

1978-79 BUDGET PAPER No. 7

PAYMENTS TO
OR FOR THE STATES,
THE NORTHERN TERRITORY
AND LOCAL GOVERNMENT
AUTHORITIES
1978-79

PRESENTED BY
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OF THE BUDGET 1978-79

CONTENTS

		PAGE
Chapter I	Introduction	1
Chapter II	General Revenue Assistance to the States—	
	Summary of Previous Arrangements	9
	Personal Income Tax Sharing with the States	11
	The Special Grants	23
	Other General Revenue Assistance	24
	Payments of General Revenue Funds to the States	25
	Advisory Council for Inter-Government Relations	25
Chapter III	General Purpose Capital Funds—	
	State Government Loan Council Programs	27
	Borrowing Programs for State Authorities	29
	Treatment of Loan Council Programs in this and other Budget Papers	33
Chapter IV	Specific Purpose Payments to the States—	
	Assistance Related to State Debts	34
	Defence	36
	Education	38
	Health	46
	Social Security and Welfare	52
	Aboriginal Advancement	57
	Housing	58
	Urban and Regional Development n.e.c. and the Environ- ment	60
	Culture and Recreation	62
	Economic Services—	
	Transport	65
	Water Supply and Electricity	72
	Industry Assistance and Development	72
	Labour and Employment	81
	General Public Services	83
	Assistance for Local Government	84
	Natural Disaster Relief	84
Chapter V	Payments to the Northern Territory	87
Chapter VI	Payments to or for Local Government Authorities	94
Appendix I	Summary Tables	113
Appendix II	Tables of General Purpose Capital Funds	127
Appendix III	Tables of Specific Purpose Payments	133
Appendix IV	Tables Relating to Advances to the States and Net Payments to the States and Local Government Authorities	143
Appendix V	Tables of Payments and Loan Council Borrowings for each State	161
Index		191

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

n.a.—not yet available.

..—nil to less than \$500.

CHAPTER 1—INTRODUCTION

Since 1960–61, a paper on Commonwealth payments to the States has been published annually among the Budget documents. From 1974–75 details of Commonwealth Government payments to local government authorities have also been included. This issue is the first to cover 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 1977–78 and/or is proposed in 1978–79. The tables cover payments over five years where applicable, that is, the period 1974–75 to 1978–79. 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.

Relationship with Statements Attached to the Budget Speech and Terminology

In the statements attached to the Budget Speech Commonwealth Government outlays are classified, inter alia, in terms of economic type—that is, as to whether they take the form of expenditure on goods and services, cash benefits to persons, payments to other levels of government or transfers to other sectors in the economy. The following table classifies estimated total budget outlays for 1978–79 by economic type and shows the proportion to total of each category.

Table 1—Budget Outlays—by Economic Type(a), 1978-79 (estimated)

	Amount	Percentage of Total Outlays
	\$ million	%
<i>Net Expenditure on goods and services—</i>		
Defence	2 303	8.0
Other current expenditure	3 245	11.2
Capital expenditure	345	1.2
Total	5 893	20.4
<i>Transfer Payments and Net Advances—</i>		
To or for the States, the Northern Territory and Local Government Authorities	10 799	37.4
	(Gross) (Net)	
	\$m \$m	
— the States	10 753 10 493	
— Northern Territory	289 287	
— Local Government Authorities	19 19	
Cash benefits to persons	9 113	31.6
Interest	1 906	6.6
Transfers overseas	468	1.6
Net advances (other than to the States)	158	0.5
Other	531	1.8
Total	22 976	79.6
TOTAL OUTLAYS (estimated)	28 870	100.0

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

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. 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 programs. These payments are estimated at \$10 799 million in 1978–79, comprising 37.4 per cent of total Commonwealth budget outlays.

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 document.

Table 2—Functional Classification of Payments to or for the States, State Governments' Loan Council Programs and Payments Made Direct to Local Government Authorities (Net Basis(a)) (\$ thousands)

Functional Classification	1974–75	1975–76	1976–77	1977–78	1978–79	Increase
					(estimate)	over 1977–78 (estimate)
						%
Defence	26 482	34 369	35 560	23 073	12 483	-45.9
Education	1 288 789	1 406 024	1 669 502	1 814 954	1 921 795	5.9
Health	107 795 (b)	1 082 785	852 708	1 107 197	1 164 390	5.2
Social Security and Welfare	155 250 (c)	234 662	102 870	115 111	115 925	0.7
Housing	390 868	362 883	369 072	378 003	301 146	-20.3
Urban and Regional Development n.e.c. and the Environment	234 809	262 907	125 088	53 463	41 283	-22.8
Culture and Recreation	12 759	11 737	9 705	6 145	6 701	9.0
Economic Services—						
Transport	418 523	494 765	511 706	539 017	555 259	3.0
Water Supply and Electricity	36 840	46 325	33 720	3 148	1 372	-56.4
Industry Assistance and Develop- ment	84 898	109 608	81 865	72 221	93 719	29.8
Labour and Employment	4 052	6 180	12 077	13 939	13 585	-2.5
Other Economic Services	65	..	..	..	..	..
Total Economic Services	544 378	656 878	639 368	628 325	663 936	5.7
General Public Services	8 955	7 910	13 139	11 450	13 526	18.1
Outlays Not Allocated to Function—						
General Revenue Funds	2 503 495	3 111 580	3 712 594	4 331 441	4 788 700	10.6
State Governments' Loan Council Borrowing Programs	592 141	708 667	744 677	784 835	769 124	-2.0
Capital Grants	345 878	430 333	452 000	477 930	477 936	..
Assistance Related to State Debt	103 612	47 338	46 805	48 917	51 129	4.5
Payments to the Northern Territory Assistance for Local Government(d)	56 657	80 046	140 000	165 328	179 427	8.5
Natural Disaster Relief	46 956	24 961	25 865	53 157	12 570	-76.4
Total Not Allocated to Function	3 648 739	4 402 925	5 121 940	5 914 638	6 559 186	10.9
GRAND TOTAL (net basis)	6 418 821	8 463 080	8 938 953	10 052 358	10 799 223	7.4

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

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

(c) Comparisons affected by unemployment relief grants.

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

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

As the term implies, the national accounting aggregate 'grants and net advances to the States, 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 programs *net* of sinking fund contributions. The figures for individual items and many of the aggregates referred to in the text or shown in the tables in this paper are on a *gross* basis—that is, before deducting repayments of Commonwealth Government loans or sinking fund contributions on State Loan Council borrowings. Where amounts are on a *net* basis this is specifically indicated. The grand totals in the summary tables in this Chapter and, for example, Tables 87 and 88 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 Authorities and Format of this Paper

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

Since World War II and the immediate post-war period there has been a marked increase in the amount and scope of assistance to the States. This has reflected, among other things, increases in the range and variety of governmental activities that have accompanied economic and social developments in this period of rapid growth of the Australian economy; greater participation by the national Government in matters that were previously considered to be the sole responsibility of the States; and the effects of the introduction and continuation of uniform income tax.

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

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

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

Commencing in 1976-77, the financial assistance grants have been replaced by tax sharing arrangements under which State Governments are entitled to a specified share of Commonwealth net personal income tax collections. General revenue funds also encompass the special grants paid to certain States on the recommendation of the Commonwealth Grants Commission.

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

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

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, currently comprising 1.52 per cent of Commonwealth net personal income tax collections in the previous year, are allocated among the States to be made available to their local authorities. In most places in this paper, these funds are regarded as *specific*

purpose payments to the States as they are specifically earmarked for 'on-passing' by the States to local government authorities. In the hands of the recipient local government authorities, however, such funds are properly regarded as 'untied general purpose assistance' funds and are so treated in the discussion and tables in Chapter VI.

Appendix I provides figures, in detail and in aggregate, of payments to the States and the State Governments' Loan Council programs in 1977-78 and 1978-79 (estimated). It also sets out aggregate figures of these funds and of payments made direct to local government authorities for the period 1974-75 to 1978-79 (estimated). Appendix IV provides information on Commonwealth advances to the States and debt charges paid by the States thereon and Appendix V gives figures, in detail and in aggregate, of payments to the *six States combined and to each individual State* for the years 1974-75 to 1978-79 (estimated).

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

In examining year to year movements—either in total assistance, percentage increases or in 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) over the five years to 1974-75 the Commonwealth made grants to the States to meet an increasing proportion of the debt charges on a \$1000 million parcel of State debt; this debt was formally transferred to the Commonwealth from 30 June 1975 and it has since met the debt charges directly;
- (ii) in 1975-76 the Tasmanian railway system and the non-metropolitan railway system in South Australia were transferred to the Commonwealth, with the consequent financial gains to the States partly offset by reductions in the levels of general purpose funds provided to them;
- (iii) the Medibank payments to the States for hospital running costs which began in 1975-76 subsumed various forms of payments for public hospitals which had not been classified as payments to the States in previous years;
- (iv) payments totalling \$215.6 million were made to the States in June 1976 (under arrangements for the financing of public hospital operating costs) in respect of expenditures arising in the following year; and
- (v) payments to the States in 1976-77 under the personal income tax sharing arrangements were based on estimated taxation collections; final taxation figures were determined by the Commissioner of Taxation on 31 July 1977. The 1977-78 States' entitlements were reduced by the amount overpaid in respect of 1976-77.

The percentage increases in the final column of Table 3 show the annual percentage increases after adjusting for the factors listed above. The figures in this table are not adjusted for other 'abnormal' or fluctuating factors, such as payments for natural disaster and unemployment relief. (For details see 'Payments to or for the States and Local Government Authorities 1976-77', pages 6 and 7.)

Table 3—Payments to or for the States and the Northern Territory, State Governments' Loan Council Programs and Payments Made Direct to Local Government Authorities, 1974-75 to 1978-79 (estimate)

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
FUNDS TO STATES FOR RECURRENT PURPOSES			
<i>General Revenue Funds—</i>			
1974-75	2 513.5	30.7	34.8
1975-76	3 111.6	23.8	25.9
1976-77	3 722.6	19.6	19.0
1977-78	4 341.4	16.6	17.8
1978-79 (estimate)	4 798.7	10.5	10.0
<i>Specific Purpose Payments for Recurrent Purposes—</i>			
1974-75	1 211.5	100.3	99.1
1975-76	2 315.9	89.6	66.7
1976-77	2 387.6	3.1	18.7
1977-78	2 873.6	20.4	9.3
1978-79 (estimate)	3 074.9	7.0	6.9
<i>Total Funds for Recurrent Purposes—</i>			
1974-75	3 735.0	47.4	47.4
1975-76	5 427.5	45.3	40.2
1976-77	6 110.2	12.6	18.9
1977-78	7 215.1	18.1	14.3
1978-79 (estimate)	7 873.6	9.1	8.8
FUNDS TO STATES FOR CAPITAL PURPOSES			
<i>General Purpose Capital Funds(b)—</i>			
1974-75	1 987.4	25.4	28.1
1975-76	1 291.0	18.7	18.9
1976-77	1 356.0	5.0	5.0
1977-78	1 433.8	5.7	5.7
1978-79(c)	1 433.8	0.0	0.0
<i>Specific Purpose Payments for Capital Purposes—</i>			
1974-75	1 745.5	81.8	81.2
1975-76	1 836.3	5.2	5.2
1976-77	1 680.9	-8.5	-8.5
1977-78	1 575.5	-6.3	-6.3
1978-79 (estimate)	1 446.0	-8.2	-8.2
<i>Total Funds for Capital Purposes—</i>			
1974-75	2 832.9	55.0	55.0
1975-76	3 127.3	10.4	10.8
1976-77	3 036.9	-2.9	-2.9
1977-78	3 009.3	-0.9	-0.9
1978-79 (estimate)	2 879.8	-4.3	-4.3
TOTAL FUNDS TO STATES FOR RECURRENT AND CAPITAL PURPOSES			
<i>General Purpose Funds—</i>			
1974-75	3 600.9	29.0	32.7
1975-76	4 402.6	22.3	24.1
1976-77	5 078.6	15.4	14.9
1977-78	5 775.2	13.7	14.5
1978-79 (estimate)	6 232.5	7.9	7.6
<i>Specific Purpose Funds—</i>			
1974-75	2 967.0	89.0	87.4
1975-76	4 152.3	40.0	31.8
1976-77	4 068.5	-2.0	6.4
1977-78	4 449.1	9.4	3.2
1978-79 (estimate)	4 520.9	1.6	1.5
<i>Total Funds—</i>			
1974-75	6 567.9	50.6	50.6
1975-76	8 554.8	30.3	27.7
1976-77	9 147.1	6.9	10.8
1977-78	10 224.3	11.8	9.3
1978-79 (estimate)	10 753.4	5.2	4.9

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, 1974-75 to 1978-79 (estimate)—continued

	Actual Amount	Actual Percentage Increase	'Adjusted' Percentage Increase(a)
	\$ million	%	%
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES			
1974-75	49.2	1 745.6	1 754.6
1975-76	106.5	116.5	116.5
1976-77	14.2	-87.4	-87.4
1977-78	14.2	5.7	5.7
1978-79 (estimate)	18.6	31.0	31.0
Less REPAYMENTS AND SINKING FUND CONTRIBUTIONS(d)			
1974-75	198.2	10.1	10.1
1975-76	198.3	0.0	0.0
1976-77	221.5	11.7	11.7
1977-78	239.2	8.0	8.0
1978-79 (estimate)	260.0	8.7	8.7
TOTAL FUNDS TO STATES AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)			
1974-75	6 418.8	53.4	53.4
1975-76	8 463.1	31.8	29.2
1976-77	8 939.0	5.6	(e)9.6
1977-78	9 999.3	11.9	9.4
1978-79 (estimate)	10 512.0	5.1	4.9
PAYMENTS TO THE NORTHERN TERRITORY (NET BASIS)			
1977-78	53.0	..	..
1978-79 (estimate)	287.2	(f)	n.a.
GRAND TOTAL—FUNDS TO STATES, THE NORTHERN TERRITORY AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)			
1977-78	10 052.4	..	..
1978-79 (estimate)	10 799.2	(f)	n.a.

(a) See text above.

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

(c) Programs agreed to at the June 1978 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) If the non-recurring grants to the States and local government authorities for unemployment relief (including under the REDS) in 1975-76 and 1976-77 are also excluded, this figure becomes 11.4 per cent.

(f) Payments to the Northern Territory in 1977-78 and 1978-79 are not on a comparable basis. See Chapter V for details.

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

Table 4—Funds available to the States, the Northern Territory and their Authorities as Commonwealth Assistance and as Borrowing Programs (gross basis) 1978-79 (estimate)

	1978-79 \$ million	Percentage Increase Over 1977-78	
		Actual %	Adjusted(a) %
States—			
<i>General Purpose Funds—</i>			
General Revenue Funds	4 798.7	10.5	10.0
General Purpose Capital Funds			
State Governments' Loan Council Programs(b)(c)	1 433.8	0.0	0.0
Borrowing Programs of Larger State Authorities(c)(d)	1 296.5	8.5	8.5
Borrowings of Smaller Authorities(d)(e)	441.5	14.5	14.5
Sub-total	3 171.7	5.2	5.2
Total General Purpose Funds	7 970.4	8.4	8.1
<i>Specific Purpose Payments(f)</i>	4 539.5	1.7	1.6
Total States (Gross)	12 509.9	5.8	5.6
Northern Territory—			
Grants	289.4	(g)	n.a.
Borrowing Programs of Authorities(h)	14.4	(g)	n.a.
Total	303.8	(g)	n.a.
Grand Total (Gross)	12 813.7	(g)	n.a.

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

(b) Borrowing programs plus capital grants.

(c) Programs approved at the June 1978 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) Estimate on basis of advice from State Treasuries.

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

(g) Amounts for 1977-78 and 1978-79 are not on a comparable basis. See Chapter V for details.

(h) Allowance for Northern Territory authorities within Commonwealth program approved at the June 1978 meeting of the Loan Council.

CHAPTER II—GENERAL REVENUE FUNDS TO THE STATES

General revenue grants have, in one form or another, been paid by the Commonwealth to the States since Federation. Their purpose has been to assist the States, by way of subventions to their annual budgets, in the financing of their recurrent expenditures. They are not subject to any conditions as to the purposes for which they may be spent; that is, they are completely 'untied'.

A detailed history of successive arrangements governing this form of assistance is to be found in Chapter II and Appendix II of the 1975-76 issue of this paper. This Chapter provides a very brief summary of the arrangements, which applied up to and including 1975-76, followed by a more detailed description of the new tax sharing arrangements between the Commonwealth and State Governments which commenced in 1976-77.

SUMMARY OF PREVIOUS ARRANGEMENTS

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

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

In 1942, when uniform income tax arrangements were adopted, the Commonwealth became the sole Government imposing taxes on income. To compensate the States for revenue forgone as a result of their ceasing to impose such taxes, the Commonwealth began paying what were known as 'tax reimbursement grants' to the States. These grants continued until 1958-59, after which they were replaced by 'financial assistance grants'. The grants were replaced, as from and including 1976-77, by new personal income tax sharing arrangements.

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

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

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

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

PERSONAL INCOME TAX SHARING WITH THE STATES

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

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

The way in which a share of Commonwealth personal income tax revenue is provided as assistance for local government is explained in Chapter VI.

The income tax sharing arrangements with the States have been introduced in two stages.

Under Stage 1, which commenced in 1976-77, the States receive a specified proportion of the net personal income tax collections made under Commonwealth legislation. Relevant legislation—the *States (Personal Income Tax Sharing) Act 1976*—received the Royal Assent in November 1976.

Under Stage 2, the Stage 1 arrangements continue but, in addition, each State has 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. Relevant legislation—the *Income Tax (Arrangements with the States) Act 1978*—received the Royal Assent in June 1978.

Set out below is a list of points representing the understandings which were reached in 1976 between the Commonwealth and State Governments in connection with the scheme as it relates to State Governments (local government aspects are dealt with in Chapter 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 viz-a-viz other taxes will be kept under notice between the Commonwealth and State Governments.
- (10) However, it is agreed that it would not be practicable to devise in advance an automatic formula for defining how changes in Commonwealth tax laws should be reflected in the Stage 1 arrangements.
- (11) There will be a 'guarantee' arrangement to ensure that the States' Stage 1 entitlements in any year are not less, in absolute terms, than in the previous year. This arrangement will be supplemented in the first four years of the new scheme (that is, in the years 1976-77 to 1979-80) by a further undertaking that the entitlements will not be less in a year than the amount which would have been yielded in that year by the financial assistance grants formula as laid down in the *States Grants Act 1973*.
- (12) A total entitlement for all States will first be determined, to be then divided between the States.
- (13) The initial per capita relativities between the States in their Stage 1 entitlements will be the relativities in the financial assistance grants in 1975-76.
- (14) Subject to (16) and (17) below, and to any absorption of specific purpose payments, these relativities will be carried forward into subsequent years in such a way as to maintain the proportionate relationships between the per capita entitlements of the States.
- (15) The four less populous States will continue to be free to apply for grants on the recommendation of the Commonwealth Grants Commission in addition to their basic entitlements as yielded under the arrangements summarised above.
- (16) The matter of the relationship between the special grant which Queensland is at present receiving on the recommendation of the Commonwealth Grants Commission and the tax sharing arrangements is regarded as essentially one between the Commonwealth and Queensland Governments and will be considered by those Governments as necessary.

- (17) There will be a periodic review of relativities between all States, advice in relation to this review being sought from an independent review body; the first review will be made before the end of 1980-81 (the same timing as applies to the review of the tax sharing arrangements as a whole—*see* (35) below).
- (18) Arrangements will be made for the States to be regularly informed, as early as practicable and in confidence as necessary, of relevant estimates in relation to their entitlements.
- (19) In relation to the processes referred to in (9) and (18) as they may be affected by matters which are confidential as a result of their association with the Commonwealth's budget consideration and formulation, the Commonwealth will provide to the States the maximum possible relevant information as is consistent with the security and integrity of its own budget.
- (20) The States will be paid their Stage 1 entitlements on a monthly pro-rata basis, with adjustments during the financial year as necessary as estimates of personal income tax collections in the year are varied (this being similar to the arrangements under which the financial assistance grants are paid).
- (21) There will be full and precise documentation to record the understandings between Governments in relation to Stage 1 but this will not take the form of a formal Agreement.

Stage 2

- (22) Under Stage 2 each State will be able to legislate to impose a surcharge on personal income tax in the State (but not company taxation or withholding tax on dividends and interest) additional to that imposed by the Commonwealth, or to give (at cost to the State) a rebate on personal income tax payable under Commonwealth law and to authorise the Commonwealth to collect the surcharge or grant the rebate as its agent.
- (23) Any State surcharges or rebates will be expressed in percentage terms.
- (24) Assessment provisions, and the basic income tax rate structure, will continue to be uniform throughout Australia, these being matters for the Commonwealth to determine.
- (25) The Commonwealth will at all times remain the sole collecting and administrative agency in the income tax field.
- (26) The level of any State surcharges or rebates will be a matter for consideration by each State; relevant decisions will be taken within an appropriate framework of consultation with the Commonwealth and, as considered appropriate by the surcharging or rebating State, with other States, but ultimately the level of surcharge or rebate will be a decision for each individual State. In exercising these powers the States will accept responsibility to work in parallel with and not in negation of the overall economic management policies of the Commonwealth.

- (27) Equalisation arrangements will be made so that less populous States will be enabled to obtain the same relative advantage from a surcharge as the States with a broader tax base.
- (28) The Grants Commission will be responsible for assessing amounts payable under the arrangements referred to under (27).
- (29) The basis for assessment of equalisation assistance to the less populous States in regard to the yield of State surcharges levied under Stage 2 (*see* points (27) and (28) above) will be that supplementary assistance will be provided to a less populous State levying a surcharge to bring the per capita yield from the surcharge up to the average per capita amount which would be yielded if New South Wales and Victoria levied a surcharge on the same basis. The assessment will be independent of any examination of the overall financial position of the State concerned *viz-a-viz* other States.
- (30) Detailed proposals to implement Stage 2 will be formulated by an officers' working party. The firm target is to have an appropriate framework established, relevant matters agreed and any necessary legislation or other material prepared in time for Stage 2 to commence from the beginning of 1977-78.
- (31) At an appropriate time the Commonwealth will consider what implications Stage 2 might have in relation to the Territories.
- (32) Interest on future issues of Commonwealth securities will be subject to State income tax surcharges under Stage 2 of the tax sharing scheme; this change will not apply retrospectively to interest on securities already issued.

Implications for Tax Forms and Assessment Notices

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

Review of Total Tax Sharing Arrangements

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

Many of these points of understanding have since been incorporated into the *States (Personal Income Tax Sharing) Act 1976* or the *Income Tax (Arrangements with the States) Act 1978*. Others have been developed further in discussions at the Premiers' Conferences in 1977 and 1978 (*see* below).

Further Developments in 1976-77 and 1977-78

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 and in June 1978, mostly on the basis of reports by Commonwealth and State officers. The position reached on these matters is set out below.

- (1) The States and the Commonwealth agreed in April 1977 on the scheme unanimously recommended by the 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. At the July 1977 Conference the Prime Minister stated that the Commonwealth would provide information to the States as follows:—
 - a preliminary estimate of each State's Stage 1 entitlement for the year ahead on the basis of then current Commonwealth tax legislation;
 - an estimate of the yield of 1% surcharge/cost of a 1% rebate in that State on the basis of then current Commonwealth tax legislation;
 - an estimate of entitlement under the former financial assistance grants arrangements (the guaranteed entitlement);
 - relevant wage assumptions underlying the above estimates; and
 - certain other information to the extent this is practicable and consistent with budget security.
- (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. In particular, the Premier of Tasmania drew attention at the April 1977 Premiers' Conference to the impact on his State's estimated entitlement of the revised population figures. Officers were directed by the Conference to examine and report on the implications of the revision of population figures.

While no change has been 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 have been noted and it has been agreed that no further action could usefully be taken at this stage.

(4) Point of understanding (17) records that there would be a periodic review of relativities and that advice in relation to this review would be sought from an independent review body. There were three aspects to be considered, the guidelines for the review body, the nature of the review body constituted to make recommendations, and the timing of the review.

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

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

It was also agreed at the April 1977 Premiers' Conference that the States and the Commonwealth would each have a right to argue before the review body any matters which a State or the Commonwealth regarded as relevant to the review, that the first review should be commenced as soon as possible and that the review body's report would be considered at a Premiers' Conference before any decision was taken on it.

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

At that Conference, the Prime Minister agreed that Commonwealth and State officers would consult further on the guidelines and would also give consideration to suggested amendments proposed by some of the Premiers. On the question of the review body the Prime Minister put forward a compromise proposal—in effect, a special Division of the Commonwealth Grants Commission supplemented by three associate members nominated by the States. It was then agreed that the

body to review the relativities should be composed of the Chairman of the Grants Commission, two members of the Commission, plus three associate members, one of whom would be nominated by New South Wales and Victoria and two by the four other States.

The Premiers' Conference on 21 October 1977 agreed on the wording of revised guidelines which were in line with the broad agreement reached at the April 1977 Premiers' Conference. The Conference also agreed that:

- (i) the intention was for reviews to be held no more often than every three to five years;
- (ii) Commonwealth legislation for the purpose should give flexibility to enable a review to be held whenever there were special circumstances which warranted this—for example, if a review were sought by (say) three States; and
- (iii) the guidelines were not intended to place any limitation on the review body in considering the matters that led to the existing relativities.

Amendments were made in June 1978 to the *States (Personal Income Tax Sharing) Act 1976* and to the *Commonwealth Grants Commission Act 1976* to provide, inter alia, for periodic reviews by a special Division of the Commonwealth Grants Commission of the per capita relativities between the States in their tax sharing entitlements.

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

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

The Premiers agreed that Commonwealth and State officers should examine and report on arrangements for changing the total tax sharing entitlements from 33.6 per cent of the current year's collections to an appropriate percentage of the preceding year's collections.

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. The amending legislation—the *States (Personal Income Tax Sharing) Amendment Act 1978*—provides, inter alia, for

States' entitlements for 1977-78 to be \$4336.1 million (subject to the guarantee arrangements) and future entitlements to be 39.87 per cent of the preceding year's collections (again, subject to the guarantee arrangements).

(6) In addition, the June 1978 Premiers' Conference referred the following matters to officers for examination and report:

- (i) the States' request that there be an extension beyond 30 June 1980 of the present guarantee that until then each State will be entitled to receive each financial year under Stage 1 of the tax sharing arrangements at least what it would have received under the old financial assistance grants formula.
- (ii) procedures regarding consultation between the Commonwealth and States in relation to post-budget changes in the income tax structure (point of understanding 9 (c) refers);
- (iii) the factual position in relation to the effect of changes to population estimates on the level of Queensland's guaranteed minimum entitlement under the old financial assistance grants formula. (Queensland raised this matter at the October 1977 Premiers' Conference claiming that consistent under-estimation of its population has meant that its financial assistance grants were lower than they should have been and that, therefore, its guaranteed minimum entitlement is too low);
- (iv) an examination of a New South Wales draft document relating to the points of understanding in relation to the extent to which it is an accurate, full and up-to-date record of the understandings reached between the Commonwealth and States; and
- (v) a review in accordance with point 9 (b) of the points of understanding.

Stage 2 of the Tax Sharing Arrangements

The April 1977 Conference had before it the Report of the working party of officers of the Commonwealth and State Treasuries and taxation and legal officers, established following the April 1976 Conference, to advise on the introduction of Stage 2 of the tax sharing arrangements. The report canvassed some fundamental aspects of possible arrangements, including several which raised important and complex legal and policy questions.

The Conference was in broad agreement 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 was a complex Bill to enable the States at their own discretion to increase their shares of personal income tax by increasing the tax paid by their residents or to provide tax rebates to their residents at the States' own cost. In order to allow time for proper consideration and informed debate, the Bill was not proceeded with immediately. At the July 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 legislation which might be adopted by States is a State matter, but one on which the Commonwealth has indicated a willingness to consult and co-operate.

States' Tax Sharing Entitlements in 1977-78 and 1978-79 (estimated)

Under the *States (Personal Income Tax Sharing) Act 1976*, the States are entitled to receive in respect of 1976-77 33.6 per cent of net personal income tax collections in the year, in respect of 1977-78 a fixed amount of \$4336.1 million and in respect of each subsequent year 39.87 per cent of collections in the preceding year. This is subject to the guarantee that the States' Stage 1 entitlements in any year are not less, in absolute terms, than in the previous year and that, in the years 1976-77 to 1979-80, their entitlements will not be less in a year than the amount which would have been yielded in that year by the financial assistance grants formula as laid down in the *States Grants Act 1973*.

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

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

Particulars of the calculations underlying the States' tax sharing entitlements for 1976-77 are given on pages 21 and 22 of the 1977-78 issue of this paper.

The States were entitled to a fixed amount of \$4336.1 million in respect of 1977-78, subject to the guarantee arrangements. (As required by the legislation, the Australian Statistician made determinations of amounts that would have been payable under the financial assistance grants formula (that is, the States' minimum entitlements) and of State populations at 31 December 1977.) After allowing for the operation of the guarantee in the case of Tasmania, the States' total entitlement for 1977-78 was \$4336.3 million, or \$0.2 million more than the fixed amount provided for in the Act. The States actually received \$4316.6 million in 1977-78 because of reductions amounting to \$19.6 million arising from over-payments in 1976-77.

The following table shows the calculations underlying the States' tax sharing entitlements in 1977-78 together with amounts actually paid in that year.

Table 5—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	2 155 012	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	742 557	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	519 891	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 Table 5 on page 22 of the 1977-78 edition of this paper.

(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 1.52 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 5 on page 22 of the 1977-78 edition of this paper.

(g) Row (7) minus row (8).

The amount of net personal income tax collections (excluding the effects of the health insurance levy) in 1977-78 determined by the Commissioner of Taxation in accordance with the Act is \$11 804.4 million, giving, on application of the percentage of 39.87 per cent (and after allowing for the operation of the guarantee for all States except Queensland), an estimate of the States' entitlements in 1978-79 of \$4777.0 million.

On assumptions concerning increases in State populations consistent with those used in estimating the States' tax sharing entitlements and assuming an increase in average wages consistent with that used elsewhere in the budget figuring, the financial assistance grants formula would yield an estimated \$4769.6 million in 1978-79.

The following table shows the calculations underlying the State by State estimates of their tax sharing entitlements in 1978-79. It is to be emphasised that these figures are estimates dependent on projections relating to wages and population and hence must necessarily be subject to a substantial margin of uncertainty.

Table 6—Estimates of the States' Personal Income Tax Sharing Entitlements in 1978-79

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
(1) Population at 31 December 1978(a) ('000 persons)	5 028.9	3 844.4	2 185.1	1 299.6	1 238.6	415.6	14 012.2
(2) Per capita relativities(b)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188	
(3) Row (1) Weighted by Row (2)	5 166.7	3 844.4	3 039.1	1 984.2	2 062.5	832.0	16 928.9
(4) Percentage Distribution of Row (3) between States (per cent)	30.520	22.709	17.952	11.721	12.183	4.915	100.000
(5) Share of 39.87 per cent of \$11 804.4 million(c) — Distributed According to Row (4) \$ million	1 436.4	1 068.8	844.9	551.6	573.4	231.3	4 706.4
(6) Estimated Amount Guaranteed under section 8 of the Act (Financial Assistance Grants formula)(d) \$ million	1 457.7	1 090.2	837.5	562.6	581.4	240.2	4 769.6
(7) Estimated States' Entitlements under the Act(e) \$ million	1 457.7	1 090.2	844.9	562.6	581.4	240.2	4 777.0

(a) Forward estimates of population at 31 December 1978 supplied by the Australian Bureau of Statistics Subject to revision.

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

(c) Net personal income tax collections in 1977-78 excluding revenue from the health insurance levy, determined by the Commissioner of Taxation in accordance with section 6 of the Act.

(d) Estimates calculated by applying to the notional 1977-78 financial assistance grants, as determined by the Australian Statistician, the estimated increases in State populations in the year ending 31 December 1978 (New South Wales, 1.00 per cent; Victoria, 1.18 per cent; Queensland, 1.39 per cent; South Australia, 1.23 per cent; Western Australia, 2.27 per cent; Tasmania, 0.85 per cent) based on estimates of populations supplied by the Australian Bureau of Statistics, the estimated increase in average wages for Australia as a whole in the year ended 31 March 1979 of 8 per cent and a betterment factor of 3.0 per cent.

(e) For all States except Queensland, amounts in row (6); for Queensland, amount in row (5).

THE SPECIAL GRANTS

Special grants have been paid to the States on the recommendation of the Commonwealth Grants Commission since 1934-35. The Grants Commission was established under the *Commonwealth Grants Commission Act 1933* and functioned under that Act, to which only minor amendments were made, until September 1973. New legislation, the *Grants Commission Act 1973*, was passed by the Parliament in the Autumn 1973 sittings and amendments to that Act were passed in the Autumn sittings of 1975 and 1976. These various changes were mainly related to the Commonwealth's role in the matter of assistance for local government and are dealt with in Chapter VI of this paper.

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

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

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

As noted above, the tax sharing arrangements are on the basis that each of the four less populous States may apply for special grants. Queensland has been the only applicant State in recent years. However, Tasmania, which had withdrawn from claimancy in 1974-75, applied on 30 June 1978 for a special grant in respect of 1977-78 and the matter has been referred to the Commission. Arrangements under which States ceased receiving special grants are set out in the 1975-76 issue of this paper.

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

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

In 1977-78 Queensland received special grants totalling \$24.8 million, consisting of an advance grant for 1977-78 of \$14.0 million and a completion grant in respect of 1975-76 of \$10.8 million. The grants were recommended by the Commission in its Forty-fourth Report presented to Parliament in the Budget Session in 1977, and were authorised by the *Queensland Grant (Special Assistance) Act 1977*.

The Commission has recommended for payment to Queensland in 1978-79 an advance grant for 1978-79 of \$16.0 million and a completion grant in respect of 1976-77 of \$5.7 million. The Commonwealth Government has accepted these recommendations and it is expected that legislation to authorise payment of the grants will be introduced in the Budget sittings of Parliament following tabling of the Commission's Forty-fifth Report.

The table below shows the *final* amount of special grants paid *in respect of* each of the years 1974-75 to 1976-77 inclusive—that is, the advance grant paid in the year concerned plus the completion grant normally paid two years later. The table also shows the advance payments for 1977-78 and 1978-79. Table 8 shows the grants in terms of amounts actually paid each year.

Table 7—Special Grants (\$ thousands)

	Queensland			South Australia		
	Advance Payment	Completion Payment(a)	Total	Advance Payment	Completion Payment	Total
1974-75	15 000	9 000	24 000	15 000	(b)10 000	25 000
1975-76	25 000	10 800	35 800	..	..	..
1976-77	18 000	5 700	23 700	..	..	..
1977-78	14 000	(c)	(c)	..	..	..
1978-79	16 000	(c)	(c)	..	..	..

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

(b) Amount paid in 1974-75 in accordance with agreement between the Commonwealth and South Australian Governments; represents agreed estimate of completion grant which could have been expected to be recommended by the Grants Commission in respect of 1974-75 if the State had remained claimant. This amount was not, and is not to be, reviewed by the Commission. An additional amount of \$6 434 000, not included in this table, was paid in 1974-75—see page 21 of 1975-76 issue of this paper.

(c) Not yet determined—see text above.

OTHER GENERAL REVENUE ASSISTANCE

As noted above, 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. Between 1949-50 and 1958-59, for instance, the Commonwealth Government made ad hoc grants to each State to supplement the amount yielded by the formula then operating; and additional assistance grants, partly used for general revenue purposes, were paid in the years 1957-58 and 1961-62 to 1963-64. Special revenue assistance of one kind or another was also paid in every year from 1966-67 to 1974-75. The amount provided in the last of these years is shown in the table below; for earlier years, see Table 116 of the 1975-76 issue of this paper.

As part of arrangements for the transfer of the non-metropolitan railway system of South Australia and the railway system of Tasmania to the Commonwealth Government (see 1975-76 issue of this paper for further details) the Commonwealth agreed to make special payments of \$10 million and \$5 million respectively

to the two States in 1974-75. These payments have been classified as special revenue assistance to the States for purposes of this paper and in publications of the Australian Bureau of Statistics. They have, however, not been classified as payments to the States in the Statements attached to the Budget Speech, being regarded, for purposes of those Statements, as expenditures on the purchase of existing assets and, for this reason, relevant aggregates in this paper differ, for 1974-75, from those shown in the Statements attached to the Budget Speech.

PAYMENTS OF GENERAL REVENUE FUNDS TO THE STATES

The following table shows payments of general revenue funds to the States from 1974-75 and estimates for 1978-79.

Table 8—General Revenue Funds (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
PAYMENTS OF FINANCIAL ASSISTANCE GRANTS/TAX SHARING ENTITLEMENTS(a)							
1974-75	737 522	548 405	414 446	261 737	279 830	131 871	2 373 811
1975-76	946 660	706 389	536 792	363 091	363 031	156 816	3 072 780
1976-77	1 133 400	841 700	660 200	433 200	440 800	186 294	3 695 594
1977-78	1 319 609	984 690	770 539	507 761	519 891	214 150	4 316 641
1978-79 (estimate)	1 457 700	1 090 200	844 900	562 600	581 400	240 200	4 777 000
SPECIAL GRANTS(b)							
1974-75	..	..	24 750	39 934	..	..	64 684
1975-76	..	..	36 300	2 500	..	..	38 800
1976-77	..	..	27 000	..	..	..	27 000
1977-78	..	..	24 800	..	..	..	24 800
1978-79	..	..	21 700	..	..	..	21 700
SPECIAL REVENUE ASSISTANCE							
1974-75	18 641	13 861	10 475	16 616	7 073	8 333	75 000
1975-76	..	..	..	..	..	..	..
1976-77	..	..	..	..	..	..	..
1977-78	..	..	..	..	..	..	..
1978-79	..	..	..	..	..	..	..
TOTAL GENERAL REVENUE FUNDS							
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 (estimate)	1 457 700	1 090 200	866 600	562 600	581 400	240 200	4 798 700

(a) State Government entitlements to a share of Commonwealth personal income tax collections in 1976-77, 1977-78 and 1978-79; financial assistance grants in earlier years. For further details concerning the grants in 1975-76 and earlier years, see the 1975-76 issue of this paper.

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

ADVISORY COUNCIL FOR INTER-GOVERNMENT RELATIONS

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

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

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

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

The Council, whose Secretariat is based in Hobart, has met a number of times. Two reports—the first annual report for the year ending 31 August 1977 and a report on interchange of personnel—have been produced. A statement dealing with progress the Council has made in respect of the two matters referred to it was presented to, and noted by, the June 1978 Premiers' Conference.

CHAPTER III—GENERAL PURPOSE CAPITAL FUNDS

This Chapter provides information on the general purpose capital funds available to the States and their authorities under the Loan Council arrangements. These comprise borrowings made on behalf of the State Governments (to which the Commonwealth has contributed from its own resources in most recent years), interest-free grants made by the Commonwealth to the States and borrowings by State authorities. Relevant statistical material for the period from 1974-75 is presented in Appendix II; statistical information for earlier years is available in Appendix III of 'Payments to or for the States and Local Government Authorities 1975-76'.

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

STATE GOVERNMENT LOAN COUNCIL PROGRAMS

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

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

For 1977-78 the Loan Council approved a total State Government program of \$1433.8 million made up of a basic program of \$1423.8 million and a special permanent addition of \$10 million for New South Wales in recognition of that State's relatively low per head share of Loan Council programs.

The Loan Council at its June 1978 meeting approved for 1978-79 a total State Government program of \$1433.8 million. Two-thirds of the total State Government program, or \$955.9 million, will comprise borrowings and one-third, or \$477.9 million, will be provided as interest free capital grants to the States. (These proportions are the same as in 1977-78.)

The following table shows the distribution between the States of the programs for 1977-78 and 1978-79:—

**Table 9—State Government Loan Council Programs, 1977-78 and 1978-79—
State by State Allocations**

	1978-79				Percentage of Six State Total(b)
	1977-78		Capital Grants(a)	Total	
	Total	Borrowings				Amount
	\$'000	\$'000	\$'000	\$'000	%
New South Wales	(c)463 467	308 978	154 489	463 467	32.33
Victoria	360 213	240 142	120 071	360 213	25.12
Queensland	190 110	126 740	63 370	190 110	13.26
South Australia	186 853	124 569	62 284	186 853	13.03
Western Australia	(d)132 669	88 446	(d)44 223	(d)132 669	9.25
Tasmania	100 488	66 992	33 496	100 488	7.01
Total	(d)1 433 800	955 867	(d)477 933	(d)1 433 800	100.00

- (a) Capital grants represent one-third of each State's total program, the same proportion as in 1977-78.
- (b) The same percentage allocation applied in 1977-78.
- (c) Includes special permanent addition of \$10 million to New South Wales' share of the program agreed at the July 1977 Loan Council meeting.
- (d) The program figures shown here differ from the payment figures shown elsewhere in this paper because of a \$3000 underpayment of the capital grant to Western Australia in 1977-78 and an adjusting payment in 1978-79.

Financing of States' Borrowing Programs and the Capital Grants

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

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

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

A summary of the financing of the States' Loan Council programs since 1973-74 is given in Table 99 in Appendix II; Table 100 shows further details of the financing of the programs since 1973-74.

Following previous practice, the Commonwealth has undertaken to support the total States' Loan Council programs of \$1433.8 million agreed for 1978-79, conditional on the States agreeing to certain arrangements designed to promote the raising of loans to finance the programs. On this basis, the Commonwealth will support the programs in the following ways:—

- (a) by leaving to the States, to the extent necessary to complete their governmental borrowing programs, the whole of the proceeds derived from public loan raisings by the Commonwealth in Australia (other than the net proceeds of Interest Equalisation Deposits, Treasury Notes and other borrowings for temporary purposes; and amounts applied to redemption of public securities (including Special Bonds and Australian Savings Bonds) that cannot be financed out of the National Debt Sinking Fund);
- (b) by arranging, to the maximum possible extent, for the redemption of maturing but unconverted State debt that cannot be met from State sinking funds; and
- (c) by making monthly advances to the States for the first eight months of the financial year against the borrowing component of the program at an annual rate not exceeding \$955 867 000, the position then to be reviewed and a tentative determination made, not later than February 1979, of the amount of any special loan assistance the Commonwealth may provide from its own resources. (The amount of the capital grants component of the program is paid to the States by equal monthly instalments.)

BORROWING PROGRAMS FOR STATE AUTHORITIES

Under the 'Gentlemen's Agreement', originating in 1936, the Loan Council approves an aggregate annual borrowing program for larger semi-government and local authorities. As was the case in 1977-78, larger authorities are defined as those borrowing more than \$1 million in the financial year, the Loan Council having decided at its July 1977 meeting to increase the limit from the figure of \$800 000 which applied in 1976-77. For information on the limits applying in previous years, see page 29 of 'Payments to or for the States and Local Government Authorities 1975-76'. From 1962-63 no overall limit has been set by the Loan Council on borrowings by smaller authorities, that is, authorities borrowing within the financial year up to the amounts mentioned above.

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

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

For 1977-78, the Loan Council approved a total borrowing program for larger State authorities of \$1195 million. (The Loan Council also approved a further \$47 million as a special temporary addition for the State Electricity Commission of Victoria towards the Loy Yang open cut project to be drawn down over a period of years. This is expected to commence with a small, but as yet unspecifiable, requirement late in 1978-79.) The total program was made up of a basic program of \$1128 million and special temporary additions of:—

- \$20 million for New South Wales, the same amount to be available by way of special temporary additions in each of the four subsequent years;
- \$31 million for Queensland, consisting of \$16 million for the Gladstone power station and \$15 million for the Queensland Sugar Board against three-year programs of \$25 million and \$50 million respectively approved by the Loan Council; and
- \$16 million for Western Australia in respect of a three-year program of \$24 million approved by the Loan Council for the conversion of the Kwinana power station to dual coal and oil firing.

At its June 1978 meeting, the Loan Council approved a total borrowing program for larger State authorities of \$1296.5 million. This comprises a basic program of \$1207 million, a special permanent addition for Western Australia of \$18 million to improve that State's per capita share of the program relative to the other States, and special temporary additions of:—

- \$20 million for New South Wales under arrangements made at the July 1977 Loan Council meeting;
- \$21 million for Queensland, consisting of \$5 million for the Gladstone power station and \$16 million for the Queensland Sugar Board under arrangements made in 1977-78; and
- \$30.5 million for Western Australia, consisting of \$7 million for the Kwinana power station under arrangements made at the July 1977 Loan Council meeting, \$9 million for further electric power development at Muja (representing the 1978-79 approval against a program of \$48 million over three years) and \$14.5 million for rehabilitation and upgrading of the railway between Kwinana and Koolyanobbing (representing the 1978-79 approval against a program of \$65 million over six years).

The basic program for 1978-79 represents an increase of 7 per cent over the basic program for 1977-78. When account is taken of the special additions the increase in the total 1978-79 program over the total 1977-78 program becomes 8.5 per cent.

Details of the larger State authorities' programs for 1977-78 and 1978-79 are set out in the following table:—

Table 10—Larger Authorities' Programs, 1977-78 and 1978-79—State by State Distribution

	1977-78			1978-79			
	Basic Program	Special Additions(a)	Total	Basic Program	States' Shares of Basic Program(b)	Special Additions(a)	Total
	S'000	S'000	S'000	S'000	%	S'000	S'000
New South Wales . . .	423 127	20 000	443 127	452 746	37.51	20 000	472 746
Victoria . . .	357 612		(c)357 612	382 645	31.70		(c)382 645
Queensland . . .	208 651	31 000	239 651	223 256	18.50	21 000	244 256
South Australia . . .	53 110		53 110	56 828	4.71		56 828
Western Australia . . .	53 309	16 000	69 309	57 041	4.73	(d)48 500	105 541
Tasmania . . .	32 191		32 191	34 444	2.85		34 444
Total . . .	1 128 000	67 000	1 195 000	1 206 960	100.00	89 500	1 296 460

(a) Except where indicated, special additions are 'temporary'. 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 1978-79 is the same as the distribution of the 1977-78 basic program.

(c) Does not include any amount for the Victorian Loy Yang open cut project which is expected to be drawn down over a period of years commencing with a small, but as yet unspecifiable, amount late in 1978-79.

(d) Includes a 'permanent' addition for Western Australia of \$18 million. See footnote (a) above.

The States' smaller authorities' borrowings have increased substantially in recent years. In 1977-78 these borrowings amounted to \$385.5 million and are estimated by the States to total \$441.5 million in 1978-79, an increase of 14.5 per cent.

The borrowings of both larger and smaller authorities in each State in 1977-78 and previous years, the shares of the program for larger authorities in each State in 1978-79, and estimated borrowings by smaller authorities in 1978-79, are shown in Table 94 in Appendix II. Table 98 in that Appendix shows the amounts that have been borrowed by local government authorities from within the total borrowings of both larger and smaller authorities. Further reference to the borrowing arrangements for local government authorities is made in Chapter VI.

