Exotic Diseases Eradication . . . . .	..	134	11	1	..
Agricultural Extension Services . . . . .	2 112	2 112	964	954	..
Minor Agricultural Research . . . . .	5	17	34	31	34
Coal Mining Industry—Long Service Leave . . . . .	730	992	1 361	1 271	1 230
Apprenticeship Training . . . . .	971	891	159	14	..
Education Program for Unemployed Youth . . . . .	437	722	760	822	..
Legal Aid . . . . .	..	..	12	11	33
Road Safety Practices . . . . .	28	28	28	28	28

Table 111—*Queensland—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued*

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
Research Grants . . . . .	1 080	1 309	1 422	..	..
Local Government Tax Sharing Assistance . . . . .	27 875	30 252	37 387	50 714	59 158
Natural Disaster Relief . . . . .	231	1 755	1 303	8 583	4 215
<b>Total Specific Purpose Payments—Recurrent</b>	<b>401 288</b>	<b>432 067</b>	<b>481 636</b>	<b>569 822</b>	<b>433 686</b>
<b>SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES</b>					
Housing for Servicemen . . . . .	12 500	5 229	..	800	1 500
Universities . . . . .	7 335	6 042	8 755	6 253	8 525
Colleges of Advanced Education . . . . .	7 899	10 712	5 056	5 674	5 582
Technical and Further Education . . . . .	8 735	15 078	12 717	12 277	13 264
Schools . . . . .	34 263	29 475	24 609	21 015	25 375
Video Facilities . . . . .	..	..	..	..	291
Child Migrant and Refugee Education . . . . .	..	40	15	3	..
Hospitals—Capital Development . . . . .	7 130	..	..	..	..
Community Health Program . . . . .	1 770	254	327	450	..
School Dental Scheme . . . . .	2 841	1 249	402	367	..
Blood Transfusion Services . . . . .	37	34	42	46	76
Disposal of Ships' Garbage . . . . .	..	4	..	..	..
Senior Citizens Centres . . . . .	439	553	331	484	875
Aboriginal Advancement . . . . .	2 825	2 536	1 613	1 507	1 351
Welfare Housing Loans . . . . .	39 810	32 257	16 336	17 000	14 148
Pensioner Housing Grants(d) . . . . .	1 490	2 050	4 495	4 790	5 009
Other Housing Assistance . . . . .	..	..	5 105	6 810	4 845
Rental Assistance for Aborigines . . . . .	..	..	6 100	6 400	6 628
Urban Flood Mitigation . . . . .	992	818	762	911	..
Air Quality Monitoring . . . . .	40	..	..	..	..
Leisure and Recreation/Culture . . . . .	202	45	138	..	..
National Estate . . . . .	310	415	300	330	330
1982 Commonwealth Games Assistance . . . . .	..	2 500	2 500	2 500	2 500
International Standard Sports Facilities . . . . .	..	..	..	..	500
Roads . . . . .	100 000	106 947	114 947	127 764	139 361
Railway Mainline Upgrading . . . . .	..	..	1 907	3 851	7 800
Urban Public Transport . . . . .	15 648	8 875	9 219	7 875	..
Transport Planning and Research . . . . .	1 381	983	1 056	957	..
Julius Dam . . . . .	325	500	250	250	..
Gladstone Power Station . . . . .	191	..	..	..	..
Softwood Forestry . . . . .	..	1 485	977	841	800
Dairy Adjustment Program . . . . .	43	..	..	..	..
Rural Adjustment Scheme . . . . .	9 480	9 285	2 116	2 802	2 811
Beef Industry Assistance . . . . .	33	..	..	..	..
Rural Reconstruction . . . . .	31	..	..	..	..
Fruitgrowing Industry . . . . .	44	..	..	..	..
Sugar Industry . . . . .	..	..	27 842	..	..
Water Resources Assessment . . . . .	952	952	952	1 050	..
Eton (Mackay) Irrigation Scheme . . . . .	..	..	..	1 300	..
Flood Mitigation . . . . .	236	62	100	120	82
Bundaberg Irrigation Works . . . . .	1 500	950	2 500	2 500	..
Soil Conservation . . . . .	30	..	..	..	..
Natural Disaster Relief . . . . .	14 842	7 207	6 529	13 460	8 438
<b>Total Specific Purpose Payments—Capital</b>	<b>273 354</b>	<b>246 537</b>	<b>257 998</b>	<b>250 387</b>	<b>250 091</b>
<b>TOTAL PAYMENTS(e)</b>					
	<b>1 533 351</b>	<b>1 607 811</b>	<b>1 759 593</b>	<b>1 977 764</b>	<b>2 186 912</b>