Guidelines for Infrastructure Financing

At its June 1978 meeting, the Loan Council approved new guidelines for consideration by it of proposals for special additions to annual larger authorities' borrowing programs—the so-called 'semi-government programs'—for financing infrastructure. The guidelines cover both Commonwealth and State authorities. The guidelines also provide for consideration by the Loan Council of overseas borrowings in special circumstances by Commonwealth and State semi-government and local authorities. The new arrangements represent, in effect, an extension of the Gentlemen's Agreement which governs borrowings by these authorities. They do not relate to borrowings by Governments themselves, 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.

Each proposal for a special addition will be carefully examined by the Loan Council, including as to the viability of the proposed project, its special significance to the economic development of Australia, and 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. In view of the Commonwealth's overall economic management responsibilities, it is recognised that the Chairman may take into account the implications of a proposal for the Commonwealth's fiscal and monetary policy objectives. Approval by the Loan Council of a special addition requires the agreement of a simple majority including the Commonwealth.

The new guidelines provide that, where the Loan Council has approved a special addition to a government's semi-governmental program, 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 for such a borrowing.

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

In considering any proposal for an overseas borrowing, either under a special addition or a normal semi-governmental borrowing program, the Chairman, in view of the Commonwealth's overall economic management responsibilities, may take into account the implications of the proposed borrowing for the Commonwealth's domestic monetary policy and external policy.

A number of projects were submitted by the States to the June 1978 Loan Council meeting for consideration under the guidelines. As soon as practicable, the Loan Council is to decide:—

- which projects should be selected for support within a program of special additions; and
- a responsible time scale and phasing for the program.

TREATMENT OF LOAN COUNCIL PROGRAMS IN THIS AND OTHER BUDGET PAPERS

The capital grants (beginning in 1970-71) which have been agreed to in the context of Loan Council discussions represent Commonwealth payments to the States and are so categorised for purposes of this and other budget papers.

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

CHAPTER IV—SPECIFIC PURPOSE PAYMENTS TO THE STATES

The Commonwealth has provided financial assistance for certain specific types of expenditure by the States for many years. The present Government, in line with its Federalism policy, has been lessening the emphasis on specific purpose programs following the considerable expansion in this type of assistance in recent years. This Chapter outlines specific purpose payments recently made, presently being made or proposed to be made, to the States. Table 87 in Appendix I of this paper shows aggregate specific purpose payments to each State since 1974–75 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 the Statements attached to the Budget Speech—the only exceptions being that payments included in the 'Not Allocated to Function' category (namely, assistance related to State debts, assistance for local government and natural disaster relief) are shown under specific headings in appropriate places in the Chapter and that payments for Aboriginal Advancement are outlined together (in the functional statements these are distributed over a number of functions).

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

ASSISTANCE RELATED TO STATE DEBTS

Payments Under the Financial Agreement

Contributions to Interest on State Debts

Under the Financial Agreement entered into by the Commonwealth and the States in 1927, the Commonwealth makes payments to the States expressed as a contribution towards interest payable on State debts. They are therefore treated here as specific purpose grants, although they have some of the characteristics of grants for general purposes. In fact, the payments superseded the general revenue grants of \$2.50 per head of the population of each State made in the period 1910–11 to 1926–27 under the *Surplus Revenue Act* 1910. (See Appendix II of 'Payments to or for the States and Local Government Authorities 1975–76.')

Each year the total contribution is \$15.17 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 11—Interest Payments on State Debts (\$ thousands)

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

Sinking Fund Contributions

The Financial Agreement of 1927 established arrangements for the payment of sinking fund contributions, by both the Commonwealth and State Governments, in respect of State debt or debt incurred on behalf of the States. These arrangements, with relatively minor amendments, applied from 1927-28 to 1974-75 and are summarised on page 36 of 'Payments to or for the States and Local Government Authorities 1974-75'.

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

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

The Financial Agreement amendments also gave effect to the transfer of \$1000 million of State debt to the Commonwealth from 30 June 1975 (*see* page 34 of 'Payments to or for the States and Local Government Authorities 1975-76').

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

The following table shows the Commonwealth's contributions to the sinking fund on States' debts from 1974-75, including estimated contributions to be made in 1978-79:—

Table 12—Sinking Fund Payments under the Financial Agreement, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75.	10 079	7 525	4 012	4 672	2 976	2 141	30 805
1975-76.	9 900	7 500	3 900	4 000	2 800	2 100	30 200
1976-77.	10 506	8 003	4 165	3 911	2 981	2 069	31 635
1977-78.	11 168	8 540	4 447	4 191	3 175	2 225	33 747
1978-79 (estimate)	11 901	9 099	4 739	4 466	3 383	2 371	35 959

DEFENCE

Housing for Servicemen

Under successive Commonwealth-State Housing Agreements provision was made from 1956-57 to 1970-71 for certain of the funds advanced annually to the States for housing to be devoted to the erection of dwellings for serving members of the Defence Force. (For further details see page 35 of 'Payments to or for the States and Local Government Authorities 1975-76.')

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

The following table shows the amounts provided to the States since 1974-75 and estimates for 1978-79:—

Table 13—Advances for Housing for Servicemen, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75.	16 350	4 192	5 200	130	784	149	26 805
1975-76.	18 005	6 082	7 500	1 725	698	160	34 170
1976-77.	15 280	4 191	12 300	2 107	1 230	6	35 114
1977-78.	7 947	753	12 500	1 317	2	..	22 519
1978-79 (estimate)	5 423	948	5 211	..	18	..	11 600

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 armed services) with the efforts made by State emergency services and local and voluntary organisations to cope with major natural disasters.

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

- (i) grants are made to the States to meet the cost of salaries of an agreed number of State Emergency Services' personnel at Division or District headquarters (this assistance was first provided in 1974-75);
- (ii) grants are made to subsidise disaster protection—specifically, levee banks, drains and firebreaks—and to provide depots for emergency service units at the local level;

(iii) under a practice of some years' standing, capital equipment is provided to the State organisations. Equipment valued at \$1.33 million was provided in 1977-78 and the estimated value of equipment to be provided in 1978-79 is \$1.11 million;

(iv) the Commonwealth meets the costs of State Government personnel travelling to attend courses at the Australian Counter Disaster College at Mt 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 and estimated payments in 1978-79:—

Table 14—Grants for State Emergency Services, 1974-75 to 1978-79 (estimate)
(S thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SALARIES OF PERSONNEL							
1974-75	188		114	..	..	23	325
1975-76	278	119	203	..	..	53	653
1976-77	323	220	256	..	13	67	879
1977-78	385	269	323	..	37	62	1 076
1978-79 (estimate)	432	298	338	35	58	69	1 230
PROTECTION AND OTHER WORKS							
1974-75	..	..	..	..	..	..	..
1975-76	20	..	66	8	..	..	94
1976-77	32	40	46	5	24	2	149
1977-78	70	34	56	..	13	1	174
1978-79 (estimate)	46	35	39	9	19	12	160
TOTAL							
1974-75	188	..	114	..	..	23	325
1975-76	298	119	269	8	..	53	747
1976-77	355	260	302	5	37	69	1 028
1977-78	455	303	379	..	50	63	1 250
1978-79 (estimate)	478	333	377	44	77	81	1 390

Special Assistance to Exmouth Shire

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

Payments totalling \$0.43 million to 30 June 1978, including \$0.11 million in 1977-78, have been made to Western Australia for the Exmouth Shire from Department of Defence Appropriations. An amount of \$0.35 million is being provided against the requirement for further assistance in 1978-79. Further details are provided in Chapter VI.

EDUCATION

Grants to the States for education began with assistance for the recurrent expenditures of universities in 1951–52. The area of assistance was progressively extended, and the magnitude of Commonwealth assistance in particular areas has also been increased, the most notable examples being the assumption by the Commonwealth of full financial responsibility for tertiary education in 1973–74 (previously expenditure in this area had been shared between the Commonwealth and State Governments), and the substantially increased assistance for schools as from 1973–74 and for technical and further education as from 1974–75. As a result of these various developments, payments to the States for education have grown rapidly—for example, from \$259.4 million in 1972–73 to \$1815.0 million in 1977–78, and an estimated \$1921.8 million in 1978–79.

In recent years a number of changes have been made to 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. In 1977 a three-year rolling program was adopted involving the determination of a firm allocation in the Budget context for the first year of the period and planning guidelines for the second and third years with no financial commitment until each, in turn, becomes 'Year One' of the rolling program.

As from 1979, however, fixed triennial funding arrangements are to be adopted in respect of recurrent grants (other than equipment grants) for universities and colleges of advanced education to facilitate forward planning in these areas. Equipment and capital grants will be determined annually. In addition, funding arrangements for technical and further education are to be considered further following examination of a report by the Williams Committee of Inquiry into Education and Training. Rolling program arrangements are to be maintained for payments to the States for schools.

Cost supplementation arrangements for 1979 will continue to be confined to the wages and salaries component of recurrent programs, including the fees reimbursement component in the technical and further education assistance.

However, because the respective Commissions will not report until after the Budget it is not possible to give precise estimates, for the four areas of assistance, of total grants in 1978–79 including amounts to allow for cost increases beyond 30 June 1978.

The figures in respect of the four areas for 1978–79 given in Tables 15 through 18 below are therefore generally on the basis of estimated June 1978 cost levels and there will be additions to the amounts shown in those tables on account of cost supplementation. An amount of \$45 million has been allowed for in the budget figures in respect of cost supplementation for the four areas of assistance concerned. This is a broadly determined figure and it is not possible to give a break-down of it as between the areas of assistance concerned; for purposes of this document, however, an arbitrary allocation of \$41 million to recurrent grants and \$4 million to capital grants has been made and this has been allocated between States in proportion to recurrent and capital grants for education respectively.

Tertiary Education

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

As indicated above, the Government's decisions on the 1978 programs were taken in accordance with the three-year rolling program arrangements which were introduced in 1977. The programs of assistance to the States for that year for universities, colleges of advanced education and technical and further education institutions were authorised under the *States Grants (Tertiary Education Assistance) Act 1977*.

In June 1978, the Government announced base levels of expenditure for 1979 (i.e., before allowances for cost increases during the year) and relevant amounts for 1980 and 1981. For universities and colleges of advanced education, there is to be a 0.7 per cent real increase in recurrent funds in 1979 to sustain intakes of students at present levels and to accommodate the Commission's projected increases in total enrolments. Capital funds are to be reduced by 39.3 per cent in real terms on 1978, due in part to stabilised enrolments following a period of rapid growth. For the technical and further education sector, there is to be an overall increase of 19.4 per cent in assistance in 1979 including the first instalment of an additional capital works program announced in December 1977.

For each of the years 1980 and 1981, recurrent grants (other than equipment grants) for universities and colleges of advanced education have been set at the same overall level in real terms as those approved for 1979. As indicated above, for technical and further education, the base programs for 1980 and 1981 will be determined by the Government after consideration of the report of the Williams Committee of Inquiry into Education and Training.

The percentages referred to 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 Territories as well as the States but, in the case of technical and further education, they relate to the States only.

Universities

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

On the basis of the arrangements noted above, the program of financial assistance to the States for universities in 1979 amounts to \$626.7 million at estimated June 1978 prices. The allocation for 1978–79 is \$628.3 million, again at estimated June 1978 prices.

The following table shows grants to the States for universities since 1974-75 and the estimated grants for 1978-79 at estimated June 1978 prices:—

Table 15—Grants for Universities(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	149 997	99 798	49 876	38 067	27 978	12 274	377 990
1975-76	168 831	110 717	57 185	43 107	32 891	13 658	426 389
1976-77	199 633	134 763	69 427	51 000	40 794	15 939	511 556
1977-78	222 895	153 092	77 883	56 628	46 463	17 505	574 465
1978-79 (estimate)	222 700	153 700	77 200	55 600	45 500	17 700	572 400
CAPITAL							
1974-75	22 526	17 330	9 821	7 320	7 714	1 279	65 990
1975-76	21 754	9 516	6 453	3 421	5 094	2 589	48 827
1976-77	17 552	10 459	11 637	6 427	9 822	1 061	56 958
1977-78	17 909	11 842	7 335	6 634	7 664	1 008	52 392
1978-79 (estimate)	23 300	11 400	6 800	6 400	7 100	900	55 900
TOTAL							
1974-75	172 523	117 128	59 697	45 387	35 692	13 553	443 980
1975-76	190 585	120 233	63 638	46 528	37 985	16 247	475 216
1976-77	217 185	145 222	81 064	57 427	50 616	17 000	568 514
1977-78	240 804	164 934	85 218	63 262	54 127	18 513	626 857
1978-79 (estimate)	246 000	165 100	84 000	62 000	52 600	18 600	628 300

(a) Estimates only for 1978-79. Final amounts will be determined following recommendations of the Tertiary Education Commission to the Government on grants for 1979. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation; see introductory paragraphs to the 'Education' section.

Colleges of Advanced Education (including Teachers Colleges)

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

On the basis of the arrangements noted above, the program of financial assistance to the States for colleges of advanced education in 1979 amounts to \$455.2 million at estimated June 1978 prices. The allocation for 1978-79 is \$462.1 million, again at estimated June 1978 prices.

The following table shows grants to the States for colleges since 1974-75 and the estimated grants for 1978-79 at estimated June 1978 prices:—

Table 16—Grants for Colleges of Advanced Education and Teachers' Colleges(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	62 122	86 119	27 230	24 531	32 359	6 888	239 249
1975-76	69 089	111 307	33 999	28 838	36 522	7 011	286 766
1976-77	90 831	135 960	48 962	38 221	46 242	8 678	368 894
1977-78	98 303	141 522	56 616	41 724	48 080	9 256	395 501
1978-79 (estimate)	103 700	143 500	58 000	41 500	48 700	9 200	404 600
CAPITAL							
1974-75	41 197	32 452	13 438	12 579	7 281	2 969	109 916
1975-76	23 716	34 313	9 181	6 886	7 344	5 313	86 753
1976-77	27 200	25 971	14 630	4 276	5 074	404	77 555
1977-78	11 886	18 968	7 899	8 457	5 198	1 598	54 006
1978-79 (estimate)	15 500	19 279	9 800	5 400	4 700	2 800	57 479
TOTAL							
1974-75	103 319	118 571	40 668	37 110	39 640	9 857	349 165
1975-76	92 805	145 620	43 180	35 724	43 866	12 324	373 519
1976-77	118 031	161 931	63 592	42 497	51 316	9 082	446 449
1977-78	110 189	160 490	64 515	50 181	53 278	10 854	449 507
1978-79 (estimate)	119 200	162 779	67 800	46 900	53 400	12 000	462 079

(a) Estimates only for 1978-79. Final amounts will be determined following recommendations of the Tertiary Education Commission to the Government on grants for 1979. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation; 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 to the States under the technical and further education program are made on the understanding that the States do not reduce the levels of activity financed from their own resources.

On the basis of the arrangements noted above, the program of financial assistance to the States in 1979 amounts to \$119.5 million at estimated June 1978 prices. The program includes a first instalment of \$6.6 million of a Government undertaking to provide an additional \$53.4 million at estimated June 1978 prices for capital works over the period 1979-81. The allocation for 1978-79 is \$125 million, again at estimated June 1978 prices.

The following table shows grants to the States for technical and further education since 1974-75 and the estimated grants for 1978-79 at estimated June 1978 prices:—

Table 17—Grants for Technical and Further Education(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	10 333	6 794	2 262	2 639	2 168	426	24 622
1975-76	17 652	9 653	4 643	3 770	3 322	1 087	40 127
1976-77	16 714	13 866	4 538	4 502	3 607	969	44 194
1977-78	19 184	11 163	4 885	4 737	4 521	1 110	45 600
1978-79 (estimate)	21 300	15 800	6 700	6 200	5 900	1 900	57 800
CAPITAL							
1974-75	5 859	6 585	4 073	2 800	587	471	20 375
1975-76	8 919	7 376	3 334	1 208	2 876	887	24 600
1976-77	12 262	9 333	4 439	2 320	3 690	1 664	33 708
1977-78	15 161	12 728	8 735	4 837	2 993	1 970	46 425
1978-79 (estimate)	22 100	17 300	13 700	6 900	6 100	1 100	67 200
TOTAL							
1974-75	16 192	13 379	6 335	5 439	2 755	897	44 997
1975-76	26 571	17 029	7 977	4 978	6 198	1 974	64 727
1976-77	28 976	23 199	8 976	6 822	7 296	2 633	77 903
1977-78	34 345	23 891	13 620	9 574	7 514	3 080	92 025
1978-79 (estimate)	43 400	33 100	20 400	13 100	12 000	3 000	125 000

(a) Estimates only for 1978-79. Final amounts will be determined following recommendations of the Tertiary Education Commission to the Government on grants for 1979. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation; 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, innovatory projects and information programs.

The Schools Commission, established by the *Schools Commission Act 1973*, administers these programs of assistance.

Three-year rolling program arrangements have applied to assistance for schools in the States since 1977. Under these arrangements an amount of \$646.4 million (at estimated June 1978 prices) will be provided as the base program of assistance in 1979. This program, comprising \$166.5 million and \$479.9 million for capital and recurrent expenditures respectively, represents an increase of 1 per cent in real terms on the approved program for 1978.

Planning guidelines provided for 1980 and 1981 under the rolling program arrangements allow for growth of 1 per cent per annum in real terms in the base programs.

The following table shows grants to the States for schools since 1974-75 and the estimated grants for 1978-79 at estimated June 1978 prices:—

Table 18—Grants for Government and Non-Government Schools(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	84 749	72 113	35 604	19 017	17 184	5 912	234 579
1975-76	125 395	100 354	46 162	27 452	23 194	9 327	331 885
1976-77	151 153	134 939	56 058	35 038	33 520	11 049	421 758
1977-78	171 540	138 250	59 853	38 566	35 292	12 121	455 622
1978-79 (estimate)	175 275	146 231	59 687	38 465	37 878	12 685	470 221
CAPITAL							
1974-75	71 707	58 652	27 970	19 159	15 789	6 091	199 368
1975-76	45 886	49 285	22 363	11 056	10 564	4 477	143 631
1976-77	48 683	45 056	28 090	14 672	6 999	4 266	147 766
1977-78	57 952	51 274	34 264	17 069	16 713	6 186	183 457
1978-79 (estimate)	61 289	49 013	32 324	15 509	19 785	3 966	181 886
TOTAL							
1974-75	156 456	130 765	63 574	38 176	32 973	12 003	433 947
1975-76	171 281	149 639	68 525	38 508	33 758	13 804	475 516
1976-77	199 837	179 995	84 148	49 711	40 519	15 314	569 524
1977-78	229 492	189 524	94 117	55 635	52 005	18 307	639 080
1978-79 (estimate)	236 564	195 244	92 012	53 974	57 663	16 651	652 107

(a) Estimates only for 1978-79. Final amounts will be determined following recommendations of the Schools Commission to the Government on grants for 1979. In addition, the estimates shown do not include amounts to be paid on account of cost supplementation; see introductory paragraphs to the 'Education' section.

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 Schools Commission (see above). Grants under the *Immigration (Education) Act* are now only provided for the purpose of initial special instruction of refugee children who arrive during the course of a school year, and for the purchase of materials. The increased expenditure shown below for 1978-79 is to cater for the large increase in refugee intake agreed to for the year. In addition, 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.

The Commonwealth also reimburses the States for the costs 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. In addition Commonwealth funds to be provided in 1978-79 for portable classrooms will not be by way of payments to the States.

The following table shows grants paid to the States for child migrant education, other than under the Schools Commission program, since 1974-75 and estimates for 1978-79:—

Table 19—Grants for Child Migrant and Refugee Education (other than under the Schools Commission Programs) (a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	3 890	4 482	255	810	229	179	9 845
1975-76	2 720	3 559	195	514	233	149	7 371
1976-77	67	46	2	22	2	2	140
1977-78	165	41	15	16	41	..	278
1978-79 (estimate)(b)	330	290	55	55	55	..	785
CAPITAL							
1974-75	475	709	106	92	89	6	1 478
1975-76	405	943	11	275	-9	45	1 670
1976-77	2	5	..	31	..	..	39
1977-78 . . . . .	..	..	..	..	..	..	..
1978-79 (estimate)(b)	..	..	..	..	..	..	..
TOTAL							
1974-75	4 365	5 191	361	902	318	185	11 323
1975-76	3 125	4 502	206	789	224	194	9 041
1976-77	69	51	2	53	2	2	179
1977-78	165	41	15	16	41	..	278
1978-79 (estimate)(b)	330	290	55	55	55	..	785

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

(b) 1978-79 amounts are preliminary estimates only. Final amounts will be determined by the circumstances and the actual number of refugee school children in need of emergency assistance.

Educational Research

Grants to the States for the purpose of educational research are made under the *Education Research Act 1970*. For this purpose, the Education Research and Development Committee advises the Minister for Education on priorities in educational research, makes recommendations on allocations of financial support of educational research projects proposed to it and commissions research. The Committee is also required to advise the Minister on any other means for the improvement of educational research, its development and the application of results in Australia.

\$1.04 million has been approved for 1978-79 and, of this, it is estimated that \$0.8 million will be made available to the States on the recommendations of the Committee.

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

The following table shows grants to the States for educational research since 1974-75 and estimated grants in 1978-79:—

Table 20—Grants for Recurrent Expenditures on Educational Research, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	151	227	296	58	33	21	786
1975-76	253	431	190	116	59	14	1 062
1976-77	259	314	216	139	70	14	1 012
1977-78	184	240	166	135	75	9	809
1978-79 (estimate)(a)	203	276	205	145	79	12	920

(a) Preliminary estimates only.

HEALTH

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

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

Payments to the States for health purposes have consequently risen rapidly—from \$21 million in 1972–73 to \$1 107.2 million in 1977–78. The estimated payments in 1978–79 are \$1 164.4 million.

Health Insurance Program

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

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

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

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

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

As an interim measure, until new cost-sharing arrangements were negotiated with the States as part of the new health insurance arrangements that were to apply from 1 October 1976, the *States Grants (Hospital Operating Costs) Act* 1976 authorised the payment of up to \$315 million to the States to meet 50 per cent of net operating costs of hospitals incurred before 1 October 1976. Of this amount, \$294.5 million was paid to the States in 1975–76 to meet the estimated payments that would have been made to the States from 25 May to 30 September 1976 had the former agreements not been declared invalid. It was estimated that \$215.6 million of that amount would have been paid in ordinary circumstances in 1976–77.

New cost-sharing arrangements under the *Health Insurance Act* 1973 were negotiated with the States and became effective on 1 October 1976. Apart from revisions to relevant charges and to conditions in respect of free hospital treatment, the main change from the previous arrangements was that the Commonwealth is now to meet 50 per cent of budgets as approved by the Commonwealth and State Health Ministers. Agreements with four of the States (New South Wales, Victoria, Queensland and Western Australia) end on 30 June 1980 and with the two remaining States (South Australia and Tasmania) on 30 June 1985.

The following table shows payments made to the States since the scheme was introduced in 1975-76 and estimated payments to be made in 1978-79 under the *Health Insurance Act 1973*:—

Table 21—Payments for Recurrent Costs of State Public Hospitals, 1975-76 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1975-76(a)	317 177	229 570	102 820	92 367	96 745	31 000	(b)869 679
1976-77(a)	234 399	149 903	82 883	69 394	74 674	18 918	630 171
1977-78	346 437	228 557	126 960	101 659	110 449	31 621	945 682
1978-79 (estimate)(c)	395 800	259 200	136 700	110 900	119 600	34 800	1 057 000

(a) Includes payments under the *States Grants (Hospital Operating Costs) Act 1976*.

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

(c) At the time of preparation, hospital budgets for 1978-79 had not been formally approved under the Commonwealth/State hospital cost-sharing agreements; the estimates therefore reflect a tentative allocation for Commonwealth budget purposes. The estimates are based on existing hospital bed-day charges; discussions with the States on this matter have already begun.

Hospitals Development Program

From 1973-74 to 1977-78 the Commonwealth provided assistance towards an approved program of construction of public hospitals, mental hospital facilities, public nursing homes and health hostels. This overall program has now ceased and annual payments from 1974-75 to 1977-78 are given in Appendix V.

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 I of the redevelopment of the Launceston General Hospital. Previously, assistance for the project was provided under the Hospitals Development Program. The estimated amount to be provided in 1978-79 is \$5.9 million.

Community Health Facilities and Services

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

From 1 July 1978, the Commonwealth will meet 50 per cent of recurrent costs of approved projects instead of the 75 per cent provided in 1977-78. Funds allocated through the States for recurrent costs of women's refuges will, however, continue at the rate of up to 75 per cent. Capital costs of all approved projects will continue to be subsidised by the Commonwealth at 50 per cent. In addition to the above-mentioned arrangements, the Commonwealth meets the full cost of those community health projects that have an Australia-wide application.

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

The following table shows payments that have been made to the States under both programs taken together since 1974-75 and estimated payments in 1978-79:—

Table 22—Grants for Community Health Facilities, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	9 371	2 883	1 891	820	697	528	16 190
1975-76	19 284	7 712	3 643	1 976	1 738	1 265	35 618
1976-77	25 606	11 355	4 797	3 720	2 916	2 038	50 432
1977-78	27 118	14 239	5 190	3 655	4 366	2 306	56 874
1978-79 (estimate)	19 154	11 691	5 550	3 462	3 707	1 856	45 420
CAPITAL							
1974-75	4 916	2 093	1 282	1 597	3 306	498	13 692
1975-76	5 146	3 151	1 778	1 864	1 139	689	13 767
1976-77	3 328	3 660	2 805	980	2 780	561	14 114
1977-78	3 319	3 430	1 770	630	964	297	10 411
1978-79 (estimate)	1 321	2 677	366	220	1 143	153	5 880
TOTAL							
1974-75	14 287	4 976	3 173	2 417	4 003	1 026	29 882
1975-76	24 430	10 863	5 421	3 840	2 877	1 954	49 385
1976-77	28 934	15 015	7 602	4 700	5 696	2 599	64 546
1977-78	30 437	17 669	6 960	4 285	5 330	2 603	67 285
1978-79 (estimate)	20 475	14 368	5 916	3 682	4 850	2 009	51 300

Tuberculosis Control

Under the *Tuberculosis Act* 1948, the States were reimbursed from 1949-50 for approved expenditures they incurred in the diagnosis, treatment and control of tuberculosis. The incidence of tuberculosis has been brought under control in Australia and Commonwealth assistance under this program ceased as from 31 December 1976. (Costs incurred by recognised hospitals in treating tuberculosis patients were subsumed within the hospital cost-sharing arrangements.)

Annual payments from 1974-75 to 1977-78, when final payments were made to certain States to meet commitments entered into prior to 31 December 1976, are given in Appendix V.

School Dental Scheme

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

The State Governments are responsible for administering the scheme. Until 1975-76, the Commonwealth met the full capital and operating costs of training facilities for dental therapists, as well as the full capital costs and 75 per cent of operating costs of school dental clinics. These arrangements have been revised since then and in 1977-78 the Commonwealth met 75 per cent of the capital costs of new facilities, 75 per cent of the operating costs of training facilities and 50 per cent of the operating costs of clinics. A further revision has been made to these arrangements and as from 1 July 1978 the Commonwealth is to meet 50 per cent of the operating costs of training facilities and clinics and 50 per cent of the capital costs of new facilities. Capital facilities not completed by 30 June 1978 will continue to be funded 75 per cent by the Commonwealth.

The amounts paid to the States under the scheme since 1974-75 and the estimated payments for 1978-79 are shown in the following table:—

Table 23—Grants for School Dental Scheme, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	979	916	629	1 700	758	1 239	6 221
1975-76	1 845	1 351	998	2 549	2 271	1 547	10 561
1976-77	3 589	1 891	2 026	3 099	2 654	1 475	14 733
1977-78	2 911	2 121	2 027	3 686	3 018	1 684	15 447
1978-79 (estimate)	2 360	2 340	2 360	2 790	2 720	1 290	13 860
CAPITAL							
1974-75	3 214	3 181	2 352	2 247	1 309	69	12 372
1975-76	2 115	2 044	5 299	825	2 855	317	13 455
1976-77	2 191	1 711	1 896	830	935	132	7 695
1977-78	1 069	1 740	2 841	1 658	831	127	8 265
1978-79 (estimate)	1 450	1 600	1 060	660	10	260	5 040
TOTAL							
1974-75	4 193	4 097	2 981	3 947	2 067	1 308	18 593
1975-76	3 960	3 395	6 297	3 374	5 126	1 864	24 016
1976-77	5 780	3 602	3 922	3 929	3 589	1 607	22 428
1977-78	3 980	3 861	4 867	5 344	3 849	1 811	23 713
1978-79 (estimate)	3 810	3 940	3 420	3 450	2 730	1 550	18 900

Health Education Campaigns

The Commonwealth is continuing to sponsor, in conjunction with the States, the National Drug Education Program. Funds have been provided to support State and national projects of drug education since 1970-71. It is estimated that \$904 500, an increase of 22 per cent, will be made available to the States for this purpose in 1978-79. Grants to the States for health education campaigns between 1972-73 and 1975-76 also include expenditure relating to a five-year program of national anti-smoking education which ceased in the latter year. The grants made to the States under both programs since 1974-75 and the estimated grants for drug education in 1978-79 are shown in the following table:—

Table 24—Grants for Health Education Campaigns, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1974-75	284	174	118	88	106	64	834
1975-76	222	160	132	69	88	23	695
1976-77	212	151	116	66	85	46	675
1977-78	225	162	138	75	92	52	742
1978-79 (estimate)	272	196	170	90	111	66	905

Blood Transfusion Service

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

Since 1973-74 the annual operating costs of the Services in the States have been met 35 per cent by the Commonwealth, 60 per cent by the States, and 5 per cent by the Society. It was agreed in 1975-76 that approved capital expenditure for the Services be shared between the Commonwealth and the States on a \$1 for \$1 basis.

The basis of the Commonwealth's contribution changed from the beginning of 1976-77 so that the Society's contribution, within each State Division, is the lower of 5 per cent of operating costs or 10 per cent of the previous year's income from donations. Any reduction in the Society's previous share is taken up by the Commonwealth. Approved capital costs in the States continue to be shared equally by the Commonwealth and the States.

Grants paid since 1974-75 and estimates for 1978-79 are shown in the following table:—

Table 25—Grants for Expenditures on Blood Transfusion Services, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	590	642	416	365	358	57	2 428
1975-76	1 357	1 009	547	567	330	94	3 905
1976-77	1 471	1 303	680	494	436	108	4 492
1977-78	1 495	1 376	736	606	588	124	4 924
1978-79 (estimate)	1 752	1 597	774	686	622	140	5 571
CAPITAL							
1974-75 . . . . .	..	..	..	..	..	..	..
1975-76	34	75	29	6	12	5	160
1976-77	15	53	6	17	23	5	118
1977-78	102	513	37	32	43	3	730
1978-79 (estimate)	158	733	36	20	73	10	1 029
TOTAL							
1974-75	590	642	416	365	358	57	2 428
1975-76	1 391	1 084	576	573	342	99	4 065
1976-77	1 486	1 356	686	511	459	113	4 610
1977-78	1 597	1 889	773	638	630	127	5 654
1978-79 (estimate)	1 910	2 330	810	706	696	150	6 600

Health Planning Agencies

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

Grants to the States under this program since 1974-75 and estimates in 1978-79 are shown in the following table:—

Table 26—Grants for Recurrent Expenditures by Health Planning Agencies, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1974-75	116	52	53	87	127	..	435
1975-76	200	20	70	75	110	25	500
1976-77	230	24	84	62	120	40	560
1977-78	166	24	100	100	135	35	560
1978-79 (estimate)	100	75	75	75	85	30	440

Home Dialysis Scheme

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

Annual grants made under the scheme since its inception in 1974-75 and final payments in 1977-78 are given in Appendix V.

Control of Encephalitis

Following the outbreak of Australian Encephalitis (formerly known as Murray Valley Encephalitis) early in 1974, the Commonwealth has provided funds to New South Wales, Victoria and South Australia to assist in a mosquito eradication campaign along the Murray Valley Basin.

Funds will be provided in 1978-79 to continue to control the disease, not only for mosquito abatement programs but also for co-ordination research and teaching purposes. The campaign is being extended to include Western Australia and the Northern Territory.

Grants paid to the States under these arrangements and estimated grants in 1978-79 are set out in the following table:—

Table 27—Grants for the Control of Australian Encephalitis, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1974-75	16	120	..	15	..	..	151
1975-76	3	55	..	..	..	..	58
1976-77	8	34	..	14	..	..	56
1977-78	6	43	..	9	..	..	58
1978-79 (estimate)	8	40	..	10	15	..	73

Disposal of Ships' Garbage

Financial assistance has been made available to each State for the provision of facilities for the disposal of overseas ships' garbage with a view to improving existing measures against the entry of exotic diseases into Australia. The Commonwealth met the full capital cost of incinerators and ancillary structures and half the cost of

access roads, excluding land costs, at selected ports. The cost of maintaining and operating the incinerators and transporting garbage was, however, met by the States. These arrangements are currently under review. Annual grants from 1974-75 to 1977-78 are given in Appendix V.

High Security Quarantine Units

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 \$1 600 000, is to be met in full by the Commonwealth. An amount of \$200 000 was provided in 1977-78 and it is intended that the estimated balance of \$1 400 000 will be provided in 1978-79.

SOCIAL SECURITY AND WELFARE

Welfare Services for the Aged

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

Home Care Services

Under the *States Grants (Home Care) Act 1969* the Commonwealth shares with participating States the cost of approved house-keeping or other domestic assistance provided wholly or mainly for aged persons in their homes. The Commonwealth's grants were on a \$1 for \$1 basis with the States until 1973-74 when they were made on a \$2 for \$1 basis. The Government has decided to amend the Act so that grants for home care services will again be paid on a \$1 for \$1 basis.

Grants provided from 1974-75 and estimates for 1978-79 are shown in the following table:—

Table 28—Grants for Home Care Services, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	611	441	1 245	563	116	124	3 100
1975-76	717	2 178	1 693	653	87	340	5 668
1976-77	1 567	2 018	1 990	904	57	355	6 891
1977-78	1 933	2 520	2 744	1 411	56	474	9 138
1978-79 (estimate)	2 200	2 868	3 123	1 605	64	540	10 400

Senior Citizens Centres

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

up to two-thirds of the capital cost. The basis of sharing the salary of a welfare officer was also altered from \$1 for \$1 to \$2 for \$1. The Government has decided to introduce amendments to the Act so that the cost of welfare officers' salaries will again be shared on the previous \$1 for \$1 basis.

Grants provided for this purpose since 1974-75 and estimates for 1978-79 are shown in the following table:—

Table 29—Grants for Senior Citizens' Centres, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	226	51	11	16	15	..	319
1975-76	369	222	..	30	27	..	648
1976-77	253	293	37	31	56	..	670
1977-78	226	328	45	66	56	..	721
1978-79 (estimate)	345	500	69	101	85	..	1 100
CAPITAL							
1974-75	349	150	153	363	28	154	1 197
1975-76	964	1 292	392	566	344	3	3 561
1976-77	891	1 571	916	212	407	..	3 997
1977-78	1 064	1 616	439	342	348	136	3 946
1978-79 (estimate)	892	1 536	880	212	400	80	4 000
TOTAL							
1974-75	575	201	164	379	43	154	1 516
1975-76	1 333	1 514	392	596	371	3	4 209
1976-77	1 144	1 864	953	243	463	..	4 667
1977-78	1 290	1 944	484	408	404	136	4 667
1978-79 (estimate)	1 237	2 036	949	313	485	80	5 100

Paramedical Services

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

Annual figures of grants paid to the States for paramedical services since 1974-75 and estimates for 1978-79 are shown in the following table:—

Table 30—Grants for Paramedical Services, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	242	..	112	..	8	362
1975-76	233	..	167	..	10	410
1976-77	263	..	272	..	15	550
1977-78	283	..	284	..	15	582
1978-79(estimate)	353	..	404	..	21	778

Pensioner Housing

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. During the four years ended 30 June 1978, a total of \$40 million was provided under the *States Grants (Dwellings for Pensioners) Act 1974* including \$10 million in 1977-78.

This scheme is being continued under the *Housing Assistance Act 1978*, but with wider eligibility criteria and under conditions giving the States greater freedom in the way the funds can be applied. Eligible persons will include those in receipt of an age or invalid 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 will be assisted.

Grants totalling \$14 million will be provided in 1978-79. The grants are allocated among the States in proportion to the total number of persons in each State who are eligible under the Act and who are receiving supplementary assistance. Payments made to the States under the scheme since 1974-75 and estimated payments for 1978-79 are shown in the following table:—

Table 31—Grants for Capital Expenditures on Pensioner Housing, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	3 000	1 343	1 314	193	198	..	6 048
1975-76	6 858	2 827	1 133	1 124	614	560	13 117
1976-77	2 352	3 419	2 023	1 473	1 288	280	10 835
1977-78	4 070	2 530	1 490	930	700	280	10 000
1978-79 (estimate)	5 695	3 388	2 050	1 343	1 086	438	14 000

Assistance for Deserted Wives

Under the *States Grants (Deserted Wives) Act 1968*, the Commonwealth has been sharing 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 are ineligible for a Class A widow's pension or, as from 1973-74, a supporting mother's benefit.

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

The grant to a State is equal to half the cost of the approved assistance paid by the State to each eligible person but is not to exceed half the amount that would have been payable to such a person under the *Social Services Act 1947* had she been eligible for a Class A widow's pension or a supporting mother's benefit.

The following table shows grants made to the States from 1974-75 and estimates for 1978-79:—

Table 32—Grants for Deserted Wives, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	1 879	1 256	1 179	1 045	1 152	421	6 932
1975-76	2 344	2 016	1 935	1 509	1 459	458	9 721
1976-77	3 837	2 824	2 508	1 879	1 700	599	13 347
1977-78	6 376	4 003	3 888	3 203	1 848	764	20 083
1978-79 (estimate)	7 600	4 600	4 450	3 400	2 050	900	23 000

Pre-Schools and Child Care

Services for children provided in the States began attracting Commonwealth financial support in 1972-73 under the *Child Care Act 1972*. Under that Act, payments were made direct to non-profit organisations and local government bodies—that is, not by way of payments to the States. Payments to the States commenced in 1973-74 under a broader scheme of assistance introduced in that year and have continued since then, as have the direct forms of payment.

The program of assistance is administered by the Office of Child Care which was established under the Minister for Social Security to advise on programs providing for capital and recurrent assistance for pre-school and child care projects including home care, vacation and after school care projects and various other community initiated projects. In 1977-78, assistance to the States for the recurrent costs of pre-school services was provided in the form of a block grant subject to certain broad requirements concerning priority of access. From 1978-79, the block grants will represent the total Commonwealth contribution to the States towards capital and recurrent costs of pre-schools.

Legislation is expected to be introduced into Parliament in the Budget sittings to repeal the *Child Care Act* and other relevant legislation and to provide for new legislation to cover the whole of the childhood services program.

The Government has decided that up to \$65.1 million will be provided in 1978-79 for services for children. It is tentatively estimated that, of that total, approximately \$42 million will take the form of payments to the States.

The following table shows payments to the States that have been made since 1974-75 and estimates for 1978-79:—

Table 33—Pre-Schools and Child Care, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	5 417	6 660	1 734	3 233	2 316	1 017	20 377
1975-76	9 030	11 452	5 356	5 025	4 390	1 720	36 973
1976-77	8 532	12 722	6 970	5 601	4 930	2 006	40 761
1977-78	9 815	14 001	7 267	6 184	5 662	2 071	45 000
1978-79 (estimate)	9 550	11 635	7 035	5 165	5 700	1 665	40 750
CAPITAL							
1974-75	4 819	2 637	3 806	2 773	1 911	1 177	17 123
1975-76	3 165	1 345	2 584	1 498	1 441	1 764	11 797
1976-77	6 592	4 160	314	160	144	5	11 375
1977-78	3 678	4 202	..	31	89	..	8 060
1978-79 (estimate)	965	295	..	60	..	..	1 320
TOTAL							
1974-75	10 236	9 297	5 540	6 006	4 227	2 194	37 500
1975-76	12 195	12 797	7 940	6 523	5 831	3 484	48 770
1976-77	15 124	16 882	7 284	5 761	5 074	2 011	52 136
1977-78	13 493	18 203	7 267	6 215	5 751	2 071	53 000
1978-79 (estimate)	10 515	11 930	7 035	5 225	5 700	1 665	42 070

Employment Grants for Maryborough Region

Following the decision to cease granting export licences for minerals from sand mining on Fraser Island, the Commonwealth agreed to provide \$10 million to Queensland for allocation by that State to create employment opportunities in the Maryborough region. \$1 million was provided in 1976-77 and \$3 million in 1977-78. It is intended to provide a further \$3 million in each of the following two years.

Rehabilitation Centre—Hobart

The Commonwealth and Tasmanian Governments agreed in 1974 to share the costs of establishing and operating a joint rehabilitation centre for handicapped persons in Hobart. The arrangement provides for the Commonwealth to meet up to half the capital cost of building and equipping the centre and to contribute 40 per cent of the annual running costs. Total payments to 30 June 1978 amounted to \$1 533 000 including a payment of \$922 000 in 1977-78. The Commonwealth contribution is expected to be \$1 050 000 in 1978-79.

Relief Grants for Community Welfare Agencies in Victoria

Grants of \$50 000 were made to Victoria during the Latrobe Valley power strike in October 1977 towards emergency relief for community welfare agencies.

Grants for Welfare Officers Employed by Ethnic Groups

Following a recent review of post-arrival programs and services for migrants, \$110 000 is to be provided to the States in 1978-79 to employ welfare officers to work with the ethnic aged. Of this amount, it is expected that New South Wales and Victoria will receive \$33 000 each, and the other States \$11 000 each.

ABORIGINAL ADVANCEMENT

Since 1968-69 the Commonwealth has provided assistance to the States for Aboriginal advancement, particularly in the fields of housing, education and health. Details of payments are included in the statements attached to the Budget Speech 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 for this purpose are grouped together.

The Commonwealth also provides assistance for Aboriginal advancement in the States by way of direct assistance to Aboriginal organisations and other bodies.

The following table shows payments made to the States since 1974-75 and estimated payments in 1978-79:—

Table 34—Payments for Aboriginal Advancement, 1974-75 to 1978-79 (estimate)(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT PAYMENTS							
1974-75	2 316	495	1 700	1 500	7 096	34	13 142
1975-76	2 861	876	2 952	2 165	8 034	62	16 949
1976-77	2 683	1 254	3 314	2 515	7 702	71	17 540
1977-78	3 014	1 409	3 480	3 045	8 564	67	19 580
1978-79 (estimate)	2 918	1 380	4 089	3 305	8 934	44	20 670
CAPITAL PAYMENTS							
1974-75	5 475	1 635	8 660	4 058	3 874	204	23 906
1975-76	5 322	482	7 204	3 559	5 272	216	22 054
1976-77	3 493	682	4 396	3 339	4 765	187	16 863
1977-78	2 654	400	2 825	1 807	4 614	175	12 474
1978-79 (estimate)	2 791	237	2 958	2 404	4 970	115	13 475
TOTAL PAYMENTS							
1974-75	7 791	2 130	10 360	5 558	10 970	238	37 048
1975-76	8 183	1 358	10 156	5 724	13 306	278	39 003
1976-77	6 176	1 936	7 710	5 854	12 467	258	34 403
1977-78	5 668	1 809	6 305	4 852	13 178	242	32 054
1978-79 (estimate)	5 709	1 617	7 047	5 709	13 904	159	34 144

(a) The functional break-up of these payments is shown in Table 102 of Appendix III.

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. 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. Following is a very brief outline:—

- Formal Commonwealth-State Housing Agreements operated throughout the period 1945-46 to 1970-71 under which the Commonwealth advanced to each State, on specified terms and conditions, the proportion of the State's Loan Council works and housing program that it nominated for housing, generally at concessional interest rates (of the order of 1 per cent below the long-term bond rate prevailing at the time). Advances were repayable over 53 years.
- The 1945 Agreement also included provision for the Commonwealth to contribute three-fifths of any loss incurred in a financial year by the State in connection with the administration of its housing projects. Queensland is the only State at present receiving such contributions.
- In 1971-72 and 1972-73 the States financed their housing programs directly from their ordinary Loan Council borrowing programs. The Commonwealth provided specific revenue grants under the *States Grants (Housing) Act 1971* in lieu of the former interest subsidy that the States had received on housing advances. Basic grants of \$2.75 million per year are payable for 30 years in respect of each of those two years.
- In 1972-73 the States were advanced \$6.55 million under the *Housing Assistance Act 1973*, specifically for additional rental dwellings, to supplement the programs they had undertaken and financed from their normal Loan Council borrowings. These advances were provided at an interest rate of 4 per cent per annum and are repayable over 53 years.
- Under the *Housing Agreement Act 1973* (amended in 1974) the Commonwealth provided specific purpose payments to the States for welfare housing from 1973-74 to 1977-78 by way of concessional interest rate advances repayable over 53 years outside, and in addition to, Loan Council arrangements. As a result, the State Government Loan Council programs since 1973-74 have been lower than they would otherwise have been (that is, 'offsets' were made).
- Up to 30 per cent of the advances (and a higher proportion in special circumstances) were channelled to the States' Home Builders' Accounts for the provision of low interest loans through terminating building societies or authorised State lending authorities to assist eligible persons to build their homes or to buy them on the private market. In addition, the State Housing Authorities were permitted to sell a specific proportion of their housing stock to eligible persons through vendor finance on concessional terms specified in the Agreement.
- Eligibility for assistance under the Agreement was on the basis of need in accordance with a specific income test of the main breadwinner's income; the breadwinner's eligibility was not subject to subsequent review once assistance had been provided.

The *Housing Assistance Act 1978* authorises the execution of three-year Housing Agreements with the States to cover the period from 1978-79 to 1980-81 and the payment of advances to the States in accordance with these agreements. The total amount of the advances each year will be determined in the annual Budget context after consideration of State requirements. For 1978-79, a base amount of \$186 million will be provided, together with advances totalling up to \$130 million to be matched \$1 for \$1 with the States' own expenditure on housing programs, including certain non-welfare programs.

Advances will be repayable over 53 years as under earlier Agreements and concessional fixed rates of interest will apply—4.5 per cent per annum for funds directed to home purchase assistance and 5 per cent per annum for rental housing.

The objectives of the new Agreements lay particular importance on:—

- assisting those most in need;
- gearing assistance to the degree of need and limiting it to the time of need (unlike the previous arrangements); and
- making effective use of past investments in welfare housing.

The States will have greater flexibility in determining the uses to which housing funds can be put and the extent of assistance to individuals. At least 40 per cent of advances are to be applied to home purchase assistance by the third year of the Agreement. Restrictions under previous arrangements on the sale of State Housing Authority dwellings will be removed. The States will determine their own sales policy provided that all sales are for cash at market value or replacement cost; purchasers of State Housing Authority dwellings will be eligible for loans from the home purchase assistance program.

The following table shows payments made to the States for housing from 1974-75 and estimated payments in 1978-79:—

Table 35—Payments to the States for Housing, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT GRANTS(a)							
1974-75	2 292	1 679	766	1 093	771	388	6 989
1975-76	2 292	1 679	753	1 093	771	388	6 976
1976-77	1 848	1 347	858	941	627	314	5 935
1977-78	1 848	1 347	480	941	627	314	5 557
1978-79 (estimate)	1 848	1 347	423	941	627	314	5 500
ADVANCES							
1974-75	123 411	98 159	43 810	56 360	37 440	26 220	385 400
1975-76	123 411	98 159	31 010	56 360	33 440	22 220	364 600
1976-77	123 411	98 159	37 410	56 360	35 440	24 220	375 000
1977-78	128 011	101 759	39 810	58 460	36 740	25 220	390 000
1978-79 (estimate)	103 721	82 451	32 257	47 368	29 767	20 436	316 000
TOTAL PAYMENTS							
1974-75	125 703	99 838	44 576	57 453	38 211	26 608	392 389
1975-76	125 703	99 838	31 763	57 453	34 211	22 608	371 576
1976-77	125 259	99 506	38 268	57 301	36 067	24 534	380 935
1977-78	129 859	103 106	40 290	59 401	37 367	25 534	395 557
1978-79 (estimate)	105 569	83 798	32 680	48 309	30 394	20 750	321 500

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

URBAN AND REGIONAL DEVELOPMENT NEC AND THE ENVIRONMENT

Payments to the States included under this functional heading comprise those being made under a number of programs, including some for Aboriginal Advancement. Payments in 1977-78 were \$53.5 million and are expected to total approximately \$41.3 million in 1978-79. (These figures are *net* of repayments.)

Payments in 1977-78 for most of the urban and regional development programs and for certain programs falling within other functional headings were made mainly under the authority of the *Urban and Regional Development (Financial Assistance) Act 1974*.

Growth Centres and Decentralisation

A total of \$8.15 million was paid to the States in 1977-78 for development of metropolitan and regional growth centres and for related projects. The funds were provided in the following manner:—

- \$5.08 million to New South Wales and Victoria for Albury-Wodonga (\$5 million in the form of loans and \$0.08 million in the form of grants), mainly for land acquisition, land development and headworks, housing and commercial development construction, studies and investigations and the running costs of the Albury-Wodonga Development Corporation;
- \$1.5 million to New South Wales for the Macarthur growth centre, wholly by way of loans, for land acquisition and development works;
- \$1.5 million to New South Wales for the Bathurst-Orange growth centre, wholly by way of loans, for land acquisition and development works; and
- \$0.07 million to Tasmania by way of grant as the final payment towards the acquisition by the State of land for parks and reserves in the Tamar area.

In 1978-79 assistance amounting to \$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 1978-79 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 1978-79 Budget also allows for \$20.1 million for capitalised interest on advances to the States for Albury-Wodonga in 1978-79 and earlier years and on advances for the Bathurst-Orange, Macarthur and Monarto (in South Australia) growth centres in earlier years. This amount represents estimated interest payments which are deferred and added to the amount of principal outstanding and on which interest thus accrues. (In 1977-78 capitalised interest amounted to \$17.5 million.)

In addition to the above, the Commonwealth initiated a new program of general decentralisation assistance in 1977-78 with the establishment of the Commonwealth Decentralised Development Program. Under this program, financial assistance of a capital nature will be provided to State, local government and community bodies and firms engaged in manufacturing and tertiary industry, in selected non-metropolitan centres. Projects are approved under the program following consideration of recommendations made by the Decentralisation Advisory Board. An amount of \$10.5 million has been included in the Budget for 1978-79 for assistance for projects approved under the program in 1977-78 and additional projects to be approved in

1978-79. It is not known at this stage what proportion of this, if any, will be provided in 1978-79 to the States and local government and, for purposes of the Budget, funds under the program are not classified as payments to the States.

Payments to the States for growth centres and related projects since 1974-75 and estimated payments in 1978-79 for Albury-Wodonga, including capitalised interest, are given in Appendix V.

Urban Flood Mitigation

Since 1975-76 \$4.63 million, including \$1 million in 1977-78, has been provided to Queensland under the *Urban and Regional Development (Financial Assistance) Act* 1974 to assist with the construction of certain flood mitigation works on various creeks in the Brisbane metropolitan area. An amount of \$0.88 million is provided for this purpose in the Budget for 1978-79.

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.

An amount of \$14.1 million was provided in 1977-78 to meet remaining commitments to the States. In addition, interest is being capitalised on advances in 1977-78 and earlier years in a similar manner to its treatment for growth centres and related projects (see above). The 1978-79 Budget allows for \$14.6 million for capitalised interest.

Payments for land acquisition, development and related works in urban areas since 1974-75 (including capitalised interest) and capitalised interest in 1978-79 are given in Appendix V.

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 \$9.4 million since 1975-76, including \$0.6 million in 1977-78. An amount of \$1.2 million has been included in the Budget for estimated payments to the State in 1978-79.

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

The agreement also provides for the State to make certain payments to the Commonwealth including the payment of specific amounts in respect of each unit of public housing produced on the property acquired by, or transferred to, the State and payment of the receipts from any part of the property that is not retained for public housing. A total of \$540 000 has been received from the State under these provisions since 1976-77 including \$386 000 in 1977-78. Similar payments by the State in 1978-79 are estimated to be \$587 000.

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

Air Quality Monitoring

In 1975-76 \$191 000 was paid to the States under the *States Grants (Air Quality Monitoring) Act 1976* on a \$1 for \$1 matching basis for the purchase of equipment for air quality monitoring. In 1977-78 a program of \$150 000 was approved for the expansion of national urban air quality monitoring to provide data for national planning decisions that need to take account of air quality. \$80 000 was paid against this program in 1977-78 under the *Environment (Financial Assistance) Act 1977*; the remaining \$70 000 is expected to be paid in 1978-79. Payments made to each State since 1975-76 and estimated payments in 1978-79 are given in Appendix V.

Captains Flat—Pollution Abatement Works

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

Payments to the State since 1975-76 have amounted to \$1.92 million for capital works, although no payments were made in 1977-78. Amounts of \$70 000 and \$40 000 have been included in the Budget for estimated payments in respect of expenditure in 1977-78 and 1978-79 on capital works and maintenance, respectively.

National Sewerage Program

In 1973-74 the Commonwealth embarked upon a program of assistance to the States designed to eliminate the backlog of sewerage works in principal urban areas (defined as the six capital cities, together with Wollongong, Newcastle, the Gold Coast and Launceston).

Funds were provided until 1976-77 for this program, including amounts for extending the assistance to smaller cities and for research, training, monitoring and planning. The program has now been discontinued and \$241 000 was paid in 1977-78 for the completion of certain studies concerned with the rationalisation and efficiency of sewerage services in the States. Annual payments to each State are shown in Appendix V.

CULTURE AND RECREATION

The Commonwealth Government first provided grants to the States for cultural and recreational purposes in 1973-74. An estimated \$6.7 million will be made available for these purposes in 1978-79.

National Fitness Program

In 1975-76 and 1976-77 payments of \$0.6 million per annum were made to the States for national fitness activities. Under arrangements agreed with the States in 1977-78, funds for these purposes are now allocated to the 'Life, Be In It' campaign

which the Commonwealth is co-ordinating in the three years to 1979-80. Of an amount of \$0.6 million which is to be made available over this three-year period, \$207 000 was paid to the States in 1977-78 and a further \$207 000 has been allocated for 1978-79.

The following table shows payments to the States for national fitness activities since 1975-76 and estimated payments in 1978-79:—

Table 36—Grants for Recurrent Expenditures on National Fitness Activities, 1975-76 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1975-76	117	117	94	94	94	84	600
1976-77	117	117	94	94	94	84	600
1977-78	45	42	34	32	30	24	207
1978-79 (estimate)	45	42	34	32	30	24	207

Capital Assistance for Leisure and Cultural Facilities

A program of capital assistance grants on a cost-sharing basis with State, local government and voluntary bodies for the development of community sporting and recreation complexes was commenced in 1973-74 and expanded in 1974-75 to cover a wider range of community leisure facilities including arts/cultural facilities. Final grants estimated to total \$0.9 million will be made to the States in 1978-79 to meet outstanding commitments; some will be for on-passing to local government authorities (*see* Chapter VI) and voluntary bodies.

The following table shows grants to the States under this program since 1974-75 and estimated grants, on a notional basis, for 1978-79:—

Table 37—Grants for Capital Expenditures on Leisure and Cultural Facilities, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1974-75	1 217	800	766	620	1 728	439	5 570
1975-76	1 744	1 510	1 060	625	405	318	5 661
1976-77	1 208	972	590	1 722	667	481	5 640
1977-78	570	450	202	1 910	97	..	3 229
1978-79 (estimate)	300	140	40	400	..	20	900

Nature Conservation

Amounts of \$70 242 and \$282 000 were paid to the States in 1977-78 under the *States Grants (Nature Conservation) Act 1974* and the *Environment (Financial Assistance) Act 1977* respectively for land acquisition and programs related to the management of parks and reserves for the purposes of nature conservation. \$604 000 will be provided in 1978-79 to meet existing commitments.

The following table shows payments made to the States since 1975-76 and estimates for 1978-79. The distribution of the 1978-79 estimate is based on the valuations of the land being acquired under the program.

Table 38—Payments for Nature Conservation Purposes, 1975-76 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1975-76	445	35	88	579	35	86	1 268
1976-77	362	360	400	300	250	410	2 082
1977-78 . . . . .	..	..	200	..	..	152	352
1978-79 (estimate)	238	250	..	..	..	116	604

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

The following table shows grants paid since 1974-75 and the estimated grants for 1978-79. The distribution of the 1978-79 estimate is notional only, and no commitment to the provision of the amount for each State is implied.

Table 39—Grants for Expenditure on the National Estate, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	1 612	1 471	791	981	1 156	1 032	7 043
1975-76	946	550	567	506	523	795	3 887
1976-77 . . . . .	..	591	183	246	215	19	1 254
1977-78	373	370	310	338	425	425	2 241
1978-79 (estimate) (a)	415	415	415	415	415	415	2 490

(a) The 1978-79 allocation by States is notional only. No commitment to the provision of the amount shown for each State is implied. See text above.

Facilities for 1982 Commonwealth Games

\$10 million by way of grant is to be provided to Queensland for the construction of sporting facilities and athletes' and officials' accommodation for the 1982 Commonwealth Games in Brisbane. The first of four annual payments of \$2.5 million each is to be made in 1978-79.

ECONOMIC SERVICES—TRANSPORT

The Commonwealth has been making payments to the States for transport purposes continuously since 1923-24, when it began providing grants for roads. The estimated total payments, *net* of repayments, are \$555.3 million for this function in 1978-79 and, of this, \$508.1 million is for roads and bridges and \$42 million is provided for urban public transport

Roads

Commonwealth assistance for expenditure on roads has taken two main forms—general assistance and assistance for specific road projects. Payments of the latter kind (such as those for beef roads and the sealing of the Eyre highway) were subsumed in the general program of roads assistance introduced in 1974-75. (See page 81 and the relevant section of Appendix IV of the 1975-76 issue of this paper for an historical description of the Commonwealth's assistance for roads).

Over the period 1977-78 to 1979-80 the arrangements for providing assistance to the States for roads are embodied primarily in the *States Grants (Roads) Act 1977*. The arrangements were determined by the Government after consideration of a 'Report on Roads in Australia 1975' by the former Commonwealth Bureau of Roads. It was decided that \$475 million would be made available to the States in 1977-78 and that the total grants in both 1978-79 and 1979-80 would be equivalent in real terms to the 1977-78 grant. The legislation also set down annual quotas for expenditure by each State from its own resources.

In addition to the \$475 million for 1977-78 an amount of \$2.91 million payable under the *National Roads Act 1974* in respect of 1976-77 brought total payments for the year to \$477.91 million.

The following table shows the distribution of roads grants to the States in 1977-78 and the quotas to be met from State sources:—

Table 40—Payments for Roads in 1977-78(a) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
National Highways—							
Construction	55 303	26 000	29 800	15 000	16 196	7 860	150 159
Maintenance	8 900	3 000	8 300	1 900	4 335	900	27 335
National Commerce Roads	8 208	3 800	2 800	1 300	1 590	700	18 398
Sub-total	72 411	32 800	40 900	18 200	22 121	9 460	195 892
Rural Arterial Roads	18 000	11 100	23 000	7 000	9 410	3 040	71 550
Rural Local Roads	25 800	19 000	18 800	6 700	14 400	4 900	89 600
M.I.T.E.R.S.(b)	3 300	3 500	2 600	1 700	1 800	600	13 500
Urban Arterial Roads	28 700	28 900	10 900	4 600	11 200	2 700	87 000
Urban Local Roads	7 400	3 600	3 800	2 200	2 370	1 000	20 370
Sub-total	83 200	66 100	59 100	22 200	39 180	12 240	282 020
Total	155 611	98 900	100 000	40 400	61 301	21 700	477 912
Quotas (c)	147 700	123 600	58 200	37 200	39 800	12 300	418 800

(a) Comprising \$475 000 000 appropriated under the *States Grants (Roads) Act 1977* and \$2 912 000 appropriated for 1976-77 under the *National Roads Act 1974* but not paid in that year.

(b) Minor Traffic Engineering and Road Safety Improvements.

(c) To be met from State sources.

In keeping with the Government's earlier decision that road grants in 1978-79 and 1979-80 would be the equivalent in real terms to the 1977-78 grants, the Government has announced that the road grants for 1978-79 will total \$508 million, an increase of 7 per cent over the \$475 million provided for 1977-78. Of this amount, \$475 million has already been appropriated under the *States Grants (Roads) Act 1977* and the balance of \$33 million will be appropriated under legislation which is expected to be introduced in the Budget sittings of Parliament. The State expenditure quotas for 1978-79 currently set down in the legislation are also to be increased in line with the increase in the Commonwealth grants.

The following table shows the estimated payments to the States in 1978-79 and the quotas to be met from State sources:—

Table 41—Payments for Roads in 1978-79 (estimate)(a) (\$ thousands)

	New South Wales	Victoria (b)	Queensland	South Australia (b)	Western Australia	Tasmania	Total
National Highways—							
Construction	62 778	27 806	32 084	16 133	16 288	8 449	163 538
Maintenance	8 449	3 209	8 662	2 032	4 492	962	27 806
National Commerce Roads	4 278	5 561	2 995	1 300	1 700	749	16 583
Sub-total	75 505	36 576	43 741	19 465	22 480	10 160	207 927
Rural Arterial Roads	19 251	11 871	24 598	7 486	10 064	3 208	76 478
Rural Local Roads	27 592	20 320	20 106	7 165	15 400	5 241	95 824
M.I.T.E.R.S.(c)	3 529	3 743	2 781	1 818	1 925	642	14 438
Urban Arterial Roads	30 694	23 742	11 657	4 920	11 978	2 888	85 879
Urban Local Roads	7 914	9 519	4 064	2 353	2 535	1 069	27 454
Sub-total	88 980	69 195	63 206	23 742	41 902	13 048	300 073
Total	164 485	105 771	106 947	43 207	64 382	23 208	508 000
Quotas (d)	157 961	132 187	62 243	39 785	42 565	13 155	447 896

(a) Payments under the *States Grants (Roads) Act 1977* and amending legislation to be introduced in the Budget sittings.

(b) Allocations not finalised. No commitment to the payment of these apportioned amounts is implied.

(c) Minor Traffic Engineering and Road Safety Improvements.

(d) To be met from State sources.

The following table shows the amounts paid to each State for roads since 1974-75 and estimated amounts for 1978-79:—

Table 42—Grants under General Roads Acts(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	114 006	74 710	74 810	31 046	49 815	18 400	362 787
1975-76	133 504	89 080	88 980	40 764	61 285	19 900	433 513
1976-77	135 489	91 100	90 700	38 800	57 199	20 500	433 788
1977-78	155 611	98 900	100 000	40 400	61 301	21 700	477 912
1978-79 (estimate)	164 485	105 771	106 947	43 207	64 382	23 208	508 000

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

Second Hobart Bridge

Following agreement in 1975 between the Commonwealth and Tasmanian Governments, a Joint Committee on the Second Hobart Bridge was established. The first stage of the Committee's work is to carry out the technical investigations and design associated with the Bridge. In relation to these studies the Commonwealth provided a total amount to June 1978 of \$1 165 000, including a payment of \$518 000 in 1977-78. A further \$80 000 is being made available in 1978-79. It is expected that the investigation and design for the Bridge will be completed and a report made to the two Governments in the second half of 1978.

Railway Projects

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

For a number of years, the Commonwealth has provided assistance towards rail standardisation projects in certain States. \$34 000 was made available in 1977-78 to Western Australia under the *Railway Agreement (Western Australia) Act 1961*. Payments since 1974-75 are given in Appendix V.

The Government has announced its intention to provide \$70 million over 5 years commencing in 1978-79 for the purpose of financing projects designed to upgrade the national mainline railway network. South Australia and Tasmania will of course not be eligible for assistance under this program as their mainline railways have been transferred to the Commonwealth and are now controlled by the Australian National Railways (ANR). An allocation of \$3 million has been made in 1978-79 for the program but the method by which these funds will be made available, the terms and conditions which will apply and the actual projects to be assisted in 1978-79 have yet to be finally resolved. Preliminary consideration suggests that in 1978-79, the first year of this program, possible allocations might be of the order of \$2.7 million and \$0.3 million to New South Wales and Victoria respectively. While decisions have yet to be made about the State-by-State distribution, these figures have been adopted for the purposes of this document.

Railway Intersystem Passenger Vehicles

A common 'pool' of passenger vehicles was formed for the operation of the direct standard gauge passenger service between Sydney and Perth (the 'Indian Pacific' service) and the 'Trans-Australian' service between Perth and Port Pirie. The purchase of these vehicles was initially financed by the Australian National Railways. The other railway authorities involved (New South Wales, South Australia and Western Australia) are repaying a share of the cost of the rolling stock, with interest on outstanding balances, over a period of 35 years. The total debt has been divided between the three State systems and the ANR in proportion to operating distances. Following the transfer of the non-metropolitan South Australian railways to the Commonwealth on 1 July 1975, the South Australian portion of the debt has been taken over by the Australian National Railways. No advances to the States for this purpose are expected in 1978-79.

The following table shows advances made since 1974-75 and estimates for 1978-79:—

Table 43—Advances for Railway Intersystem Passenger Vehicles, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	South Australia	Western Australia	Total
1974-75	580	205	459	1 244
1975-76	10	..	71	81
1976-77	384	..	-129	255
1977-78	..	..	..	..
1978-79 (estimate)	..	..	..	..

Urban Public Transport

(a) 1973-74 to 1977-78

Under the Urban Public Transport Agreement (incorporated as a Schedule to the *States Grants (Urban Public Transport) Act 1974*), the Commonwealth met two-thirds of the cost of approved urban public transport projects in the States. The purpose of the program was to assist in upgrading urban public transport, including railways, over the five years until 1977-78.

Although projects were first approved in 1973-74, funds were not made available until 1974-75 following passage of the legislation. In the period 1974-75 to 1977-78 several additional Acts were passed to appropriate moneys to meet the costs of additional projects approved in 1974-75 and 1977-78 and of certain cost increases which the Commonwealth was required to meet under the terms of the Agreement (namely, two-thirds of approved cost increases due to cost escalation and circumstances which were not foreseen at the time of approval, but not due to faulty planning or faulty cost estimation).

(b) 1978-79 to 1982-83

A new program of assistance totalling \$300 million for the period 1978-79 to 1982-83 is being provided under the *States Grants (Urban Public Transport) Act 1978*. The Act provides for payments to the States at the rate of \$60 million a year, of which \$40 million is allocated to the States in fixed guaranteed amounts with the remaining \$20 million to be allocated annually on the basis of needs and priorities assessed in the light of proposals submitted by the States. In view of the difficult budgetary situation in 1978-79, the Government has decided, however, to limit payments this year to the guaranteed amounts. It is proposed to amend the Act to add the \$20 million which will not be paid in 1978-79 to the amounts available in later years of the program.

Under the 1978-83 program the Commonwealth will continue to meet two-thirds of the cost of approved urban public transport programs, but there will be no automatic provision for the Commonwealth to support cost escalation. The Commonwealth's liability to each project will be specifically determined at the time the project is approved.

In addition to the \$40 million to be made available under the new program, \$2 million is to be provided in 1978-79 towards outstanding commitments under the previous Agreement.

The following table shows payments made to the States since 1974-75 and estimated payments for 1978-79:—

Table 44—Grants under Urban Public Transport Programs(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	14 764	18 867	2 126	6 084	2 829	359	45 029
1975-76	5 694	9 332	8 985	6 757	750	2 380	33 898
1976-77	24 596	15 885	11 380	4 420	1 869	253	58 403
1977-78	20 395	9 830	15 648	3 790	605	732	51 000
1978-79 (estimate)(b)	14 250	12 100	8 360	4 200	2 090	1 000	42 000

(a) Payments under the *States Grants (Urban Public Transport) Act 1974*, the *Appropriation (Urban Public Transport) Acts 1974, 1976 and 1977* and the *States Grants (Urban Public Transport) Act 1978*; but excluding grants in 1974-75 and 1975-76 under the *Urban Public Transport (Research and Planning) Act 1974*—see below.

(b) Includes provision for \$2 million to be made available to meet existing Commonwealth commitments under the previous Agreement; the allocation of this amount is provisional only and does not necessarily mean that the amounts actually paid to the States will be as shown above.

Transport Planning and Research

For a number of years, funds have been made available for planning and research projects related to roads.

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

The *Transport Planning and Research (Financial Assistance) Act 1977* provided that the Commonwealth continue to meet two-thirds of expenditure in 1977-78 on approved programs of projects and meet one-half of such expenditure incurred by the States in following years. The scope of the program was expanded to include all land transport modes and their relationship with other modes. \$8 million was provided to the States under this Act in 1977-78, in respect of a total program expenditure of \$12 million. A further amount of \$924 000 was paid in respect of commitments in 1976-77 under the *Transport (Planning and Research) Act 1974* but not paid in that year.

A total program of \$12.84 million (which incorporates an increase of 7 per cent over the total 1977-78 program) is expected to be approved in 1978-79, towards which the Commonwealth will contribute \$6.42 million.

The following table shows payments made to the States since 1974-75 and estimates for 1978-79:—

Table 45—Grants for Transport Planning and Research(a), 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	1 885	1 241	562	973	634	185	5 480
1975-76	2 728	3 106	1 070	719	940	198	8 761
1976-77	2 672	2 193	1 184	939	854	216	8 058
1977-78	3 495	2 411	1 381	698	744	195	8 924
1978-79 (estimate)	2 484	1 714	983	469	597	173	6 420

(a) Payments under the *Urban Public Transport (Research and Planning) Act 1974*, the *Transport (Planning and Research) Act 1974* and the *Transport Planning and Research (Financial Assistance) Act 1977*.

Tasman Bridge Disaster

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

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

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

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

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

The restoration works on the Tasman Bridge have now been completed, the bridge being re-opened for public use on 8 October 1977. Payments to the State between 1974-75 and 1977-78 are given in Appendix V.

ECONOMIC SERVICES—WATER SUPPLY AND ELECTRICITY

Urban Water Supply

Payments amounting to \$28.5 million have been provided to South Australia since 1974-75 under the *Urban and Regional Development (Financial Assistance) Act 1974* to assist with the construction of water treatment plants in the Adelaide metropolitan area. Of this amount, \$6 million was paid in 1977-78. An amount of \$4.44 million is provided in the Budget for 1978-79 under the new National Water Resources Program (see page 79 for further information on this program).

Julius Dam

In 1977-78, a grant of \$325 000 was paid to Queensland for on-passing to the Mount Isa City Council as assistance towards the Council's share of the debt burden associated with the now-completed Julius Dam, towards which the Commonwealth had provided \$2 million by way of loans in 1974-75.

Gladstone Power Station

Under the *Gladstone Power Station Agreement Act 1970*, financial assistance was provided to Queensland by way of loans to help finance the construction of a thermal power station at Gladstone in Central Queensland. Payments to 30 June 1978 amounted to \$138.7 million including a final payment of \$191 000 in 1977-78.

ECONOMIC SERVICES—INDUSTRY ASSISTANCE AND DEVELOPMENT

Softwood Forestry

Under the *Softwood Forestry Agreements Acts of 1967 and 1972* financial assistance was provided to all the States for a program of increased planting of softwood forests over two consecutive five-year periods which ended on 30 June 1971 and 1976 respectively. The assistance to each State was by way of interest-bearing loans repayable over twenty-five years, with repayments and the payment of interest to commence approximately ten years after the date of each advance. Total payments to the States under these two Acts amounted to \$17.7 million and \$31.8 million respectively.

The Commonwealth agreed to a one-year extension of assistance to the softwood forestry program in 1976-77 up to a limit of \$6 million which was allocated to the States in accordance with the principles applying to previous agreements. Total payments of \$5.84 million have been advanced under this Agreement. A further payment of \$15 000 is expected to be made to Western Australia in 1978-79.

Under the *Softwood Forestry Agreements Act 1978* the Commonwealth agreed to provide assistance for a further five-year period commencing 1 July 1977 to cover the cost of maintenance of existing forestry planting financed by earlier Commonwealth assistance. The assistance, which is by way of loans, is repayable over twenty years with repayments commencing fifteen years after the date of each advance.

Assistance for 1977-78 was limited to \$4.2 million, but for the subsequent four years of the Act, payments will depend on State requirements for the maintenance program. Because of delays in finalising agreements with the States, no payments were made under this Act in 1977-78. It is expected that the States will receive their 1977-78 entitlements in 1978-79, as well as a further \$5 million for the 1978-79 maintenance program.

The following table shows payments that have been made to the States for this purpose since 1974-75 and estimated payments in 1978-79:—

Table 46—Advances for Softwood Forestry, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	2 100	889	2 340	341	685	769	7 124
1975-76	2 456	900	2 250	566	864	901	7 937
1976-77	2 497	1 686	1 547	..	776	1 429	7 934
1977-78	374	73	..	-87	..	..	360
1978-79 (estimate)	3 600	1 628	1 480	502	1 020	985	9 215

Assistance to the Forestry Industry in Tasmania

The Commonwealth has agreed to provide financial assistance to Tasmania over the next five years towards the cost of establishing some small plantations and certain silviculture projects involving native trees.

The assistance, by way of loans on a \$1 for \$1 matching basis, is intended to commence in 1978-79 with a payment of \$136 500. The loans are 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.

Trawl and Danish Seine Fishery Assistance

In 1974 the Commonwealth agreed to provide assistance of \$105 000 to New South Wales on a \$1 for \$1 sharing basis, for an assessment of the trawl and Danish seine fisheries in the State with a view to formulating practical and constructive management policies. Total payments to 30 June 1978 amounted to \$95 548, including a payment of \$21 054 in 1977-78, and it is estimated that a further \$9500 will be provided in 1978-79.

Rural Adjustment

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

The scheme replaced the *Rural Reconstruction Scheme*, the *Dairy Adjustment Program* and the program of *Carry-on Assistance to the Beef Industry*, all of which were terminated on 31 December 1976. Annual payments under each of these superseded schemes, including estimated payments in 1978-79 to finalise outstanding commitments under the *Dairy Adjustment Program*, are shown in Appendix V.

During 1977-78 agreement was reached between the Commonwealth and the States on modification of some aspects of the current scheme. Conditions of carry-on finance for beef producers were extended, household support provisions have been liberalised, and in 1978-79, wine grape growers will be eligible for carry-on finance assistance—previously only beef and dairy producers have been eligible.

Assistance under the Rural Adjustment Scheme in 1977-78 amounted to \$40.24 million and it is estimated that a further \$48.7 million will be provided in 1978-79.

The following table shows payments made under the schemes since 1974-75 and estimated payments in 1978-79:—

Table 47—Payments for Rural Adjustment and Previous Related Programs(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GRANTS							
1974-75	3 250	2 830	1 233	600	1 093	234	9 239
1975-76	2 069	4 063	2 725	1 363	1 633	292	12 144
1976-77	1 581	2 118	1 642	698	1 216	105	7 361
1977-78	1 712	2 036	1 069	1 129	746	41	6 733
1978-79 (estimate)	1 800	1 729	1 500	1 300	1 000	173	7 502
ADVANCES							
1974-75	9 750	9 347	3 491	1 900	3 173	816	28 478
1975-76	8 738	13 866	13 251	4 331	5 723	1 961	47 870
1976-77	6 487	9 722	8 786	2 221	4 080	685	31 980
1977-78	8 138	10 114	8 517	6 256	4 254	212	37 490
1978-79 (estimate)	10 100	9 438	9 600	5 800	5 800	600	41 338
TOTAL							
1974-75	13 000	12 177	4 724	2 500	4 266	1 050	37 717
1975-76	10 807	17 929	15 976	5 694	7 356	2 253	60 014
1976-77	8 068	11 840	10 428	2 919	5 296	790	39 341
1977-78	9 850	12 150	9 587	7 385	4 999	253	44 223
1978-79 (estimate)	11 900	11 167	11 100	7 100	6 800	773	48 840

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

Fruitgrowing Industry Reconstruction

The *States Grants (Fruitgrowing Reconstruction) Act* 1972, approved an Agreement under which the States were offered \$4.6 million in financial assistance towards a scheme for the removal of fruit trees deemed to be surplus to long-term market requirements. Following a number of amendments to the Agreement the closing date for lodgement of applications for assistance was set at 31 December 1976 and the closing date for removal of trees at 31 August 1977. The Act was also amended to increase the amount of assistance available under the scheme to \$5.6 million.

Some of the States encountered difficulties in finalising assistance payments in 1977-78, resulting in commitments estimated at \$28 000 having to be carried over into 1978-79.

Payments to the States, including estimated payments in 1978-79, are shown in the following table:—

Table 48—Grants for Fruitgrowing Reconstruction, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	..	71	119	105	32	750	1 077
1975-76	..	102	41	20	29	200	392
1976-77	41	774	18	140	16	200	1 189
1977-78	..	223	44	65	237	110	679
1978-79 (estimate)	18	3	7	28

Supplementary Assistance for Apple and Pear Growing Industries

In early 1974 the Commonwealth agreed to join with Queensland, Western Australia and Tasmania, on a \$1 for \$1 matching basis, to supplement for the 1974 season the assistance available to the apple growing industry under the Commonwealth funded Apple and Pear Stabilisation Scheme. The supplementary arrangements were subsequently extended to cover the 1975, 1976, 1977 and 1978 seasons. All States except New South Wales have participated in the arrangements at one time or another.

For the 1979 and 1980 seasons, the Commonwealth has offered to continue the supplementary assistance arrangements and to extend them to the pear growing industry. However, only the commitment in respect of the 1978 season arrangements will be paid in 1978-79.

Payments to the States including estimated payments in 1978-79 are shown in the following table:—

Table 49—Recurrent Grants for Apple Export Assistance, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	8	..	516	1 590	2 114
1975-76	..	65	14	..	259	572	910
1976-77	..	8	..	1	100	229	338
1977-78	..	16	..	..	..	39	55
1978-79 (estimate)	..	29	5	..	128	338	500

Eradication of Bovine Brucellosis and Tuberculosis

Since 1970 the Commonwealth has joined with the States in an intensified national campaign for the eradication of bovine brucellosis and tuberculosis. The Government has agreed to provide \$19.1 million during 1978-79 as payments to the States for this purpose.

In 1973 the Commonwealth also joined with the mainland States in a scheme to partially compensate owners of livestock slaughtered following positive reaction to bovine tuberculosis tests, and from July 1976 also joined with these States in a bovine

brucellosis slaughter compensation scheme. It is anticipated that \$6.4 million will be paid to the States for this purpose in 1978-79.

The following table shows payments that have been made under these schemes since 1974-75, and payments estimated to be made in 1978-79.

Table 50—Grants for Current Expenditure on the Eradication of Bovine Brucellosis and Tuberculosis, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	2 012	2 064	1 661	350	498	238	6 823
1975-76	2 186	2 459	2 190	637	601	423	8 496
1976-77	3 545	4 938	3 266	1 604	898	215	14 467
1977-78	4 536	5 858	4 180	1 201	854	120	16 749
1978-79 (estimate)	5 509	7 832	8 465	2 655	955	83	25 499

Control and Eradication of Exotic Animal Diseases

Under long-standing agreements between the Commonwealth and the States in respect of outbreaks of a number of exotic animal diseases, \$1 600 will be paid to New South Wales and Queensland in respect of an outbreak of Newcastle disease during 1977-78.

The Commonwealth has offered to share the cost of bluetongue control up to 30 June 1978 on a \$1 for \$1 basis with the States. The estimated net cost to the Commonwealth is \$27 000, payable in 1978-79.

The Commonwealth has also offered to provide an amount estimated at \$1 342 000 in 1978-79 under the *States and Northern Territory Grants (Bluetongue Virus Control) Act 1978* for special \$1 for \$1 assistance for cattle producers affected by bluetongue control measures, and for the acquisition by Western Australia and Queensland of virology laboratory equipment. An estimated distribution between States is given in Appendix V.

Control and Eradication of Plant Pests

The Commonwealth has agreed to provide \$450 000 to South Australia to assist that State in defraying some costs of its blue and spotted lucerne aphid control programs. The provision for 1978-79 is \$307 000.

In 1977-78 the Commonwealth paid \$156 250 to New South Wales under a three-year agreement to match contributions by all States for the eradication of an outbreak of warehouse beetle in that State. The estimated payment in 1978-79 is \$84 000.

Commonwealth Extension Services Grant

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

The following table shows the payments to each State for these Commonwealth extension services (previously *agricultural extension services*) from 1974-75 and estimated payments in 1978-79:—

Table 51—Grants for Commonwealth Extension Services (a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	2 145	1 877	1 583	856	843	419	7 723
1975-76	2 359	2 022	1 826	944	958	517	8 625
1976-77	2 578	2 291	2 097	1 068	1 082	560	9 675
1977-78	2 592	2 341	2 112	1 077	1 094	564	9 780
1978-79 (estimate)	2 592	2 307	2 112	1 082	1 090	564	9 747

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

Commonwealth Special Research Grant—Agriculture

Annual 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. Some Australian Agricultural Council projects common to several States are also financed. (In previous issues of this document, these grants came under the heading of *Minor Agricultural Research*.)

Grants that have been paid to the States since 1974-75 and estimated grants in 1978-79 are shown in the following table:—

Table 52—Grants for Agricultural Research(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	82	22	14	16	..	..	134
1975-76	81	63	17	20	..	..	181
1976-77	69	58	16	26	..	..	169
1977-78	82	22	5	16	..	..	125
1978-79 (estimate)(b)	84	43	11	8	8	4	158

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

(b) The 1978-79 allocations between the States overall and the Commonwealth, and as between the States themselves, are still to be determined. No commitment is implied to the provision of the amounts shown.

*Assistance to the Mount Lyell Mining and Railway
Company Limited*

Since August 1977 the Commonwealth has provided funds to Tasmania towards meeting the cash deficit of the copper mining operation of the Mount Lyell Mining and Railway Company Limited at Queenstown. Initially the funds were on a \$1 for \$1 basis under the *Tasmania Grant (The Mount Lyell Mining and Railway Company Limited) Act 1977*. Following consideration in November 1977 of an interim report on copper by the Industries Assistance Commission, the Commonwealth has since then met all of the cash deficit, less the amount of payroll tax collected by Tasmania from the company. This arrangement was entered into, under an amendment to the Act, to reduce the likelihood of mine closure pending a further report by the Commission and following an indication by the Tasmanian Government that it was unable to continue to provide a share of the funds. \$3.38 million was paid to Tasmania for this purpose in 1977-78.

Following consideration in June 1978 of the Commission's further report, the Commonwealth undertook to make further funds available in this manner during the first three months of 1978-79 while negotiations take place between the Commonwealth, the Tasmanian Government and the company on the question of future assistance.

Estimated payments for this three-month period in 1978-79, after adjustments are made for interim payments in respect of assistance to 30 June 1978, are \$1.4 million.

Assistance to the States for 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 tables group all of the relevant assistance together, several projects—*Urban Flood Mitigation* (Brisbane Creeks Scheme), *Urban Water Supply* (Adelaide Water Treatment Scheme) and *Julius Dam*—are dealt with elsewhere in this document and in the Statements attached to the Budget Speech under their appropriate functional headings.

Details of assistance provided in 1977-78, amounting in total to \$17.8 million including \$7.32 million dealt with under other functional headings, are given in the table below. For details of assistance in previous years, see Appendix V and earlier issues of this document.

Table 53—Payments to the States for Water Projects in 1977-78 (\$ thousands)

State	Amount	Purpose
New South Wales . . .	1 000	Namoi River Weirs—Final payment under the <i>New South Wales Grant (Namoi River Weirs) Act 1976</i> . This project comprised construction of three irrigation weirs on the Namoi River.
	1 000	Flood Mitigation—Provided as an interim grant under the <i>National Water Resources (Financial Assistance) Act 1978</i> for on-going expenditures on previously approved works included in the coastal rivers flood mitigation program.
	50	Water Hyacinth Control—Commonwealth contribution as an equal share with each of New South Wales, Victoria and South Australia for water hyacinth control in the Gwydir River system in New South Wales.
	1 630	Water Resources Assessment Program—The Commonwealth has contributed grant funds to this program since 1964-65 and has agreed to continue support for the triennium terminating in 1978-79.
Victoria	1 136	Water Resources Assessment Program (<i>see above</i>).
Queensland	1 500	Bundaberg Irrigation Works—Provided as a grant under the <i>National Water Resources (Financial Assistance) Act 1978</i> , to assist with cost escalation for works to which Commonwealth assistance was previously directed.
	236	Flood Mitigation—Payment under the <i>Queensland Grant (Proserpine Flood Mitigation) Act 1976</i> bringing total payments under this Act to \$313 000.
	(a)992	Urban Flood Mitigation—Brisbane Creeks Flood Mitigation Scheme (<i>see page 61 for details</i>).
	(a)325	Julius Dam (<i>see page 72 for details</i>).
South Australia	952	Water Resources Assessment Program (<i>see above</i>).
	17	Tailem Bend to Keith Pipeline—Payment under the <i>South Australia Grant (Tailem Bend to Keith Pipeline) Act 1969</i> bringing total payments to \$5.7 million.
	(a)6 000	Urban Water Supply—Adelaide Water Treatment Scheme (<i>see page 72 for details</i>).
Western Australia	727	Water Resources Assessment Program (<i>see above</i>).
	20	Ord River Project—Payment under the loans component of the <i>Western Australia Agreement (Ord River Irrigation) Act 1968</i> bringing total loans to \$2.5 million.
Tasmania	2 000	Water Resources Assessment Program (<i>see above</i>).
	215	Water Resources Assessment Program (<i>see above</i>).
Total	17 800	

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

In November 1977, the Commonwealth decided to establish a National Water Resources Program to provide assistance for water related purposes over a five-year period. The Commonwealth has undertaken to contribute \$200 million over the duration of the program.

The program will encompass 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 1978-79 it is estimated that a total amount of \$17.96 million, including \$5.32 million dealt with under other functional headings, will be provided to the States for water related purposes. This comprises \$12.13 million already allocated to specific

programs and projects, and \$5.83 million not yet allocated. The following table includes a State distribution of this unallocated amount based on preliminary considerations only and no commitment to these figures is implied.

Table 54—Estimated Payments to the States for Water Projects in 1978-79 (\$ thousands)

State	Amount	Purpose
New South Wales	1 630	Water Resources Assessment Program
	(a)2 265	Unallocated
Victoria	1 136	Water Resources Assessment Program
	(a)550	Unallocated
Queensland	952	Water Resources Assessment Program
	62	Flood Mitigation—Proserpine Flood Mitigation Scheme
	(b)880	Urban Flood Mitigation—Brisbane Creeks Flood Mitigation Scheme (see page 61 for details)
	(a)1 000	Unallocated
South Australia	727	Water Resources Assessment Program
	(b)4 437	Urban Water Supply—Adelaide Water Treatment Scheme (see page 72 for details)
	(a)470	Unallocated
Western Australia	2 000	Water Resources Assessment Program
	96	Ord River Project—Loan Funds for Ord River Irrigation Scheme
	(a)793	Unallocated
Tasmania	213	Water Resources Assessment Program
	(a)750	Unallocated
Total	17 961	

(a) Preliminary distribution only. No commitment to these figures is implied.

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

Soil Conservation

From 1974-75 to 1976-77 \$1.58 million was provided to the States for soil conservation programs under the *States Grants (Soil Conservation) Act* 1974. In 1977-78 the Commonwealth agreed to provide further interim assistance of \$0.2 million pending the completion of a comprehensive study on soil conservation problems. \$95 000 was paid under the *Environment (Financial Assistance) Act* 1977 in 1977-78 and the remaining \$105 000 will be made available in 1978-79. The comprehensive study has now been completed and the report is to be considered by the Government.

The following table shows grants paid since 1974-75 and estimates for 1978-79:—

Table 55—Grants for Soil Conservation, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	..	129	..	25	..	..	154
1975-76	..	467	623	42	74	25	1 231
1976-77	..	64	..	33	73	10	180
1977-78	30	30	..	35	95
1978-79 (estimate)	40	30	..	..	35	..	105

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.

The following table shows payments to the States since 1974–75 and estimated payments in 1978–79:—

Table 56—Grants for Coal Mining Industry Long Service Leave, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	2 478	..	429	..	161	5	3 073
1975-76	2 779	..	454	..	167	6	3 407
1976-77	3 936	..	780	..	241	12	4 969
1977-78	4 759	..	730	..	268	27	5 784
1978-79 (estimate)	4 250	..	800	..	300	35	5 385

Apprenticeship Training

Since 1971–72 the Commonwealth and the States have collaborated in several schemes to improve and extend apprenticeship training. In 1977–78 the Commonwealth provided \$6.69 million, comprising \$5.22 million to meet costs incurred by the States in employing some 824 apprentices surplus to requirements, \$1.44 million to increase opportunities for trade training under pre-apprenticeship courses and accelerated apprenticeship training, and a final subsidy payment of \$30 000 for the employment of apprenticeship training supervisors.

In 1978–79 \$5.2 million has been made available for the employment of an estimated 685 apprentices, surplus to requirements, in State Government establishments. A notional distribution of payments to the States for 1978–79 is included in the following table, but no commitment to the provision of these amounts is implied.

Table 57—Grants for Apprenticeship Training, 1974-75 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	161	227	212	93	65	41	799
1975-76	757	852	471	159	455	79	2 773
1976-77	1 822	2 804	750	313	731	187	6 607
1977-78	2 099	2 123	971	345	943	209	6 689
1978-79 (estimate)	1 600	1 640	850	250	790	70	5 200

Education Program for Unemployed Youth

Under the Education Program for Unemployed Youth the Commonwealth provides 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. During 1977-78 eligibility was extended to the 21-24 years age group.

In 1977-78 \$1.47 million was paid to the States under the program and the Government has decided to provide \$3 million in 1978-79. In addition, almost \$2.3 million will be provided as living allowances to trainees under this scheme in 1978-79. This amount forms part of the allocation for allowances under the National Employment and Training Scheme and is not classified as a payment to the State.

The following table shows grants made to the States since 1976-77 and estimates for 1978-79:—

Table 58—Grants for Education for Unemployed Youth, 1976-77 to 1978-79 (estimate)
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1976-77	170	127	83	40	40	40	500
1977-78	376	272	437	173	52	156	1 466
1978-79 (estimate)	750	680	600	590	80	300	3 000

GENERAL PUBLIC SERVICES
Law, Order and Public Safety
Legal Aid

In the period 1973-74 to 1977-78 the Commonwealth provided grants to assist the functioning of existing legal aid schemes in the States. Payments totalling \$80 000 were paid to Victoria in 1977-78.

A comprehensive legal aid scheme has now been developed whereby State Commissions take over the functions of the Australian Legal Aid Office in the States and are reimbursed by the Commonwealth. As payments under this arrangement are for services rendered, they are not classified as payments to the States.

Family Law

The *Family Law Act* 1975, which came into operation in January 1976, provides for a Family Court in each State, established either by the State where it wishes to do so, or under the auspices of the Commonwealth. Only Western Australia has chosen to establish its own Court and, under the provisions of the Act, Commonwealth assistance is being provided for its establishment and operation. An amount of \$1 065 000 was provided in 1977-78 and it is estimated that \$1 483 000 will be paid to Western Australia in 1977-78.

Promotion of Road Safety Practices

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

Research Grants

Since 1965-66 the Commonwealth has made grants to the States for research projects on the recommendation of the Australian Research Grants Committee. An outline of developments over the period 1965 to 1975 was given in Appendix IV of the 1975-76 issue of this paper.

From 1976-77 onwards, the previous fixed triennial funding arrangements were replaced by a three-year rolling program. An amount of \$10 155 000 was provided in 1977-78 and \$11 893 000 is to be made available to the States in 1978-79. The following table shows grants made since 1974-75 and estimates for 1978-79:—

Table 59—Grants for Research Projects, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	2 584	1 821	853	1 369	470	227	7 324
1975-76	2 340	1 553	706	950	320	130	6 000
1976-77	4 086	3 014	1 258	1 911	665	236	11 171
1977-78	3 867	2 470	1 080	1 886	687	165	10 155
1978-79 (estimate)(a)	4 542	2 902	1 261	2 200	797	191	11 893

(a) The State distribution is notional only, it assumes the same proportional distribution as for 1977-78 but there is no commitment in that regard.

ASSISTANCE FOR LOCAL GOVERNMENT

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

ASSISTANCE FOR NATURAL DISASTER RELIEF

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

In respect of 'major' disasters, the Commonwealth also assists with expenditures on other agreed relief and restoration measures when the expenditures are considered to be beyond the capacity of the State concerned to meet from its own resources. In 1977 arrangements were made to enable the States to assume automatic Commonwealth agreement to inclusion of certain 'standard' measures under the arrangements following specified major disasters. The States are required to seek Commonwealth approval if they wish to change the terms of previously applied standard measures (e.g. the size of concessional loans). It remains open to a State to request Commonwealth support for non-standard measures which it might wish to implement for a given disaster. The standard measures are as follows:—

- (a) grants for relief of personal hardship and distress (cyclones, floods, storms, 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 etc. 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).

The financial arrangements which have applied since 1971 will be modified for 1978-79. The Commonwealth previously met all expenditures by a State in a year on agreed measures necessitated by major disasters in excess of a base amount set for the State. Under the new arrangements above-base expenditures will be financed on a 83

Commonwealth: \$1 State basis. In addition the State base contributions, for 1978-79 will be double those that have applied since 1971. The new base amounts are:—

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

The definition of a major disaster remains unchanged, i.e., a disaster necessitating expenditures on agreed relief and restoration measures in excess of one-tenth of a State's (new) base annual expenditure.

Table 103 in Appendix III shows payments that have been made to each State since 1974-75 in respect of various types of disaster (drought, flood, storm, cyclone and bushfires). Reflecting the differing incidence of disasters, the amounts vary considerably from one State to another and from one year to another. A major proportion of the assistance to the States for natural disaster relief in 1977-78 was in respect of drought in the mainland States, particularly South Australia and Western Australia. In addition considerable expenditures were incurred as a result of storm and flood damage in New South Wales and Queensland.

The following table shows payments to the States from 1974-75, including estimated payments in 1978-79. The figures for 1978-79 are estimated payments in respect of past disasters; no allowance has been made for expenditures for the relief of disasters which may occur in 1978-79. Table 104 gives a more detailed breakdown of payments from 1973-74 to 1977-78. Details of payments for natural disaster relief and restoration purposes in previous years are included in Table 158 of the 1975-76 issue of this document.