*Table 111—Queensland—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued*

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	985 449	1 055 947	1 130 010	1 273 109	1 618 689
Specific Purpose	674 642	678 604	739 634	820 209	683 777
Total	1 660 091	1 734 551	1 869 644	2 093 318	2 302 466

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to other levels of government, details of which are given in Chapters V and VI.

(b) Important qualifications attach to the 1981–82 estimates in some cases. See relevant sections of the text.

(c) See Chapter III, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.

(d) See Chapter IV and Table 96 for details.

(e) Comprising general revenue funds, specific purpose payments and general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (c).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (c).

**Table 112—South Australia—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
<b>GENERAL REVENUE FUNDS</b>					
Tax Sharing Grants	508 506	559 841	630 392	691 540	760 959
Adjustments for Previous Year	-745	..	..	..	..
Additional Grant	..	..	..	..	..
Health Grants	..	..	..	..	8 600
<b>Total</b>	<b>507 761</b>	<b>559 841</b>	<b>630 392</b>	<b>691 540</b>	<b>769 559</b>
<b>GENERAL PURPOSE CAPITAL FUNDS(c)</b>					
Loan Council Borrowings	124 569	124 569	108 165	113 573	113 573
Capital Grants	62 284	62 284	54 083	56 787	56 787
<b>Total</b>	<b>186 853</b>	<b>186 853</b>	<b>162 248</b>	<b>170 360</b>	<b>170 360</b>
<b>SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES</b>					
<b>Payments under Financial Agreement—</b>					
Interest on State Debt	1 408	1 408	1 408	1 408	1 408
Sinking Fund on State Debt	4 191	4 483	4 771	5 007	5 256
State Emergency Services	..	15	55	82	76
Universities	56 872	57 917	63 161	70 280	76 056
Colleges of Advanced Education	41 724	42 477	46 612	52 182	52 834
Technical and Further Education	4 737	5 116	6 661	7 801	8 343
Schools	38 566	39 746	44 714	53 289	63 360
Education—Allowance for Cost Escalation	..	..	..	..	1 655
Child Migrant and Refugee Education	16	180	180	301	338
Educational Research	135	124	107	113	85
Pre-School Education	5 194	3 730	3 730	3 730	3 730
School-to-Work Transition	..	..	374	1 765	3 864
Public Hospitals—Running Costs	101 659	104 287	110 207	124 826	116 000
Community Health Program	3 655	3 205	2 508	4 344	261
Tuberculosis Control	39	..	..	..	..
School Dental Scheme	3 686	2 814	3 433	3 471	..
Drug Education Campaigns	75	107	145	175	175
Blood Transfusion Services	606	764	990	954	978
Health Planning Agencies	100	90	100	75	75
Australian Encephalitis Control	9	14	8	11	15
Home Care Services	1 411	915	944	1 006	1 131
Senior Citizens Centres	66	65	68	96	112
Paramedical Services	284	431	504	576	605
Assistance for Deserted Wives	3 203	3 143	2 981	1 552	..
Child Care Services	990	1 858	2 036	2 534	2 800
Translating/Interpreting Services	..	..	60	24	60
Aboriginal Advancement	3 045	3 404	3 724	4 270	4 538
Rental Assistance for Housing	941	941	941	941	941
Sewerage	63	..	..	..	..
National Fitness	32	32	32	63	..
Rural Adjustment Scheme	..	..	..	22	26
Bovine Brucellosis & T.B. Eradication	1 201	2 346	1 986	2 564	2 125
Plant Pest Control	..	307	143	..	..
Agricultural Extension Services	1 077	1 076	517	517	..
Minor Agricultural Research	16	4	8	8	16
S.A. Iron Triangle Feasibility Study	..	..	..	50	200
Apprenticeship Training	345	82	..	..	..
Education Program for Unemployed Youth	173	670	745	805	..
Legal Aid	..	..	22	18	42
Road Safety Practices	19	19	19	19	19
Research Grants	1 886	2 067	2 120	..	..
Local Government Tax Sharing Assistance	14 220	15 433	19 072	25 871	30 178
Natural Disaster Relief	218	501	..	92	..
<b>Total Specific Purpose Payments—Recurrent</b>	<b>291 861</b>	<b>299 769</b>	<b>325 082</b>	<b>370 850</b>	<b>377 302</b>