Table 60—Payments for Natural Disaster Relief Assistance(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
PAYMENTS OF A RECURRENT NATURE							
1974-75	622	355	113	..	..	..	1 090
1975-76	637	35	52	..	83	..	807
1976-77	1 233	452	45	..	195	..	1 925
1977-78	1 237	99	231	218	526	..	2 311
1978-79 (estimate)	33	..	913	..	332	..	1 278
PAYMENTS OF A CAPITAL NATURE—GRANTS							
1974-75	13 840	8 983	25 509	114	..	..	48 446
1975-76	12 596	5 937	6 319	108	4 197	(b)-7	29 150
1976-77	10 006	(c)1 540	10 645	..	(d)1 506	..	23 697
1977-78	6 945	522	11 080	15	2 258	..	20 820
1978-79 (estimate)	352	..	2 427	923	1 412	..	5 114
PAYMENTS OF A CAPITAL NATURE—LOANS							
1974-75	1 982	469	1 212	..	..	..	3 663
1975-76	672	278	81	..	67	..	1 098
1976-77	1 490	888	449	..	2 001	..	4 828
1977-78	1 485	1 291	3 762	12 117	15 714	..	34 369
1978-79 (estimate)	153	..	910	4 717	3 808	..	9 588
TOTAL PAYMENTS							
1974-75	16 444	9 807	26 834	114	..	..	53 199
1975-76	13 905	6 250	6 452	108	4 347	(b)-7	31 055
1976-77	12 729	(c)2 880	11 139	..	(d)3 702	..	30 450
1977-78	9 667	1 912	15 073	12 350	18 498	..	57 500
1978-79 (estimate)	538	..	4 250	5 640	5 552	..	15 980

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

Certain refunds of payments to the States for natural disaster relief and restoration measures have been received in financial years subsequent to the disasters to which they relate. These refunds have been taken into account in the financial years in which they have been received from the States, as indicated below:

Year Refund Received	From State	Disaster to which Refunds are Related and Original Purpose	Amount of Refund Received
(b) 1975-76	Tasmania	Bushfire relief in 1967-68—Capital grants	\$ 7 000
(c) 1976-77	Victoria	Flood relief in 1975-76—Capital grants	50 000
(d) 1976-77	Western Australia	Cyclone relief in 1975-76—Capital grants	1 130 000

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). As a prelude, executive responsibility for certain functions was transferred to the Northern Territory Executive on 1 January 1977 (part of the Department of the Northern Territory) and 1 January 1978 (the Crown Law function of the Attorney-General's Department).

FUNCTIONS TRANSFERRED

The 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 following main matters:

- Taxation, including stamp duty
- Provision of rural, industrial and home finance credit and assistance
- The Public Service of the Territory
- Maintenance of law and order and the administration of justice (including legal aid and correctional services)
- Police
- Private law
- Administration of estates and trusts
- Civil liberties
- Inquiries and administrative reviews (including matters relating to a Territory ombudsman)
- Markets and marketing
- Corporate affairs
- Marketable securities
- Consumer affairs
- Sales and leases of goods, supply of services, and security interests in or over goods
- Prices and rent control
- Industry (including forestry, fisheries, pastoral, agricultural, building and manufacturing)
- Regulation of businesses and professions
- Tourism
- Printing and publishing
- Labour relations (including training and apprenticeship and workers' compensation and compulsory insurance or indemnity therefor)
- Industrial safety
- Mining and minerals (including gases and hydrocarbon fuels)
- Land, public and private (including internal waters)
- Urban planning and development
- Surface transport regulation (including traffic control, carriers, roads and bridges, vehicle registration and compulsory third party insurance, driver licensing and road safety)

Ports and harbours
 Environment protection and conservation (including parks, reserves and gardens
 and preservation of historical objects and areas)
 Flora and fauna
 Fire prevention and control
 Water resources
 Energy planning and regulation
 Public utilities
 Public works
 Registration of land titles, instruments, and births, deaths and marriages
 Local government
 Housing
 Child, family and social welfare
 Museums, libraries and art galleries
 Scientific research
 Recreation, entertainment and sport
 Community, cultural and ethnic affairs
 Lotteries, betting and gaming
 Liquor
 Firearms, explosives and hazardous and dangerous substances
 Civil defence and emergency services
 Censorship
 Agreements between the Territory and the Commonwealth or a State or States
 Matters incidental to the execution of any executive authority vested in the
 Ministers of the Territory.

Health is to be transferred on 1 January 1979 and Education on 1 July 1979.

The major State-type matters in relation to which responsibility is *not* to be transferred are:

- The mining of uranium
- Aboriginal affairs, other than the provision of services to Aboriginal communities
- The Supreme Court

OUTLINE OF FINANCIAL ARRANGEMENTS

The financial arrangements to apply between the Commonwealth and the Northern Territory are set out in a Memorandum of Understanding which has been agreed between the Commonwealth and Northern Territory Governments.

Types of Payments to be Made to the Northern Territory

From 1 July 1979 (or, by mutual agreement, a later date) the financial arrangements are to be modelled on those applying between the Commonwealth and the States. The Northern Territory will receive a tax sharing entitlement, a local government tax sharing entitlement, and appropriate specific purpose payments under arrangements similar to those which apply in the case of the States. In addition, the Territory will receive from the Commonwealth general purpose capital assistance analogous to a State Government Loan Council program (comprising one-third grant, and two-thirds loan on the same terms and conditions as apply to the State Government Loan Council programs).

Borrowings by Northern Territory semi-government and local authorities will continue to be covered by the appropriate Loan Council arrangements and programs applying to Commonwealth authorities and individual borrowings by these authorities may be guaranteed by the Commonwealth in appropriate circumstances.

Special Grant and Additional Assistance Grant

The Northern Territory has been given access to the Commonwealth Grants Commission on the same basis as a claimant State, and has applied for a special grant on the recommendation of the Grants Commission in respect of 1979-80.

It has been agreed that an additional assistance grant of \$20 million will be paid in each of the first three years of operation of the State-type financial arrangements and that this will be gradually phased out over the following three years. However, 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.

Assistance for Expenditure on Aboriginals

Overall responsibility for policy planning and co-ordination in respect of Aboriginal affairs remains with the Commonwealth. However, a considerable part of expenditure in the Territory on various functions which have been, or are to be, transferred is directed towards Aboriginals. In the main, allowance for continued relatively high per capita expenditure on the Aboriginal people of the Northern Territory will be made by means of the normal general and specific purpose Commonwealth assistance to the Northern Territory. The Northern Territory Government has agreed to give full consideration to the needs of the Aboriginal people in setting its expenditure priorities. However, since the Commonwealth wishes to continue the particular priorities it has set in the Territory in relation to some of these expenditures, certain funds will be provided as specific purpose grants for expenditure in various areas such as education and health.

Debt Charges

As noted above, the Territory will receive from the Commonwealth funds analogous to the State Government Loan Council programs and will have to meet debt charges on a portion of these funds under terms and conditions analogous to those that apply to the States.

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 the debt charges on the capital funds analogous to the State Government Loan Council programs. After some years when the rate of growth of these debt charges has declined it may be agreed to replace the specific purpose payment by an appropriate addition to the general revenue funds provided by the Commonwealth.

Mineral Revenues

Special arrangements have been entered into in relation to mineral revenues, the principal features being as follows. Ownership of minerals other than uranium is vested in the Crown in the right of the Northern Territory which will have the right to collect royalties. The Commonwealth will continue to make payments into the Aboriginal Trust Account in accordance with the *Aboriginal Land Rights (Northern Territory) Act 1976* and a once-for-all adjustment will be made to the Northern Territory tax sharing entitlements.

The Commonwealth will retain ownership of uranium but will make an additional grant to the Northern Territory of an amount in lieu of uranium royalties at 1¼ per cent. Payment of this grant will be conditional on the Northern Territory ensuring that the terms of stamp duties and other charges etc. applying to mining agreements or to financial transactions in respect of such agreements are in line with those that apply in the States. In addition, the Commonwealth undertakes to reimburse the Northern Territory for additional capital or other expenditure, arising from the proposed uranium developments, to the extent that such expenditure is incurred by the Northern Territory in accordance with prior specific arrangements agreed between the two governments.

Northern Territory Electricity Commission

In recognition of the special circumstances relating to the electricity undertaking and subject to the Northern Territory Electricity Commission being given financial autonomy, the Commonwealth has agreed to subsidise the Commission through a specific purpose payment under arrangements designed to provide incentives to the Commission to improve the efficiency of its operation.

Transfer of Assets

Assets being transferred to the Northern Territory under the provisions of Section 69 of the *Northern Territory (Self Government) Act* will not attract a capital liability payable to the Commonwealth except in the case of the assets associated with the following items, in respect of which there is a capital liability as indicated in each instance.

(a) *Staff Housing*

Each dwelling transferred to the Northern Territory will attract a capital liability of \$19 000 repayable over 53 years from the date of transfer at an interest rate of 5 per cent per annum.

(b) *Northern Territory Housing Commission*

The capital liability of the Northern Territory Housing Commission as at 30 June 1978 and the terms and conditions applying to the advances comprising that liability will be assumed by the Northern Territory.

(c) *Electricity Supply*

Assets to be transferred at a valuation of \$55.983 million, repayable over 20 years at the appropriate semi-government interest rate current at the time of transfer.

(d) *Water Supply and Sewerage*

Assets to be transferred at a valuation of \$16 million repayable at an annual redemption of 0.85 per cent plus interest at 5 per cent per annum.

TRANSITIONAL YEAR

1978-79 is to be a transitional year to allow time for the administrative framework and financial arrangements of the Commonwealth/State financial model to be developed in respect of the functions transferred on 1 July 1978, and for planning the subsequent transfer of the education and health functions. The general approach to be followed in settling the financial arrangements is described in the Memorandum of Understanding in the following words:

'General approach

16. The first step will be to settle an *overall amount for revenue assistance* (i.e. assistance for recurrent expenditures) for the Northern Territory in year 1 [the first year of operation of the State-type financial model], an *overall amount for capital assistance* for year 1 and an appropriate borrowing program under the umbrella of the Commonwealth's *semi-government borrowing program* for year 1 within the Loan Council arrangements.

17. The second step will be to dissect the overall amounts of revenue and capital assistance for year 1 into various categories of payments and to specify the terms and conditions which will apply to the payments.

18. The overall amounts referred to in paragraph 16 above will be settled having regard to the levels of the relevant provisions in the years preceding year 1, and the special needs of the Territory. It should be noted, however, that the overall amount for revenue assistance could, in effect, be determined by any special grant paid after inquiry and recommendation by the Commonwealth Grants Commission, and in the case of the semi-government borrowing program, the figure ultimately will be determined by the Loan Council.

19. The Commonwealth has given an assurance that Commonwealth assistance to the Northern Territory will be sufficient to maintain standards of service at an overall equivalent to that presently provided pending the examination by the Grants Commission, of the Territory's current revenue and expenditure, this on the understanding that the Territory will make a reasonable revenue raising effort.

20. The terms and conditions attaching to the various payments referred to in paragraph 17 above will in appropriate cases include a formula for determining the levels of assistance in the years beyond year 1. In other cases the level of assistance in those years will be determined by the Commonwealth in the context of its priorities and its own budgetary constraints and in the light of the needs of the Territory. These are similar to the arrangements which apply between the Commonwealth and the States.'

PAYMENTS TO THE NORTHERN TERRITORY AND BORROWINGS BY
NORTHERN TERRITORY AUTHORITIES IN 1977-78 AND 1978-79

For 1978-79 the bulk of the Commonwealth funds for the Territory will be provided as general purpose funds. Similar arrangements were adopted for the first time in 1977-78, although self-government had not been formally instituted. The table below shows payments to the Northern Territory, borrowing programs of Northern Territory authorities, and interest paid by the Northern Territory to the Commonwealth for 1977-78 and corresponding estimates for 1978-79.

Table 61—Payments to the Northern Territory, Borrowings by Northern Territory and Interest Payable by the Northern Territory to the Commonwealth

	1977-78		1978-79 (Estimates)	
	\$'000	\$ per capita	\$'000	\$ per capita
<i>Payments—</i>				
Global Allocation(a)	(b)52 765	482.31	280 000	2 456.14
Establishment Grants	264	2.41	300	2.63
<i>Specific Purpose Grants—</i>				
Public Hospitals—Running Costs	..	..	8 425	73.90
Control of Encephalitis	..	..	8	0.07
Housing for Aborigines	..	..	450	3.95
Exotic Animal Diseases	..	..	245	2.15
TOTAL PAYMENTS (gross)	53 029	484.73	289 428	2 538.84
Repayments(c)	..	..	2 209	19.38
TOTAL PAYMENTS (net)	53 029	484.73	287 219	2 519.46
<i>Borrowings—</i>				
Authorities' Programs(d)	3 147	28.77	14 414	126.44
TOTAL BORROWINGS	3 147	28.77	14 414	126.44
<i>Interest Payable to Commonwealth(c)</i>	..	..	11 295	99.08

(a) The global allocation for 1977-78 included amounts specified as being for various functions. For 1978-79 the global allocation more closely approximates a general purpose grant. However, the estimate includes some amounts that are subject to agreed conditions, notably \$23 million for the subsidy for the Electricity Commission.

(b) Includes payments for Northern Territory local authorities shown separately in Chapter VI.

(c) In respect of the capital liability attaching to the transfer of certain assets (see text above).

(d) Allowance within Commonwealth authorities' Loan Council borrowing programs for Northern Territory authorities.

It should be noted that in both years (though to a lesser extent in 1978-79 than in 1977-78) a considerable part of overall Commonwealth expenditure in the Northern Territory is in respect of functions not yet transferred to the Northern Territory and is included in the appropriations administered by various Commonwealth Departments. Such expenditures are *not* included in the above table. That is to say, the payments set out in the above table do not represent total Commonwealth payments to or for the Northern Territory, but (with the exception of the establishment grant), only those payments made direct to the Northern Territory. The increase in payments in 1978-79 compared with the previous year reflects the additional functions transferred to the Northern Territory in the latter year and thus now funded by way of direct payments.

Specific Purpose Grants in 1978-79

Payment for Recurrent Costs of Public Hospitals

It is proposed to introduce legislation to amend the *Health Insurance Act 1973* to allow the Commonwealth to negotiate a hospital cost-sharing agreement with the Northern Territory. It is envisaged that the agreement would be on similar lines to those with the State Governments (*see* Chapter IV) and take effect from 1 January 1979 when the Northern Territory assumes responsibility for health functions.

In anticipation of this arrangement, provision has been made for the payment of \$8.425 million under the Health Insurance Act to meet 50 per cent of the estimated approved net operating costs of public hospitals in the Territory from 1 January to 30 June 1979.

Control of Encephalitis

The Northern Territory will participate in this scheme in 1978-79 along similar lines to those applying to assistance to the States. (*See* Chapter IV for details.)

Housing for Aboriginals in the Northern Territory

Within the 1978-79 appropriations of the Department of Aboriginal Affairs, an amount of \$450 000 has been allocated to the Northern Territory for payment to the Northern Territory Housing Commission for the construction of houses in urban areas. Houses for Aboriginals will be provided in Alice Springs, Tennant Creek and Katherine under arrangements to be negotiated.

Exotic Animal Diseases Eradication

The *States and Northern Territory Grants (Bluetongue Virus Control) Act 1978* provides for the Northern Territory, for purposes of this Act, to be treated as a State after 1 July 1978. Under this Act, the Commonwealth matches agreed State expenditure on assistance to cattle producers towards meeting the cost of mustering and blood-testing and on virology laboratory equipment.

CHAPTER VI—PAYMENTS TO OR FOR LOCAL GOVERNMENT AUTHORITIES

Local government authorities in Australia (except in the Northern Territory) are established under Acts of the State Parliaments for the purpose of providing certain public services within defined geographical boundaries. The functions of these authorities differ significantly between States and, indeed, within States.

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

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

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

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

Then follows an outline of various Commonwealth programs involving payments to or for local government authorities. The Chapter ends with a summary of the various forms of such payments in the years 1974–75 to 1978–79.

Particulars of programs in respect of which expenditures were not made in 1977–78 nor are expected to be made in 1978–79 but which involved expenditures in earlier years may be found in previous issues of this paper.

GENERAL PURPOSE ASSISTANCE PROVIDED ON ADVICE OF THE GRANTS COMMISSION

In 1973 the Commonwealth Parliament passed the *Grants Commission Act 1973* repealing the *Commonwealth Grants Commission Act 1933*. The 1973 Act, inter alia, laid down procedures for regional organisations of local government to apply for financial assistance from the Commonwealth and for such applications to be the subject of inquiry and report by the Grants Commission. It also provided that the grants to the States for local authorities should be provided in such a way as to promote financial equality between local authorities and regional groupings of such authorities.

After consideration of written and oral submissions and evidence from interested parties, the Commission recommended grants for local government totalling \$56 345 000 in 1974-75 and \$79 908 000 in 1975-76, and further recommended that the grants be paid without conditions attached to their use by local government authorities. The Commonwealth accepted the Commission's recommendations in both years. The payments were made in the first instance to State Governments for transmission to individual local government authorities in the amounts specified. The payments made to each State are set out in Table 63 below.

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

LOCAL GOVERNMENT ASSISTANCE UNDER THE NEW TAX SHARING ARRANGEMENTS

As noted in Chapter II, the sharing of personal income tax between the Commonwealth, the States and local government represents a central element in the Government's Federalism policy.

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

On 21 November 1977, the Prime Minister announced that the percentage of net personal income tax collections allocated to local government would be increased to 2 per cent over the next three years. At the Premiers' Conference on 22-23 June 1978, the Government reaffirmed its commitment to the increase, but announced that, given other commitments, it was unable to make any move in that direction in 1978-79.

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

**Table 62—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 1974–75 to 1977–78, and the amount to be paid in 1978–79, for on-passing as general purpose assistance to local government authorities:—

Table 63—Grants to States for On-passing as General Purpose Assistance for Local Government, 1974-75 to 1978-79 (\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974–75(a)	21 359	14 630	8 954	4 774	4 959	1 669	56 345
1975–76(a)	29 257	20 242	13 808	6 785	7 524	2 292	79 908
1976–77(b)	51 289	35 398	24 222	11 925	13 162	4 004	140 000
1977–78(b)	60 341	42 078	27 875	14 220	15 524	5 290	165 328
1978–79(b)	65 487	45 666	30 252	15 433	16 848	5 741	179 427

(a) Amounts recommended by the Commonwealth Grants Commission.

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

BORROWING ARRANGEMENTS FOR LOCAL GOVERNMENT AUTHORITIES

As explained in Chapter III, the borrowings of Commonwealth and State Government authorities, including those of local government authorities, come within the purview of the Loan Council under the Gentlemen's Agreement originating in 1936. The Loan Council determines maximum interest rates and other terms and conditions of loans raised by authorities and also approves annual overall programs for 'larger' authorities (at present those borrowing more than \$1 million in a year) in each State. These borrowings are arranged by the individual authorities, with guarantees and other assistance being provided in some cases by the State Governments.

Borrowings by Local Government Authorities in 1977–78 and 1978–79

The table below shows aggregate borrowings by all 'larger' and 'smaller' authorities in 1977–78 and the amounts borrowed within these aggregates by local government

authorities, together with corresponding estimates for 1978–79. (Figures for earlier years are given in Appendix II.) It will be seen that a considerable proportion of, but not all, borrowings in the ‘smaller’ authorities category are made by local government authorities. It will be seen also that the amounts of borrowings by local government authorities vary markedly between the States (after taking account of differences in population). This reflects a number of factors including, importantly, variations between the States in the range of functions allocated to local government. As an example, the particularly high figures for Queensland reflect, in part, large borrowings by the Brisbane City Council, which carries out a number of functions (e.g., sewerage) which in other States are undertaken by semi-government authorities.

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

Table 64—New Money Borrowings By Commonwealth and State Authorities, 1977-78 and 1978-79 (estimate) (\$ thousands)

	'Larger' Authorities(a)		'Smaller' Authorities(b)		All Local Government Authorities (c)
	Total	Local Government Authorities	Total	Local Government Authorities	
1977-78 ACTUAL					
Commonwealth Government	260 697	(d)1 697	..	..	1 697
New South Wales	443 127	(e)130 127	91 318	(e)72 103	(e)202 250
Victoria	357 612	13 920	115 501	70 573	84 493
Queensland	239 651	81 253	77 063	36 740	117 993
South Australia	52 860	4 750	39 784	14 674	19 424
Western Australia	69 309	7 450	45 861	29 031	36 481
Tasmania	32 191	8 148	15 985	9 257	17 405
Total States	1 194 750	245 648	385 512	232 378	478 026
Grand Total	1 455 447	247 345	385 512	232 378	479 723
1978-79 ESTIMATES(f)					
Commonwealth Government	347 694	(d)1 891	..	..	1 891
New South Wales	(g)472 746	(e)133 046	113 850	(e)80 000	(e)213 046
Victoria	382 645	15 295	129 000	80 000	95 295
Queensland	(g)244 256	90 353	89 110	46 112	136 465
South Australia	56 828	4 400	40 000	17 200	21 600
Western Australia	(g)105 541	9 000	51 000	35 000	44 000
Tasmania	34 444	10 000	18 500	9 649	19 649
Total States	1 296 460	262 094	441 460	267 961	530 055
Grand Total	1 644 154	263 985	441 460	267 961	531 946

- (a) In 1976-77 'larger' authorities were those borrowing more than \$800 000; from 1977-78 they are those borrowing more than \$1 million. The aggregate of these borrowings in each State is subject to approval by the Loan Council.
- (b) In 1976-77 'smaller' authorities were those borrowing \$800 000 or less; from 1977-78 they are those borrowing \$1 million or less. No aggregate limit on these borrowings is imposed by the Loan Council. See footnote (a).
- (c) The total of borrowings by local government authorities in both the 'larger' and 'smaller' authorities categories.
- (d) Borrowings by local government authorities in the Northern Territory.
- (e) Includes borrowings by County Councils.
- (f) Amounts shown for borrowings by all 'larger' authorities are the programs approved at the June 1978 meeting of the Loan Council. Other amounts shown are tentative estimates made by the Commonwealth and State Treasuries.
- (g) Includes special temporary addition to the State's larger authorities' borrowing program.

COMMONWEALTH PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES

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

There are, however, a number of programs under which local government authorities are among bodies that are eligible for, and have received, Commonwealth assistance paid direct to them. The programs concerned are summarised below. Wide variations between the States in the amounts paid for particular programs reflect, amongst other things, differences in the extent to which the activities concerned are carried out by local government authorities rather than by private organisations or by State Government departments or agencies.

It might be noted that payments formerly classified for the purposes of Budget documents, including previous issues of this paper, as payments direct to local authorities for Aboriginal advancement have been reclassified as direct Commonwealth expenditure. In accordance with this re-classification the item has been omitted from this issue.

Nursing Homes

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

Local government authorities in two States—South Australia and Western Australia—are participating in the scheme. It is estimated that an amount of \$551 200 will be provided to meet their nursing homes' operating deficits in 1978-79. Details of payments are set out in the following table:—

Table 65—Grants Direct to Local Government Authorities for Nursing Homes, 1975-76 to 1978-79 (estimate) (\$ thousands)

	South Australia	Western Australia	Total
1975-76	..	121	121
1976-77	99	185	284
1977-78	318	169	486
1978-79 (estimate)	380	171	551

Home Nursing

Under the *Home Nursing Subsidy Act 1956* organisations (other than profit-making bodies and bodies conducted or controlled by a State Government) conducting home nursing services are eligible for annual subsidies depending on the numbers of nurses employed on home nursing duties. The amount of Commonwealth Government assistance cannot exceed the amount received by the organisation from a State Government 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 1974-75 and estimates for 1978-79 are shown in the following table:—

Table 66—Grants Direct to Local Government Authorities for Home Nursing, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Tasmania	Total
1974-75	139	2	141
1975-76	163	..	163
1976-77	193	..	193
1977-78	223	..	223
1978-79 (estimate)	235	..	235

Aged or Disabled Persons Homes

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

The rate of subsidy is \$2 for \$1 up to a maximum subsidy of \$11 130 for a single unit and \$12 910 for a double unit. The subsidies are reviewed 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 accommodation provided by an approved organisation. The subsidy is presently \$60 a month. In 1973 the subsidy was also extended to persons aged less than eighty years. Only one local authority—in South Australia—is currently receiving this subsidy.

The greater part of the capital grants under this Act is paid to organisations other than local government authorities. In 1977-78 local government authorities received \$1.4 million out of total capital grants of \$22.2 million. For 1978-79 it is estimated that local government authorities will receive \$3.4 million out of total estimated payments under the Act of \$26.1 million.

The following table shows the grants that have been paid to local government authorities in each State since 1974-75 together with estimates for 1978-79:—

Table 67—Grants Made Direct to Local Government Authorities for Expenditure on Aged or Disabled Persons Homes, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1975-76	12	37	..	..	..	..	49
1976-77 . . . . .	..	..	..	..	..	..	..
1977-78 . . . . .	..	..	..	52	..	..	52
1978-79 (estimate) . . . . .	..	..	..	53	..	..	53
CAPITAL							
1974-75	43	672	61	367	21	68	1 232
1975-76	263	1 105	78	1 054	369	125	2 995
1976-77	61	621	44	1 712	31	43	2 512
1977-78	288	368	188	258	229	63	1 394
1978-79 (estimate)	1 298	565	310	95	1 094	2	3 364
TOTAL							
1974-75	43	672	61	367	21	68	1 232
1975-76	275	1 142	78	1 054	369	125	3 044
1976-77	61	621	44	1 712	31	43	2 512
1977-78	288	368	188	310	229	63	1 445
1978-79 (estimate)	1 298	565	310	148	1 094	2	3 417

Aged Persons Hostels

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

Subject to certain conditions, the Commonwealth Government meets the cost of providing hostel accommodation by eligible organisations up to a current maximum of \$16 700 a person. The subsidies are reviewed periodically. The Government also pays an additional grant of up to \$2 400 a person for the purchase of land; a further \$250 a 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 1975-76 together with estimates for 1978-79:—

Table 68—Grants Made Direct to Local Government Authorities under the Aged Persons Hostels Act, 1975-76 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1975-76	..	311	345	..	2	..	657
1976-77	3	1 402	83	..	2	..	1 488
1977-78	124	1 771	69	..	..	..	1 963
1978-79 (estimate)	909	1 495	55	..	..	..	2 459

Delivered Meals Subsidy

Under the *Delivered Meals Subsidy Act 1970*, eligible organisations can receive assistance for the provision of what are known as 'meals on wheels' services. Since 1974 assistance has been at the rate of 30 cents for meals with an approved vitamin C supplement and 25 cents for meals without such a supplement.

The table below shows grants that have been paid to local government authorities under this scheme since 1974-75 and estimated grants in 1978-79. In 1977-78 total payments under the Act were \$2.2 million, of which \$0.7 million was paid to local government authorities. For 1978-79 it is estimated that local government authorities will receive \$0.8 million out of total estimated payments under the Act of \$2.3 million.

Table 69—Grants Made Direct to Local Government Authorities for Delivered Meals, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	126	366	..	..	30	..	522
1975-76	145	323	..	..	39	..	506
1976-77	75	404	..	..	63	..	542
1977-78	138	516	..	..	51	..	705
1978-79 (estimate)	157	585	..	..	58	..	800

Handicapped Persons Assistance

Under the *Handicapped Persons Assistance Act 1974*, local government authorities and voluntary non-profit bodies are eligible to receive assistance for the accommodation, employment and training of disabled people. Capital grants are provided on a \$4 for \$1 basis; assistance with rent is also on a \$4 for \$1 basis and assistance for staffing is on a \$1 for \$1 basis.

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

Details of payments for the years 1974-75 to 1977-78 and estimated payments for 1978-79 are shown in the table below:—

Table 70—Grants made Direct to Local Government Authorities for Handicapped Persons, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Total
1974-75	4	..	4
1975-76	42	..	42
1976-77	34	..	34
1977-78	28	137	165
1978-79 (estimate)	25	30	55

Pre-Schools and Child Care

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

In 1977-78 grants paid directly to local government authorities under the Childhood Services Program totalled \$6.9 million and payments in 1978-79 are estimated to be \$6.7 million.

Grants made direct to local government authorities in the years 1974-75 to 1977-78 and estimated payments for 1978-79 are shown in the following table:—

Table 71—Grants Made Direct to Local Government Authorities—Pre-Schools and Child Care, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	68	44	25	..	12	138	287
1975-76	187	202	18	..	189	177	773
1976-77	493	578	52	82	357	263	1 825
1977-78	1 153	1 018	150	182	585	370	3 457
1978-79 (estimate)(a)	1 150	1 135	200	230	530	350	3 595
CAPITAL							
1974-75	584	491	471	155	369	108	2 178
1975-76	1 458	2 194	472	580	436	455	5 595
1976-77	1 103	1 548	316	822	337	314	4 440
1977-78	386	1 193	1 161	104	108	455	3 407
1978-79 (estimate)(a)	1 050	870	400	120	150	510	3 100
TOTAL							
1974-75	652	535	496	155	381	246	2 465
1975-76	1 645	2 396	490	580	625	632	6 363
1976-77	1 596	2 126	368	904	694	577	6 265
1977-78	1 539	2 211	1 311	286	693	825	6 864
1978-79 (estimate)(a)	2 200	2 005	600	350	680	860	6 695

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

Community Youth Support Scheme

The Commonwealth introduced the Community Youth Support scheme to assist young unemployed persons in November 1976.

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

Overall expenditure on the scheme in 1977-78 was \$5 742 000 and is estimated to be \$9 million in 1978-79.

Grants amounting to \$472 000 were made direct to local government authorities in 1977-78. A notional distribution of estimated payments to local government authorities in 1978-79 is included in the following table:—

Table 72—Grants Made Direct to Local Government Authorities under the Community Youth Support Scheme, 1976-77 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1976-77	14	14	..	13	15	2	57
1977-78	55	111	8	113	154	30	472
1978-79 (estimate)	120	250	30	230	310	60	1 000

Homeless Persons Assistance

Under the *Homeless Persons Assistance Act 1974*, capital grants are made over a three-year period to voluntary agencies, and local and statutory 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 half the salaries of welfare officers performing approved services for homeless persons.

Only one local authority, in Victoria, has received assistance. Total payments for both recurrent and capital purposes since 1975-76 and estimated payments for 1978-79 are as follows:—

Table 73—Grants Made Direct to Local Government Authorities for Homeless Persons Assistance, 1975-76 to 1978-79 (estimate) (\$ thousands)

1975-76	102
1976-77	3
1977-78	8
1978-79 (estimate)	5

Arts

Local government authorities are eligible to receive assistance for community arts activities under a program formerly administered by the Community Arts Committee of the Australia Council. The Committee was replaced by the Community Arts Board 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 1974-75 to 1977-78 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 1978-79 cannot be estimated at this stage.

Table 74—Grants Made Direct to Local Government Authorities for Community Arts Activities, 1974-75 to 1977-78 (\$ thousands)

			New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
1974-75	.	.	34	23	5	..	4	..	66
1975-76	.	.	46	46	..	5	4	..	101
1976-77	.	.	66	41	3	15	..	5	130
1977-78	.	.	40	69	..	3	3	..	116

Aerodrome Local Ownership Plan

Assistance is provided to local government authorities and to other bodies under the Aerodrome Local Ownership Plan to establish, develop and maintain local aerodromes on their own initiative and to take over aerodromes owned by the Commonwealth. Funds are provided on a \$1 for \$1 basis by the Commonwealth for both developmental and maintenance works proposals which meet the relevant criteria. Where an authority takes over a Government owned aerodrome, the Commonwealth meets 100 per cent of the cost of any approved 'pre-transfer' works necessary to bring the aerodrome up to an acceptable standard. The following table shows the payments made to local authorities in each State under the Aerodrome Local Ownership Plan since 1974-75 and estimated payments in 1978-79:—

Table 75—Grants Made Direct to Local Government Authorities for Aerodromes, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	259	77	221	16	47	12	632
1975-76	361	97	236	39	105	15	854
1976-77	405	142	230	19	90	7	893
1977-78	645	173	336	22	76	10	1 262
1978-79 (estimate)	964	255	471	49	109	22	1 870
CAPITAL							
1974-75	404	34	83	7	20	7	555
1975-76	166	93	216	21	47	7	550
1976-77	234	102	148	24	65	..	574
1977-78	216	41	183	15	8	..	463
1978-79 (estimate)	368	229	741	100	48	..	1 486
TOTAL							
1974-75	663	111	304	23	67	19	1 187
1975-76	527	190	452	60	152	22	1 404
1976-77	639	244	378	43	155	7	1 467
1977-78	861	215	519	37	84	10	1 726
1978-79 (estimate)	1 332	484	1 212	149	157	22	3 356

PAYMENTS TO STATES FOR ON-PASSING TO LOCAL GOVERNMENT AUTHORITIES

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

Each of the programs concerned is summarised, in general terms, in Chapter IV. The purpose of this section is to outline the way in which local government is involved and to provide available details of the amounts paid to the States for on-passing to

local government authorities. As with the programs of direct payments, differences between the States in the amounts of payments in this category which have been made to local government authorities reflect, in part, differences in the extent to which the functions concerned are undertaken by local government authorities rather than by State Government departments or agencies or private bodies.

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

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

Because of the difficulty of obtaining data on that part of funds paid to the States for Aboriginal advancement and channelled by the States through local authorities, the item has been deleted from this issue.

Special Assistance to Exmouth Shire

As mentioned in Chapter IV, the Western Australian Government sought financial assistance towards the operational cost of Exmouth Shire which was established with the main purpose of servicing the United States Naval Communications Station at North West Cape. Amounts totalling \$320 500 were paid to the Western Australian Government on a \$1 for \$1 basis for on-passing to the Shire in 1975-76 and 1976-77 from Department of Defence appropriations. This grant was additional to that provided to the Shire as a result of Commonwealth Grants Commission recommendations.

As an alternative to the continuing special financial assistance to the Shire, the Commonwealth has agreed to assume responsibility for specified loans amounting to \$715 125 and to repay the principal with interest over a three-year period on the basis that the Western Australian Government accepts that this action will represent a full discharge of Australian Defence interests in the operations of the Shire. The first payment of \$112 421 was made in 1977-78 and provision has been made for payment of a further amount of \$353 000 in 1978-79.

Home Care Services and Senior Citizens Centres

Grants for these purposes are provided under the *States Grants (Home Care) Act 1969*. Local government authorities are amongst the bodies eligible for assistance. Of the total grants of \$13.8 million paid to the States under this Act in 1977-78, \$7.1 million, or about 51 per cent, were for local government authorities. Assistance under the Act is not available to State Government departments or agencies.

Grants that have been provided since 1974-75 to each State Government for on-passing to local government authorities in respect of *home care services*, together with estimates for 1978-79, are shown in the following table:—

Table 76—Home Care Services—Grants to States for On-passing to Local Government Authorities, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75	330	441	973	475	6	253	2 478
1975-76	..	2 125	..	6	27	..	2 158
1976-77	..	2 018	..	..	..	..	2 018
1977-78	..	2 520	..	..	..	..	2 520
1978-79 (estimate)	..	2 868	..	..	..	..	2 868

The grants that have been paid since 1974-75 to each State for on-passing to local government authorities in respect of *senior citizens centres*, and estimates for 1978-79, are shown in the following table:—

Table 77—Senior Citizens Centres—Grants to States for On-passing to Local Government Authorities, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
RECURRENT							
1974-75	226	51	11	16	15	..	319
1975-76	263	175	..	7	18	..	463
1976-77	211	293	10	8	47	..	569
1977-78	224	328	9	30	45	..	637
1978-79 (estimate)	342	500	14	46	69	..	972
CAPITAL							
1974-75	349	146	113	363	28	154	1 153
1975-76	941	1 132	..	567	304	2	2 946
1976-77	891	1 571	916	212	407	..	3 997
1977-78	1 064	1 616	439	342	348	136	3 946
1978-79 (estimate)	1 079	1 635	445	347	353	138	4 000
TOTAL							
1974-75	575	197	124	379	43	154	1 472
1975-76	1 204	1 307	..	574	322	2	3 409
1976-77	1 102	1 864	926	220	454	..	4 566
1977-78	1 288	1 944	448	372	393	136	4 583
1978-79 (estimate)	1 421	2 138	459	393	422	138	4 972

Pre-Schools and Child Care

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 are made to the States. Some of the grants to the States are for on-passing to local government authorities.

The following table shows payments made in the years 1974-75 to 1977-78 and estimated payments in 1978-79:—

Table 78—Pre-Schools and Child Care—Grants to States for On-passing to Local Government Authorities, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75.	453	1 547	41	..	547	..	2 588
1975-76.	1 651	5 468	..	..	185	40	7 344
1976-77.	1 900	5 600	..	..	167	10	7 677
1977-78.	1 695	6 040	..	..	190	10	7 935
1978-79 (estimate)	475	3 650	..	..	25	..	4 150

Urban Flood Mitigation

Amounts of \$2 060 208, \$1 574 271, and \$992 041 provided to Queensland in 1975-76, 1976-77 and 1977-78 respectively to assist with the construction of certain flood mitigation works on various creeks in the Brisbane metropolitan area were passed on to the Brisbane City Council. An amount of \$880 000 is provided in the 1978-79 Budget to complete the project.

An amount of \$100 000 was paid to Victoria in each of the years 1975-76 and 1976-77 for flood mitigation works at Seymour.

Urban Water Supply

In 1977-78, a grant of \$325 000 was made to Queensland for on-passing to the Mount Isa City Council as assistance towards the Council's share of the debt burden associated with the now-completed Julius Dam.

Capital Assistance for Leisure Facilities

Payments to the States under this program (see Chapter IV) have included payments passed on to local government authorities in respect of community leisure facilities sponsored by these authorities. Of the total grants of \$900 000 expected to be paid to the States in 1978-79 it is estimated that \$675 000 will be passed on to local government authorities. The following table provides details of payments since 1974-75, together with estimates for 1978-79:—

Table 79—Capital Assistance for Leisure Facilities—Grants to States for On-passing to Local Government Authorities, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75.	346	695	213	292	202	231	1 979
1975-76.	1 656	1 597	676	694	482	408	5 513
1976-77.	1 771	1 119	478	922	726	550	5 566
1977-78.	552	507	93	86	274	155	1 667
1978-79 (estimate)	225	105	30	300	..	15	675

National Estate

National Estate projects supported from funds provided to the States under the *Urban and Regional Development (Financial Assistance) Act 1974* have included many projects undertaken by local government authorities. Assistance provided to the

States from the 1977-78 National Estate program for projects undertaken by local government authorities was \$410 000 out of a total expenditure under this program of \$2.241 million. It is estimated that \$2.49 million will be made available to the States in 1978-79 for this program, and provision will be made from within this amount for projects undertaken by local government authorities in 1978-79. No details of the amounts that local government authorities will receive from the States in 1978-79 are available at this stage. The following table shows amounts provided to individual States for on-passing to local government authorities in the years 1974-75 to 1977-78:—

Table 80—National Estate—Grants to States for On-passing to Local Government Authorities, 1974-75 to 1977-78 (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75.	637	271	200	92	390	135	1 725
1975-76.	240	232	168	48	178	111	977
1976-77.	..	193	91	24	149	1	458
1977-78.	87	88	90	16	110	19	410

Roads

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

The following table shows the amounts passed on by the States to local authorities from Commonwealth grants from 1974-75 to 1977-78; estimates for 1978-79 are not available at this stage:—

Table 81—Roads Assistance—Amounts Passed on to Local Government Authorities by the States, 1974-75 to 1977-78 (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1974-75.	17 681	21 800	7 508	3 104	15 306	2 656	68 055
1975-76.	20 480	22 300	9 932	3 745	15 820	3 007	75 284
1976-77.	20 436	29 500	11 794	3 948	17 924	3 418	87 020
1977-78.	32 722	38 000	14 746	5 971	20 559	4 956	116 954

Urban Public Transport

The only amounts under this program which have been passed on to local government authorities were \$138 667 in 1974-75, \$614 912 in 1975-76, \$523 586 in 1976-77, and \$2 066 343 in 1977-78 out of payments to the Queensland Government. These amounts were passed on to the Brisbane City Council for the acquisition of buses. A further \$63 213 is to be made available in 1978-79 for unpaid commitments incurred on the bus acquisition project.

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 quite a different character from other forms of assistance referred to earlier in this Chapter, it can be regarded as the equivalent of assistance received by other local government authorities from State Governments.

Initial establishment grants 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 two Corporations in the form of matched and unmatched grants for capital works generally.

Additional financial assistance was given to the Corporation of the City of Darwin in 1974–75 to meet the cost of emergency services provided by the Corporation following Cyclone Tracy. The two Corporations also received assistance under various specific programs from time to time. These forms of assistance are not included in the table which follows.

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.

The global allocation to the Northern Territory for 1978–79 (*see* Chapter V) includes an allowance for local authorities but there is no requirement that the Northern Territory Government pass on specified amounts to local authorities.

The memorandum of understanding between the Commonwealth and Northern Territory Governments provides that from 1979–80 (*i.e.* after the transitional year) the Northern Territory will receive a local government tax sharing entitlement (*See* Chapter V).

Payments made in the period 1974–75 to 1977–78 are shown in the following table:—

Table 82—Payments to Local Government Authorities in the Northern Territory, 1974-75 to 1977-78 (\$ thousands)

	Operating Subsidies	Capital Grants	Total
1974-75	547	439	986
1975-76	455	1 291	1 746
1976-77	501	1 457	1 958
1977-78	531	2 031	2 562

SUMMARY OF VARIOUS FORMS OF COMMONWEALTH GOVERNMENT PAYMENTS TO OR
FOR LOCAL GOVERNMENT AUTHORITIES

The following table gives a summary of the various forms of Commonwealth Government payments made to or for local government authorities between 1974-75 and 1977-78 together with estimates for 1978-79. *The amounts shown in this table need to be interpreted very carefully, in the light of the comments provided in the foregoing text.*

Table 83—Summary of Commonwealth Government Payments to or for Local Government Authorities, 1974-75 to 1978-79 (estimate) (\$ thousands)

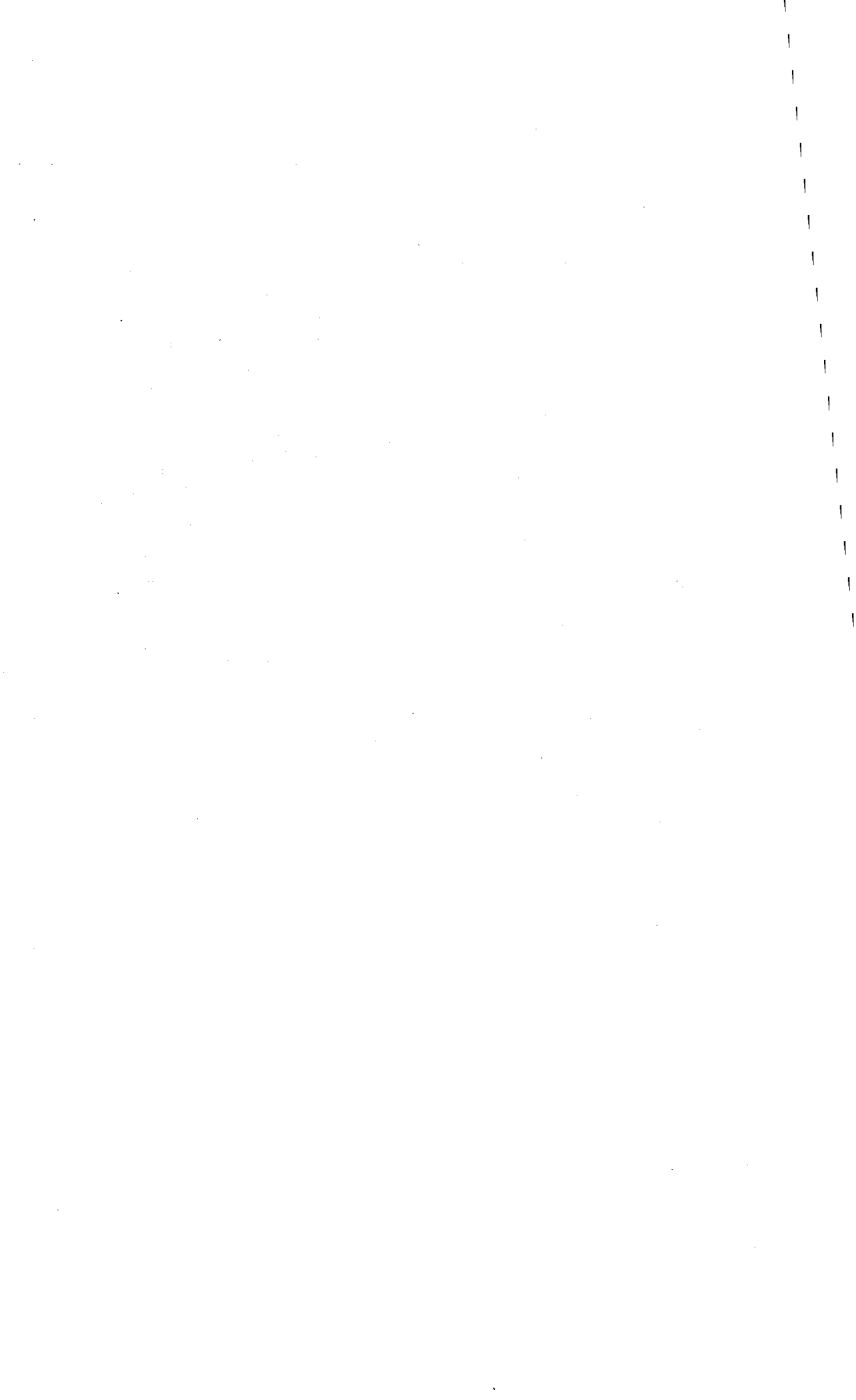
Program	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
General Purpose Assistance for Local Government ^(a)	56 345	79 908	140 000	165 328	179 427
Direct Payments—					
Nursing Homes . . . . .	..	121	284	486	551
Home Nursing	141	163	193	223	235
Aged or Disabled Persons Homes	1 232	3 044	2 512	1 446	3 417
Aged Persons Hostels . . . . .	..	657	1 488	1 963	2 459
Delivered Meals Subsidy	522	506	542	705	800
Handicapped Persons Assistance	4	42	34	165	55
Pre-Schools and Child Care	2 465	6 368	6 265	6 864	6 695
Regional Employment Development Scheme	43 567	93 994	435	..	..
Community Youth Support Scheme . . . . .	..	..	57	472	1 000
Homeless Persons Assistance . . . . .	..	102	3	8	5
Arts	66	101	130	116	..
Aerodrome Local Ownership Plan	1 187	1 404	1 467	1 726	3 356
Total	49 184	106 502	13 411	14 173	18 573
Other Payments through States—					
Assistance for Eymouth Shire . . . . .	..	150	171	112	353
Home Care Services	2 478	2 158	2 018	2 520	2 868
Senior Citizens Centres	1 472	3 409	4 566	4 583	4 972
Pre-Schools and Child Care	2 588	7 344	7 677	7 935	4 150
Employment Grants	14 844	14 889	..	..	..
Growth Centres	2 536	3 657	2 618	..	..
Area Improvement Program	13 776	14 996	498	..	..
Urban Flood Mitigation . . . . .	..	2 160	1 674	992	880
Urban Water Supply . . . . .	..	..	..	325	..
National Sewerage Program	25 550	25 150	8 800	..	..
Community Facilities, Townsville	67	..	25	..	..
Capital Assistance for Leisure Facilities	1 979	5 513	5 566	1 667	675
National Estate	1 725	977	458	410	(b)500
Roads	68 055	75 284	87 020	116 954	n.a.
Urban Public Transport	139	615	524	2 066	63
Tourism Development	397	599	91	..	..
Regional Organisations Assistance Program	312	138	..	..	..
Total (excluding Roads)	67 863	81 755	34 686	20 610	14 461
Total (including Roads)	135 918	157 039	121 706	137 564	n.a.
Australian Assistance Plan	241	286	..	..	..
Northern Territory (c)	986	1 746	1 958	2 562	(d)
Grand Total (excluding Roads)	174 619	270 197	190 055	202 674	212 461
Grand Total (including Roads)	242 674	345 481	277 075	319 627	n.a.

(a) General purpose assistance to local government is paid, in the first instance, to the States but is shown as a separate category in this table because of its importance.

(b) Tentative estimate only.

(c) Payments set out in Table 82 only. Does not include payments under various specific programs.

(d) The global allocation to the Northern Territory (see Chapter V), includes an allowance for local authorities but there is no requirement that the Northern Territory Government pass on specified amounts to local authorities.



APPENDIX I—SUMMARY TABLES

TABLE NO.	SUBJECT
84	Payments to or for the States and State Government Loan Council Borrowing Programs, 1976-77.
85	Payments to or for the States and State Government Loan Council Borrowing Programs, 1977-78.
86	Payments to or for the States and State Government Loan Council Borrowing Programs, Estimates 1978-79.
87	Summary of Payments to or for the States, the Northern Territory, State Government Loan Council Programs and Payments made direct to Local Government Authorities, 1974-75 to 1978-79.
88	Summary of Payments to or for the States, the Northern Territory, State Government Loan Council Programs and Payments made direct to Local Government Authorities Per Head of Population, 1974-75 to 1978-79.
89	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Funds for Recurrent and Capital Purposes, 1974-75 to 1978-79.
90	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Funds for Recurrent and Capital Purposes Per Head of Population, 1974-75 to 1978-79.
91	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Grants and Loans—1974-75 to 1978-79.
92	Total Payments to or for the States and State Government Loan Council Programs—Dissection between Grants and Loans, Per Head of Population, 1974-75 to 1978-79.

Table 84—Commonwealth Government Payments to the States and Loan Council Borrowings(a), 1976-77 (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Personal Income Tax Sharing Entitlements	1 133 400	841 700	660 200	433 200	440 800	186 294	3 695 594
Special Grants	..	..	27 000	..	..	..	27 000
Total General Revenue Funds	1 133 400	841 700	687 200	433 200	440 800	186 294	3 722 594
GENERAL PURPOSE CAPITAL FUNDS							
Loan Council Borrowings	287 915	228 706	120 705	118 637	84 235	63 802	904 000
Capital Grants	143 958	114 354	60 352	59 318	42 117	31 901	452 000
Total	431 873	343 060	181 057	177 955	126 352	95 703	1 356 000
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES							
Payments under Financial Agreement—							
Interest on State Debt	5 835	4 254	2 192	1 408	947	534	15 170
Sinking Fund on State Debt	10 506	8 003	4 165	3 911	2 981	2 069	31 635
State Emergency Services	355	260	302	5	37	69	1 028
Assistance for Exmouth Shire	..	..	..	..	171	..	171
Universities	199 633	134 763	69 427	51 000	40 794	15 939	511 556
Colleges of Advanced Education	90 831	135 960	48 962	38 221	46 242	8 678	368 894
Technical and Further Education	16 714	13 866	4 538	4 502	3 607	969	44 194
Schools	151 153	134 939	56 058	35 038	33 520	11 049	421 758
Child Migrant and Refugee Education	67	46	2	22	2	2	140
Educational Research	259	314	216	139	70	14	1 012
Public Hospital Running Costs	234 399	149 903	82 883	69 394	74 674	18 918	630 171
Community Health	25 606	11 355	4 797	3 720	2 916	2 038	50 432
Tuberculosis Control	390	3 277	1 253	498	648	592	6 659
School Dental Scheme	3 589	1 891	2 026	3 099	2 654	1 475	14 733
Health Education	212	151	116	66	85	46	675
Blood Transfusion Services	1 471	1 303	680	494	436	108	4 492
Health Planning Agencies	230	24	84	62	120	40	560
Home Dialysis Scheme	801	760	169	122	73	35	1 960
Control of Australian Encephalitis	8	34	..	14	..	..	56
Home Care Services	1 567	2 018	1 990	904	57	355	6 891
Senior Citizens Centres	253	293	37	31	56	..	670
Paramedical Services	..	263	..	272	..	15	550
Assistance for Deserted Wives	3 837	2 824	2 508	1 879	1 700	599	13 347
Pre-Schools and Child Care	8 532	12 722	6 970	5 601	4 930	2 006	40 761
1972-74 Employment Grants—Refunds of Unexpended Moneys	..	-174	..	..	..	..	-174
Maryborough Employment Grants	..	..	1 000	..	..	..	1 000
Aboriginal Advancement	2 683	1 254	3 314	2 515	7 702	71	17 540
Housing	1 848	1 347	858	941	627	314	5 935
Sewerage	189	664	99	84	228	189	1 453
National Fitness Program	117	117	94	94	94	84	600
Tasman Bridge Disaster	..	..	..	..	..	1 715	1 715
Water Hyacinth Control	35	..	..	..	..	..	35
Apple Export Assistance	..	8	..	1	100	229	338
Bovine Brucellosis and T.B. Eradication	3 545	4 938	3 266	1 604	898	215	14 467
Exotic Diseases Control/Eradication	..	120	..	..	..	..	120
Commonwealth Extension Services Grant	2 578	2 291	2 097	1 068	1 082	560	9 675
Agricultural Research	69	58	16	26	..	..	169
Trawl and Danish Seine Fishery	31	..	..	..	..	..	31
Coal Mining Industry—Long Service Leave	3 936	..	780	..	241	12	4 969
Apprenticeship Training	1 822	2 804	750	313	731	187	6 607
Education Program for Unemployed Youth	170	127	83	40	40	40	500
Legal Aid	331	286	131	84	140	28	1 000
Family Courts	..	..	..	..	819	..	819
Road Safety Practices	37	30	28	19	25	11	150
Research Grants	4 086	3 014	1 258	1 911	665	236	11 171
Assistance for Local Government	51 289	35 398	24 222	11 925	13 162	4 004	140 000
Natural Disaster Relief	1 233	452	45	..	195	..	1 925
Total Specific Purpose Payments—Recurrent	830 247	671 958	327 417	241 026	243 468	73 444	2 387 561

Table 84—Commonwealth Government Payments to the States and Loan Council Borrowings(a), 1976-77 (\$ thousand)—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES							
Housing for Servicemen	15 280	4 191	12 300	2 107	1 230	6	35 114
Universities	17 552	10 459	11 637	6 427	9 822	1 061	56 958
Colleges of Advanced Education	27 200	25 971	14 630	4 276	5 074	404	77 555
Technical and Further Education	12 262	9 333	4 439	2 320	3 690	1 664	33 708
Schools	48 683	45 056	28 090	14 672	6 999	4 266	147 766
Child Migrant and Refugee Education	2	5	..	31	..	..	39
Hospitals	36 000	27 000	17 000	13 000	12 000	1 960	106 960
Launceston General Hospital	..	..	..	..	..	1 040	1 040
Nursing Homes	..	..	652	..	..	..	652
Community Health	3 328	3 660	2 805	980	2 780	561	14 114
Tuberculosis Control	15	..	110	..	..	..	125
School Dental Scheme	2 191	1 711	1 896	830	935	132	7 695
Blood Transfusion Services	15	53	6	17	23	5	118
Disposal of Ships Garbage	..	..	..	..	6	1	7
Senior Citizens Centres	891	1 571	916	212	407	..	3 997
Pensioner Housing	2 352	3 419	2 023	1 473	1 288	280	10 835
Pre-Schools and Child Care	6 592	4 160	314	160	144	5	11 375
Rehabilitation Centre—Hobart	..	..	..	..	..	397	397
Aboriginal Advancement	3 493	682	4 396	3 339	4 765	187	16 863
Housing	123 411	98 159	37 410	56 360	35 440	24 220	375 000
Growth Centres	26 596	16 093	..	980	..	45	43 714
Area Improvement	120	28	468	2	..	..	618
Urban Flood Mitigation	..	100	1 574	..	..	..	1 674
Land Acquisition	3 817	4 926	..	10 352	4 606	250	23 951
Woolloomooloo Redevelopment	2 845	..	..	..	..	..	2 845
Captains Flat Project	1 030	..	..	..	..	..	1 030
Sewerage	19 700	17 100	1 000	1 002	9 000	500	48 302
Community Facilities—Townsville	..	..	25	..	..	..	25
Leisure and Recreation	1 208	972	590	1 722	667	481	5 640
Nature Conservation	362	360	400	300	250	410	2 082
National Estate	..	591	183	246	215	19	1 254
Roads	135 489	91 100	90 700	38 800	57 199	20 500	433 788
Second Hobart Bridge	..	..	..	..	584	..	584
Railway Standardisation	..	..	..	700	110	..	810
Railways—Intersystem Passenger Vehicles	384	..	..	..	129	..	255
Urban Public Transport	24 596	15 885	11 380	4 420	1 869	253	58 403
Newcastle Dry Dock	15	..	..	..	..	..	15
Transport Planning and Research	2 672	2 193	1 184	939	854	216	8 058
Tasman Bridge Disaster	..	..	..	..	..	13 785	13 785
Urban Water Supply	..	..	..	9 175	..	..	9 175
Gladstone Power Station	..	..	26 422	..	..	..	26 422
Ross River Dam	..	..	1 158	..	..	..	1 158
King River Dam	..	-25	..	..	..	..	-25
Dartmouth Dam	1 875	1 875	..	1 875	..	..	5 625
Clare Weir	..	..	2 551	..	..	..	2 551
Namoi River Weirs	1 000	..	..	..	..	..	1 000
Bundaberg Irrigation Works	..	..	11	..	..	..	11
Eton (Mackay) Irrigation	..	..	814	..	..	..	814
Ord River Project	..	..	..	..	12	..	12
Tatlem Bend Pipeline	..	..	..	433	..	..	433
Water Resources Assessment	1 630	1 136	952	732	2 000	146	6 596
Salinity Reduction	..	-1	..	..	..	..	-1
Flood Mitigation	..	..	77	..	..	..	77
Softwood Forestry	2 497	1 686	1 547	..	776	1 429	7 934
Dairy Adjustment Program	338	4 208	877	68	291	555	6 337
Rural Adjustment Scheme	1 700	3 483	3 605	..	800	..	9 588
Beef Industry Assistance	730	349	2 226	70	61	42	3 478
Rural Reconstruction	5 300	3 800	3 720	2 781	4 144	193	19 938
Fruitgrowing Industry	41	774	18	140	16	200	1 189
Tourism Development	74	59	147	311	50	191	832
Soil Conservation	..	64	..	33	73	10	180
Brigalow Lands Development Scheme	..	..	1 909	..	..	..	1 909
Natural Disaster Relief	11 496	2 428	11 094	..	3 507	..	28 525
Total Specific Purpose Payments—Capital	544 781	404 616	303 256	181 285	170 975	75 997	1 680 909
TOTAL PAYMENTS							
	2 652 386	2 032 627	1 378 225	914 829	897 360	367 636	8 243 064
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS							
General Purpose	1 565 273	1 184 760	868 257	611 155	567 152	281 997	5 078 594
Specific Purpose	1 375 028	1 076 573	630 673	422 311	414 443	149 441	4 068 470
TOTAL	2 940 301	2 261 333	1 498 930	1 033 466	981 595	431 438	9 147 064

Table 85—Commonwealth Government Payments to the States and Loan Council Borrowings(a), 1977-78 (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Personal Income Tax Sharing Entitlements	1 327 143	985 667	777 608	508 506	523 176	214 150	4 336 250
Adjustments for previous year	-7 534	-976	-7 069	-745	-3 285	..	-19 609
Special Grants	..	..	24 800	..	..	..	24 800
Total General Revenue Funds	1 319 609	984 690	795 339	507 761	519 891	214 150	4 341 441
GENERAL PURPOSE CAPITAL FUNDS							
Loan Council Borrowings	308 978	240 142	126 740	124 569	88 446	66 992	955 867
Capital Grants	154 489	120 071	63 370	62 284	44 220	33 496	477 930
Total	463 467	360 213	190 110	186 853	132 666	100 488	1 433 797
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES							
Payments under Financial Agreement—							
Interest on State Debt	5 835	4 254	2 192	1 408	947	534	15 170
Sinking Fund on State Debt	11 168	8 540	4 447	4 191	3 175	2 225	33 747
State Emergency Services	455	303	379	..	50	63	1 250
Assistance for Exmouth Shire	..	..	..	..	112	..	112
Universities	222 895	153 092	77 883	56 628	46 463	17 505	574 465
Colleges of Advanced Education	98 303	141 522	56 616	41 724	48 080	9 256	395 501
Technical and Further Education	19 184	11 163	4 885	4 737	4 521	1 110	45 600
Schools	171 540	138 250	59 853	38 566	35 292	12 121	455 622
Child Migrant and Refugee Education	165	41	15	16	41	..	278
Educational Research	184	240	166	135	75	9	809
Public Hospital Running Costs	346 437	228 557	126 960	101 659	110 449	31 621	945 682
Community Health	27 118	14 239	5 190	3 655	4 366	2 306	56 874
Tuberculosis Control	1 626	..	667	39	..	..	2 332
School Dental Scheme	2 911	2 121	2 027	3 686	3 018	1 684	15 447
Health Education	225	162	138	75	92	52	742
Blood Transfusion Services	1 495	1 376	736	606	588	124	4 924
Health Planning Agencies	166	24	100	100	135	35	560
Home Dialysis Scheme	..	3	..	..	..	..	3
Control of Australian Encephalitis	6	43	..	9	..	..	58
Home Care Services	1 933	2 520	2 744	1 411	56	474	9 138
Senior Citizens Centres	226	328	45	66	56	..	721
Paramedical Services	..	283	..	284	..	15	582
Assistance for Deserted Wives	6 376	4 003	3 888	3 203	1 848	764	20 083
Pre-Schools and Child Care	9 815	14 001	7 267	6 184	5 662	2 071	45 000
1972-74 Employment Grants—Refunds of Unexpended Moneys	-408	..	..	..	..	..	-408
Maryborough Employment Grants	..	..	3 000	..	..	..	3 000
Community Welfare Relief	..	50	..	..	..	..	50
Aboriginal Advancement	3 014	1 409	3 480	3 045	8 564	67	19 580
Housing	1 848	1 347	480	941	627	314	5 557
Sewerage	..	100	2	63	76	..	241
National Fitness Program	45	42	34	32	30	24	207
Tasman Bridge Disaster	..	..	..	..	..	730	730
Water Hyacinth Control	50	..	..	..	..	..	50
Apple Export Assistance	..	16	..	..	..	39	55
Bovine Brucellosis and T.B. Eradication	4 535	5 858	4 180	1 201	854	120	16 749
Commonwealth Extension Services Grant	2 592	2 341	2 113	1 077	1 094	564	9 780
Agricultural Research	82	22	5	16	..	..	125
Trawl and Danish Seine Fishery	21	..	..	..	..	..	21
Plant Pest Control/Eradication	156	..	..	..	..	..	156
Coal Mining Industry—Long Service Leave	4 759	..	730	..	268	27	5 784
Apprenticeship Training	2 099	2 123	971	345	943	209	6 659
Education Program for Unemployed							
Youth	376	272	437	173	52	156	1 468
Legal Aid	..	80	..	..	..	..	80
Family Courts	..	..	..	..	1 065	..	1 065
Road Safety Practices	37	30	28	19	25	11	150
Research Grants	3 867	2 470	1 080	1 886	687	165	10 155
Assistance for Local Government	60 341	42 078	27 875	14 220	15 524	5 290	165 328
Natural Disaster Relief	1 237	99	231	218	526	..	2 311
Total Specific Purpose Payments—Recurrent	1 012 715	783 402	400 846	291 615	295 359	89 684	2 873 621

Table 85—Commonwealth Government Payments to the States and Loan Council Borrowings(a), 1977-78 (\$ thousands)—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES							
Housing for Servicemen	7 947	753	12 500	1 317	2	..	22 519
Universities	17 909	11 842	7 335	6 634	7 664	1 008	52 392
Colleges of Advanced Education	11 886	18 968	7 899	8 457	5 198	1 598	54 006
Technical and Further Education	15 161	12 728	8 735	4 837	2 993	1 970	46 425
Schools	57 952	51 274	34 264	17 069	16 713	6 186	183 457
Hospitals	15 810	11 800	7 130	5 120	4 680	..	44 540
Loueston General Hospital . . . . .	..	..	..	..	..	3 350	3 350
Community Health	3 319	3 430	1 770	630	964	297	10 411
School Dental Scheme	1 069	1 740	2 841	1 658	831	127	8 265
Blood Transfusion Services	102	513	37	32	43	3	730
Disposal of Ships Garbage . . . . .	..	..	..	..	..	..	2
High Security Quarantine Unit . . . . .	..	200	..	..	..	..	200
Senior Citizens Centres	1 064	1 616	439	342	348	136	3 946
Pensioner Housing	4 070	2 530	1 490	930	700	280	10 000
Pre-Schools and Child Care	3 678	4 202	..	31	89	..	8 000
Rehabilitation Centre—Hobart . . . . .	..	..	..	..	..	922	922
Aboriginal Advancement	2 654	400	2 825	1 807	4 614	175	12 474
Housing	128 011	101 759	39 810	58 460	36 740	25 220	390 000
Growth Centres	15 342	9 140	..	1 088	..	70	25 640
Urban Flood Mitigation . . . . .	..	..	992	..	..	..	992
Land Acquisition	4 287	5 340	..	11 507	5 026	100	26 260
Woolloomooloo Redevelopment	213	..	..	..	..	..	213
Air Quality Monitoring . . . . .	..	..	40	..	..	..	40
Leisure and Recreation	570	450	202	1 910	97	..	3 229
Nature Conservation . . . . .	..	..	200	..	..	152	352
National Estate	373	370	310	338	425	425	2 241
Roads	155 611	98 900	100 000	40 400	61 301	21 700	477 912
Second Hobart Bridge . . . . .	..	..	..	..	..	518	518
Railway Standardisation . . . . .	..	..	..	..	..	34	34
Urban Public Transport	20 395	9 830	15 648	3 790	605	732	51 000
Newcastle Dry Dock	305	..	..	..	..	..	305
Transport Planning and Research	3 495	2 411	1 381	698	744	195	8 924
Tasman Bridge Disaster . . . . .	..	..	..	..	..	5 870	5 870
Urban Water Supply . . . . .	..	..	..	6 000	..	..	6 000
Gladstone Power Station . . . . .	..	..	191	..	..	..	191
Julius Dam . . . . .	..	..	325	..	..	..	325
Namoi River Weirs	1 000	..	..	..	..	..	1 000
Bundaberg Irrigation . . . . .	..	..	1 500	..	..	..	1 500
Ord River Project . . . . .	..	..	..	..	20	..	20
Tailem Bend Pipeline . . . . .	..	..	..	17	..	..	17
Water Resources Assessment	1 630	1 136	952	727	2 000	215	6 660
Flood Mitigation	1 000	..	236	..	..	..	1 236
Softwood Forestry	374	73	..	87	..	..	360
Dairy Adjustment Program . . . . .	..	604	43	..	275	94	1 015
Rural Adjustment Scheme	7 660	11 522	9 480	6 985	4 473	123	40 243
Beef Industry Assistance . . . . .	..	..	33	..	..	..	33
Rural Reconstruction	2 190	24	31	400	252	36	2 932
Fruitgrowing Industry . . . . .	..	223	44	65	237	110	679
Assistance for Mount Lyell Mining . . . . .	..	..	..	..	..	3 383	3 383
Soil Conservation . . . . .	..	..	30	30	..	35	95
Natural Disaster Relief	8 430	1 813	14 842	12 132	17 972	..	55 189
Total Specific Purpose Payments—Capital	492 897	365 591	273 556	193 322	175 043	75 069	1 575 479
TOTAL PAYMENTS							
	2 979 711	2 253 754	1 533 111	1 054 982	1 034 514	412 400	9 268 741
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS							
General Purpose	1 783 076	1 344 903	985 449	694 614	652 557	314 638	5 775 238
Specific Purpose	1 505 612	1 148 993	674 402	484 937	470 403	164 753	4 449 100
TOTAL	3 288 689	2 493 896	1 659 851	1 179 551	1 122 960	479 392	10 224 338

Table 86—Commonwealth Government Payments to the States and Loan Council Borrowings(a), 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GENERAL REVENUE FUNDS							
Personal Income Tax Sharing Entitlements	1 457 700	1 090 200	844 900	562 600	581 400	240 200	4 777 000
Special Grants	..	..	21 700	..	..	..	21 700
Total General Revenue Funds	1 457 700	1 090 200	866 600	562 600	581 400	240 200	4 798 700
GENERAL PURPOSE CAPITAL FUNDS							
Loan Council Borrowings	308 978	240 142	126 740	124 569	88 446	66 992	955 867
Capital Grants	154 489	120 071	63 370	62 284	44 226	33 496	477 936
Total	463 467	360 213	190 110	186 853	132 672	100 488	1 433 803
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES							
Payments under Financial Agreement—							
Interest on State Debt	5 835	4 254	2 192	1 408	947	534	15 170
Sinking Fund on State Debt	11 901	9 099	4 739	4 466	3 383	2 371	35 959
State Emergency Services	478	333	377	44	77	81	1 390
Assistance for Exmouth Shire Universities	222 700	153 700	77 200	55 600	45 500	17 700	572 400
Colleges of Advanced Education	103 700	143 500	58 000	41 500	48 700	9 200	404 600
Technical and Further Education	21 300	15 800	6 700	6 200	5 900	1 900	57 800
Schools	175 275	146 231	59 687	38 465	37 878	12 685	470 221
Education—Allowance for Cost Escalation	14 200	12 500	5 500	3 900	3 800	1 100	41 000
Child Migrant and Refugee Education	330	290	55	55	55	..	785
Education Research	203	276	205	145	79	12	920
Public Hospital Running Costs	395 800	259 200	136 700	110 900	119 600	34 800	1 057 000
Community Health	19 154	11 691	5 550	3 462	3 707	1 856	45 420
School Dental Scheme	2 360	2 340	2 360	2 790	2 720	1 290	13 860
Health Education	272	196	170	90	111	66	905
Blood Transfusion Services	1 752	1 597	774	686	622	140	5 571
Health Planning Agencies	100	75	75	75	85	30	440
Control of Australian Encephalitis	8	40	..	10	15	..	73
Home Care Services	2 200	2 868	3 123	1 605	64	540	10 400
Senior Citizens Centres	345	500	69	101	85	..	1 100
Paramedical Services	..	353	..	404	..	21	778
Assistance for Deserted Wives	7 600	4 600	4 450	3 400	2 050	900	23 000
Pre-Schools and Child Care	9 550	11 635	7 035	5 165	5 700	1 665	40 750
Maryborough Employment Grants	..	..	3 000	..	..	..	3 000
Aboriginal Advancement	2 918	1 380	4 089	3 305	8 934	44	20 670
Ethnic Group Welfare Officers	33	33	11	11	11	11	110
Housing	1 848	1 347	423	941	627	314	5 500
National Fitness Program	45	42	34	32	30	24	207
Apple Export Assistance	..	29	5	..	128	338	500
Bovine Bruceellosis and T.B. Eradication	5 509	7 832	8 465	2 655	955	83	25 499
Exotic Diseases Control/Eradication	1	100	895	..	375	..	1 371
Plant Pest Control/Eradication	84	..	..	307	..	..	391
Commonwealth Extension Services Grant	2 592	2 307	2 112	1 082	1 090	564	9 747
Agricultural Research	84	43	11	8	8	4	158
Trawl and Danish Seine Fishery	10	..	..	..	..	..	10
Coal Mining Industry—Long Service Leave	4 250	..	800	..	300	35	5 385
Apprenticeship Training	1 600	1 640	850	250	790	70	5 200
Education Programs for Unemployed Youth	750	680	600	590	80	300	3 000
Family Courts	..	..	..	..	1 483	..	1 483
Road Safety Practices	37	30	28	19	25	11	150
Research Grants	4 542	2 902	1 261	2 200	797	191	11 823
Assistance for Local Government	65 487	45 666	30 252	15 433	16 848	5 741	179 427
Natural Disaster Relief	33	..	913	..	332	..	1 278
Total Specific Purpose Payments—Recurrent	1 084 885	845 109	428 711	307 303	314 243	94 621	3 074 871

Table 86—Commonwealth Government Payments to the States and Loan Council Borrowings(a), 1978–79 (estimate) (\$ thousand)—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES							
Housing for Servicemen	5 423	948	5 211	..	18	..	11 600
Universities	23 300	11 400	6 800	6 400	7 100	900	55 900
Colleges of Advanced Education	15 500	19 279	9 800	5 400	4 700	2 800	57 479
Technical and Further Education	22 100	17 300	13 700	6 900	6 100	1 100	67 200
Schools	61 289	49 013	32 324	15 509	19 785	3 966	181 886
Education—Allowance for Cost Escalation	1 300	1 100	700	400	400	100	4 000
Launceston General Hospital	..	..	..	..	..	5 900	5 900
Community Health	1 321	2 677	366	220	1 143	153	5 880
School Dental Scheme	1 450	1 600	1 060	660	10	260	5 040
Blood Transfusion Services	158	733	36	20	73	10	1 029
High Security Quarantine Unit	..	1 400	..	..	..	..	1 400
Senior Citizens Centres	892	1 536	880	212	400	80	4 000
Pensioner Housing	5 695	3 388	2 050	1 343	1 086	438	14 000
Pre-Schools and Child Care	965	295	..	60	..	..	1 320
Rehabilitation Centre—Hobart	..	..	..	..	..	1 050	1 050
Aboriginal Advancement	2 791	237	2 958	2 404	4 970	115	13 475
Housing	103 721	82 451	32 257	47 368	29 767	20 436	316 000
Growth Centres	16 326	7 546	..	1 205	..	..	25 077
Urban Flood Mitigation	..	..	880	..	..	..	880
Land Acquisition	2 145	3 211	..	6 735	2 546	..	14 636
Woolloomooloo Redevelopment	607	..	..	..	..	..	607
Air Quality Monitoring	30	..	..	..	40	..	70
Captains Flat Project	110	..	..	..	..	..	110
Leisure and Recreation	300	140	40	400	..	20	900
Nature Conservation	238	250	..	..	..	116	604
National Estate	415	415	415	415	415	415	2 490
1982 C'wealth Games	..	..	2 500	..	..	..	2 500
Roads	164 485	105 771	106 947	43 207	64 382	23 208	508 000
Second Hobart Bridge	..	..	..	..	..	80	80
Railway Mainline Upgrading	2 700	300	..	..	..	..	3 000
Urban Public Transport	14 250	12 100	8 360	4 200	2 090	1 000	42 000
Transport Planning and Research	2 484	1 714	983	469	597	173	6 420
Urban Water Supply	..	..	..	4 437	..	..	4 437
Ord River Project	..	..	..	..	96	..	96
Water Resources Assessment	1 630	1 136	952	727	2 000	213	6 658
Flood Mitigation	..	..	62	..	..	..	62
Water Program—Unallocated Funds	2 265	550	1 000	470	793	750	5 828
Softwood Forestry	3 600	1 628	1 480	502	1 020	985	9 215
Native Forestry Assistance—Tasmania	..	..	..	..	..	137	137
Dairy Adjustment Program	..	67	..	..	..	73	140
Rural Adjustment Scheme	11 900	11 100	11 100	7 100	6 800	700	48 700
Fruitgrowing Industry	..	..	..	18	3	7	28
Assistance for Mount Lyell Mining	..	..	..	..	..	1 400	1 400
Soil Conservation	40	30	..	..	35	..	105
Natural Disaster Relief	505	..	3 337	5 640	5 220	..	14 702
Total Specific Purpose Payments—Capital	469 934	339 315	246 198	162 420	161 589	66 584	1 446 040
TOTAL PAYMENTS							
	3 167 008	2 394 695	1 604 878	1 094 607	1 101 458	434 902	9 797 547
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS							
General Purpose	1 921 167	1 450 413	1 056 710	749 453	714 072	340 688	6 232 503
Specific Purpose	1 554 819	1 184 424	674 908	469 723	475 832	161 206	4 520 911
TOTAL	3 475 986	2 634 837	1 731 618	1 219 176	1 189 904	501 894	10 753 414

Table —Summary of Payments to or for the States and the Northern Territory, State Government Loan Council Programs, and Payments made direct to Local Government Authorities, 1974-75 to 1978-79 (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
PAYMENTS TO OR FOR THE STATES AND STATE LOAN COUNCIL PROGRAMS							
GENERAL REVENUE FUNDS							
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 (estimate)	1 457 700	1 090 200	866 600	562 600	581 400	240 200	4 798 700
GENERAL PURPOSE CAPITAL FUNDS(a)							
1974-75	334 309	272 179	153 567	146 188	100 247	80 929	1 087 419
1975-76	411 171	326 615	172 378	169 425	120 296	91 115	1 291 000
1976-77	431 873	343 060	181 057	177 955	126 352	95 703	1 356 000
1977-78	463 467	360 213	190 110	186 853	132 666	100 488	1 433 797
1978-79	463 467	360 213	190 110	186 853	132 672	100 488	1 433 803
TOTAL GENERAL PURPOSE FUNDS							
1974-75	1 090 472	834 445	603 238	464 475	387 150	221 133	3 600 914
1975-76	1 357 831	1 033 004	745 470	535 016	483 327	247 931	4 402 580
1976-77	1 565 273	1 184 760	868 257	611 155	567 152	281 997	5 078 594
1977-78	1 783 076	1 344 903	985 449	694 614	652 557	314 638	5 775 238
1978-79 (estimate)	1 921 167	1 450 413	1 056 710	749 453	714 072	340 688	6 232 503
SPECIFIC PURPOSE PAYMENTS—RECURRENT							
1974-75	422 088	352 710	164 379	122 878	116 289	43 142	1 221 486
1975-76	815 178	653 151	299 534	235 330	232 385	80 371	2 315 949
1976-77	830 247	671 958	327 417	241 026	243 468	73 444	2 387 561
1977-78	1 012 715	783 402	400 846	291 615	295 359	89 684	2 873 621
1978-79 (estimate)	1 084 885	845 109	428 711	307 303	314 243	94 621	3 074 871
SPECIFIC PURPOSE PAYMENTS—CAPITAL							
1974-75	564 295	437 394	297 349	196 695	176 143	73 590	1 745 466
1975-76	594 400	457 417	307 512	205 471	183 385	88 119	1 836 304
1976-77	544 781	404 616	303 256	181 285	170 975	75 997	1 680 909
1977-78	492 897	365 591	273 556	193 322	175 043	75 069	1 575 479
1978-79 (estimate)	469 934	339 315	246 198	162 420	161 589	66 584	1 446 040
TOTAL SPECIFIC PURPOSE PAYMENTS							
1974-75	986 383	790 104	461 728	319 573	292 432	116 733	2 966 952
1975-76	1 409 579	1 110 567	607 046	440 801	415 770	168 490	4 152 253
1976-77	1 375 028	1 076 573	630 673	422 311	414 443	149 441	4 068 470
1977-78	1 505 612	1 148 993	674 402	484 937	470 403	164 753	4 449 100
1978-79 (estimate)	1 554 819	1 184 424	674 908	469 723	475 832	161 206	4 520 911
TOTAL PAYMENTS(b)							
1974-75	1 849 859	1 439 740	957 511	684 787	611 514	282 914	5 826 324
1975-76	2 493 296	1 925 827	1 237 597	862 867	818 900	355 679	7 694 166
1976-77	2 652 386	2 032 627	1 378 225	914 829	897 360	367 636	8 243 054
1977-78	2 979 711	2 253 754	1 533 111	1 054 982	1 034 514	412 400	9 268 471
1978-79 (estimate)	3 167 008	2 394 695	1 604 878	1 094 607	1 101 458	434 902	9 797 547
TOTAL PAYMENTS AND LOAN COUNCIL BORROWING PROGRAMS(c)							
1974-75	2 076 855	1 624 549	1 064 966	784 048	679 582	337 866	6 567 855
1975-76	2 767 410	2 143 571	1 352 516	975 817	899 097	416 422	8 554 833
1976-77	2 940 301	2 261 333	1 498 930	1 033 466	981 595	431 438	9 147 054
1977-78	3 288 689	2 493 896	1 659 851	1 179 551	1 122 960	479 392	10 224 333
1978-79 (estimate)	3 475 986	2 634 837	1 731 618	1 219 176	1 189 904	501 894	10 753 414

Table 87—Summary of Payments to or for the States and the Northern Territory, State Government Loan Council Programs, and Payments made direct to Local Government Authorities, 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)							
1974-75	22 939	6 142	8 389	4 141	5 398	2 176	49 184
1975-76	45 673	18 720	18 687	8 063	8 595	6 765	106 502
1976-77	2 723	4 877	1 213	2 786	1 146	666	13 411
1977-78	3 295	5 405	2 095	1 066	1 384	928	14 173
1978-79 (estimate)	6 276	5 419	2 207	1 257	2 470	944	18 573
TOTAL PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENTS' LOAN COUNCIL BORROWING PROGRAMS, AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)							
1974-75	2 099 794	1 630 691	1 073 354	788 189	684 980	340 042	6 617 049
1975-76	2 813 083	2 162 291	1 371 203	983 880	907 691	423 187	8 661 335
1976-77	2 943 024	2 266 210	1 500 143	1 036 252	982 741	432 104	9 160 474
1977-78	3 291 984	2 499 301	1 661 945	1 180 618	1 124 343	480 320	10 238 511
1978-79 (estimate)	3 482 262	2 640 256	1 733 825	1 220 433	1 192 374	502 838	10 771 987
REPAYMENTS BY STATES AND LOCAL GOVERNMENT AUTHORITIES(d)							
1974-75	61 076	54 355	28 456	24 854	19 260	10 227	198 228
1975-76	64 221	45 610	30 256	25 120	19 507	13 541	198 255
1976-77	78 149	50 242	32 890	25 273	21 328	13 639	221 521
1977-78	84 445	54 274	35 111	27 410	23 098	14 843	239 182
1978-79 (estimate)	90 033	59 660	38 752	29 998	25 552	15 988	259 982
TOTAL PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENTS' LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET)							
1974-75	2 038 718	1 576 336	1 044 898	763 335	665 720	329 815	6 418 821
1975-76	2 748 862	2 166 811	1 340 947	958 760	888 184	409 646	8 463 080
1976-77	2 864 874	2 215 968	1 467 252	1 010 980	961 413	418 466	8 938 953
1977-78	3 207 539	2 445 027	1 626 834	1 153 207	1 101 245	465 477	9 999 329
1978-79 (estimate)	3 392 229	2 580 596	1 695 073	1 190 435	1 166 822	486 849	10 512 004
PAYMENTS TO THE NORTHERN TERRITORY (NET BASIS)							
1977-78	..	..	..	..	..	..	53 029
1978-79 (estimate)	..	..	..	..	..	..	287 219
GRAND TOTAL—PAYMENTS TO OR FOR THE STATES, THE NORTHERN TERRITORY AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)							
1977-78	..	..	..	..	..	..	10 052 358
1978-79 (estimate)	..	..	..	..	..	..	10 799 223

- (a) See Chapter III, under heading 'Treatment of Loan Council Programs in This and Other Budget Papers'.
- (b) Comprises all the amounts shown above, with the exception of the borrowing program component of general purpose capital funds. See reference in footnote (a).
- (c) Total payments to or for the States and State Loan Council borrowing programs on a net basis (i.e., excluding payments made direct to local government authorities) are given in Appendix IV, Table 112.
- (d) That is, repayments of Commonwealth advances to the States and local government authorities and sinking fund payments on State Loan Council borrowings. See Appendix IV. Repayments of Commonwealth advances made direct to local government authorities (not included in Appendix IV) were \$17 000, \$18 000, \$19 000, \$20 000 and are estimated to be \$21 000 in 1974-75 to 1978-79 respectively.

Table 88—Summary of Payments to or for the States and the Northern Territory, State Government Loan Council Programs, and Payments made direct to Local Government Authorities, 1974-75 to 1978-79 (estimate) (\$ Per Head of Population*(a))

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
PAYMENTS TO OR FOR THE STATES AND STATE LOAN COUNCIL PROGRAMS							
GENERAL REVENUE FUNDS							
1974-75	155.40	151.95	217.62	255.63	253.20	348.68	187.40
1975-76	193.27	189.25	273.08	290.96	313.44	386.06	229.63
1976-77	229.74	223.59	323.72	341.42	372.52	455.38	272.08
1977-78	264.89	259.08	369.39	395.48	429.38	519.66	313.63
1978-79 (estimate)	289.65	283.54	396.90	433.17	469.48	577.68	342.42
GENERAL PURPOSE CAPITAL FUNDS(a)							
1974-75	68.70	73.56	74.32	117.41	88.47	201.27	81.07
1975-76	83.94	87.50	82.14	134.84	103.86	224.31	95.27
1976-77	87.54	91.13	85.29	140.25	106.78	233.94	99.11
1977-78	93.03	94.78	88.30	145.54	109.57	243.84	103.58
1978-79 (estimate)	92.09	93.68	87.07	143.87	107.13	241.67	102.31
TOTAL GENERAL PURPOSE FUNDS							
1974-75	224.10	225.51	291.94	373.04	341.67	549.95	268.47
1975-76	277.21	276.75	355.22	425.80	417.31	610.37	324.91
1976-77	317.27	314.73	409.01	481.68	479.30	689.31	371.19
1977-78	357.92	353.86	457.69	541.02	538.95	763.50	417.21
1978-79 (estimate)	381.74	377.22	483.97	577.03	576.61	819.36	444.73
SPECIFIC PURPOSE PAYMENTS—RECURRENT							
1974-75	86.74	95.32	79.55	98.69	102.63	107.29	91.07
1975-76	166.42	174.99	142.73	187.29	200.64	197.86	170.91
1976-77	168.29	178.50	154.24	189.96	205.75	179.53	174.51
1977-78	203.28	206.12	186.17	227.13	243.94	217.63	207.60
1978-79 (estimate)	215.57	219.79	196.35	236.61	253.75	227.56	219.41
SPECIFIC PURPOSE PAYMENTS—CAPITAL							
1974-75	115.97	118.20	143.90	157.98	155.45	183.01	130.13
1975-76	121.35	122.55	146.53	163.53	158.34	216.94	135.52
1976-77	110.42	107.48	142.86	142.88	144.49	185.77	122.86
1977-78	98.94	96.19	127.05	150.57	144.57	182.16	113.82
1978-79 (estimate)	93.38	88.25	112.76	125.05	130.48	160.14	103.19
TOTAL SPECIFIC PURPOSE PAYMENTS							
1974-75	202.71	213.52	223.46	256.66	258.08	290.31	221.20
1975-76	287.77	297.53	289.26	350.82	358.98	414.80	306.43
1976-77	278.71	285.99	297.09	332.84	350.24	365.29	297.36
1977-78	302.22	302.31	313.22	377.71	388.51	399.79	321.41
1978-79 (estimate)	308.95	308.04	309.11	361.66	384.23	387.70	322.60
TOTAL PAYMENTS(c)							
1974-75	380.17	389.09	463.39	549.99	539.68	703.59	434.39
1975-76	509.02	515.95	589.72	686.72	707.05	875.62	567.82
1976-77	537.63	539.96	649.25	721.02	758.35	898.65	602.48
1977-78	598.12	592.98	712.05	821.70	854.41	1 000.73	669.57
1978-79 (estimate)	629.30	662.81	735.04	842.78	889.42	1 045.94	699.13
TOTAL PAYMENTS AND LOAN COUNCIL BORROWING PROGRAMS(d)							
1974-75	426.82	439.03	515.40	629.71	599.75	840.25	489.67
1975-76	564.99	574.28	644.48	776.62	776.29	1 025.16	631.34
1976-77	595.99	600.72	706.11	814.52	829.54	1 054.60	668.55
1977-78	660.14	656.17	770.91	918.73	927.45	1 163.29	738.62
1978-79 (estimate)	690.69	685.26	793.08	938.69	960.84	1 207.06	767.33

Table 88—Summary of Payments to or for the States and the Northern Territory, State Government Loan Council Programs, and Payments made direct to Local Government Authorities, 1974-75 to 1978-79 (estimates) (\$ Per Head of Population*(a))—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)							
1974-75	4.71	1.66	4.06	3.33	4.76	5.41	3.67
1975-76	9.32	5.02	8.90	6.42	7.42	16.65	7.86
1976-77	.55	1.30	.57	2.20	.97	1.63	.98
1977-78	.66	1.42	.97	.83	1.14	2.25	1.02
1978-79 (estimate)	1.25	1.41	1.01	.97	1.99	2.27	1.33
TOTAL PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENTS' LOAN COUNCIL BORROWING PROGRAMS, AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)							
1974-75	431.53	440.69	519.46	633.03	604.52	845.67	493.34
1975-76	574.31	579.30	653.39	783.03	783.71	1 041.82	639.20
1976-77	596.54	602.01	706.68	816.72	830.51	1 056.23	669.53
1977-78	660.80	657.59	771.88	919.56	928.60	1 165.54	739.65
1978-79 (estimate)	691.94	686.67	794.09	939.66	962.83	1 209.33	768.66
REPAYMENTS BY STATES AND LOCAL GOVERNMENT AUTHORITIES (f)							
1974-75	12.55	14.69	13.77	19.96	17.00	25.43	14.78
1975-76	13.11	12.22	14.42	19.99	16.84	33.34	14.63
1976-77	15.84	13.35	15.49	19.92	18.02	33.34	16.19
1977-78	16.95	14.28	16.31	21.35	19.08	36.02	17.28
1978-79 (estimate)	17.89	15.52	17.75	23.10	20.63	38.45	18.55
TOTAL PAYMENTS TO OR FOR THE STATES, STATE GOVERNMENTS' LOAN COUNCIL BORROWING PROGRAMS AND PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (NET)							
1974-75	418.98	426.00	505.69	613.07	587.52	820.23	478.56
1975-76	561.20	567.08	638.97	763.04	766.87	1 008.48	624.57
1976-77	580.70	588.66	691.19	796.80	812.48	1 022.89	653.34
1977-78	643.85	643.31	755.58	898.21	909.52	1 129.52	722.37
1978-79 (estimate)	674.05	671.16	776.35	916.57	942.20	1 170.87	750.11
PAYMENTS TO THE NORTHERN TERRITORY (NET BASIS)							
1977-78	..	..	..	..	..	..	484.73
1978-79 (estimate)	..	..	..	..	..	..	2 519.46
GRAND TOTAL—PAYMENTS TO OR FOR THE STATES, THE NORTHERN TERRITORY AND LOCAL GOVERNMENT AUTHORITIES (NET BASIS)							
1977-78	..	..	..	..	..	..	709.72
1978-79 (estimate)	..	..	..	..	..	..	752.73

* Mean populations for financial years as published in 'Public Authority Finance—Federal Authorities 1977-78—Bulletin No. 15'.

(a) See footnotes to previous table.

Table 89—Total Payments to or for the States and State Governments' Loan Council Programs—Dissection Between Funds for Recurrent and Capital Purposes(a) 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
FUNDS FOR RECURRENT PURPOSES							
1974-75	1 178 251	914 976	614 050	441 165	403 192	183 347	3 734 981
1975-76	1 761 839	1 359 540	872 626	600 921	595 416	237 188	5 427 529
1976-77	1 963 647	1 513 658	1 014 617	674 226	684 268	259 739	6 110 155
1977-78	2 332 324	1 768 092	1 196 185	799 376	815 251	303 835	7 215 063
1978-79 (estimate)	2 542 585	1 935 309	1 295 311	869 903	895 643	334 821	7 873 571
FUNDS FOR CAPITAL PURPOSES							
1974-75	898 604	709 573	450 916	342 883	276 390	154 519	2 832 885
1975-76	1 005 571	784 032	479 890	374 896	303 681	179 234	3 127 304
1976-77	976 654	747 676	484 313	359 240	297 327	171 700	3 036 909
1977-78	956 364	725 804	463 666	380 175	307 709	175 557	3 009 276
1978-79 (estimate)	933 401	699 528	436 308	349 273	294 261	167 072	2 879 843

(a) Gross basis, i.e. before deducting repayments of Commonwealth advances to the States and sinking fund payments on State Loan Council borrowings. Note that this table also excludes payments made to the Northern Territory and made direct to local government authorities. See footnotes to previous tables in this Appendix.

Table 90—Total Payments to or for the States and State Governments' Loan Council Programs—Dissection between Funds for Recurrent and Capital Purposes, 1974-75 to 1978-79 (estimate) (Dollars Per Head of Population*)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
FUNDS FOR RECURRENT PURPOSES							
1974-75	242.14	247.27	297.17	354.32	355.83	455.97	278.46
1975-76	359.69	364.23	415.81	478.25	514.09	583.92	400.55
1976-77	398.02	402.10	477.96	531.39	578.27	634.90	446.59
1977-78	468.17	465.20	555.56	622.62	673.32	737.28	521.23
1978-79 (estimate)	505.22	503.33	593.25	669.77	723.23	805.25	561.84
FUNDS FOR CAPITAL PURPOSES							
1974-75	184.67	191.76	218.22	275.39	243.92	384.28	211.21
1975-76	205.29	210.05	228.67	298.37	262.20	441.25	230.79
1976-77	197.96	198.62	228.15	283.13	251.27	419.70	221.97
1977-78	191.97	190.97	215.35	296.11	254.14	426.01	217.43
1978-79 (estimate)	185.47	181.93	199.83	268.92	237.61	401.81	205.50

*See footnote to previous tables in this Appendix.