**Table 112—South Australia—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
<b>SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES</b>					
Housing for Servicemen . . . . .	1 317	..	..	..	270
Universities . . . . .	6 634	6 439	3 482	3 599	4 136
Colleges of Advanced Education . . . . .	8 457	5 177	4 666	3 237	3 048
Technical & Further Education . . . . .	4 837	6 901	8 697	8 718	10 652
Schools . . . . .	17 069	16 178	14 821	13 275	13 789
Video Facilities . . . . .	..	..	..	..	168
Child Migrant & Refugee Education . . . . .	..	..	..	20	10
Hospital—Capital Development . . . . .	5 120	..	..	..	..
Community Health Program . . . . .	630	375	142	155	..
School Dental Scheme . . . . .	1 658	724	192	..	..
Blood Transfusion Services . . . . .	32	25	30	140	170
Disposal of Ships' Garbage . . . . .	..	..	132	53	20
Senior Citizens Centres . . . . .	342	423	567	148	525
Child Care Services . . . . .	31	68	29	5	..
Aboriginal Advancement . . . . .	1 807	2 291	2 231	2 101	2 045
Welfare Housing Loans . . . . .	58 460	47 368	23 984	24 960	20 761
Pensioner Housing Grants(d) . . . . .	930	1 343	2 856	2 945	3 033
Other Housing Assistance . . . . .	..	..	7 495	7 790	7 110
Rental Assistance for Aborigines . . . . .	..	..	1 500	1 600	3 810
Growth Centres . . . . .	1 088	1 201	1 311	..	..
Land Acquisition . . . . .	11 507	6 712	7 329	8 186	..
Leisure and Recreation/Culture . . . . .	1 910	220	258	..	..
Nature Conservation . . . . .	..	..	16	..	..
National Estate . . . . .	338	415	300	330	330
International Standard Sports Facilities . . . . .	..	..	..	..	410
Roads . . . . .	40 400	43 207	46 439	51 617	56 302
Railway Projects . . . . .	..	..	..	863	..
Railway Mainline Upgrading . . . . .	..	..	..	..	3 000
Urban Public Transport . . . . .	3 790	4 110	4 000	4 308	192
Transport Planning and Research . . . . .	698	469	504	457	..
Urban Water Supply . . . . .	6 000	4 490	2 555	2 600	..
Softwood Forestry . . . . .	–87	..	330	155	150
Rural Adjustment Scheme . . . . .	6 985	4 738	2 554	2 433	2 395
Rural Reconstruction . . . . .	400	..	..	..	..
Fruitgrowing Industry . . . . .	65	..	..	..	..
Water Resources Assessment . . . . .	727	727	727	800	..
Salinity Reduction Control . . . . .	..	250	1 341	2 305	..
Tailem Bend to Keith Pipeline . . . . .	17	..	..	..	..
Soil Conservation . . . . .	30	..	..	..	..
Natural Disaster Relief . . . . .	12 132	4 929	–270	–737	..
<b>Total Specific Purpose Payments—Capital . . . . .</b>	<b>193 322</b>	<b>158 779</b>	<b>138 218</b>	<b>142 062</b>	<b>132 326</b>
<b>TOTAL PAYMENTS(e)</b>					
	1 055 228	1 080 673	1 147 775	1 261 239	1 335 974
<b>TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS</b>					
General Purpose(f) . . . . .	694 614	746 694	792 640	861 900	939 919
Specific Purpose . . . . .	485 183	458 547	463 300	512 912	509 628
<b>Total . . . . .</b>	<b>1 179 797</b>	<b>1 205 242</b>	<b>1 255 940</b>	<b>1 374 812</b>	<b>1 449 547</b>

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to other levels of government, details of which are given in Chapters V and VI.

(b) Important qualifications attach to the 1981–82 estimates in some cases. See relevant sections of the text.

(c) See Chapter III, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.

(d) See Chapter IV and Table 96 for details.

(e) Comprising general revenue funds, specific purpose payments and general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (c).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (c).

**Table 113—Western Australia—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
GENERAL REVENUE FUNDS					
Tax Sharing Grants . . . . .	523 176	579 532	662 888	734 172	806 263
Adjustments for Previous Year . . . . .	-3 285	..	..	..	..
Additional Grant . . . . .	..	..	..	..	..
Health Grants . . . . .	..	..	..	..	150 900
Total . . . . .	519 891	579 532	662 888	734 172	957 163
GENERAL PURPOSE CAPITAL FUNDS(c)					
Loan Council Borrowings . . . . .	88 446	88 446	76 799	80 639	80 639
Capital Grants(d) . . . . .	44 220	44 226	38 400	40 320	40 320
Total . . . . .	132 666	132 672	115 199	120 959	120 959
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments under Financial Agreement—					
Interest on State Debt . . . . .	947	947	947	947	947
Sinking Fund on State Debt . . . . .	3 175	3 377	3 576	3 738	3 911
State Emergency Services . . . . .	50	77	114	138	133
Assistance for Exmouth Shire . . . . .	112	354	352	..	..
Universities . . . . .	46 532	48 318	53 190	59 443	64 644
Colleges of Advanced Education . . . . .	48 080	49 560	53 290	60 064	61 296
Technical and Further Education . . . . .	4 521	5 160	4 780	9 032	8 543
Schools . . . . .	35 293	38 741	44 019	51 656	65 668
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	1 660
Child Migrant and Refugee Education . . . . .	41	140	125	367	187
Educational Research . . . . .	75	74	111	99	79
Pre-school Education . . . . .	5 110	4 860	4 860	4 860	4 860
School-to-Work Transition . . . . .	..	..	482	2 567	3 064
Public Hospitals—Running Costs . . . . .	110 449	117 017	126 313	148 226	4 000
Community Health Program . . . . .	4 366	3 748	4 348	5 441	..
School Dental Scheme . . . . .	3 018	2 700	3 745	3 772	..
Drug Education Campaigns . . . . .	92	121	149	180	180
Blood Transfusion Services . . . . .	588	601	687	778	914
Health Planning Agencies . . . . .	135	100	100	75	75
Australian Encephalitis Control . . . . .	..	20	33	49	24
Home Care Services . . . . .	56	44	52	57	684
Senior Citizens Centres . . . . .	56	65	70	97	140
Assistance for Deserted Wives . . . . .	1 848	3 841	3 092	1 886	..
Child Care Services . . . . .	552	783	748	984	1 043
Aboriginal Advancement . . . . .	8 564	8 544	9 565	11 170	10 754
Rental Assistance for Housing . . . . .	627	627	627	627	627
Sewerage . . . . .	76	..	..	..	..
National Fitness . . . . .	30	30	30	51	..
Apple and Pear Export Assistance . . . . .	..	310	248	169	250
Bovine Brucellosis and T.B. Eradication . . . . .	854	895	1 013	1 187	1 193
Exotic Diseases Eradication . . . . .	..	39	..	5	..
Agricultural Extension Services . . . . .	1 094	1 090	570	565	..
Minor Agricultural Research . . . . .	..	7	8	20	35
Coal Mining Industry—Long Service Leave . . . . .	268	327	395	459	500
Apprenticeship Training . . . . .	943	571	178	30	..
Educational Program for Unemployed Youth . . . . .	52	76	105	114	..
Family Courts . . . . .	1 065	..	..	..	..
Road Safety Practices . . . . .	25	25	25	25	25
Research Grants . . . . .	687	908	994	..	..
Local Government Tax Sharing Assistance . . . . .	15 524	16 848	20 821	28 243	32 945
Natural Disaster Relief . . . . .	526	151	293	1 167	28
Total Specific Purpose Payments—Recurrent	295 430	311 096	340 053	398 329	268 408