Table 91—Total Payments to or for the States and State Governments' Loan Council Programs—Dissection between Grants and Loans, 1974-75 to 1978-79 (estimate)
($\$$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
COMMONWEALTH GOVERNMENT PAYMENTS—GRANTS							
1974-75	1 633 464	1 263 473	856 691	592 192	547 023	251 908	5 144 753
1975-76	2 252 570	1 742 758	1 132 545	764 152	763 204	328 927	6 984 155
1976-77	2 457 201	1 883 417	1 288 677	833 600	843 659	340 946	7 647 501
1977-78	2 814 146	2 125 350	1 468 330	960 124	972 738	383 585	8 724 273
1978-79 (estimate)	3 022 826	2 289 173	1 555 420	1 025 175	1 058 403	411 344	9 362 340
COMMONWEALTH GOVERNMENT PAYMENTS—LOANS (GROSS)							
1974-75	216 394	176 266	100 819	92 594	64 491	31 006	681 571
1975-76	240 726	183 070	105 052	98 716	55 696	26 752	710 011
1976-77	195 185	149 210	89 547	81 229	53 702	26 690	595 563
1977-78	165 565	128 404	64 781	94 858	61 776	28 815	544 199
1978-79 (estimate)	144 182	105 522	49 458	69 432	43 055	23 558	435 206
TOTAL COMMONWEALTH GOVERNMENT LOANS AND LOAN COUNCIL BORROWINGS (GROSS)(a)							
1974-75	443 390	361 075	208 274	191 855	132 559	85 958	1 423 112
1975-76	514 840	400 814	219 971	211 666	135 893	87 495	1 570 678
1976-77	483 100	377 916	210 252	199 866	137 937	90 492	1 499 563
1977-78	474 543	368 546	191 521	219 427	150 222	95 807	1 500 066
1978-79 (estimate)	453 160	345 664	176 198	194 001	131 501	90 550	1 391 073

(a) Figures on a net basis are given in Appendix IV, Table 111.

Table 92—Total Payments to or for the States and State Governments' Loan Council Programs—Dissection between Grants and Loans, 1974-75 to 1978-79 (estimate)
(Dollars Per Head of Population*)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
COMMONWEALTH GOVERNMENT PAYMENTS—GRANTS							
1974-75	335.70	341.45	414.60	475.62	482.77	626.48	383.57
1975-76	459.88	466.92	539.68	608.16	658.97	809.98	515.44
1976-77	498.06	500.32	607.06	657.00	712.97	833.40	558.95
1977-78	564.89	559.20	681.96	747.82	803.38	930.81	630.26
1978-79 (estimate)	600.65	595.36	712.38	789.42	854.65	989.28	668.07
COMMONWEALTH GOVERNMENT PAYMENTS—LOANS (GROSS)							
1974-75	44.47	47.64	48.79	74.37	56.92	77.11	50.81
1975-76	49.15	49.05	50.06	78.56	48.09	65.86	52.40
1976-77	39.56	39.64	42.18	64.02	45.38	65.24	43.53
1977-78	33.23	33.78	30.09	73.88	51.02	69.92	39.31
1978-79 (estimate)	28.65	27.44	22.65	53.46	34.77	56.66	31.06
TOTAL COMMONWEALTH GOVERNMENT LOANS AND LOAN COUNCIL BORROWINGS (GROSS)							
1974-75	91.12	97.58	100.80	154.09	116.99	213.77	106.10
1975-76	105.11	107.38	104.82	168.46	117.33	215.40	115.91
1976-77	97.92	100.39	99.04	157.52	116.57	221.20	109.60
1977-78	95.26	96.97	88.95	170.91	124.07	232.48	108.37
1978-79 (estimate)	90.04	89.90	80.70	149.37	106.19	217.77	99.26

* See footnotes to previous tables in this Appendix.

APPENDIX II—TABLES OF GENERAL PURPOSE CAPITAL FUNDS

TABLE NO.	SUBJECT
93	General Purpose Capital Funds for State Governments, 1974-75 to 1978-79.
94	Semi-Government and Local Authority Borrowings, 1974-75 to 1978-79.
95	Semi-Government and Local Authority Borrowings, per Head of Population, 1974-75 to 1978-79.
96	General Purpose Capital Funds for State Governments, and State Semi-Government and Local Authority Borrowings, 1974-75 to 1978-79.
97	General Purpose Capital Funds for State Governments, and State Semi-Government and Local Authority Borrowings, per Head of Population, 1974-75 to 1978-79.
98	Borrowings by Local Government Authorities, 1974-75 to 1978-79.
99	Summary of the Financing of State Government Loan Council Programs, 1973-74 to 1977-78.
100	Details of the Financing of State Government Loan Council Programs, 1973-74 to 1977-78.

Table 93— General Purpose Capital Funds for State Governments, 1974-75 to 1978-79(a)
(\$ thousands)

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
APPROVED LOAN COUNCIL BORROWING PROGRAMS							
1974-75	226 996	184 809	107 455	99 261	68 068	54 952	741 541
1975-76	274 114	217 744	114 919	112 950	80 197	60 743	860 667
1976-77	287 915	228 706	120 705	118 637	84 235	63 802	904 000
1977-78	308 978	240 142	126 740	124 569	88 446	66 992	955 867
1978-79(b)	308 978	240 142	126 740	124 569	88 446	66 992	955 867
CAPITAL GRANTS							
1974-75	107 313	87 370	46 112	46 927	32 179	25 977	345 878
1975-76	137 057	108 871	57 459	56 475	40 099	30 372	430 333
1976-77	143 958	114 354	60 352	59 318	42 117	31 901	452 000
1977-78(c)	154 489	120 071	63 370	62 284	44 220	33 496	477 930
1978-79(b)(c)	154 489	120 071	63 370	62 284	44 226	33 496	477 936
TOTAL GENERAL PURPOSE CAPITAL FUNDS							
1974-75	334 309	272 179	153 567	146 188	100 247	80 929	1 087 419
1975-76	411 171	326 615	172 378	169 425	120 296	91 115	1 291 000
1976-77	431 873	343 060	181 057	177 955	126 352	95 703	1 356 000
1977-78	463 467	360 213	190 110	186 853	132 666	100 488	1 433 757
1978-79(b)	463 467	360 213	190 110	186 853	132 672	100 488	1 433 805

(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 1978 meeting of the Loan Council.

(c) Western Australia was short paid \$3000 in 1977-78 which is being adjusted in 1978-79.

Table 94—Semi-Government and Local Authority Borrowings 1974-75 to 1978-79
(\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total States	Commonwealth Government	Total
BORROWINGS BY LARGER AUTHORITIES(a)									
1974-75	244 767	213 907	138 495	31 768	37 887	19 256	686 080	78 157	764 237
1975-76	303 720	256 692	149 769	38 120	38 264	23 107	809 672	74 597	884 269
1976-77	360 108	304 347	177 575	45 200	45 369	27 397	959 996	423 544	1 383 540
1977-78	443 127	357 612	239 651	52 860	69 309	32 191	94 750	260 697	1 455 447
1978-79 (b)	472 746	382 645	244 256	56 828	105 541	34 444	1 296 460	347 694	1 644 154
BORROWINGS BY SMALLER AUTHORITIES(a)									
1974-75	52 921	44 313	39 854	11 817	25 920	5 100	179 926	..	179 926
1975-76	65 439	63 281	54 739	18 201	33 890	9 116	244 666	..	244 666
1976-77	85 707	88 263	66 060	26 574	41 030	11 088	318 722	150	318 872
1977-78	91 318	115 501	77 063	39 784	45 861	15 985	385 512	..	385 512
1978-79 (est.)(c)	113 850	129 000	89 110	40 000	51 000	18 500	441 460	..	441 460
BORROWINGS BY ALL SEMI-GOVERNMENT AND LOCAL AUTHORITIES									
1974-75	297 688	258 220	178 349	43 585	63 807	24 357	866 006	78 157	944 163
1975-76	369 159	319 973	204 508	56 321	72 154	32 223	1 054 338	74 597	1 128 935
1976-77	445 815	392 610	243 635	71 774	86 399	38 485	1 278 718	423 694	1 702 412
1977-78	534 445	473 113	316 714	92 644	115 170	48 176	1 580 762	260 697	1 840 959
1978-79 (est.)(c)	586 596	511 645	333 366	96 828	156 541	52 944	1 737 920	347 694	2 085 614

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

(b) Borrowing programs approved by the Loan Council in June 1978.

(c) Tentative estimates by State Treasuries.

Table 95—Semi-Government and Local Authority Borrowings, 1974-75 to 1978-79, per head of population(a)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
	\$	\$	\$	\$	\$	\$	\$
BORROWINGS BY LARGER AUTHORITIES							
1974-75	50.30	57.81	67.03	25.51	33.44	47.89	51.15
1975-76	62.01	68.77	71.37	30.34	33.04	56.89	59.75
1976-77	72.99	80.85	83.65	35.62	38.34	66.97	70.17
1977-78	90.59	94.09	111.31	41.17	57.24	78.11	86.31
1978-79 (estimate)	93.94	99.52	111.87	43.75	85.22	82.84	92.51
BORROWINGS BY SMALLER AUTHORITIES							
1974-75	10.88	11.98	19.29	9.49	22.88	12.68	13.41
1975-76	13.36	16.95	26.08	14.49	29.26	22.44	18.06
1976-77	17.37	23.45	31.12	20.94	34.67	27.10	23.30
1977-78	18.67	30.39	35.79	30.99	37.88	38.79	27.85
1978-79 (estimate)	22.62	33.55	40.81	30.80	41.18	44.49	31.50
BORROWINGS BY ALL SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
1974-75	61.18	69.78	86.31	35.01	56.31	60.57	64.57
1975-76	75.37	85.72	97.45	44.82	62.30	79.33	77.81
1976-77	90.36	104.30	114.77	56.57	73.02	94.07	93.46
1977-78	107.28	124.48	147.10	72.16	95.12	116.90	114.20
1978-79 (estimate)	116.56	133.07	152.68	74.55	126.41	127.33	124.01

(a) See footnotes to Table 94.

Table 96—General Purpose Capital Funds for State Governments and State Semi-Government and Local Authority Borrowings, 1974-75 to 1978-79 (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS(a)							
1974-75	334 309	272 179	153 567	146 188	100 247	80 929	1 087 415
1975-76	411 171	326 615	172 378	169 425	120 296	91 115	1 291 000
1976-77	431 873	343 060	181 057	177 955	126 352	95 703	1 356 000
1977-78	463 467	360 213	190 110	186 853	132 666	100 488	1 433 757
1978-79	463 467	360 213	190 110	186 853	132 672	100 488	1 433 803
BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES(b)							
1974-75	297 688	258 220	178 349	43 585	63 807	24 357	866 006
1975-76	369 159	319 973	204 508	56 321	72 154	32 223	1 054 338
1976-77	445 815	392 610	243 635	71 774	86 399	38 485	1 278 718
1977-78	534 445	473 113	316 714	92 644	115 170	48 176	1 580 262
1978-79 (estimate)	586 596	511 645	333 366	96 828	156 541	529 444	1 737 920
TOTAL OF GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS AND BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
1974-75	631 997	530 399	331 916	189 773	164 054	105 286	1 953 425
1975-76	780 330	646 588	376 886	225 746	192 450	123 338	2 345 338
1976-77	877 688	735 670	424 692	249 729	212 751	134 188	2 634 718
1977-78	997 912	833 326	506 824	279 497	247 836	148 664	3 014 059
1978-79 (estimate)	1 050 063	871 858	523 476	283 681	289 213	153 432	3 171 723

(a) See footnotes to Table 93.

(b) See footnotes to Table 94.

Table 97—General Purpose Capital Funds for State Governments and State Semi-Government and Local Authority Borrowings, per head of population, 1974-75 to 1978-79

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
	\$	\$	\$	\$	\$	\$	\$
GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS							
1974-75	68.70	73.56	74.32	117.41	88.47	201.27	81.07
1975-76	83.94	87.50	82.14	134.84	103.86	224.31	95.27
1976-77	87.54	91.13	85.29	140.25	106.78	233.94	99.11
1977-78	93.03	94.78	88.30	145.54	109.57	243.84	103.55
1978-79 (estimate)	92.09	93.68	87.07	143.87	107.13	241.67	102.50
BORROWINGS BY STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES							
1974-75	61.18	69.78	86.31	35.01	56.31	60.57	64.57
1975-76	75.37	85.72	97.45	44.82	62.30	79.33	77.81
1976-77	90.36	104.30	114.77	56.57	73.02	94.07	93.46
1977-78	107.28	124.48	147.10	72.16	95.12	116.90	114.15
1978-79 (estimate)	116.56	133.07	152.68	74.55	126.41	127.33	124.00
TOTAL GENERAL PURPOSE CAPITAL FUNDS FOR STATE GOVERNMENTS AND STATE SEMI-GOVERNMENT AND LOCAL AUTHORITIES BORROWINGS							
1974-75	129.88	143.34	160.63	152.42	144.78	261.84	145.64
1975-76	159.31	173.23	179.59	179.66	166.16	303.64	173.08
1976-77	177.90	195.43	200.06	196.82	179.79	328.01	192.57
1977-78	200.31	219.26	235.39	217.69	204.69	360.75	217.74
1978-79 (estimate)	208.65	226.75	239.75	218.42	233.54	369.00	226.50

Table 98—Borrowings by Local Government Authorities(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales(b)	Victoria	Queensland	South Australia	Western Australia	Tasmania	Six State Total	Northern Territory	Total
‘LARGER’ AUTHORITIES(c)									
1974-75	85 217	22 238	83 516	6 000	4 575	7 295	208 841	516	209 357
1975-76	104 220	21 835	76 169	5 300	5 175	8 007	220 706	597	221 303
1976-77	121 108	14 630	85 389	4 300	6 050	10 085	241 562	1 194	242 756
1977-78	130 127	13 920	81 253	4 750	7 450	8 148	245 648	1 697	247 345
1978-79 (est.)(d)	133 046	15 295	90 353	4 400	9 000	10 000	262 094	1 891	263 985
‘SMALLER’ AUTHORITIES(e)									
1974-75	47 586	27 950	19 288	7 617	17 265	3 416	123 122	..	123 122
1975-76	59 627	41 208	25 928	11 531	22 670	6 496	167 460	..	167 460
1976-77	70 824	51 263	30 729	17 374	26 330	6 968	203 488	..	203 488
1977-78	72 103	70 573	36 740	14 674	29 031	9 257	232 378	..	232 378
1978-79 (est.)(d)	80 000	80 000	46 112	17 200	35 000	9 649	267 961	..	267 961
TOTAL									
1974-75	132 803	50 188	102 804	13 617	21 839	10 710	331 961	516	332 477
1975-76	163 847	63 043	102 097	16 831	27 845	14 503	388 166	597	388 763
1976-77	191 932	65 893	116 118	21 674	32 380	17 053	445 050	1 194	446 244
1977-78	202 230	84 493	117 993	19 424	36 481	17 405	478 026	1 697	479 723
1978-79 (est.)(d)	213 046	95 295	136 465	21 600	44 000	19 649	530 055	1 891	531 946

- (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 64.
- (d) Estimates supplied by State Treasuries; tentative only.
- (e) That is, borrowings by local government within the smaller authorities category. See footnote (b) to Table 64.

Table 99—Summary of the Financing of State Government Loan Council Programs, 1973-74 to 1977-78(a)

	Amounts Met from Public Loan Raisings and Overseas Borrowings		Amounts Met from Consolidated Revenue Fund				
	Total Programs	Percentage of Total Programs	Special Loans	Capital Grants Met Direct from Consolidated Revenue Fund	Total		
				Percentage of Total Programs	Amount	Percentage of Total Programs	
	\$'000	\$'000	per cent	\$'000	\$'000	\$'000	per cent
1973-74	(b)867 000	867 000	100	..	..	..	..
1974-75	(b)1 087 419	793 190	73	274 969	19 260	294 229	27
1975-76	(b)1 291 000	1 291 000	100	..	..	..	..
1976-77	(b)1 356 000	1 356 000	100	..	..	..	..
1977-78	(b)1 433 800	1 228 937	86	204 863	..	204 863	14

- (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 \$278 307 000 in 1973-74, \$345 878 000 in 1974-75, \$430 333 000 in 1975-76, \$452 000 000 in 1976-77 and \$477 933 000 in 1977-78.

Table 100—Details of the Financing of State Government Loan Council Programs, 1973-74 to 1977-78(a) (\$ thousands)

	1973-74	1974-75	1975-76	1976-77	1977-78
SPECIAL LOANS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES					
Commonwealth Government Subscriptions to Special Loans	260 000	477 000	..	..	204 863
Less—Amounts used by Commonwealth Government—					
for advances for welfare housing	..	(b)—130 365	..	..	..
for War Service Land Settlement and other purposes . . . . .	..	—416	..	..	..
for redemptions	—260 000	—71 250	..	..	..
(A) . . . . .	..	274 969	..	..	204 863
LOAN RAISINGS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES					
Public Loans raised in Australia—					
Cash loans	(c)1 155 460	(c)646 034	1 676 610	1 580 967	610 815
Special Bonds/Savings Bonds	454 182	343 041	1 362 443	736 240	719 631
State Domestic Raisings	48 523	21 093	5 918	35 365	57 898
Overseas Loans applied direct to Borrowing Programs and Housing Advances . . . . .	..	42 278	197 476	437 718	1 737 835
Total Loan Raisings	1 658 165	1 052 446	3 242 447	2 790 290	3 126 179
Less Amounts Used—					
for redemptions	(d)—498 279	—414 448	(e)—1 251 280	(f)—1 057 487	(g)—704 098
by Commonwealth Government (War Service Land Settlement, Other)	—6 136	—2 593	—335 567	—1 804	—686 548
for capital grant for works program	—278 307	..	—430 333	—452 000	(h)—477 930
for advances for welfare housing	—218 650	(b)—168 833	—364 600	—375 000	—390 000
Less—Amounts carried forward	(c)—68 100	..	..	..	(i)—116 599
(B)	588 693	466 572	860 667	904 000	751 004
CAPITAL GRANTS					
Capital Grants—					
Financed from proceeds of Treasury Note issue . . . . .	..	326 618	..	..	..
Financed from other loan proceeds	278 307	..	430 333	452 000	(h)477 930
Financed direct from Consolidated Revenue Fund . . . . .	..	19 260	..	..	..
(C)	278 307	345 878	430 333	452 000	(h)477 930
TOTAL PROGRAMS					
TOTAL PROGRAMS (A+B+C)	867 000	1 087 419	1 291 000	1 356 000	1 433 797

(a) See Chapter III under heading 'Financing of State Borrowing Programs and the Capital Grants' for an outline of the arrangements for financing the States' Loan Council programs.
 (b) Advances for welfare housing also financed from proceeds of Treasury Note issue (\$10 802 000) and direct from Consolidated Revenue Fund (\$75 400 000).
 (c) Proceeds of cash loan held in Loan Fund to finance the approved Loan Council borrowing program for 1974-75.
 (d) Includes \$37 773 000 proceeds of cash loan applied to redemption of Treasury Notes.
 (e) Includes \$965 267 000 cash proceeds applied to the redemption of Treasury Notes.
 (f) Includes \$720 320 000 cash proceeds applied to the redemption of Treasury Bills.
 (g) Includes \$503 806 000 cash proceeds applied to the redemption of Treasury Notes and Treasury Bills.
 (h) Western Australia was underpaid by \$3 000 in 1977-78 and this is being adjusted in 1978-79.
 (i) Proceeds of cash loan held in Loan Fund to finance the approved Loan Council borrowing program 1978-79.

APPENDIX III—TABLES OF SPECIFIC PURPOSE PAYMENTS

TABLE NO.	SUBJECT
101	Schools, Grants for, 1974-75 to 1978-79.
102	Aboriginal Advancement, Payments for, by Function, 1974-75 to 1978-79.
103	Natural Disasters, Payments for by type of Disaster, 1974-75 to 1978-79.
104	Natural Disaster Relief, Further Details of Assistance for, 1973-74 to 1977-78.

Table 101—Grants for Schools, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
GRANTS FOR RECURRENT PURPOSES							
GOVERNMENT SCHOOLS							
1974-75	44 019	35 859	17 410	10 913	7 342	2 333	117 876
1975-76	71 860	51 855	24 355	17 985	14 179	6 429	186 663
1976-77	83 674	69 450	26 761	21 628	17 768	6 486	225 767
1977-78	91 721	71 107	24 708	23 478	17 551	6 916	235 481
1978-79 (estimate)	90 513	70 234	23 108	22 354	18 536	7 114	231 858
NON-GOVERNMENT SCHOOLS							
1974-75	36 407	31 798	15 916	6 185	8 608	2 797	101 711
1975-76	45 808	42 175	19 161	7 085	7 335	2 068	123 633
1976-77	59 799	58 590	25 695	10 972	13 133	3 477	171 666
1977-78	70 129	59 674	30 198	12 415	14 989	3 942	191 347
1978-79 (estimate)	76 277	69 385	32 386	13 531	16 216	4 530	212 325
JOINT PROGRAMS							
1974-75	4 323	4 456	2 278	1 919	1 234	782	14 992
1975-76	7 727	6 324	2 646	2 382	1 680	830	21 589
1976-77	7 680	6 899	3 601	2 439	2 620	1 086	24 324
1977-78	9 645	7 466	4 945	2 673	2 749	1 260	28 739
1978-79 (estimate)	8 485	6 611	4 193	2 580	3 126	1 041	26 037
TOTAL							
1974-75	84 749	72 113	35 604	19 017	17 184	5 912	234 579
1975-76	125 395	100 354	46 162	27 452	23 194	9 327	331 885
1976-77	151 153	134 939	56 058	35 038	33 520	11 049	421 758
1977-78	171 495	138 247	59 852	38 566	35 288	12 119	455 567
1978-79 (estimate)	175 275	146 231	59 687	38 465	37 878	12 685	470 221
GRANTS FOR CAPITAL PURPOSES							
GOVERNMENT SCHOOLS							
1974-75	61 886	50 368	22 575	17 353	12 644	5 190	170 016
1975-76	35 587	38 279	18 298	9 735	7 929	3 958	113 786
1976-77	42 349	37 657	24 809	13 309	5 230	3 861	127 214
1977-78	47 851	40 882	29 506	14 335	13 838	4 816	151 227
1978-79 (estimate)	44 062	35 587	26 259	13 566	17 455	3 604	140 533
NON-GOVERNMENT SCHOOLS							
1974-75	9 450	8 071	5 320	1 731	3 014	807	28 393
1975-76	10 083	10 779	3 847	1 102	2 472	466	28 749
1976-77	6 208	7 259	3 077	1 300	1 731	360	19 935
1977-78	10 054	10 301	4 656	2 723	2 856	1 370	31 960
1978-79 (estimate)	17 227	13 414	6 061	1 944	2 331	362	41 337
JOINT PROGRAMS							
1974-75	371	213	75	75	131	94	959
1975-76	216	227	218	219	163	53	1 096
1976-77	126	141	204	63	38	45	617
1977-78	38	91	54	11	6	1	201
1978-79 (estimate)		12	5	..	..	..	17
TOTAL							
1974-75	71 707	58 652	27 970	19 159	15 789	6 091	199 368
1975-76	45 886	49 285	22 363	11 056	10 564	4 477	143 631
1976-77	48 683	45 056	28 090	14 672	6 999	4 266	147 766
1977-78	57 943	51 274	34 217	17 069	16 700	6 186	183 388
1978-79 (estimate)	61 289	49 013	32 324	15 509	19 785	3 966	181 886

Table 102—Payments for Aboriginal Advancement, by Function 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
EDUCATION							
RECURRENT PAYMENTS							
1974-75	546	262	361	614	1 582	3	3 367
1975-76	904	212	866	990	1 979	27	4 978
1976-77	931	576	836	1 151	2 035	32	5 561
1977-78	1 013	634	858	1 479	2 184	36	6 204
1978-79 (estimate)	1 106	656	880	1 663	2 881	28	7 214
CAPITAL PAYMENTS							
1974-75 . . . . .	..	67	249	108	799	..	1 224
1975-76	505	87	971	377	25	1	1 966
1976-77	1	..	8	233	119	..	360
1977-78 . . . . .	..	..	84	50	61	..	195
1978-79 (estimate) . . . . .	..	..	90	155	145	..	390
TOTAL PAYMENTS							
1974-75	546	329	610	722	2 381	3	4 591
1975-76	1 409	299	1 837	1 367	2 004	28	6 944
1976-77	932	576	844	1 384	2 154	32	5 921
1977-78	1 013	634	942	1 529	2 245	36	6 399
1978-79 (estimate)	1 106	656	970	1 818	3 026	28	7 604
HEALTH							
RECURRENT PAYMENTS							
1974-75	1 142	96	1 285	785	3 452	22	6 780
1975-76	1 538	220	1 746	880	5 187	14	9 584
1976-77	1 480	354	2 243	1 054	4 889	16	10 036
1977-78	1 642	348	2 393	1 185	5 380	16	10 963
1978-79 (estimate)	1 579	369	2 979	1 251	5 443	16	11 637
CAPITAL PAYMENTS							
1974-75	155	54	723	241	2 608	..	3 780
1975-76	160	22	1 847	250	2 181	5	4 465
1976-77	315	49	530	147	704	..	1 745
1977-78	64	..	526	59	755	..	1 404
1978-79 (estimate)	35	7	103	50	823	..	1 018
TOTAL PAYMENTS							
1974-75	1 297	150	2 008	1 026	6 060	22	10 560
1975-76	1 698	242	3 593	1 130	7 368	19	14 049
1976-77	1 795	403	2 773	1 201	5 593	16	11 781
1977-78	1 706	348	2 918	1 244	6 135	16	12 367
1978-79 (estimate)	1 614	376	3 081	1 301	6 266	16	12 654

Table 102—Payments for Aboriginal Advancement, by Function 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
SOCIAL SECURITY AND WELFARE							
RECURRENT PAYMENTS							
1974-75	469	137	55	82	2 063	9	2 816
1975-76	314	444	340	295	868	9	2 270
1976-77	262	324	235	295	778	11	1 905
1977-78	359	427	230	346	1 000	15	2 378
1978-79 (estimate)(a)	233	355	230	351	610	..	1 779
CAPITAL PAYMENTS							
1974-75	83	..	..	..	467	..	550
1975-76	38	..	132	..	184	..	353
1976-77 . . . . .	..	..	..	..	4	..	4
1977-78 . . . . .	..	..	..	..	98	..	98
1978-79 (estimate)(a) . . . . .	..	..	..	179	52	..	231
TOTAL PAYMENTS							
1974-75	552	137	55	82	2 530	9	3 366
1975-76	352	444	472	295	1 052	9	2 623
1976-77	262	324	235	295	782	11	1 909
1977-78	359	427	230	346	1 098	15	2 476
1978-79 (estimate)(a)	233	355	230	530	662	..	2 010
HOUSING							
RECURRENT PAYMENTS							
1974-75	159	..	..	20	..	..	179
1975-76 . . . . .	..	..	..	..	..	12	12
1976-77 . . . . .	..	..	..	15	..	12	27
1977-78 . . . . .	..	..	..	15	..	..	15
1978-79 (estimate) . . . . .	..	..	..	40	..	..	40
CAPITAL PAYMENTS							
1974-75	5 187	1 514	6 964	3 587	..	204	17 456
1975-76	4 616	373	2 200	2 932	2 882	210	13 213
1976-77	3 177	633	1 925	2 959	3 938	187	12 821
1977-78	2 590	400	1 665	1 586	3 700	175	10 116
1978-79 (estimate)	2 756	230	2 130	1 910	3 950	115	11 790
TOTAL PAYMENTS							
1974-75	5 346	1 514	6 964	3 607	..	204	17 635
1975-76	4 616	373	2 200	2 932	2 882	222	13 225
1976-77	3 177	633	1 925	2 975	3 938	199	12 848
1977-78	2 590	400	1 665	1 600	3 700	175	10 130
1978-79 (estimate)	2 756	230	2 130	1 950	3 950	115	11 830

Table 102—Payments for Aboriginal Advancement, by Function 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
URBAN AND REGIONAL DEVELOPMENT N.E.C. AND THE ENVIRONMENT							
RECURRENT PAYMENTS							
1974-75	..	..	..	..	..	..	..
1975-76	105	..	..	..	..	..	105
1976-77	10	..	..	..	..	..	10
1977-78	..	..	..	21	..	..	21
1978-79 (estimate)	..	..	..	..	..	..	..
CAPITAL PAYMENTS							
1974-75	50	..	724	122	..	..	896
1975-76	3	..	2 054	..	..	..	2 057
1976-77	..	..	1 933	..	..	..	1 933
1977-78	..	..	550	112	..	..	662
1978-79 (estimate)	..	..	635	110	..	..	745
TOTAL PAYMENTS							
1974-75	50	..	724	122	..	..	896
1975-76	108	..	2 054	..	..	..	2 162
1976-77	10	..	1 933	..	..	..	1 943
1977-78	..	..	550	133	..	..	683
1978-79 (estimate)	..	..	635	110	..	..	745
TOTAL—ALL FUNCTIONS							
RECURRENT PAYMENTS							
1974-75	2 316	495	1 700	1 500	7 096	34	13 142
1975-76	2 861	876	2 952	2 165	8 034	62	16 949
1976-77	2 683	1 254	3 314	2 515	7 702	71	17 540
1977-78	3 014	1 409	3 480	3 045	8 564	67	19 580
1978-79 (estimate)	2 918	1 380	4 089	3 305	8 934	44	20 670
CAPITAL PAYMENTS							
1974-75	5 475	1 635	8 660	4 058	3 874	204	23 906
1975-76	5 322	482	7 204	3 559	5 272	216	22 054
1976-77	3 493	682	4 396	3 339	4 765	187	16 863
1977-78	2 654	400	2 825	1 807	4 614	175	12 474
1978-79 (estimate)	2 791	237	2 958	2 404	4 970	115	13 475
TOTAL PAYMENTS							
1974-75	7 791	2 130	10 360	5 558	10 970	238	37 048
1975-76	8 183	1 358	10 156	5 724	13 306	278	39 003
1976-77	6 176	1 936	7 710	5 854	12 467	258	34 403
1977-78	5 668	1 809	6 305	4 852	13 178	242	32 054
1978-79 (estimate)	5 709	1 617	7 046	5 709	13 904	159	34 144

(a) Includes payments for employment and welfare purposes.

Table 103—Payments for Natural Disaster Relief Assistance by Type of Disaster, 1973-74 to 1978-79(a) (estimate) (\$ thousands)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
DROUGHT							
1973-74	38	..	..	..	..	..	38
1974-75	114	..	..	..	..	..	114
1975-76	..	..	..	..	..	..	..
1976-77	779	716	..	..	2 134	..	3 629
1977-78	1 458	399	2 568	12 350	16 000	..	32 775
1978-79 (estimate)	90	..	1 110	5 640	3 716	..	10 556
FLOOD, STORM AND CYCLONE							
1973-74	262	22	27 859	..	..	..	28 143
1974-75	15 586	9 807	26 834	114	..	..	52 341
1975-76	13 318	6 250	6 452	108	4 347	..	30 475
1976-77	11 877	809	11 139	..	1 568	..	25 393
1977-78	8 195	1 320	12 496	..	2 498	..	24 510
1978-79 (estimate)	448	..	3 140	..	1 836	..	5 424
BUSHFIRE							
1973-74	..	..	..	..	..	-3	-3
1974-75	744	..	..	..	..	..	744
1975-76	587	..	..	..	..	-7	580
1976-77	73	1 355	..	..	..	..	1 428
1977-78	14	192	9	..	..	..	215
1978-79 (estimate)	..	..	..	..	..	..	..
ALL NATURAL DISASTERS							
1973-74	300	22	27 859	..	..	-3	28 178
1974-75	16 444	9 807	26 834	114	..	..	53 199
1975-76	13 905	6 250	6 452	108	4 347	-7	31 055
1976-77	12 729	2 880	11 139	..	3 702	..	30 450
1977-78	9 667	1 912	15 073	12 350	18 498	..	57 500
1978-79 (estimate)	538	..	4 250	5 640	5 552	..	15 980

(a) Excludes the cost of emergency assistance provided by the Defence Force. Amounts shown are payments made in each financial year less refunds made within the same financial year; refunds made in subsequent years are deducted in the year in which they were received (also see footnotes to Table 60).

Table 104—Further Details of Natural Disaster Relief Assistance to the States, 1973-74 to 1977-78 (\$ thousands)

	New South Wales					Victoria					Queensland				
	1973-74	1974-75	1975-76	1976-77	1977-78	1973-74	1974-75	1975-76	1976-77	1977-78	1973-74	1974-75	1975-76	1976-77	1977-78
<i>Expenditures by States in Year(a)</i>															
Personal hardship and distress	640	668	845	703	974	(e)58	479	25	153	108	5 287	122	70	52	71
Housing repair and rebuilding											5 120	6 825			
Rail and road freight subsidies	830	170	2	980	867		7	28	858	198					192
Fodder airdrop subsidies			65											1	1
Stock slaughter assistance and compensation				19	30				573						327
Loans to primary producers	581	2 490	1 218	1 982	2 212		643	425	1 608	3 965	161	662	46	409	4 230
Loans to small businesses	31	111		35	3				365		3 495	615		96	35
Loans to sporting clubs		24	22	23	10							29	63	24	
Assistance to surf lifesaving clubs		14													
Assistance to independent schools		37													
Restoration of State, local and semi-government assets	4 921	16 020	13 839	13 263	10 802		11 673	9 441	2 408	815	17 443	19 484	7 534	12 140	12 064
Emergency protection works and repairs to essential services	429	901	735	423	205		156	175	465	53				43	
Assistance to local government authorities for fire fighting costs		211	53												
Assistance to tertiary education institutions(b)		24									106	524	102	46	
Water cartage					1										
Fencing										125					
Total	7 432	20 670	16 778	17 428	15 104	58	12 958	10 094	6 430	5 264	31 612	28 261	7 815	12 811	16 920
<i>Less—</i>															
Expenditure in Year attributable to States(c)	5 000	5 048	5 003	5 000	5 000	29	3 500	3 500	3 500	3 500	2 000	2 000	2 000	2 000	2 000
Expenditure in Year to be reimbursed in subsequent years(d)	3 202	2 380	250	(f)–51		7	(f)–342	2			1 706	1 133	481	153	
Refunds of overpayments in respect of previous years					437			342	50	74	47		15		
<i>Plus—</i>															
Amounts paid in Year in respect of previous years	1 070	3 202	2 380	250			7			222		1 706	1 133	481	153
Payments to States in Year	300	16 444	13 905	12 729	9 667	22	9 807	6 250	2 880	(g)1 912	27 859	26 834	6 452	11 139	15 073

Table 104—Further Details of Natural Disaster Relief Assistance to the States, 1973–74 to 1977–78 (\$ thousands)—continued

	South Australia(h)				Western Australia(j)			Total				
	1974–75	1975–76	1976–77	1977–78	1975–76	1976–77	1977–78	1973–74	1974–75	1975–76	1976–77	1977–78
<i>Expenditures by States in Years(a)</i>												
Personal hardship and distress	..	..	..	..	120	1	364	5 985	1 269	1 060	909	1 517
Housing repair and rebuilding	..	..	..	..	..	..	..	5 120	6 825	..	..	..
Rail and road freight subsidies	..	..	..	245	..	270	187	830	177	30	2 108	1 689
Fodder airdrop subsidies	..	..	..	..	..	..	..	..	..	65	1	1
Stock slaughter assistance and compensation	..	..	..	16	..	..	..	..	..	..	592	373
Loans to primary producers	..	..	..	13 589	..	2 824	16 995	742	3 795	1 689	6 823	40 991
Loans to small businesses	..	..	..	..	..	..	..	3 526	726	..	496	38
Loans to sporting clubs	..	..	..	..	..	..	..	..	53	85	47	10
Assistance to surf lifesaving clubs	..	..	..	..	..	..	..	..	14	—1	..	..
Assistance to independent schools	..	..	..	..	..	..	..	..	37	..	..	..
Restoration of State, local and semi-government assets	1 134	..	..	..	4 588	3 261	2 330	22 364	48 311	35 402	31 072	26 011
Emergency protection works and repairs to essential services	588	..	..	..	9	1	..	429	1 645	919	932	258
Assistance to local government authorities for fire fighting costs	..	..	..	..	..	..	..	..	211	53	..	..
Assistance to tertiary education institutions(b)	..	..	..	..	..	..	..	106	548	102	46	..
Water cartage	..	..	..	..	..	..	17	..	..	..	..	18
Fencing	..	..	..	..	..	..	..	..	..	..	..	125
Total	1 722	..	..	13 850	4 717	6 357	19 893	39 102	63 611	39 404	43 026	71 031
<i>Less—</i>												
Expenditure in Year attributable to States(c)	1 500	..	..	1 500	1 500	1 525	1 500	7 029	12 048	12 003	12 025	13 500
Expenditure in Year to be reimbursed in subsequent years(d)	(i)108	..	..	..	(f)—1 130	..	..	4 915	3 279	—397	102	..
Refunds of overpayments in respect of previous years	..	..	..	..	..	1 130	..	(k)50	..	(k)364	1 180	511
<i>Plus—</i>												
Amounts paid in Year in respect of previous years	..	108	..	..	..	..	105	1 070	4 915	3 621	731	480
Payments to States in Year	114	108	..	12 350	4 347	3 702	18 498	28 178	53 199	31 055	30 450	57 500

(a) Actual amounts for New South Wales in 1973–74, 1974–75 and 1975–76. 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) The amounts shown represent the 'base-line' amounts, except that for Victoria for 1973–74 which represents half the cost of the relief of personal hardship and distress. See Chapter IV for explanations.

(d) For unavoidable administrative reasons payments to the States in a year are not equal to the amounts payable to them in respect of that year.

(e) Final cost of relief of personal hardship and distress to those affected by flooding in the State in early 1973 for which the Commonwealth agreed to provide assistance on a dollar for dollar basis.

(f) Refers to overpayment to State in year concerned, adjusted in subsequent year.

(g) The Commonwealth and State Governments provided \$600 000 and \$500 000 respectively as donations to official disaster appeal funds. These amounts are not shown in this table. The Commonwealth's contribution was paid direct to the funds and did not take the form of payments to the State.

(h) No expenditure on approved measures in 1973–74 or 1975–76.

(i) Paid to South Australia in 1975–76.

(j) No expenditure on approved measures in 1973–74 or 1974–75.

(k) Includes refunds received from Tasmania of \$2 900 in 1973–74, \$6 765 in 1975–76 and from South Australia of \$127 in 1975–76.

**APPENDIX IV—ADVANCES, DEBT CHARGES, NET ADVANCES,
NET PAYMENTS AND STATE GOVERNMENT DEBT OUTSTANDING**

TABLE NO.

SUBJECT

Advances to States, Debt Charges on Advances and Net Advances,
1974–75 to 1978–79:

- 105 Six States Combined
- 106 New South Wales
- 107 Victoria
- 108 Queensland
- 109 South Australia
- 110 Western Australia
- 111 Tasmania
- 112 Total Commonwealth Government Loans and State Government Loan
Council Borrowings—Net Basis, by States, 1974–75 to 1978–79.
- 113 Payments to the States and Loan Council Borrowings—Net Basis, by
States, 1974–75 to 1978–79.

Table 105—Six States Total—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
	ADVANCES(a)				
<i>Loan Council Borrowings</i>	741 541	860 667	904 000	955 867	955 867
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	26 805	34 170	35 114	22 519	11 600
Housing(b)	385 400	364 600	375 000	390 000	316 000
Growth Centres	59 181	66 114	42 796	25 486	25 077
Land Acquisition	36 181	49 453	22 903	26 160	14 636
Captains Flat Project . . . . .	..	178	206	..	14
Sewerage	84 678	78 463	33 812	..	..
Community Facilities—Townsville	67	..	25	..	..
Railway Projects	326	1 488	320	20	..
Railway Mainline Upgrading . . . . .	..	..	..	..	3 000
Railways—Intersystem Passenger Vehicles	1 244	81	255	..	..
King Island Harbour Works . . . . .	..	121	..	..	..
King Island Shipping Service	1 309	..	..	..	..
Urban Water Supply	4 400	6 252	6 423	4 200	3 106
Gladstone Power Station	32 449	39 000	26 422	191	..
Julius Dam	2 000	..	..	..	..
Dartmouth Dam	7 500	8 400	5 625	..	..
Blowering Reservoir	-198	..	..	..	..
Ord River Project	313	33	12	20	96
Softwood Forestry	7 124	7 937	7 934	360	9 215
Native Forestry Assistance—Tasmania . . . . .	..	..	..	..	137
Dairy Adjustment Program	6 892	14 072	5 277	672	38
Rural Adjustment Scheme . . . . .	..	..	8 272	34 585	41 300
Beef Industry Assistance . . . . .	..	11 298	3 478	33	..
Rural Reconstruction	21 586	22 500	14 954	2 199	..
Canned Fruit Industry . . . . .	..	2 457	..	..	..
Assistance for Mount Lyell Mining and Railway Co. Ltd . . . . .	..	..	..	3 383	1 400
Brigalow Lands Development Scheme	651	2 296	1 909	..	..
Natural Disaster Relief	3 663	1 098	4 828	34 369	9 588
Total Commonwealth Government Loans	681 571	710 011	595 563	544 199	435 206
TOTAL ADVANCES	1 423 112	1 570 678	1 499 563	1 500 066	1 391 073

Table 105—Six States Total—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	149 400	152 000	159 323	171 032	186 743
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance	10 000	..	10 000	10 000	10 000
Housing for Servicemen	631	681	734	789	839
Unemployment Relief Works	2	2	4	..	2
Aboriginal Advancement	18	19	20	21	22
Housing	19 157	21 918	24 711	27 684	30 873
Growth Centres	..	..	21	28	35
Area Improvement	..	..	..	7	..
Land Acquisition	..	..	..	..	103
Captains Flat Project	..	..	..	..	4
Sewerage	6	99	441	608	696
Community Facilities, Townsville	..	24	5	4	5
Beef Cattle Roads	570	570	570	570	570
Railway Projects	4 857	3 948	4 136	4 335	4 544
Railways—Intersystem Passenger Vehicles	181	185	218	233	225
King Island Harbour Works	37	37	45	45	45
King Island Shipping Service	44	87	87	87	87
Coal Loading Facilities	175	95	13	13	13
Northern Harbours	98	98	98	98	99
Derby Jetty	53	53	53	53	53
Weipa Development	69	73	77	81	85
Natural Gas	1 875	1 875	1 875	1 875	1 875
Urban Water Supply	..	..	32	46	62
Hydro—electricity	..	2 989	2 989	2 989	2 989
Exmouth Township	9	19	14	9	14
Julius Dam	141	66	73	80	88
Chowilla Reservoir	18	60	99	137	148
Blowering Reservoir	259	712	1 303	1 805	2 015
Western Australia Water Supply	..	42	150	244	367
Softwood Forestry	..	..	..	12	150
Dairy Adjustment Program	65	572	1 607	1 807	1 858
Beef Industry Assistance	..	..	234	891	2 375
Rural Reconstruction	183	1 937	3 528	4 296	4 917
Sugar Industry	2 254	2 367	2 485	2 610	2 740
Canned Fruit Industry	889	525	694	1 470	1 199
War Service Land Settlement	316	328	340	352	366
Brigalow Lands Development Scheme	661	762	938	508	345
Natural Disaster Relief	6 243	6 094	4 585	4 343	3 410
Total Repayments of Commonwealth Government Loans	48 811	46 237	62 179	68 130	73 219
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	198 211	198 237	221 502	239 162	259 962
NET ADVANCES(d) (Advances Less Repayments)					
Loan Council Borrowings	592 141	708 667	744 677	784 835	769 124
Commonwealth Government Loans	632 760	663 774	533 384	476 069	361 587
TOTAL NET ADVANCES	1 224 901	1 372 441	1 278 061	1 260 904	1 131 111

Table 105—Six States Total—Advances, Debt Charges on Advances and Net Advances, 1974–75 to 1978–79 (estimate) (\$ thousands)—continued

	1974–75	1975–76	1976–77	1977–78	1978–79 (estimate)
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings(e)	662 809	694 689	831 563	947 629	1 031 000
Interest on Commonwealth Government Loans—					
Special Budgetary Assistance	2 463	1 813	2 763	1 913	1 063
Housing for Servicemen	5 775	8 300	11 932	14 623	17 369
Unemployment Relief Works	1	1	3	2	2
Aboriginal Advancement	18	17	16	14	13
Housing	88 145	105 032	119 127	133 992	147 755
Growth Centres	1 588	8 381	14 075	17 862	20 518
Land Acquisition	1 285	5 734	10 011	12 132	14 854
Community Facilities—Townsville	..	20	41	41	41
Exmouth Township	13	26	19	11	23
Captains Flat Project	..	..	17	37	39
Sewerage	2 257	10 791	19 402	21 734	21 704
Beef Cattle Roads	222	193	165	136	107
Railway Projects	5 487	4 256	4 193	3 995	3 766
Railways—Intersystem Passenger Vehicles	316	322	403	422	391
King Island Harbour Works	33	31	40	37	34
King Island Shipping Service	59	118	110	102	93
Coal Loading Facilities	14	6	2	1	1
Northern Harbours	33	28	23	18	13
Derby Jetty	12	9	7	4	2
Weipa Development	156	152	149	145	140
Natural Gas	636	526	415	304	194
Julius Dam	107	182	175	168	160
Urban Water Supply	..	418	1 107	1 724	2 174
Hydro-electricity	1 311	1 264	1 077	890	702
Blowering Reservoir	1 062	1 041	997	921	822
Softwood Forestry	..	..	..	13	131
Dairy Adjustment Program	524	543	647	966	1 000
Rural Adjustment Scheme	..	..	..	565	2 854
Canned Fruit Industry	295	230	230	301	443
Sugar Industry	767	654	536	411	281
Rural Reconstruction	5 881	7 150	8 301	9 006	8 708
Ord River Project	172	187	190	191	198
Dartmouth Dam	264	781	1 578	2 276	2 528
Chowilla Reservoir	77	64	72	67	59
Western Australia Water Supply	707	706	701	691	675
War Service Land Settlement	905	894	882	869	856
Brigalow Lands Development Scheme	648	706	828	447	485
Total Interest on Commonwealth Government Loans	121 233	160 576	200 229	227 030	250 199
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	784 042	855 265	1 031 792	1 174 659	1 281 199

(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 1978–79 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 106—New South Wales—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	226 996	274 114	287 915	308 978	308 978
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	16 350	18 005	15 280	7 947	5 423
Housing(b)	123 411	123 411	123 411	128 011	103 721
Growth Centres	29 699	42 439	26 022	15 323	16 326
Land Acquisition	820	11 719	3 743	4 287	2 145
Captains Flat Project . . . . .	..	178	206	..	14
Sewerage	29 400	29 960	13 790	..	..
Railway Mainline Upgrading . . . . .	..	..	..	..	2 700
Railways—Intersystem Passenger Vehicles	580	10	384	..	..
Dartmouth Dam	2 500	2 800	1 875	..	..
Blowering Reservoir	-198	..	..	..	..
Softwood Forestry	2 100	2 456	2 497	374	3 600
Dairy Adjustment Program	750	409	306	..	..
Rural Adjustment Scheme . . . . .	..	..	1 476	6 495	10 100
Beef Industry Assistance . . . . .	..	2 892	730	..	..
Rural Reconstruction	9 000	5 437	3 975	1 643	..
Canned Fruit Industry . . . . .	..	338	..	..	..
Natural Disaster Relief	1 982	672	1 490	1 485	151
Total Commonwealth Government Loans	216 394	240 726	195 185	165 565	144 182
TOTAL ADVANCES	443 390	514 840	483 100	474 543	453 160
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	50 096	51 517	54 579	58 218	63 215
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance . . . . .	..	..	10 000	10 000	10 000
Housing for Servicemen	224	247	270	293	312
Housing	6 780	7 690	8 657	9 658	..
Growth Centres . . . . .	..	..	21	28	35
Area Improvement . . . . .	..	..	7	..	..
Captains Flat Project . . . . .	..	..	..	..	4
Sewerage . . . . .	..	36	164	226	256
Railway Projects	96	96	96	96	96
Railways—Intersystem Passenger Vehicles	44	45	62	87	75
Coal Loading Facilities	162	81	..	..	..
Chowilla Reservoir	18	60	99	137	145
Blowering Reservoir	259	712	1 303	1 805	2 015
Softwood Forestry . . . . .	..	..	..	..	60
Dairy Adjustment Program . . . . .	..	52	81	137	114
Beef Industry Assistance . . . . .	..	..	..	238	603
Rural Reconstruction	183	612	1 032	1 288	1 622
Canned Fruit Industry . . . . .	..	..	169	169	..
War Service Land Settlement	153	159	165	171	..
Natural Disaster Relief	3 061	2 913	1 453	1 888	..
Total Repayments of Commonwealth Government Loans	10 980	12 703	23 571	26 227	15 345
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	61 076	64 221	78 149	84 445	78 555
NET ADVANCES(d) (Advances Less Repayments)					
<i>Loan Council Borrowings</i>	176 900	222 597	233 336	250 760	245 763
<i>Commonwealth Government Loans</i>	205 414	228 022	171 614	139 338	128 837
TOTAL NET ADVANCES	382 314	450 619	404 950	390 098	374 600

Table 106—New South Wales—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings</i>	216 934	231 187	273 262	311 602	338 993
<i>Interest on Commonwealth Government Loans—</i>					
Special Budgetary Assistance	1 813	1 813	2 763	1 913	1 063
Housing for Servicemen	2 542	4 045	5 887	6 949	8 045
Housing	30 848	36 459	40 943	45 805	50 510
Growth Centres	508	4 282	7 959	10 176	11 767
Land Acquisition	..	587	1 336	1 687	2 145
Captains Flat Project	..	..	17	37	39
Sewerage	617	4 197	7 392	8 174	8 151
Railway Projects	181	176	171	167	166
Railways—Intersystem Passenger Vehicles	79	77	115	167	136
Coal Loading Facilities	11	3	..	..	..
Blowering Reservoir	1 062	1 041	997	921	822
Softwood Forestry	..	..	..	..	44
Dairy Adjustment Program	65	74	84	82	76
Rural Adjustment Scheme	..	..	..	98	543
Canned Fruit Industry	..	..	37	13	..
Rural Reconstruction	1 785	2 246	2 521	2 756	2 715
Dartmouth Dam	88	260	526	759	843
Chowilla Reservoir	77	64	72	67	59
War Service Land Settlement	439	433	428	421	..
Total Interest on Commonwealth Govern- ment Loans	40 115	55 757	71 247	80 190	87 124
TOTAL INTEREST ON LOAN COUN- CIL BORROWINGS AND COM- MONWEALTH GOVERNMENT LOANS	257 050	286 944	344 509	391 792	426 117

(a), (b), (c) and (d). See corresponding footnotes to Table 105.