Table 113—Western Australia—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued

	1977–78	1978–79	1979–80	1980 81	1981 82 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	2	..	50	..	400
Universities	7 664	5 185	3 006	3 199	3 235
Colleges of Advanced Education	5 198	5 863	3 044	2 773	3 875
Technical and Further Education	2 993	3 726	10 481	9 148	11 713
Schools	16 713	20 971	11 011	14 079	14 604
Video Facilities	..	..	..	..	181
Pre-School Education	79	..	..	..	..
Hospitals—Capital Development	4 680	..	..	..	..
Community Health Program	964	862	471	236	..
School Dental Scheme	831	..	225	..	..
Blood Transfusion Services	43	73	64	48	45
Disposal of Ships' Garbage	2	..	..	..	65
Senior Citizens Centres	348	100	174	356	440
Child Care Services	10	38	..	..	..
Aboriginal Advancement	4 614	5 443	5 058	3 233	512
Welfare Housing Loans	36 740	29 767	15 072	15 680	13 038
Pensioner Housing Grants(e)	700	1 086	2 361	2 459	2 589
Other Housing Assistance	..	..	4 710	4 900	4 465
Rental Assistance for Aborigines	..	..	4 000	4 200	7 225
Land Acquisition	5 026	2 537	2 771	3 095	3 519
Air Quality Monitoring	..	40	..	..	..
Leisure and Recreation/Culture	97	..	..	..	..
National Estate	425	415	300	330	330
International Standard Sports Facilities	..	..	..	..	225
Roads	61 301	64 382	69 198	76 914	83 895
Railway Projects	34	..	..	..	..
Railway Mainline Upgrading	..	..	..	730	..
Urban Public Transport	605	2 015	1 533	1 447	1 321
Transport Planning and Research	744	581	658	582	..
Port Hedland Water Supplies	..	..	690	177	..
West Pilbara Water Supplies	..	..	500	350	..
Softwood Forestry	..	1 302	910	811	1 000
Cheyne Beach Whale Company Assistance	..	25	..	..	..
Dairy Adjustment Program	275	..	..	..	..
Rural Adjustment Scheme	4 473	9 504	2 138	2 700	3 019
Rural Reconstruction	252	..	..	..	..
Fruitgrowing Industry	237	..	..	..	..
Water Resources Assessment	2 000	3 018	2 000	2 200	..
Salinity Reduction Control	..	..	700	808	..
Western Australia Water Resources Study	..	..	30	154	..
Flood Mitigation	..	..	..	40	..
Ord River Project	20	..	14	355	45
Soil Conservation	..	35	..	..	..
Natural Disaster Relief	17 972	8 268	8 149	14 204	325
Total Specific Purpose Payments—Capital	175 044	165 234	149 318	165 208	156 065
TOTAL PAYMENTS(f)					
	1 034 584	1 100 088	1 190 660	1 338 029	1 421 957



*Table 113—Western Australia—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)—continued*

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(g) . . . . .	652 557	712 204	778 087	855 131	1 078 122
Specific Purpose . . . . .	470 473	476 330	489 372	563 537	424 474
Total . . . . .	1 123 030	1 188 534	1 267 459	1 418 668	1 502 596

- (a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to other levels of government, details of which are given in Chapters V and VI.
- (b) Important qualifications attach to the 1981–82 estimates in some cases. See relevant sections of the text.
- (c) See Chapter III, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.
- (d) Western Australia was underpaid by \$3000 in 1977–78 which was adjusted in 1978–79.
- (e) See Chapter IV and Table 96 for details.
- (f) Comprising general revenue funds, specific purpose payments and general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. See footnote (c).
- (g) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (c).

**Table 114—Tasmania—Commonwealth Payments and Loan Council Borrowings(a), 1977–78 to 1981–82 (\$ thousands)**

	1977–78	1978–79	1979–80	1980–81	1981–82 (estimate) (b)
<b>GENERAL REVENUE FUNDS</b>					
Tax Sharing Grants . . . . .	214 150	240 737	272 696	298 602	327 693
Adjustments for Previous Year . . . . .	..	..	..	..	..
Additional Grant . . . . .	..	..	..	..	..
Health Grants . . . . .	..	..	..	..	4 700
<b>Total . . . . .</b>	<b>214 150</b>	<b>240 737</b>	<b>272 696</b>	<b>298 602</b>	<b>332 393</b>
<b>GENERAL PURPOSE CAPITAL FUNDS(c)</b>					
Loan Council Borrowings . . . . .	66 992	66 992	58 171	61 080	61 080
Capital Grants . . . . .	33 496	33 496	29 085	30 539	30 539
<b>Total . . . . .</b>	<b>100 488</b>	<b>100 488</b>	<b>87 256</b>	<b>91 619</b>	<b>91 619</b>
<b>SPECIFIC PURPOSE PAYMENTS RECURRENT PURPOSES</b>					
Payments Under Financial Agreement—					
Interest on State Debt . . . . .	534	534	534	534	534
Sinking Fund on State Debt . . . . .	2 225	2 386	2 544	2 675	2 813
State Emergency Services . . . . .	63	83	77	88	90
Universities . . . . .	17 234	18 315	20 227	24 740	28 788
Colleges of Advanced Education . . . . .	9 256	9 436	10 068	11 249	7 988
Technical and Further Education . . . . .	1 110	1 673	2 005	2 407	2 562
Schools . . . . .	12 120	13 290	14 617	17 565	19 748
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	496
Child Migrant and Refugee Education . . . . .	..	..	3	5	11
Educational Research . . . . .	9	11	11	19	27
Pre-School Education . . . . .	1 922	1 410	1 410	1 410	1 410
School-to-Work Transition . . . . .	..	..	222	971	1 243
Public Hospitals—Running Costs . . . . .	31 621	33 176	35 991	43 029	36 800
Community Health Program . . . . .	2 306	1 868	1 880	2 534	101
School Dental Scheme . . . . .	1 684	1 226	1 882	1 688	36
Drug Education Campaigns . . . . .	52	59	67	120	120
Blood Transfusion Services . . . . .	124	120	131	187	184
Health Planning Agencies . . . . .	35	30	10	20	20
Home Care Services . . . . .	474	505	585	630	949
Paramedical Services . . . . .	15	24	21	25	29
Assistance for Deserted Wives . . . . .	764	986	1 036	704	..
Child Care Services . . . . .	149	248	363	461	327
Rehabilitation Centres . . . . .	..	..	..	340	682
Aboriginal Advancement . . . . .	67	44	52	86	84
Rental Assistance for Housing . . . . .	314	314	314	314	314
National Fitness . . . . .	24	24	24	132	..
Nature Conservation . . . . .	82	75	125	..	..
Tasman Bridge Disaster . . . . .	730	..	..	..	..
Rural Adjustment Scheme . . . . .	..	..	..	2	..
Apple and Pear Export Assistance . . . . .	39	238	437	47	693
Bovine Brucellosis and T.B. Eradication . . . . .	120	103	57	58	49
Exotic Diseases Eradication . . . . .	..	..	..	60	..
Agricultural Extension Services . . . . .	564	564	260	260	..
Minor Agricultural Research . . . . .	..	..	..	7	10
Coal and Groundwater Exploration . . . . .	..	..	..	200	..
Coal Mining Industry—Long Service Leave . . . . .	27	16	9	3	8
Apprenticeship Training . . . . .	209	160	172	..	..
Education Program for Unemployed Youth . . . . .	156	219	297	324	..
Regional Economic Studies Centre . . . . .	..	..	..	..	40
Road Safety Practices . . . . .	11	11	11	11	11
Research Grants . . . . .	165	272	282	..	..
Local Government Tax Sharing Assistance . . . . .	5 290	5 741	7 095	9 624	11 227
Natural Disaster Relief . . . . .	..	..	..	..	92
<b>Total Specific Purpose Payments—Recurrent . . . . .</b>	<b>89 495</b>	<b>93 161</b>	<b>102 817</b>	<b>122 530</b>	<b>117 485</b>