Table 107—Victoria—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	184 809	217 744	228 706	240 142	240 142
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	4 192	6 082	4 191	753	948
Housing(b)	98 159	98 159	98 159	101 759	82 451
Growth Centres	24 504	22 277	15 793	9 075	7 546
Land Acquisition	8 010	12 222	4 926	5 340	3 211
Sewerage	28 196	24 780	11 970	..	..
Railway Mainline Upgrading . . . . .	..	..	..	..	300
Dartmouth Dam	2 500	2 800	1 875	..	..
Softwood Forestry	889	900	1 686	73	1 628
Dairy Adjustment Program	4 371	7 677	3 565	363	38
Rural Adjustment Scheme . . . . .	..	..	2 958	9 733	9 400
Beef Industry Assistance . . . . .	..	1 164	349	..	..
Rural Reconstruction	4 976	5 025	2 850	18	..
Canned Fruit Industry . . . . .	..	1 706	..	..	..
Natural Disaster Relief	469	278	888	1 291	..
Total Commonwealth Government Loans	176 266	183 070	149 210	128 404	105 522
TOTAL ADVANCES	361 075	400 814	377 916	368 546	345 664
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	36 427	36 565	39 174	42 171	46 190
<i>Repayments of Commonwealth Government Loans—</i>					
Special Budgetary Assistance	10 000	..	..	..	..
Housing for Servicemen	198	211	224	236	248
Unemployment Relief Works	2	2	4	..	..
Housing	5 855	6 580	7 339	8 142	..
Land Acquisition . . . . .	..	..	..	..	103
Sewerage . . . . .	..	35	148	193	226
Railway Projects	96	96	96	96	96
Softwood Forestry . . . . .	..	..	..	..	12
Dairy Adjustment Program . . . . .	..	314	865	899	922
Beef Industry Assistance . . . . .	..	..	..	6	259
Rural Reconstruction . . . . .	..	388	852	962	1 162
Canned Fruit Industry	889	525	525	1 301	1 515
War Service Land Settlement	163	169	175	182	..
Natural Disaster Relief	725	725	840	85	..
Total Repayments of Commonwealth Government Loans	17 928	9 045	11 068	12 103	4 871
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	54 355	45 610	50 242	54 274	51 061
NET ADVANCES(d) (Advances Less Repayments)					
<i>Loan Council Borrowings</i>	148 382	181 179	189 532	197 971	193 952
<i>Commonwealth Government Loans</i>	158 338	174 025	138 142	116 301	100 651
TOTAL NET ADVANCES	306 720	355 203	327 674	314 272	294 603

Table 107—Victoria—Advances, Debt Charges on Advances and Net Advances
1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings</i>	163 993	175 627	209 178	239 403	260 431
<i>Interest on Commonwealth Government Loans—</i>					
Special Budgetary Assistance	650	..	..	..	..
Housing for Servicemen	1 588	1 908	2 478	2 838	2 929
Unemployment Relief Works	1	1	3	2	2
Housing	24 342	28 750	32 597	36 439	40 182
Growth Centres	633	3 259	5 136	6 597	7 546
Land Acquisition	307	1 161	2 474	2 887	3 430
Sewerage	608	3 882	6 385	7 179	7 159
Railway Projects	181	176	171	167	166
Softwood Forestry	..	..	..	..	9
Dairy Adjustment Program	17	21	117	308	288
Rural Adjustment Scheme	..	..	..	259	943
Canned Fruit Industry	295	230	193	289	315
Rural Reconstruction	1 374	1 654	1 916	2 012	1 954
Dartmouth Dam	88	260	526	759	843
War Service Land Settlement	466	460	454	448	415
Total Interest on Commonwealth Government Loans	30 550	41 762	52 449	60 184	66 181
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	194 544	217 389	261 627	299 587	326 612

(a), (b), (c) and (d). See corresponding footnotes to Table 105.

Table 108—Queensland—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	107 455	114 919	120 705	126 740	126 740
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	5 200	7 500	12 300	12 500	5 211
Housing(b)	43 810	31 010	37 410	39 810	32 257
Sewerage	9 599	9 664	700	..	..
Community Facilities—Townsville	67	..	25	..	..
Gladstone Power Station	32 449	39 000	26 422	191	..
Julius Dam	2 000	..	..	..	..
Softwood Forestry	2 340	2 250	1 547	..	1 480
Dairy Adjustment Program	704	2 452	579	21	..
Rural Adjustment Scheme	..	..	3 191	8 440	9 600
Beef Industry Assistance	..	6 374	2 226	33	..
Rural Reconstruction	2 787	4 425	2 790	23	..
Brigalow Lands Development Scheme	651	2 296	1 909	..	..
Natural Disaster Relief	1 212	81	449	3 762	910
Total Commonwealth Government Loans	100 819	105 052	89 547	64 781	49 458
TOTAL ADVANCES	208 274	219 971	210 252	191 521	176 198
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	19 097	19 828	21 218	22 795	24 953
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	154	165	177	192	208
Aboriginal Advancement	18	19	20	21	22
Housing	1 684	1 978	2 217	2 506	..
Sewerage	..	8	36	58	65
Community Facilities—Townsville	..	24	5	4	5
Beef Cattle Roads	570	570	570	570	570
Railway Projects	1 673	1 767	1 865	1 969	2 079
Coal Loading Facilities	13	13	13	13	13
Weipa Development	69	73	77	81	85
Julius Dam	141	66	73	80	83
Softwood Forestry	..	..	..	8	27
Dairy Adjustment Program	38	46	275	334	361
Beef Industry Assistance	..	..	234	451	1 359
Rural Reconstruction	..	484	623	841	884
Sugar Industry	2 254	2 367	2 485	2 610	2 740
Brigalow Lands Development Scheme	661	762	938	508	347
Natural Disaster Relief	2 067	2 067	2 045	2 050	..
Total Repayments of Commonwealth Government Loans	9 342	10 409	11 654	12 297	8 853
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	28 439	30 238	32 871	35 091	33 806
NET ADVANCES(d) (Advances Less Repayments)					
<i>Loan Council Borrowings</i>	88 358	95 091	99 487	103 945	101 737
<i>Commonwealth Government Loans</i>	91 477	94 643	77 894	52 484	40 605
TOTAL NET ADVANCES	179 835	189 733	177 381	156 430	142 342

Table 108—Queensland—Advances, Debt Charges on Advances and Net Advances
1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	84 025	87 147	108 761	121 463	132 174
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	1 205	1 806	2 696	3 709	5 140
Aboriginal Advancement	18	17	16	14	13
Housing	7 360	9 097	10 423	11 935	13 161
Community Facilities—Townsville	..	20	41	41	41
Sewerage	155	943	1 876	2 109	2 120
Beef Cattle Roads	222	193	165	136	107
Railway Projects	1 245	1 151	1 053	949	839
Coal Loading Facilities	3	3	2	1	1
Weipa Development	156	152	149	145	140
Julius Dam	107	182	175	168	160
Softwood Forestry	..	..	..	6	24
Dairy Adjustment Program	408	405	383	454	428
Rural Adjustment Scheme	..	..	..	161	579
Sugar Industry	767	654	536	411	281
Rural Reconstruction	1 150	1 315	1 546	1 645	1 547
War Service Land Settlement	..	..	..	..	441
Brigalow Lands Development Scheme	648	706	828	447	485
Total Interest on Commonwealth Government Loans	13 444	16 644	19 886	22 331	25 506
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	97 469	103 791	128 647	143 794	157 680

(a), (b), (c), (d) and (e). See corresponding footnotes to Table 105.

Table 109—South Australia—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	99 261	112 950	118 637	124 569	124 569
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	130	1 725	2 107	1 317	..
Housing(b)	56 360	56 360	56 360	58 460	47 368
Growth Centres	4 978	1 399	980	1 088	1 205
Land Acquisition	17 518	19 392	10 352	11 507	6 735
Sewerage	4 025	3 990	702	..	..
Railway Projects	237	1 488	210	..	..
Railways—Intersystem Passenger Vehicles	205	..	..	..	..
Urban Water Supply	4 400	6 252	6 423	4 200	3 106
Dartmouth Dam	2 500	2 800	1 875	..	..
Softwood Forestry	341	566	..	-87	502
Dairy Adjustment Program	400	217	65	..	..
Rural Adjustment Scheme	..	..	..	5 956	5 800
Beef Industry Assistance	..	289	70	..	..
Rural Reconstruction	1 500	3 825	2 086	300	..
Canned Fruit Industry	..	413	..	..	..
Natural Disaster Relief	..	..	..	12 117	4 717
Total Commonwealth Government Loans	92 594	98 716	81 229	94 858	69 212
TOTAL ADVANCES	191 855	211 666	199 866	219 427	194 001
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	19 477	20 137	19 638	21 199	23 229
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	13	13	15	17	18
Housing	2 398	2 797	3 213	3 645	4 040
Sewerage	..	5	24	29	33
Railway Projects	1 006	..	2	2	2
Railways—Intersystem Passenger Vehicles	16	..	..	..	..
Natural Gas	1 875	1 875	1 875	1 875	1 875
Urban Water Supply	..	..	32	46	62
Softwood Forestry	..	..	..	4	12
Dairy Adjustment Program	..	87	45	50	52
Beef Industry Assistance	..	..	..	94	60
Rural Reconstruction	..	137	361	449	409
Canned Fruit Industry	..	..	..	..	206
Natural Disaster Relief	69	69	69	..	..
Total Repayments of Commonwealth Government Loans	5 377	4 983	5 635	6 211	6 769
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	24 854	25 120	25 273	27 410	29 998

Table 109—South Australia—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
NET ADVANCES(d) (Advances Less Repayments)					
Loan Council Borrowings	79 784	92 813	98 999	103 370	101 340
Commonwealth Government Loans	87 217	93 733	75 594	88 647	62 663
TOTAL NET ADVANCES	167 001	186 545	174 594	192 017	164 003
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	87 403	85 973	103 661	119 300	129 803
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	48	80	322	457	587
Housing	13 391	15 899	18 115	20 397	22 493
Growth Centres	447	841	980	1 088	1 205
Land Acquisition	975	2 987	4 570	5 507	6 735
Sewerage	75	647	955	985	983
Railway Projects	921	35	184	208	208
Railways—Intersystem Passenger Vehicles	28	..	..	..	..
Natural Gas	636	526	415	304	194
Urban Water Supply . . . . .	..	418	1 107	1 724	2 174
Softwood Forestry . . . . .	..	..	..	3	16
Dairy Adjustment Program	2	8	15	21	18
Rural Adjustment Scheme . . . . .	..	..	..	15	448
Canned Fruit Industry . . . . .	..	..	..	..	128
Rural Reconstruction	565	714	875	1 013	982
Dartmouth Dam	88	260	526	759	842
Total Interest on Commonwealth Government Loans	17 176	22 415	28 064	32 481	37 011
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERNMENT LOANS	104 580	108 388	131 725	151 781	166 814

(a), (b), (c), (d) and (e). See corresponding footnotes to Table 105.

Table 110—Western Australia—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	68 068	80 197	84 235	88 446	88 446
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	784	698	1 230	2	18
Housing(b)	37 440	33 440	35 440	36 740	29 767
Land Acquisition	9 833	6 120	3 882	5 026	2 546
Sewerage	11 715	8 680	6 300	..	..
Railway Projects	89	..	110	20	..
Railways—Intersystem Passenger Vehicles	459	71	-129	..	..
Ord River Project	313	33	12	20	96
Softwood Forestry	685	864	776	..	1020
Dairy Adjustment Program	450	1 831	264	208	..
Rural Adjustment Scheme . . . . .	..	..	647	3 857	5 800
Beef Industry Assistance . . . . .	..	479	61	..	..
Rural Reconstruction	2 723	3 413	3 108	189	..
Natural Disaster Relief . . . . .	..	67	2 001	15 714	3808
Total Commonwealth Government Loans	64 491	55 696	53 702	61 776	43 055
TOTAL ADVANCES	132 559	135 893	137 937	150 222	131 501
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	15 336	14 831	15 762	16 839	18 389
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	40	43	45	48	50
Housing	1 671	1 928	2 177	2 443	2 720
Sewerage	6	14	57	80	92
Railway Projects	1 903	1 989	2 078	2 173	2 271
Railways—Intersystem Passenger Vehicles	121	140	156	146	150
Northern Harbours	98	98	98	98	99
Derby Jetty	53	53	53	53	53
Exmouth Township	9	19	14	9	14
Western Australia Water Supply . . . . .	..	42	150	244	367
Softwood Forestry . . . . .	..	..	..	..	18
Dairy Adjustment Program	23	53	189	212	227
Beef Industry Assistance . . . . .	..	..	..	101	90
Rural Reconstruction . . . . .	..	297	549	651	744
Natural Disaster Relief . . . . .	..	..	..	..	268
Total Repayments of Commonwealth Government Loans	3 924	4 676	5 566	6 259	7 163
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	19 260	19 507	21 328	23 098	25 552

Table 110—Western Australia—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
NET ADVANCES(d) (Advances Less Repayments)					
Loan Council Borrowings	52 732	65 366	68 473	71 607	70 057
Commonwealth Government Loans	60 567	51 020	48 136	55 517	35 893
TOTAL NET ADVANCES	113 299	116 386	116 608	127 124	105 950
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	63 561	68 077	80 906	92 080	100 213
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	370	425	497	617	616
Housing	7 352	8 953	10 238	11 642	12 837
Land Acquisition	3	999	1 631	2 051	2 546
Exmouth Township	13	26	19	11	23
Sewerage	796	1 011	2 530	2 959	2 951
Railway Projects	2 820	2 718	2 613	2 504	2 387
Railways—Intersystem Passenger Vehicles	209	245	288	255	255
Northern Harbours	33	28	23	18	13
Derby Jetty	12	9	7	4	2
Softwood Forestry . . . . .	..	..	..	4	23
Dairy Adjustment Program	30	29	40	81	170
Rural Adjustment Scheme . . . . .	..	..	..	33	333
Rural Reconstruction	871	1 052	1 248	1 377	1 347
Ord River Project	172	187	190	191	198
Western Australia Water Supply	707	706	701	691	675
Total Interest on Commonwealth Govern- ment Loans	13 388	16 388	20 025	22 438	24 377
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND COMMONWEALTH GOVERN- MENT LOANS	76 949	84 465	100 931	114 518	124 590

(a), (b), (c), (d) and (e) See corresponding footnotes to Table 105.

Table 111—Tasmania—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
ADVANCES(a)					
<i>Loan Council Borrowings</i>	54 952	60 743	63 802	66 992	66 992
<i>Commonwealth Government Loans—</i>					
Housing for Servicemen	149	160	6	..	..
Housing(b)	26 220	22 220	24 220	25 220	20 436
Sewerage	1 743	1 389	350	..	..
King Island Harbour Works . . . . .	..	121	..	..	..
King Island Shipping Service	1 309	..	..	..	..
Softwood Forestry	769	901	1 429	..	985
Native Forestry Assistance—Tasmania . . . . .	..	..	..	..	137
Dairy Adjustment Program	216	1 486	498	81	..
Rural Adjustment Scheme . . . . .	..	..	..	105	600
Beef Industry Assistance . . . . .	..	100	42	..	..
Rural Reconstruction	600	375	145	27	..
Assistance for Mount Lyell Mining and Railway Co. Ltd . . . . .	..	..	..	3 383	1 400
Total Commonwealth Government Loans	31 006	26 752	26 690	28 815	23 558
TOTAL ADVANCES	85 958	87 495	90 492	95 807	90 550
REPAYMENTS OF ADVANCES					
<i>Sinking Fund Payments on Loan Council Borrowings(c)</i>	8 967	9 121	8 953	9 810	10 767
<i>Repayments of Commonwealth Government Loans—</i>					
Housing for Servicemen	2	2	3	3	3
Housing	771	946	1 108	1 289	1 430
Sewerage . . . . .	..	1	12	20	24
Railway Projects	83	..	..	..	..
King Island Harbour Works	37	37	45	45	45
King Island Shipping Service	44	87	87	87	87
Hydro-electricity . . . . .	..	2 989	2 989	2 989	2 989
Softwood Forestry . . . . .	..	..	..	..	21
Dairy Adjustment Program	3	20	153	176	182
Beef Industry Assistance . . . . .	..	..	..	..	24
Rural Reconstruction . . . . .	..	18	111	104	96
Natural Disaster Relief	320	320	178	320	320
Total Repayments of Commonwealth Government Loans	1 260	4 420	4 686	5 033	5 221
TOTAL SINKING FUND PAYMENTS AND REPAYMENTS OF LOANS	10 227	13 541	13 639	14 843	15 988

Table 111—Tasmania—Advances, Debt Charges on Advances and Net Advances, 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
NET ADVANCES(d) (Advances Less Repayments)					
Loan Council Borrowings	45 985	51 622	54 849	57 182	56 225
Commonwealth Government Loans	29 746	22 332	22 004	23 782	18 336
TOTAL NET ADVANCES	75 731	73 954	76 853	80 964	74 561
INTEREST ON ADVANCES					
<i>Interest on Loan Council Borrowings(e)</i>	46 892	46 678	55 795	63 781	69 386
<i>Interest on Commonwealth Government Loans—</i>					
Housing for Servicemen	22	36	52	52	52
Housing	4 851	5 874	6 812	7 773	8 572
Sewerage	6	110	264	328	340
Railway Projects	139	..	..	..	..
King Island Harbour Works	33	31	40	37	34
King Island Shipping Service	59	118	110	102	93
Hydro-electricity	1 311	1 264	1 077	890	702
Softwood Forestry . . . . .	..	..	..	..	15
Dairy Adjustment Program	2	6	8	21	20
Rural Adjustment Scheme . . . . .	..	..	..	..	8
Rural Reconstruction	136	169	195	203	163
Total Interest on Commonwealth Govern- ment Loans	6 559	7 608	8 558	9 406	9 999
TOTAL INTEREST ON LOAN COUN- CIL BORROWINGS AND COM- MONWEALTH GOVERNMENT LOANS	53 451	54 286	64 353	73 187	79 385

(a), (b), (c), (d) and (e) see corresponding footnotes to Table 105.

Table 112—Total Commonwealth Government Loans to the States and Loan Council Borrowings—Net Basis, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1974-75	382 314	306 720	179 835	167 001	113 299	75 731	1 224 901
1975-76	450 619	355 203	189 734	186 545	116 386	73 954	1 372 441
1976-77	404 950	327 674	177 381	174 594	116 608	76 853	1 278 061
1977-78	390 098	314 272	156 430	192 017	127 124	80 964	1 260 904
1978-79 (estimate)	363 127	286 004	137 466	164 003	105 950	74 561	1 131 111

Table 113—Total Commonwealth Government Payments to the States and Loan Council Borrowings—Net Basis, 1974-75 to 1978-79 (estimate) (\$ thousands)

	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania	Total
1974-75	2 015 779	1 570 194	1 036 526	759 194	660 322	327 639	6 369 654
1975-76	2 703 189	2 097 961	1 322 278	950 697	879 590	402 881	8 356 596
1976-77	2 862 151	2 211 091	1 466 059	1 008 194	960 267	417 800	8 925 562
1977-78	3 204 244	2 439 622	1 624 759	1 152 141	1 099 862	464 549	9 985 177
1978-79 (estimate)	3 385 953	2 575 177	1 692 886	1 189 178	1 164 352	485 905	10 493 451

**APPENDIX V—COMMONWEALTH PAYMENTS TO OR FOR THE STATES
AND STATE GOVERNMENT LOAN COUNCIL BORROWINGS,
1974-75 TO 1978-79**

TABLE NO.

- 114 Six States Combined.
- 115 New South Wales.
- 116 Victoria.
- 117 Queensland.
- 118 South Australia.
- 119 Western Australia.
- 120 Tasmania.

Table 114—Six States Total—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Sharing Entitlements(c)	2 373 811	3 072 780	3 695 594	4 336 250	4 777 000
Adjustments for Previous Year				-19 609	
Special Grants	64 684	38 800	27 000	24 800	21 700
Special Revenue Assistance	75 000				
Total	2 513 495	3 111 580	3 722 594	4 341 441	4 798 700
GENERAL PURPOSE CAPITAL FUNDS(d)					
Loan Council Borrowings	741 541	860 667	904 000	955 867	955 867
Capital Grants(e)	345 878	430 333	452 000	477 930	477 936
Total	1 087 419	1 291 000	1 356 000	1 433 797	1 433 803
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt(f)	15 287	15 170	15 170	15 170	15 170
Sinking Fund on State Debt	30 805	30 200	31 635	33 747	35 959
Debt Charges Assistance	57 520				
South Australia and Tasmania Railway Sinking Fund Reimbursement		1 968			
State Emergency Services	325	747	1 028	1 250	1 390
Assistance for Exmouth Shire		150	171	112	353
Universities	377 990	426 389	511 556	574 465	572 400
Colleges of Advanced Education	239 249	286 766	368 894	395 501	404 600
Technical and Further Education	24 622	40 127	44 194	45 600	57 800
Schools	234 579	331 885	421 758	455 622	470 221
Education—Allowance for Cost Escalation					41 000
Child Migrant and Refugee Education	9 845	7 371	140	278	785
Educational Research	786	1 062	1 012	809	920
Public Hospital Running Costs		869 679	630 171	945 682	1 057 000
Community Health	16 190	35 618	50 432	56 874	45 420
Tuberculosis Control	13 570	11 335	6 659	2 332	
School Dental Scheme	6 221	10 561	14 733	15 447	13 860
Health Education	834	695	675	742	905
Blood Transfusion Services	2 428	3 905	4 492	4 924	5 571
Health Planning Agencies	435	500	560	560	440
Home Dialysis Scheme	310	327	1 960	3	
Control of Australian Encephalitis	151	58	56	58	73
Home Care Services	3 100	5 668	6 891	9 138	10 400
Senior Citizens Centres	319	648	670	721	1 100
Paramedical Services	362	410	550	582	778
Assistance for Deserted Wives	6 932	9 721	13 347	20 083	23 000
Pre-Schools and Child Care	20 377	36 973	40 761	45 000	40 750
Employment Grants	40 003	30 000			
Regional Employment Development Scheme	8 463	15 047			
1972-74 Employment Grants—Refunds of un-expended moneys			-174	-408	
Maryborough Employment Grants			1 000	3 000	3 000
Social Policy Planning Units	190	191			
Community Welfare Relief				50	
Ethnic Group Welfare Officers					110
Aboriginal Advancement	13 142	16 949	17 540	19 580	20 670
Housing	6 989	6 976	5 935	5 557	5 500
Area Improvement	1 132	1 436			

Table 114—Six States Total—Commonwealth Payments and Loan Council Borrowings(a), 1974–75 to 1978–79 (estimate) (\$ thousands)—continued

	1974–75	1975–76	1976–77	1977–78	1978–79 (estimate)
Sewerage	851	1 196	1 453	241	..
National Fitness Program	70	600	600	207	207
Perth Underground Railway Study	89	..	..	..	..
Tasman Bridge Disaster	456	1 400	1 715	730	..
Water Hyacinth Control . . . . .	..	..	35	50	..
Apple Export Assistance	2 114	910	338	55	500
Bovine Brucellosis and T.B. Eradication	6 823	8 496	14 467	16 749	25 499
Exotic Diseases Control Eradication . . . . .	..	..	120	..	1 371
Plant Pest Control Eradication . . . . .	..	..	..	156	391
Commonwealth Extension Services Grant	7 723	8 625	9 675	9 780	9 747
Agricultural Research	134	181	169	125	158
Trawl and Danish Seine Fishery	35	9	31	21	10
Locust Control	396	398	..	..	..
West Indian Dry Wood Termite . . . . .	..	9	..	..	..
Assistance for A.P.P.M. Ltd . . . . .	..	650	..	..	..
Coal Mining Industry—Long Service Leave	3 073	3 407	4 969	5 784	5 385
Apprenticeship Training	799	2 773	6 607	6 689	5 200
Education Program for Unemployed Youth . . . . .	..	..	500	1 466	3 000
Burdekin River Regional Study	34	..	..	..	..
Pilbara Feasibility Study	31	..	..	..	..
Legal Aid	1 481	1 000	1 000	80	..
Family Courts . . . . .	..	760	819	1 065	1 483
Road Safety Practices	150	150	150	150	150
Research Grants	7 324	6 000	11 171	10 155	11 893
Assistance for Local Government	56 345	79 908	140 000	165 328	179 427
Regional Organisations Assistance	312	138	..	..	..
Natural Disaster Relief	1 090	807	1 925	2 311	1 278
Total Specific Purpose Payments— Recurrent	1 221 486	2 315 949	2 387 561	2 873 621	3 074 871

Table 114—Six States Total—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	26 805	34 170	35 114	22 519	11 600
Universities	65 990	48 827	56 958	52 392	55 900
Colleges of Advanced Education	109 916	86 753	77 555	54 006	57 475
Technical and Further Education	20 375	24 600	33 708	46 425	67 200
Schools	199 368	143 631	147 766	183 457	181 885
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	4 000
Child Migrant and Refugee Education	1 478	1 670	39	..	..
Hospitals	30 306	107 150	106 960	44 540	..
Launceston General Hospital . . . . .	..	..	1 040	3 350	5 900
Nursing Homes	368	925	652	..	..
Community Health	13 692	13 767	14 114	10 411	5 880
Tuberculosis Control	131	241	125	..	..
School Dental Scheme	12 372	13 455	7 695	8 265	5 040
Blood Transfusion Services . . . . .	..	160	118	730	1 029
Disposal of Ships Garbage	85	76	7	2	..
High Security Quarantine Unit . . . . .	..	..	..	200	1 400
Senior Citizens Centres	1 197	3 561	3 997	3 946	4 000
Pensioner Housing	6 048	13 117	10 835	10 000	14 000
Pre-Schools and Child Care	17 123	11 797	11 375	8 000	1 320
Rehabilitation Centre—Hobart . . . . .	..	214	397	922	1 050
Aboriginal Advancement	23 906	22 054	16 863	12 474	13 475
Housing	385 400	364 600	375 000	390 000	316 000
Growth Centres	61 268	69 218	43 714	25 640	25 077
Area Improvement	12 644	13 560	618	..	..
Urban Flood Mitigation . . . . .	..	2 160	1 674	992	880
Land Acquisition	41 095	54 353	23 951	26 260	14 630
Woolloomooloo Redevelopment . . . . .	..	5 813	2 845	213	600
Air Quality Monitoring . . . . .	..	191	..	80	70
Captains Flat Project . . . . .	..	890	1 030	..	110
Sewerage	116 862	112 051	48 302	..	..
Community Facilities—Townsville	67	..	25	..	..
Leisure and Recreation	5 580	5 881	5 640	3 229	900
Nature Conservation . . . . .	..	1 268	2 082	352	604
National Estate	7 043	3 887	1 254	2 241	2 490
1982 Commonwealth Games Assistance . . . . .	..	..	..	..	2 500
Roads	362 787	433 513	433 788	477 912	508 000
Beef Cattle Roads	279	..	..	..	..
Second Hobart Bridge . . . . .	..	63	584	518	80
Railway Projects	1 060	4 960	810	34	..
Railway Mainline Upgrading . . . . .	..	..	..	..	3 000
Railways—Intersystem Passenger Vehicles	1 244	81	255	..	..
Urban Public Transport	45 029	33 898	58 403	51 000	42 000
King Island Harbour Works . . . . .	..	242	..	..	..
King Island Shipping Service	1 309	..	..	..	..
Newcastle Dry Dock	2 018	1 164	15	-305	..
Transport Planning and Research	5 480	8 761	8 058	8 924	6 420
Tasman Bridge Disaster	5 544	16 300	13 785	5 870	..
Urban Water Supply	4 400	8 931	9 175	6 000	4 457
Gladstone Power Station	32 449	39 000	26 422	191	..
Ross River Dam . . . . .	..	1 402	1 158	..	..
Julius Dam	2 000	..	..	325	..
Copeton Dam	132	..	..	..	..
King River Dam	20	..	-25	..	..
Glenlyon Dam	879	..	..	..	..
Dartmouth Dam	7 500	8 400	5 625	..	..
Fairbairn Dam	315	..	..	..	..
Blowering Reservoir	-198	..	..	..	..
Lower Dawson River Weirs	455	..	..	..	..
Clare Weir	100	349	2 551	..	..
Namoi River Weirs . . . . .	..	..	1 000	1 000	..

Table 114—Six States Total—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
Bundaberg Irrigation Works	2 000	2 500	11	1 500	..
Eton (Mackay) Irrigation	1 799	1 999	814	..	..
Ord River Project	348	111	12	20	96
Lock-Kimba Pipeline	835	305	..	..	..
Tallem Bend Pipeline	12	4	433	17	..
Millewa Pipeline	600	..	..	..	..
Water Resources Assessment	5 410	5 911	6 596	6 660	6 658
Salinity Reduction	11	..	-1	..	..
Flood Mitigation	2 437	1 966	77	1 236	62
Water Program—Unallocated Funds . . . . .	..	..	..	..	5 828
Softwood Forestry	7 124	7 937	7 934	360	9 215
Native Forestry Assistance—Tasmania . . . . .	..	..	..	..	137
Dairy Adjustment Program	8 936	18 716	6 337	1 015	140
Rural Adjustment Scheme . . . . .	..	..	9 588	40 243	48 700
Beef Industry Assistance . . . . .	..	11 298	3 478	33	..
Rural Reconstruction	28 781	30 000	19 938	2 932	..
Fruitgrowing Industry	1 077	392	1 189	679	28
Canned Fruit Industry . . . . .	..	2 457	..	..	..
Tourism Development	1 081	1 829	832	..	..
Assistance for Mount Lyell Mining and Railway Co. Ltd . . . . .	..	..	..	3 383	1 400
Soil Conservation	154	1 231	180	95	105
Brigalow Lands Development Scheme	651	2 296	1 909	..	..
Migrant Centres	180	..	..	..	..
Natural Disaster Relief	52 109	30 248	28 525	55 189	14 702
Total Specific Purposes Payments—Capital	1 745 466	1 836 304	1 680 909	1 575 479	1 446 040
TOTAL PAYMENTS(g)					
	5 826 324	7 694 166	8 243 064	9 268 471	9 797 547
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(h)	3 600 914	4 402 580	5 078 594	5 775 238	6 232 503
Specific Purpose	2 966 952	4 152 253	4 068 470	4 449 100	4 520 911
Total	6 567 865	8 554 833	9 147 064	10 224 338	10 753 414

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapter VI.

(b) Important qualifications attach to the 1978-79 estimates in some cases. See relevant sections of the text.

(c) Financial Assistance Grants up to 1975-76; Personal Income Tax Sharing Entitlements from 1976-77.

(d) See Chapter 3, under the heading "Treatment of Loan Council Programs in this and other Budget Papers".

(e) A short payment was made to Western Australia in 1977-78 which is to be adjusted in 1978-79.

(f) A short payment was made to South Australia in 1973-74 which was adjusted in 1974-75.

(g) 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 (d).

(h) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

Table 115—New South Wales—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Sharing Entitlements(c)	737 522	946 660	1 133 400	1 327 143	1 457 700
Adjustments for Previous Year	..	..	..	-7 534	..
Special Revenue Assistance	18 641	..	..	..	..
Total	756 163	946 660	1 133 400	1 319 609	1 457 700
GENERAL PURPOSE CAPITAL FUNDS(d)					
Loan Council Borrowings	226 996	274 114	287 915	308 978	308 978
Capital Grants	107 313	137 057	143 958	154 489	154 489
Total	334 309	411 171	431 873	463 467	463 467

Table 115—New South Wales—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments under Financial Agreement—					
Interest on State Debt	5 835	5 835	5 835	5 835	5 835
Sinking Fund on State Debt	10 079	9 900	10 506	11 168	11 901
Debt Charges Assistance	18 999	..	..	..	..
State Emergency Services	188	298	355	455	478
Universities	149 997	168 831	199 633	222 895	222 700
Colleges of Advanced Education	62 122	69 089	90 831	98 303	103 700
Technical and Further Education	10 333	17 652	16 714	19 184	21 300
Schools	84 749	125 395	151 153	171 540	175 275
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	14 200
Child Migrant and Refugee Education	3 890	2 720	67	165	330
Educational Research	151	253	259	184	203
Public Hospital Running Costs . . . . .	..	317 177	234 399	346 437	395 800
Community Health	9 371	19 284	25 606	27 118	19 154
Tuberculosis Control	3 923	3 030	390	1 626	..
School Dental Scheme	979	1 845	3 589	2 911	2 360
Health Education	284	222	212	225	272
Blood Transfusion Services	590	1 357	1 471	1 495	1 752
Health Planning Agencies	116	200	230	166	100
Home Dialysis Scheme	75	187	801	..	..
Control of Australian Encephalitis	16	3	8	6	8
Home Care Services	611	717	1 567	1 933	2 200
Senior Citizens Centres	226	369	253	226	345
Assistance for Deserted Wives	1 879	2 344	3 837	6 376	7 600
Pre-Schools and Child Care	5 417	9 030	8 532	9 815	9 550
Employment Grants	15 100	11 700	..	..	..
Regional Employment Development Scheme . . . . .	..	207	..	..	..
1972-74 Employment Grants—Refunds of Un- expended Moneys . . . . .	..	..	..	-408	..
Social Policy Planning Units	20	45	..	..	..
Ethnic Group Welfare Officers . . . . .	..	..	..	..	33
Aboriginal Advancement	2 316	2 861	2 683	3 014	2 918
Housing	2 292	2 292	1 848	1 848	1 848
Area Improvement	389	537	..	..	..
Sewerage	113	487	189	..	..
National Fitness Program	9	117	117	45	45
Water Hyacinth Control . . . . .	..	..	35	50	..
Bovine Brucellosis and T.B. Eradication	2 012	2 186	3 545	4 535	5 509
Exotic Diseases Eradication . . . . .	..	..	..	..	1
Plant Pest Control/Eradication . . . . .	..	..	..	156	84
Commonwealth Extension Services Grant	2 145	2 359	2 578	2 592	2 592
Agricultural Research	82	81	69	82	84
Trawl and Danish Seine Fishery	35	9	31	21	10
Locust Control . . . . .	..	377	..	..	..
Coal Mining Industry—Long Service Leave	2 478	2 779	3 936	4 759	4 250
Apprenticeship Training	161	757	1 822	2 099	1 600
Education Programme for Unemployed Youth . . . . .	..	..	170	376	750
Legal Aid	404	331	331	..	..
Road Safety Practices	37	37	37	37	37
Research Grants	2 584	2 340	4 086	3 867	4 542
Assistance for Local Government	21 359	29 257	51 289	60 341	65 487
Regional Organisations Assistance	100	44	..	..	..
Natural Disaster Relief	622	637	1 233	1 237	33
Total Specific Purpose Payments— Recurrent	422 088	815 178	830 247	1 012 715	1 084 885

Table 115—New South Wales—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	16 350	18 005	15 280	7 947	5 423
Universities	22 526	21 754	17 552	17 909	23 300
Colleges of Advanced Education	41 197	23 716	27 200	11 886	15 500
Technical and Further Education	5 859	8 919	12 262	15 161	22 100
Schools	71 707	45 886	48 683	57 952	61 259
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	1 300
Child Migrant and Refugee Education	475	405	2	..	..
Hospitals	8 830	37 700	36 000	15 810	..
Nursing Homes	108	..	..	..	..
Community Health	4 916	5 146	3 328	3 319	1 321
Tuberculosis Control	34	2	15	..	..
School Dental Scheme	3 214	2 115	2 191	1 069	1 450
Blood Transfusion Services . . . . .	..	34	15	102	158
Senior Citizens Centres	349	964	891	1 064	892
Pensioner Housing	3 000	6 858	2 352	4 070	5 695
Pre-Schools and Child Care	4 819	3 165	6 592	3 678	965
Aboriginal Advancement	5 475	5 322	3 493	2 654	2 791
Housing	123 411	123 411	123 411	128 011	103 721
Growth Centres	30 204	44 213	26 596	15 342	16 326
Area Improvement	5 111	5 574	120	..	..
Land Acquisition	820	11 746	3 817	4 287	2 145
Woolloomooloo Redevelopment . . . . .	..	5 813	2 845	213	607
Air Quality Monitoring . . . . .	..	33	..	..	30
Captains Flat Project . . . . .	..	890	1 030	..	110
Sewerage	42 000	42 800	19 700	..	..
Leisure and Recreation	1 217	1 762	1 208	570	300
Nature Conservation . . . . .	..	445	362	..	238
National Estate	1 612	946	..	373	415
Water Program—Unallocated Funds . . . . .	..	..	..	..	2 265
Roads	114 006	133 504	135 489	155 611	164 485
Railway Mainline Upgrading . . . . .	..	..	..	..	2 700
Railways—Intersystem Passenger Vehicles	580	10	384	..	..
Urban Public Transport	14 764	5 694	24 596	20 395	14 250
Newcastle Dry Dock	2 018	1 164	15	-305	..
Transport Planning and Research	1 885	2 728	2 672	3 495	2 484
Copeton Dam	132	..	..	..	..
Glenlyon Dam	439	..	..	..	..
Dartmouth Dam	2 500	2 800	1 875	..	..
Blowering Reservoir	-198	..	..	..	..
Namoi River Weirs . . . . .	..	..	1 000	1 000	..
Water Resources Assessment	1 467	1 499	1 630	1 630	1 630
Flood Mitigation	2 317	1 966	..	1 000	..
Softwood Forestry	2 100	2 456	2 497	374	3 600
Dairy Adjustment Program	1 000	665	338	..	..
Rural Adjustment Scheme . . . . .	..	..	1 700	7 660	11 903
Beef Industry Assistance . . . . .	..	2 892	730	..	..
Rural Reconstruction	12 000	7 250	5 300	2 190	..
Fruitgrowing Industry . . . . .	..	..	41	..	..
Canned Fruit Industry . . . . .	..	338	..	..	..
Tourism Development	228	543	74	..	..
Soil Conservation . . . . .	..	..	..	..	40
Natural Disaster Relief	15 822	13 268	11 496	8 430	505
Total Specific Purpose Payments—Capital	564 295	594 400	544 781	492 897	469 934

Table 115—New South Wales—Commonwealth Payments and Loan Council Borrowings(a), 1974–75 to 1978–79 (estimate) (\$ thousands)—continued

	1974–75	1975–76	1976–77	1977–78	1978–79 (estimate) (b)
TOTAL PAYMENTS(e)					
	1 849 859	2 493 296	2 652 386	2 979 711	3 167 008
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	1 090 472	1 357 831	1 565 273	1 783 076	1 921 167
Specific Purpose	986 383	1 409 579	1 375 028	1 505 612	1 554 819
Total	2 076 855	2 767 410	2 940 301	3 288 689	3 475 986

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapters 5 and 6.

(b) Important qualifications attach to the 1978–79 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975–76; personal income tax sharing entitlements from 1976–77.

(d) See Chapter 3, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.