Table 114—*Tasmania—Commonwealth Payments and Loan Council Borrowings(a), 1977-78 to 1981-82 (\$ thousands)—continued*

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS CAPITAL PURPOSES <sup>c</sup>					
Housing for Servicemen					51
Universities	1 008	788	918	1 043	1 328
Colleges of Advanced Education	1 598	3 221	810	952	382
Technical and Further Education	1 970	394	3 400	4 772	4 656
Schools	6 187	4 385	4 280	3 988	4 831
Child Migrant and Refugee Education			4	10	
Launceston General Hospital	3 350	4 959	5 160	3 400	5 015
Community Health Program	297	222	57	1	
School Dental Scheme	127	184	190	55	
Blood Transfusion Services	3	9	30	3	1
Disposal of Ships' Garbage				70	42
Senior Citizens Centres	136	166	185	64	80
Rehabilitation Centres	922	917	850	955	836
Aboriginal Advancement	175	115	254	180	
Welfare Housing Loans	25 220	20 436	10 352	10 770	8 964
Pensioner Housing Grants(d)	280	438	970	976	992
Other Housing Assistance			3 235	3 360	3 070
Rental Assistance for Aborigines			400	400	527
Growth Centres	70				
Land Acquisition	100				
Air Quality Monitoring	40				
Legana Industrial Estate (Tasmania)				195	
Leisure and Recreation/Culture		45	4		
Nature Conservation	70	25	40	5	9
National Estate	425	415	300	330	330
Port Arthur Conservation Program			400	800	1 200
International Standard Sports Facilities					490
Roads	21 700	23 208	24 944	27 726	30 243
Second Hobart Bridge	518	49	998	6 413	17 500
Urban Public Transport	732	869	1 075	1 178	
Transport Planning and Research	195	173	186	168	
Tasman Bridge Disaster	5 870	-725			
Softwood Forestry		1 090	659	603	650
Native Forestry Assistance—Tasmania			272	336	236
Dairy Adjustment Program	94				
Rural Adjustment Scheme	123	1 164	242	252	417
Beef Industry Assistance		-3			
Rural Reconstruction	36				
Fruitgrowing Industry	110	8			
Water Resources Assessment	215	426		448	
Launceston Flood Protection				75	
Assistance for Mount Lyell Mining	3 383				
Launceston Precision Tool Annexe				323	20
Soil Conservation	35				
Natural Disaster Relief					338
Total Specific Purpose Payments—Capital	74 988	62 977	60 216	69 851	82 207
TOTAL PAYMENTS(e)					
	412 129	430 371	464 814	521 522	562 585

*Table 114—Tasmania—Commonwealth Payments and Loan Council Borrowings(a), 1977-78 to 1981-82 (\$ thousands)—continued*

	1977-78	1978-79	1979-80	1980-81	1981-82 (estimate) (b)
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	314 638	341 225	359 952	390 221	424 012
Specific Purpose	164 483	156 138	163 033	192 381	199 693
Total	479 121	497 363	522 985	582 602	623 665

- (a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to other levels of government, details of which are given in Chapters V and VI.
- (b) Important qualifications attach to the 1981-82 estimates in some cases. *See* relevant sections of the text.
- (c) *See* Chapter III, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.
- (d) *See* Chapter IV and Table 96 for details.
- (e) Comprising general revenue funds, specific purpose payments and general purpose capital grants—that is, all amounts shown above with the exception of the Loan Council borrowing programs. *See* footnote (c).
- (f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. *See* footnote (c).

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