(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 (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

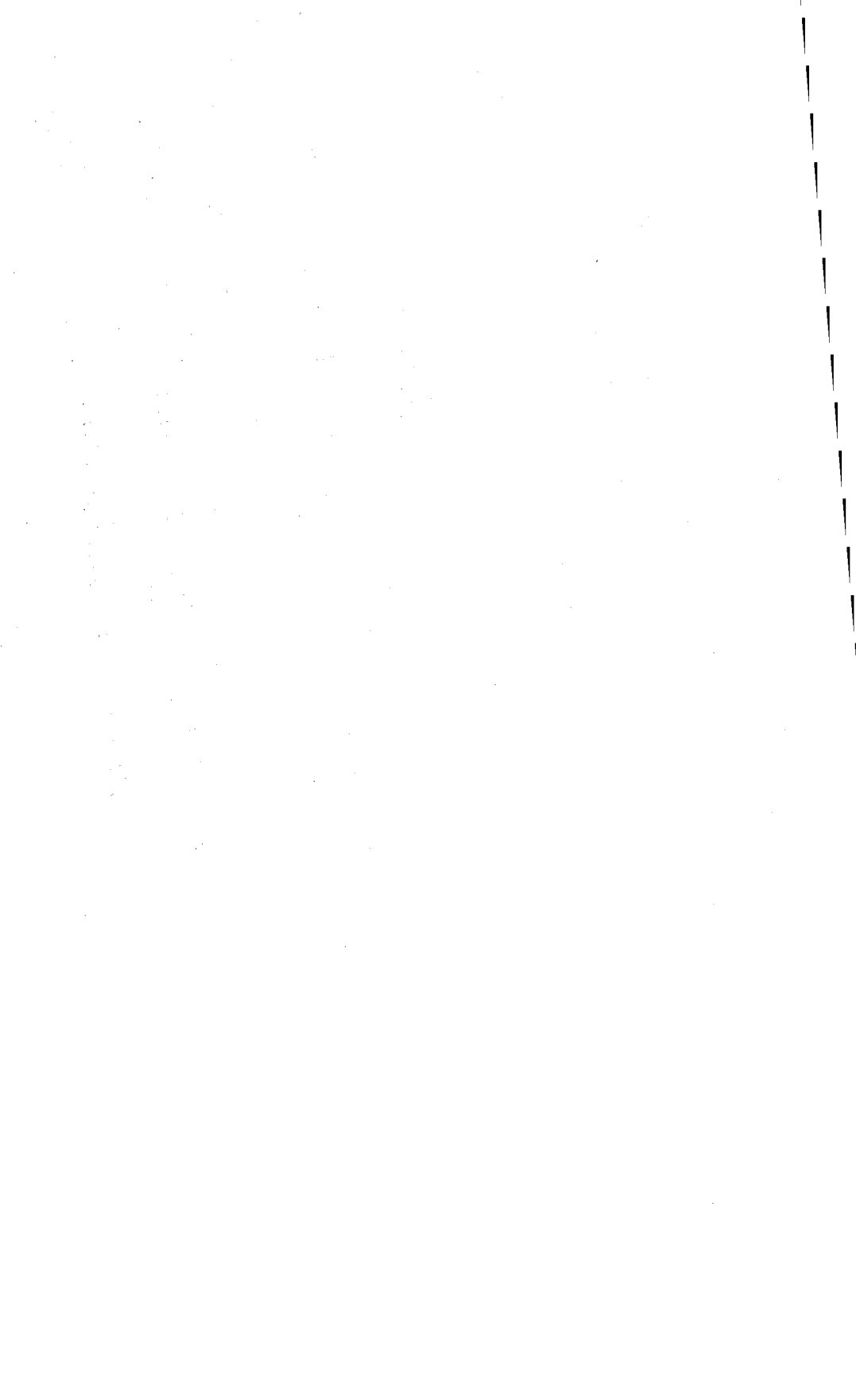


Table 116—Victoria—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income Tax					
Sharing Entitlements(c)	548 405	706 389	841 700	985 667	1 090 200
Adjustments for Previous Year	..	..	..	-976	..
Special Revenue Assistance	13 861	..	..	..	..
Total	562 266	706 389	841 700	984 690	1 090 200
GENERAL PURPOSE CAPITAL FUNDS(d)					
Loan Council Borrowings	184 809	217 744	228 706	240 142	240 142
Capital Grants	87 370	108 871	114 354	120 071	120 071
Total	272 179	326 615	343 060	360 213	360 213
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	4 254	4 254	4 254	4 254	4 254
Sinking Fund on State Debt	7 525	7 500	8 003	8 540	9 099
Debt Charges Assistance	13 914	..	..	..	..
State Emergency Services	..	119	260	303	333
Universities	99 798	110 717	134 763	153 092	153 700
Colleges of Advanced Education	86 119	111 307	135 960	141 522	143 500
Technical and Further Education	6 794	9 653	13 866	11 163	15 800
Schools	72 113	100 354	134 939	138 250	146 231
Education—Allowance for Cost Escalation	..	..	..	..	12 500
Child Migrant and Refugee Education	4 482	3 559	46	41	290
Educational Research	227	431	314	240	276
Public Hospital Running Costs	..	229 570	149 903	228 557	259 200
Community Health	2 883	7 712	11 355	14 239	11 691
Tuberculosis Control	4 128	4 604	3 277	..	..
School Dental Scheme	916	1 351	1 891	2 121	2 340
Health Education	174	160	151	162	196
Blood Transfusion Services	642	1 009	1 303	1 376	1 597
Health Planning Agencies	52	20	24	24	75
Home Dialysis Scheme	140	29	760	3	..
Control of Australian Encephalitis	120	55	34	43	40
Home Care Services	441	2 178	2 018	2 520	2 868
Senior Citizens Centres	51	222	293	328	500
Paramedical Services	242	233	263	283	353
Assistance for Deserted Wives	1 256	2 016	2 824	4 003	4 600
Pre-Schools and Child Care	6 660	11 452	12 722	14 001	11 635
Employment Grants	11 200	8 200	..	..	..
Regional Employment Development Scheme	4 292	5 404	..	..	..
1972-74 Employment Grants—Refunds of Un- expended Moneys	..	..	-174	..	..
Social Policy Planning Units	20	22	..	..	..
Community Welfare Relief	..	..	..	50	..
Ethnic Group Welfare Officers	..	..	..	..	33
Aboriginal Advancement	495	876	1 254	1 409	1 380
Housing	1 679	1 679	1 347	1 347	1 347
Area Improvement	268	557	..	..	..
Sewerage	243	164	664	100	..
National Fitness Program	29	117	117	42	42
Apple Export Assistance	..	65	8	16	29

Table 116—Victoria—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
Bovine Brucellosis and T.B. Eradication	2 064	2 459	4 938	5 858	7 832
Exotic Diseases Control/Eradication . . . . .	..	..	120	..	100
Commonwealth Extension Services Grant	1 877	2 022	2 291	2 341	2 307
Agricultural Research	22	63	58	22	43
Locust Control	44	..	..	..	..
Apprenticeship Training	227	852	2 804	2 123	1 649
Education Program for Unemployed Youth . . . . .	..	..	127	272	680
Legal Aid	408	276	286	80	..
Road Safety Practices	30	30	30	30	30
Research Grants	1 821	1 553	3 014	2 470	2 902
Assistance for Local Government	14 630	20 242	35 398	42 078	45 666
Regional Organisations Assistance	76	29	..	..	..
Natural Disaster Relief	355	35	452	99	..
Total Specific Purpose Payments— Recurrent	352 710	653 151	671 958	783 402	845 109
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	4 192	6 082	4 191	753	948
Universities	17 330	9 516	10 459	11 842	11 400
Colleges of Advanced Education	32 452	34 313	25 971	18 968	19 279
Technical and Further Education	6 585	7 376	9 333	12 728	17 300
Schools	58 652	49 285	45 056	51 274	49 013
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	1 100
Child Migrant and Refugee Education	709	943	5	..	..
Hospitals	7 330	27 280	27 000	11 800	..
Nursing Homes	112	..	..	..	..
Community Health	2 093	3 151	3 660	3 430	2 677
Tuberculosis Control	10	2	..	..	..
School Dental Scheme	3 181	2 044	1 711	1 740	1 600
Blood Transfusion Services . . . . .	..	75	53	513	733
Disposal of Ships Garbage	15	29	..	..	..
High Security Quarantine Unit . . . . .	..	..	..	200	1 400
Senior Citizens Centres	150	1 292	1 571	1 616	1 536
Pensioner Housing	1 343	2 827	3 419	2 530	3 383
Pre-Schools and Child Care	2 637	1 345	4 160	4 202	295
Aboriginal Advancement	1 635	482	682	400	237
Housing	98 159	98 159	98 159	101 759	82 451
Growth Centres	24 844	22 521	16 093	9 140	7 546
Area Improvement	4 340	4 339	28	..	..
Urban Flood Mitigation . . . . .	..	100	100	..	..
Land Acquisition	9 003	15 639	4 926	5 340	3 211
Air Quality Monitoring . . . . .	..	33	..	..	..
Sewerage	38 587	35 400	17 100	..	..
Leisure and Recreation	810	1 560	972	450	140
Nature Conservation . . . . .	..	35	360	..	250
National Estate	1 471	550	591	370	415
Roads	74 710	89 080	91 100	98 900	105 771
Railway Mainline Upgrading . . . . .	..	..	..	..	300
Urban Public Transport	18 867	9 332	15 885	9 830	12 100
Transport Planning and Research	1 241	3 106	2 193	2 411	1 714

Table 116—Victoria—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
King River Dam	20	..	-25	..	..
Dartmouth Dam	2 500	2 800	1 875	..	..
Millewa Pipeline	600	..	..	..	..
Water Resources Assessment	850	891	1 136	1 136	1 136
Salinity Reduction	11	..	-1	..	..
Water Program—Unallocated Funds . . . . .	..	..	..	..	550
Softwood Forestry	889	900	1 686	73	1 628
Dairy Adjustment Program	5 543	10 065	4 208	604	67
Rural Adjustment Scheme . . . . .	..	..	3 483	11 522	11 100
Beef Industry Assistance . . . . .	..	1 164	349	..	..
Rural Reconstruction	6 634	6 700	3 800	24	..
Fruitgrowing Industry	71	102	774	223	..
Canned Fruit Industry . . . . .	..	1 706	..	..	..
Tourism Development	236	511	59	..	..
Soil Conservation	129	467	64	..	30
Natural Disaster Relief	9 452	6 215	2 428	1 813	..
Total Specific Purpose Payments—Capital	437 394	457 417	404 616	365 591	339 315
TOTAL PAYMENTS(e)					
	1 439 740	1 925 827	2 032 627	2 253 754	2 394 695
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	834 445	1 033 004	1 184 760	1 344 903	1 450 413
Specific Purpose	790 104	1 110 567	1 076 573	1 148 993	1 184 424
TOTAL	1 624 549	2 143 571	2 261 333	2 493 896	2 634 837

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapters 5 and 6.

(b) Important qualifications attach to the 1978-79 estimates in some cases. See relevant sections of the text

(c) Financial assistance grants up to 1975-76; personal income tax sharing entitlements from 1976-77.

(d) See Chapter 3, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.

(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 (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

Table 117—Queensland—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income Tax					
Sharing Entitlements(c)	414 446	536 792	660 200	777 608	844 900
Adjustments for Previous Year	..	..	..	-7 069	..
Special Grants	24 750	36 300	27 000	24 800	21 700
Special Revenue Assistance	10 475	..	..	..	..
Total	449 671	573 092	687 200	795 339	866 600
GENERAL PURPOSE CAPITAL FUNDS(d)					
Loan Council Borrowings	107 455	114 919	120 705	126 740	126 740
Capital Grants	46 112	57 459	60 352	63 370	63 370
Total	153 567	172 378	181 057	190 110	190 110
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	2 192	2 192	2 192	2 192	2 192
Sinking Fund on State Debt	4 012	3 900	4 165	4 447	4 739
Debt Charges Assistance	7 627	..	..	..	..
State Emergency Services	114	269	302	379	377
Universities	49 876	57 185	69 427	77 883	77 200
Colleges of Advanced Education	27 230	33 999	48 962	56 616	58 000
Technical and Further Education	2 262	4 643	4 538	4 885	6 700
Schools	35 604	46 162	56 058	59 853	59 687
Education—Allowance for Cost Escalation	..	..	..	..	5 500
Child Migrant and Refugee Education	255	195	2	15	55
Educational Research	296	190	216	166	205
Public Hospital Running Costs	..	102 820	82 883	126 960	136 700
Community Health	1 891	3 643	4 797	5 190	5 550
Tuberculosis Control	2 979	1 822	1 253	667	..
School Dental Scheme	629	998	2 026	2 027	2 360
Health Education	118	132	116	138	170
Blood Transfusion Services	416	547	680	736	774
Health Planning Agencies	53	70	84	100	75
Home Dialysis Scheme	30	48	169	..	..
Home Care Services	1 245	1 693	1 990	2 744	3 123
Senior Citizens Centres	11	..	37	45	69
Assistance for Deserted Wives	1 179	1 935	2 508	3 888	4 450
Pre-Schools and Child Care	1 734	5 356	6 970	7 267	7 035
Employment Grants	5 600	5 000	..	..	..
Regional Employment Development Scheme	1 916	2 781	..	..	..
Maryborough Employment Grants	..	..	1 000	3 000	3 000
Social Policy Planning Units	20	..	..	..	..
Ethnic Group Welfare Officers	..	..	..	..	11
Aboriginal Advancement	1 700	2 952	3 314	3 480	4 089
Housing	766	753	858	480	423
Area Improvement	159	177	..	..	..
Sewerage	60	251	99	2	..
National Fitness Program	6	94	94	34	34
Apple Export Assistance	8	14	..	..	5
Bovine Brucellosis and T.B. Eradication	1 661	2 190	3 266	4 180	8 465
Exotic Diseases Control Eradication	..	..	..	..	895
Commonwealth Extension Services Grant	1 583	1 826	2 097	2 113	2 112
Agricultural Research	14	17	16	5	11

Table 117—Queensland—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
Locust Control	349	21	..	..	..
West Indian Dry Wood Termite . . . . .	..	9	..	..	..
Coal Mining Industry—Long Service Leave	429	454	780	730	800
Apprenticeship Training	212	471	750	971	850
Education Program for Unemployed Youth . . . . .	..	..	83	437	600
Burdekin River Regional Study	34	..	..	..	..
Legal Aid	161	131	131	..	..
Road Safety Practices	28	28	28	28	28
Research Grants	853	706	1 258	1 080	1 261
Assistance for Local Government	8 954	13 808	24 222	27 875	30 252
Natural Disaster Relief	113	52	45	231	913
Total Specific Purpose Payments— Recurrent	164 379	299 534	327 417	400 846	428 711
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	5 200	7 500	12 300	12 500	5 211
Universities	9 821	6 453	11 637	7 335	6 800
Colleges of Advanced Education	13 438	9 181	14 630	7 899	9 800
Technical and Further Education	4 073	3 334	4 439	8 735	13 700
Schools	27 970	22 363	28 090	34 264	32 324
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	700
Child Migrant and Refugee Education	106	11	..	..	..
Hospitals	5 084	15 280	17 000	7 130	..
Nursing Homes	148	925	652	..	..
Community Health	1 282	1 778	2 805	1 770	366
Tuberculosis Control	56	203	110	..	..
School Dental Scheme	2 352	5 299	1 896	2 841	1 060
Blood Transfusion Services . . . . .	..	29	6	37	36
Disposal of Ships Garbage	18	..	..	..	..
Senior Citizens Centres	153	392	916	439	880
Pensioner Housing	1 314	1 133	2 023	1 490	2 050
Pre-Schools and Child Care	3 806	2 584	314	..	..
Aboriginal Advancement	8 660	7 204	4 396	2 825	2 953
Housing	43 810	31 010	37 410	39 810	32 257
Area Improvement	2 341	2 315	468	..	..
Urban Flood Mitigation . . . . .	..	2 060	1 574	992	880
Air Quality Monitoring . . . . .	..	33	..	40	..
Sewerage	12 854	13 767	1 000	..	..
Community Facilities—Townsville	67	..	25	..	..
Leisure and Recreation	766	1 060	590	202	40
Nature Conservation . . . . .	..	88	400	200	..
National Estate	791	567	183	310	415
1982 Commonwealth Games Assistance . . . . .	..	..	..	..	2 500
Roads	74 810	88 980	90 700	100 000	106 947
Beef Cattle Roads	279	..	..	..	..
Urban Public Transport	2 126	8 985	11 380	15 648	8 360
Transport Planning and Research	562	1 070	1 184	1 381	953

Table 117—Queensland—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
Gladstone Power Station	32 449	39 000	26 422	191	..
Ross River Dam . . . . .	..	1 402	1 158	..	..
Julius Dam	2 000	..	..	325	..
Glenlyon Dam	439	..	..	..	..
Fairbairn Dam	315	..	..	..	..
Lower Dawson River Weirs	455	..	..	..	..
Clare Weir	100	349	2 551	..	..
Bundaberg Irrigation Works	2 000	2 500	11	1 500	..
Eton (Mackay) Irrigation	1 799	1 999	814	..	..
Water Resources Assessment	878	932	952	952	952
Flood Mitigation	120	..	77	236	62
Water Program—Unallocated Funds . . . . .	..	..	..	..	1 000
Softwood Forestry	2 340	2 250	1 547	..	1 480
Dairy Adjustment Program	1 008	3 702	877	43	..
Rural Adjustment Scheme . . . . .	..	..	3 605	9 480	11 100
Beef Industry Assistance . . . . .	..	6 374	2 226	33	..
Rural Reconstruction	3 716	5 900	3 720	31	..
Fruitgrowing Industry	119	41	18	44	..
Tourism Development	188	140	147	..	..
Soil Conservation . . . . .	..	623	..	30	..
Brigalow Lands Development Scheme	651	2 296	1 909	..	..
Migrant Centres	163	..	..	..	..
Natural Disaster Relief	26 721	6 400	11 094	14 842	3 337
Total Specific Purpose Payments—Capital	297 349	307 512	303 256	273 556	246 198
TOTAL PAYMENTS(e)					
	957 511	1 237 597	1 378 225	1 533 111	1 604 878
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	603 238	745 470	868 257	985 449	1 056 710
Specific Purpose	461 728	607 046	630 673	674 402	674 908
Total	1 064 966	1 352 516	1 498 930	1 659 851	1 731 618

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapters 5 and 6.

(b) Important qualifications attach to the 1978-79 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; personal income tax sharing entitlements from 1976-77.

(d) See Chapter 3, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.

(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 (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

Table 118—South Australia—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income					
Tax Sharing Entitlements(c)	261 737	363 091	433 200	508 506	562 600
Adjustments for Previous Year	..	..	..	-745	..
Special Grants	39 934	2 500	..	..	..
Special Revenue Assistance	16 616	..	..	..	..
Total	318 287	365 591	433 200	507 761	562 600
GENERAL PURPOSE CAPITAL FUNDS(d)					
Loan Council Borrowings	99 261	112 950	118 637	124 569	124 569
Capital Grants	46 927	56 475	59 318	62 284	62 284
Total	146 188	169 425	177 955	186 853	186 853
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt (e)	1 525	1 408	1 408	1 408	1 408
Sinking Fund on State Debt	4 072	4 000	3 911	4 191	4 466
Debt Charges Assistance	7 478	..	..	..	..
Railway Sinking Fund Reimbursement	..	1 488	..	..	..
State Emergency Services	..	8	5	..	44
Universities	38 067	43 107	51 000	56 628	55 600
Colleges of Advanced Education	24 531	28 838	38 221	41 724	41 500
Technical and Further Education	2 639	3 770	4 502	4 737	6 200
Schools	19 017	27 452	35 038	38 566	38 465
Education—Allowance for Cost Escalation	..	..	..	..	3 900
Child Migrant and Refugee Education	810	514	22	16	55
Educational Research	58	116	139	135	145
Public Hospitals Running Costs	..	92 367	69 394	101 659	110 900
Community Health	820	1 976	3 720	3 655	3 462
Tuberculosis Control	1 114	685	498	39	..
School Dental Scheme	1 700	2 549	3 099	3 686	2 790
Health Education	88	69	66	75	90
Blood Transfusion Services	365	567	494	606	686
Health Planning Agencies	87	75	62	100	75
Home Dialysis Scheme	30	40	122	..	..
Control of Australian Encephalitis	15	..	14	9	10
Home Care Services	563	653	904	1 411	1 605
Senior Citizens Centres	16	30	31	66	101
Paramedical Services	112	167	272	284	404
Assistance for Deserted Wives	1 045	1 509	1 879	3 203	3 400
Pre-Schools and Child Care	3 233	5 025	5 601	6 184	5 165
Employment Grants	3 600	2 400	..	..	..
Regional Employment Development Scheme	1 113	3 294	..	..	..
Social Policy Planning Units	59	56	..	..	..
Ethnic Group Welfare Officers	..	..	..	..	11
Aboriginal Advancement	1 500	2 165	2 515	3 045	3 305
Housing	1 093	1 093	941	941	941
Area Improvement	44	51	..	..	..
Sewerage	256	136	84	63	..
National Fitness Program	8	94	94	32	32
Apple Export Assistance	..	..	1	..	..
Bovine Brucellosis and T.B. Eradication	350	637	1 604	1 201	2 655
Plant Pest Control/Eradiation	..	..	..	..	307
Commonwealth Extension Services Grant	856	944	1 068	1 077	1 082
Agricultural Research	16	20	26	16	8

Table 118—South Australia—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
Locust Control	4	..	..	..	..
Apprenticeship Training	93	159	313	345	250
Education Program for Unemployed Youth . . . . .	..	..	40	173	590
Legal Aid	273	89	84	..	..
Road Safety Practices	19	19	19	19	19
Research Grants	1 369	950	1 911	1 886	2 200
Assistance for Local Government	4 774	6 785	11 925	14 220	15 433
Regional Organisations Assistance	66	24	..	..	..
Natural Disaster Relief . . . . .	..	..	..	218	..
Total Specific Purpose Payments—Recurrent	122 878	235 330	241 026	291 615	307 303
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	130	1 725	2 107	1 317	..
Universities	7 320	3 421	6 427	6 634	6 400
Colleges of Advanced Education	12 579	6 886	4 276	8 457	5 400
Technical and Further Education	2 800	1 208	2 320	4 837	6 900
Schools	19 159	11 056	14 672	17 069	15 509
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	400
Child Migrant and Refugee Education	92	275	31	..	..
Hospitals	3 236	12 900	13 000	5 120	..
Community Health	1 597	1 864	980	630	220
Tuberculosis Control	31	30	..	..	..
School Dental Scheme	2 247	825	830	1 658	660
Blood Transfusion Services . . . . .	..	6	17	32	20
Senior Citizens Centres	363	566	212	342	212
Pensioner Housing	193	1 124	1 473	930	1 343
Pre-Schools and Child Care	2 773	1 498	160	31	60
Aboriginal Advancement	4 058	3 559	3 339	1 807	2 404
Housing	56 360	56 360	56 360	58 460	47 368
Growth Centres	5 819	1 504	980	1 088	1 205
Area Improvement	383	602	2	..	..
Land Acquisition	19 552	19 892	10 352	11 507	6 735
Air Quality Monitoring . . . . .	..	33	..	..	..
Sewerage	5 750	5 700	1 002	..	..
Leisure and Recreation/Culture	620	625	1 722	1 910	400
Nature Conservation . . . . .	..	579	300	..	..
National Estate	981	506	246	338	415
Roads	31 046	40 764	38 800	40 400	43 207
Railway Standardisation	909	4 960	700	..	..
Railways—Intersystem Passenger Vehicles	205	..	..	..	..
Urban Public Transport	6 084	6 757	4 420	3 790	4 200
Transport Planning and Research	973	719	939	698	469
Urban Water Supply	4 400	8 931	9 175	6 000	4 437
Dartmouth Dam	2 500	2 800	1 875	..	..
Lock-Kimba Pipeline	835	305	..	..	..
Tailem Bend Pipeline	12	4	433	17	..
Water Resources Assessment	413	468	732	727	727
Water Program—Unallocated Funds . . . . .	..	..	..	..	470
Softwood Forestry	341	566	..	-87	582
Dairy Adjustment Program	500	305	68	..	..
Rural Adjustment Scheme . . . . .	..	..	..	6 985	7 100
Beef Industry Assistance . . . . .	..	289	70	..	..
Rural Reconstruction	2 000	5 100	2 781	400	..
Fruitgrowing Industry	105	20	140	65	18
Canned Fruit Industry . . . . .	..	413	..	..	..
Tourism Development	172	177	311	..	..
Soil Conservation	25	42	33	30	..
Migrant Centres	17	..	..	..	..
Natural Disaster Relief	114	108	..	12 132	5 640
Total Specific Purpose Payments—Capital	196 695	205 471	181 285	193 322	162 422

Table 118—South Australia—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
TOTAL PAYMENTS(f)					
	684 787	862 867	914 829	1 054 982	1 094 607
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(g)	464 475	535 016	611 155	694 614	749 453
Specific Purpose	319 573	440 801	422 311	484 937	469 723
Total	784 048	975 817	1 033 466	1 179 551	1 219 176

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapters 5 and 6.

(b) Important qualifications attach to the 1978-79 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; personal income tax sharing entitlements from 1976-77.

(d) See Chapter 3, under the heading 'Treatment of Loan Council Programs in this and other Budget Papers'.

(e) A short payment was made to South Australia in 1973-74 which was adjusted in 1974-75.

(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 (d).

(g) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

Table 119—Western Australia—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income Tax					
Sharing Entitlements(c)	279 830	363 031	440 800	523 176	581 400
Adjustments for Previous Year	..	..	..	-3 285	..
Special Revenue Assistance	7 073	..	..	..	..
Total	286 903	363 031	440 800	519 891	581 400
GENERAL PURPOSE CAPITAL FUNDS(d)					
Loan Council Borrowings	68 068	80 197	84 235	88 446	88 446
Capital Grants(e)	32 179	40 099	42 117	44 220	44 226
Total	100 247	120 296	126 352	132 666	132 672
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	947	947	947	947	947
Sinking Fund on State Debt	2 976	2 800	2 981	3 175	3 383
Debt Charges Assistance	5 528	..	..	..	..
State Emergency Services	..	..	37	50	77
Assistance for Exmouth Shire	..	150	171	112	533
Universities	27 978	32 891	40 794	46 463	45 500
Colleges of Advanced Education	32 359	36 522	46 242	48 080	48 700
Technical and Further Education	2 168	3 322	3 607	4 521	5 900
Schools	17 184	23 194	33 520	35 292	37 878
Education—Allowance for Cost Escalation	..	..	..	..	3 800
Child Migrant and Refugee Education	229	233	2	41	55
Educational Research	33	59	70	75	79
Public Hospitals Running Costs	..	96 745	74 674	110 449	119 600
Community Health	697	1 738	2 916	4 366	3 707
Tuberculosis Control	992	647	648	..	..
School Dental Scheme	758	2 271	2 654	3 018	2 720
Health Education	106	88	85	92	111
Blood Transfusion Services	358	330	436	588	622
Health Planning Agencies	127	110	120	135	85
Home Dialysis Scheme	30	23	73	..	..
Control of Australian Encephalitis	..	..	..	..	15
Home Care Services	116	87	57	56	64
Senior Citizens Centres	15	27	56	56	85
Assistance for Deserted Wives	1 152	1 459	1 700	1 848	2 050
Pre-Schools and Child Care	2 316	4 390	4 930	5 662	5 700
Employment Grants	3 400	2 000	..	..	..
Regional Employment Development Scheme	608	1 840	..	..	..
Social Policy Planning Units	40	36	..	..	..
Ethnic Group Welfare Officers	..	..	..	..	11
Aboriginal Advancement	7 096	8 034	7 702	8 564	8 934
Housing	771	771	627	627	627
Area Improvement	272	113	..	..	..
Sewerage	155	155	228	76	..
National Fitness Program	10	94	94	30	30
Perth Underground Railway Study	89	..	..	..	..
Apple Export Assistance	516	259	100	..	128
Bovine Brucellosis and T.B. Eradication	498	601	898	854	955
Exotic Diseases Control/Eradication	..	..	..	..	375
Commonwealth Extension Services Grant	843	958	1 082	1 094	1 090
Agricultural Research	..	..	..	..	8
Coal Mining Industry—Long Service Leave	161	167	241	268	300
Apprenticeship Training	65	455	731	943	790

Table 119—Western Australia—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
Education Program for Unemployed Youth . . . . .	..	..	40	52	80
Pilbara Feasibility Study	31	..	..	..	..
Legal Aid	164	124	140	..	..
Family Courts . . . . .	..	760	819	1 065	1 483
Road Safety Practices	25	25	25	25	25
Research Grants	470	320	665	687	797
Assistance for Local Government	4 959	7 524	13 162	15 524	16 848
Regional Organisations Assistance	46	32	..	..	..
Natural Disaster Relief . . . . .	..	83	195	526	332
Total Specific Purpose Payments—Recurrent	116 289	232 385	243 468	295 359	314 243
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	784	698	1 230	2	18
Universities	7 714	5 094	9 822	7 664	7 100
Colleges of Advanced Education	7 281	7 344	5 074	5 198	4 700
Technical and Further Education	587	2 876	3 690	2 993	6 100
Schools	15 789	10 564	6 999	16 713	19 785
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	400
Child Migrant and Refugee Education	89	-9	..	..	..
Hospitals	4 326	11 900	12 000	4 380	..
Community Health	3 306	1 139	2 780	964	1 143
School Dental Scheme	1 309	2 855	935	831	10
Blood Transfusion Services . . . . .	..	12	23	43	73
Disposal of Ships Garbage	52	47	6	2	..
Senior Citizens Centres	28	344	407	348	400
Pensioner Housing	198	614	1 288	700	1 086
Pre-Schools and Child Care	1 911	1 441	144	89	..
Aboriginal Advancement	3 874	5 272	4 765	4 614	4 970
Housing	37 440	33 440	35 440	36 740	29 767
Growth Centres . . . . .	..	474	..	..	..
Area Improvement	469	730	..	..	..
Land Acquisition	11 720	7 076	4 606	5 026	2 546
Air Quality Monitoring . . . . .	..	33	..	..	40
Sewerage	15 450	12 400	9 000	..	..
Leisure and Recreation	1 728	445	667	97	..
Nature Conservation . . . . .	..	35	250	..	..
National Estate	1 156	523	215	425	415
Roads	49 815	61 285	57 199	61 301	64 382
Railway Standardisation	151	..	110	34	..
Railways—Intersystem Passenger Vehicles	459	71	-129	..	..
Urban Public Transport	2 829	750	1 869	605	2 090
Transport Planning and Research	634	940	854	744	597

Table 119—Western Australia—Commonwealth Payments and Loan Council Borrowings(a), 1974–75 to 1978–79 (estimate) (\$ thousands)—continued

	1974–75	1975–76	1976–77	1977–78	1978–79 (estimate) (b)
Ord River Project	348	111	12	20	96
Water Resources Assessment	1 667	1 981	2 000	2 000	2 000
Water Program—Unallocated Funds . . . . .	..	..	..	..	793
Softwood Forestry	685	864	776	..	1 020
Dairy Adjustment Program	635	2 327	291	275	..
Rural Adjustment Scheme . . . . .	..	..	800	4 473	6 800
Beef Industry Assistance . . . . .	..	479	61	..	..
Rural Reconstruction	3 631	4 550	4 144	252	..
Fruitgrowing Industry	32	29	16	237	3
Tourism Development	46	313	50	..	..
Soil Conservation . . . . .	..	74	73	..	35
Natural Disaster Relief . . . . .	..	4 264	3 507	17 972	5 220
Total Specific Purpose Payments—Capital	176 143	183 385	170 975	175 043	161 589
TOTAL PAYMENTS(f)					
	611 514	818 900	897 360	1 034 514	1 101 458
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(g)	387 150	483 327	567 152	652 557	714 072
Specific Purpose	292 432	415 770	414 443	470 403	475 832
Total	679 582	899 097	981 595	1 122 960	1 189 904

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapters 5 and 6.

(b) Important qualifications attach to the 1978–79 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975–76; personal income tax sharing entitlements from 1976–77.

(d) See Chapter 3, under the heading ‘Treatment of Loan Council Programs in this and other Budget Papers’.

(e) Western Australia was underpaid by \$3000 in 1977–78 and this is being adjusted in 1978–79.

(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 (d).

(g) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).

Table 120—Tasmania—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
GENERAL REVENUE FUNDS					
Financial Assistance Grants/Personal Income Tax					
Sharing Entitlements(c)	131 871	156 816	186 294	214 150	240 200
Special Revenue Assistance	8 333	..	..	..	..
Total	140 204	156 816	186 294	214 150	240 200
GENERAL PURPOSE CAPITAL FUNDS(d)					
Loan Council Borrowings	54 952	60 743	63 802	66 992	66 992
Capital Grants	25 977	30 372	31 901	33 496	33 496
Total	80 929	91 115	95 703	100 488	100 488
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	534	534	534	534	534
Sinking Fund on State Debt	2 141	2 100	2 069	2 225	2 371
Debt Charges Assistance	3 975	..	..	..	..
Railway Sinking Fund	..	480	..	..	..
State Emergency Services	23	53	69	63	81
Universities	12 274	13 658	15 939	17 505	17 700
Colleges of Advanced Education	6 888	7 011	8 678	9 256	9 200
Technical and Further Education	426	1 087	969	1 110	1 900
Schools	5 912	9 327	11 049	12 121	12 685
Education—Allowance for Cost Escalation	..	..	..	..	1 100
Child Migrant and Refugee Education	179	149	2	..	..
Educational Research	21	14	14	9	12
Public Hospitals Running Costs	..	31 000	18 918	31 621	34 800
Community Health	528	1 265	2 038	2 306	1 856
Tuberculosis Control	434	548	592	..	..
School Dental Scheme	1 239	1 547	1 475	1 684	1 290
Health Education	64	23	46	52	66
Blood Transfusion Services	57	94	108	124	140
Health Planning Agencies	..	25	40	35	30
Home Dialysis Scheme	5	..	35	..	..
Home Care Services	124	340	355	474	540
Paramedical Services	8	10	15	15	21
Assistance for Deserted Wives	421	458	599	764	900
Pre-Schools and Child Care	1 017	1 720	2 006	2 071	1 665
Employment Grants	1 103	700	..	..	..
Regional Employment Development Scheme	534	1 521	..	..	..
Social Policy Planning Units	31	32	..	..	..
Ethnic Group Welfare Officers	..	..	..	..	11
Aboriginal Advancement	34	62	71	67	44
Housing	388	388	314	314	314
Sewerage	24	4	189	..	..
National Fitness Program	7	84	84	24	24
Tasman Bridge Disaster	456	1 400	1 715	730	..
Apple Export Assistance	1 590	572	229	39	338
Bovine Brucellosis and T.B. Eradication	238	423	215	120	83
Commonwealth Extension Services Grant	419	517	560	564	564
Agricultural Research	..	..	..	..	4
Assistance for A.P.P.M. Ltd	..	650	..	..	..
Coal Mining Industry—Long Service Leave	5	6	12	27	35
Apprenticeship Training	41	79	187	209	70
Education Program for Unemployed Youth	..	..	40	156	300

Table 120—Tasmania—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
Legal Aid	71	49	28	..	..
Road Safety Practices	11	11	11	11	11
Research Grants	227	130	236	165	191
Assistance for Local Government	1 669	2 292	4 004	5 290	5 741
Regional Organisations Assistance	24	8	..	..	..
Total Specific Purpose Payments—Recurrent	43 142	80 371	73 444	89 684	94 621
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	149	160	6	..	..
Universities	1 279	2 589	1 061	1 008	900
Colleges of Advanced Education	2 969	5 313	404	1 598	2 800
Technical and Further Education	471	887	1 664	1 970	1 100
Schools	6 091	4 477	4 266	6 186	3 966
Education—Allowance for Cost Escalation . . . . .	..	..	..	..	100
Child Migrant and Refugee Education	6	45	..	..	..
Hospitals	1 500	2 090	1 960	..	..
Launceston General Hospital . . . . .	..	..	1 040	3 350	5 900
Community Health	498	689	561	297	153
Tuberculosis Control . . . . .	..	4	..	..	..
School Dental Scheme	69	317	132	127	260
Blood Transfusion Services . . . . .	..	5	5	3	10
Disposal of Ships' Garbage . . . . .	..	..	1	..	..
Senior Citizens Centres	154	3	..	136	80
Pensioner Housing . . . . .	..	560	280	280	438
Pre-Schools and Child Care	1 177	1 764	5	..	..
Rehabilitation Centre—Hobart . . . . .	..	214	397	922	1 050
Aboriginal Advancement	204	216	187	175	115
Housing	26 220	22 220	24 220	25 220	20 436
Growth Centres	400	506	45	70	..
Land Acquisition . . . . .	..	..	250	100	..
Air Quality Monitoring . . . . .	..	25	..	40	..
Sewerage	2 221	1 984	500	..	..
Leisure and Recreation	439	430	481	..	20
Nature Conservation . . . . .	..	86	410	152	116
National Estate	1 032	795	19	425	415
Roads	18 400	19 900	20 500	21 700	23 203
Second Hobart Bridge . . . . .	..	63	584	518	80
Urban Public Transport	359	2 380	253	732	1 000
King Island Harbour Works . . . . .	..	242	..	..	..
King Island Shipping Service	1 309	..	..	..	..
Transport Planning and Research	185	198	216	195	173
Tasman Bridge Disaster	5 544	16 300	13 785	5 870	..
Water Resources Assessment	135	140	146	215	213
Water Program—Unallocated Funds . . . . .	..	..	..	..	750
Softwood Forestry	769	901	1 429	..	985
Native Forestry Assistance—Tasmania . . . . .	..	..	..	..	137
Dairy Adjustment Program	250	1 653	555	94	73
Rural Adjustment Scheme . . . . .	..	..	..	123	700
Beef Industry Assistance . . . . .	..	100	42	..	..
Rural Reconstruction	800	500	193	36	..
Fruitgrowing Industry	750	200	200	110	7
Tourism Development	210	145	191	..	..
Assistance for Mount Lyell Mining . . . . .	..	..	..	3 383	1 400
Soil Conservation . . . . .	..	25	10	35	..
Natural Disaster Relief . . . . .	..	-7	..	..	..
Total Specific Purpose Payments—Capital	73 590	88 119	75 997	75 069	66 554

Table 120—Tasmania—Commonwealth Payments and Loan Council Borrowings(a), 1974-75 to 1978-79 (estimate) (\$ thousands)—continued

	1974-75	1975-76	1976-77	1977-78	1978-79 (estimate) (b)
TOTAL PAYMENTS(e)					
	282 914	355 679	367 636	412 400	434 902
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
General Purpose(f)	221 133	247 931	281 997	314 638	340 688
Specific Purpose	116 733	168 490	149 441	164 753	161 206
Total	337 866	416 422	431 438	479 392	501 894

(a) That is, Commonwealth payments to State Governments and Loan Council borrowing programs. Excludes Commonwealth payments made direct to local government authorities, details of which are given in Chapters 5 and 6.

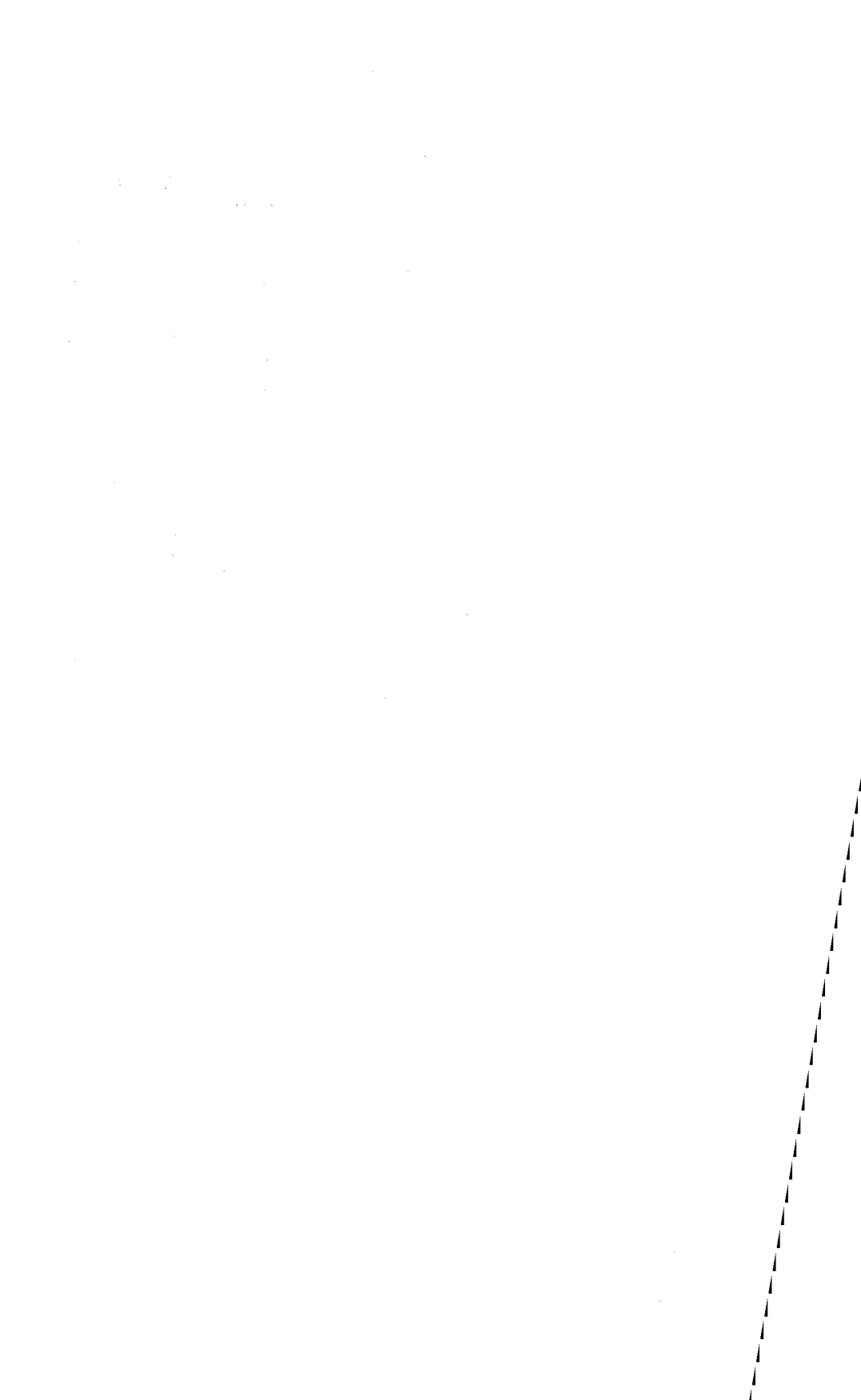
(b) Important qualifications attach to the 1978-79 estimates in some cases. See relevant sections of the text.

(c) Financial assistance grants up to 1975-76; personal income tax sharing entitlements from 1976-77.

(d) See Chapter 3, under the heading "Treatment of Loan Council programs in this and other Budget Papers".

(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 (d).

(f) Comprising general revenue funds, Loan Council borrowings and general purpose capital grants. See footnote (d).



INDEX

Index

	Page
Aboriginal Advancement—	
Payments to States	57
Grants to Local Authorities	98
Advisory Council for Inter-Government Relations	25-26
Aerodromes, Grants to Local Authorities for	105
Aged Persons Homes, Grants to Local Authorities for	100
Aged Persons Hostels	100-101
Agriculture, Commonwealth Special Research Grant	77
Air Quality Monitoring	62
Albury-Wodonga	60
Apple and Pear Growing Industries, Supplementary Assistance	75
Apprenticeship Training	81-82
Arts, Payments to Local Authorities for	104
Assistance to Local Government—Tax Sharing Arrangements	95-96
Australian Encephalitis, Control of	51
Bathurst-Orange Growth Centre, <i>see</i> Growth Centres	
Beef Industry Assistance, <i>see</i> Rural Adjustment	
Betterment Factor in Grants Formula	10, 11
Blood Transfusion Services	49-50
Bovine Brucellosis, Eradication of	75-76
Brisbane City Council, Borrowings	61, 97
Brisbane Creeks Flood Mitigation Scheme	61, 79-80, 108
Bundaberg Irrigation Works	79
Capital Grants	27-28
Captains Flat—pollution abatement works	62-64
Child Care—	
Grants to States	55
Grants for Local Authorities	102, 107-108
Child Migrant and Refugee Education	43-44
Coal Mining Industry—Long Service Leave	81
Colleges of Advanced Education	40-41
Community Health Facilities and Services	47
Community Youth Support Scheme	103
Culture and Recreation	62-64
Dairy Adjustment Program, <i>see</i> Rural Adjustment	
Decentralization Development Program	60
Defence	36-37
Delivered Meals, Grants to Local Authorities for	101
Deserted Wives, Assistance for	54
Disabled Persons' Homes	100

Index—continued

	Page
Economic Services	65-82
Education	38-45
Education Program for Unemployed Youth	82
Educational Research	44-45
Emergency Services	36-37
Employment Grants	56
Employment Grants for Maryborough Region	56
Encephalitis, Control of	51, 93
Exmouth Shire, Special Assistance to	37
Exotic Animal Diseases, Control and Eradication of	76, 93
Extension Services Grant, Commonwealth	77
Facilities for 1982 Commonwealth Games	64
Family Law	83
Financial Agreement, Payments under	34-35
Financial Assistance Grants	9-11
Fitness Program, National	62-63
Flood Mitigation	79, 108
Forestry Industry in Tasmania, Assistance to	73
Fraser Island, <i>see</i> Maryborough Employment Grants	
Fruit Growing Industry Reconstruction	74-75 -
Functional Classification of Payments	2-3
Garbage—Disposal of Overseas Ships Garbage	51
General Public Services	83
General Purpose Capital Funds	27-33
General Revenue Funds	9-26
'Gentlemen's Agreement'—Semi-Government and Local Authority Loan Raisings	29, 31, 96
Gladstone Power Station	72
Grants Commission	17, 23-24, 94-95
Growth Centres and Decentralisation	60-61
Guidelines for Infrastructure Financing	31-32
Handicapped Persons Assistance	101-102
Health	46-52
Health Education Campaigns	49
Health Insurance Program	46-47
Health Planning Agencies	50
Hobart Bridge—	
Disaster	70-71
Second Bridge	67
Home Care Services	52, 106-107
Home Dialysis Scheme	51
Home Nursing, Grants to Local Authorities for	99
Homeless Persons Assistance	103

Index—continued

	Page
Hospitals Development Program	47
Housekeeper Services	52-53, 106-107
Housing	58-59
Housing for Servicemen	36
Income Tax Sharing, Personal—	
- with the States	12-22
- assistance to Local Government	95-96
Industry Assistance and Development	72-80
Infrastructure Financing, Guidelines for	31-32
Interest on State Debts, Contributions to	34
Julius Dam	72, 79, 108
Labour and Employment	81-82
Land Acquisition and Development	61
Launceston General Hospital	47
Law, Order and Public Safety	83
Legal Aid	83
Leisure Facilities	63, 108
Loan Council	27-33, 88-89, 96
Local Authority Borrowings	29-31, 96-98
Local Government Authorities, Payments to or for—	
- Direct Payments	98-105
- On passing Payments through the States	105-109
- Summary of Payments	111
Local Government Authorities in the Northern Territory	110
Local Government, Grants Recommended by Grants Commission	94-95
Macarthur Growth Centre, <i>see</i> Growth Centres	
Marginal Dairy Farms Reconstruction Scheme, <i>see</i> Rural Adjustment	
Maryborough Employment Grants	56
Mental Health Institutions	47
Mount Lyell Mining and Railway Company Ltd, Assistance for	78
Namoi River Weirs	79
National Debt Sinking Fund	35
National Estate, The	64, 108
National Fitness Program	62
Natural Disaster Relief	84-86
Nature Conservation—Grants for	63-64
Northern Territory—	
Aboriginal Trust Account	90
Aboriginals, Assistance for Expenditure on	89
Aboriginals, Housing	93

	Page
Northern Territory—continued—	
Debt Charges	89
Electricity Commission	90
Electricity Supply	90
Functions Transferred to	87-88
Housing Commission	90
Local Government, Payments to	110
Memorandum of Understanding	91
Mineral Revenue	90
Payments to	87-93
Payments to and Borrowings by in 1977-78 and 1978-79	91-92
Public Hospitals, Payments for Recurrent Costs	93
Special Grant and Additional Assistance Grant	89
Staff Housing	90
Transfer of Assets	90-91
Transitional Year, 1978-79	91
Water Supply and Sewerage	91
Nursing Homes	99
Ord River Irrigation Project	79
Other General Revenue Assistance	24-25
Outline of Commonwealth Payments to the States, the Northern Territory and Local Authorities	3-5
Paramedical Services	53
Payments of General Revenue Funds to the States	25
Pensioner Housing	54
Personal Income Tax Sharing with the States—	
Adjustment for overpayment in 1976-77	21
Cash Flow Problems, Techniques to meet possible	16
Estimates of States' Entitlements	18-19, 20-22
Points of Understanding	12-15
Provision of Information to States	16
Stage 1	12-14, 16-19
Stage 2	14-15, 19-20
Review of Stage 1 Relativities	17-18
Plant Pests, Control and Eradication of	76
Pre-Schools and Child Care	55, 102, 107-108
Pre-School Teachers Colleges and Teachers Colleges	40-41
Premiers' Conferences	11, 17-20, 95
Proserpine Flood Mitigation Scheme	79-80
Public Hospitals and Other Health Institutions	46-47
Quarantine Units, High Security	52
Queensland Special Grant, 1977-78	23-24

Index—continued

	Page
Railway Projects	67
Railways—Transfer of South Australia and Tasmania	24-25
Railways, Intersystem Passenger Vehicles	67-68
Recent Trends in Level of Commonwealth Assistance	5-8
Refugee and Child Migrant Education	43-44
Rehabilitation Centre, Hobart	56
Relief Grants for Community Welfare Agencies in Victoria	56
Research Grants	83
Review of Relativities, Personal Income Tax Sharing	15, 17-18
Road Safety Practices	83
Roads	65-66, 109
Rural Adjustment	73-74
Rural Reconstruction, <i>see</i> Rural Adjustment	
School Dental Scheme	48
Schools	42-43
Semi-Government Borrowing Programs	29-30, 96-98
Senior Citizen Centres	52, 106-107
Sewerage Program, National	62
Seymour (Victoria), Flood Mitigation	108
Sheltered Employment, Grants to Local Authorities for	101-102
Sinking Fund Contributions	35
Social Security and Welfare	52-56
Softwood Forestry	72-73
Soil Conservation	80
Special Grants	23-24
Special Research Grant—Agriculture	77
Special Revenue Assistance (General Revenue)	10, 24
Specific Purpose Payments	34-86, 98-110
State Authorities Borrowing Programs	29-30
State Debts, Assistance for	34-35
State Emergency Services, Assistance to	36-37
State Government Loan Council Programs	27-29
Statements attached to Budget Speech—Relationship with	1-3
States' Proposals for Financial Arrangements	11
Surplus Revenue Act	34
Taillem Bend to Keith Pipeline	79
Tamar Open Space, <i>see</i> Growth Centres	
Tasman Bridge	70-71
Tasmanian Forestry Industry, Assistance for	73
Tax Sharing, Personal Income—	
With the States	12-22
Assistance to Local Government	95-96
Teachers Colleges and Pre-school Teachers Colleges	40-41

Index—continued

	Page
Technical and Further Education	41-42
Tertiary Education Commission	39
Transport	65-71
Transport Planning and Research	69-70
Trawl and Danish Seine Fishery	73
Tuberculosis Control	48
Tuberculosis in Cattle, Eradication of	75-76
Universities	39-40
Urban and Regional Development and the Environment	60-62
Urban Flood Mitigation	61, 79, 108
Urban Public Transport	68-69, 109
Urban Water Supply—	
South Australia	72
Queensland	108
Victoria Community Welfare Agencies, Relief Grants for	56
Wages (Average)—Financial Assistance Grants Formula	10-11
Water Hyacinth Control	79
Water Resources Assessment Program	79-80
Water Resources Management and Development, Assistance for	78-80
Water Supply and Electricity	72
Welfare Officers Employed by Ethnic Groups, Grants for	56
Women's Refuges	47
Woolloomooloo Redevelopment	61