J. DOHERTY



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COMMONWEALTH FINANCIAL RELATIONS WITH OTHER LEVELS OF GOVERNMENT

1987-88

CIRCULATED BY
THE HONOURABLE P. J. KEATING, M.P.,
TREASURER OF THE COMMONWEALTH OF AUSTRALIA
FOR THE INFORMATION OF
HONOURABLE MEMBERS ON THE OCCASION
OF THE BUDGET 1987-88

BUDGET PAPER No. 4

MR J.I. DOHERTY

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Report of the Auditor-General
A report on the Financial Statements prepared by the Minister for Finance for the year ended 30 June 1987.
(This document is released post-Budget).

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Notes: Any discrepancies in tables between totals and sums of components are due to rounding
n.a.—not yet available.
. .—nil to less than $500.

PREFACE

Scope of the Paper

This Paper provides information on the Commonwealth Government's financial relations with other levels of government, namely the States, the Northern Territory and local government authorities. The arrangements applying in 1987-88 receive the most comprehensive treatment, although the five years 1983-84 to 1987-88 are covered in the tables where applicable. Information on earlier years may be found in the predecessor to this paper, Budget Paper No. 7, *Payments to or for the States, the Northern Territory and Local Government Authorities*. In particular, the 1975-76 issue of that paper included a consistent series of aggregate figures back to 1956-57. The 1981-82 issue contained an historical appendix (Appendix II) showing general revenue payments since 1950-51 and special grants since 1910-11.

Relationship with Other Budget Papers and Terminology

When examining the impact on the Commonwealth Budget and State and local government sector finances of payments to the States, the Northern Territory and local government authorities, the most relevant aggregates are those relating to payments on a net basis—that is, after repayments of Commonwealth Government loans and sinking fund contributions by the States and the Northern Territory in respect of borrowings by the Commonwealth on their account. This is the approach adopted in other Budget Papers and also embodied in the national accounting aggregate 'grants and net advances to the States, the Northern Territory and local government authorities'.

Where repayments occur, however, they tend to lag behind the initial advances and, in many cases, are made in respect of programs which have already terminated. Moreover, repayments can be met from general purpose funds available to the States and the Northern Territory and their direct influence on the magnitude of the programs to which they nominally relate is not always clear. Reflecting this, for ease and clarity of presentation and to provide a complete picture of the resources being directed to particular programs, the approach adopted in this Paper in presenting the detail of programs is to record payments on a gross basis. Tables showing repayments are, however, included in Appendix IV to enable net figures to be derived where appropriate. To facilitate alignment with other Budget Papers, some tables, in particular the summary tables in Chapters I and II and in Appendix I, include totals on a net basis.

In Budget Paper No. 1, the term 'payments' is used as a gross measure and the term 'outlay' as a net measure. In this Paper, however, 'payments' is also used as a generic term describing a class of transactions involving the flow of funds from the Commonwealth to the States, the Northern Territory and local government authorities (for example, specific purpose payments). As described above, in most cases the emphasis in this Paper is on gross flows and the use of the term payment is not inconsistent with the use in Budget Paper No. 1. There are, however, instances where the net measure is more appropriate and in these cases the term 'net payment' is used.

In the Statements in Budget Paper No. 1, Commonwealth Budget outlays are

classified according to function—that is, outlays having like purposes or objectives are brought together under the one functional heading. A distinction is often made in this Paper between payments and advances provided for general purposes ('untied' funds) and those provided for specific purposes ('tied' funds). All general purpose funds are classified under the 'Not Allocated to Function' heading, except general purpose capital funds nominated by the States and the Northern Territory for public housing. Some specific purpose payments are also classified under the 'Not Allocated to Function' heading. However, most specific purpose payments are grouped under the functional headings which reflect the purpose for which they are provided.

Statement No. 7 in Budget Paper No. 1, (Transactions of the Public Sector as a Whole) discusses developments in the State and local government sector in a broader context and with particular emphasis on the classification that distinguishes between general government and public trading enterprises. The analysis in that Statement complements the discussion in Chapter II of this Paper on 'Trends in State and Local Government Sector Finances'.

Treatment of the Northern Territory

The Northern Territory became a self-governing territory on 1 July 1978 under the *Northern Territory (Self-Government) Act 1978*. Under this and associated legislation and regulations, the Territory has expenditure responsibilities and revenue raising powers broadly approximating those of a State, although the Territory is not a State under the Constitution. (The main matters over which the Ministers of the Northern Territory have executive authority were listed on pages 81 and 82 of the 1980-81 issue of Budget Paper No. 7.)

The basic framework for financial arrangements which was agreed between the Commonwealth and the Northern Territory in 1978 is set out in the Memorandum of Understanding in Respect of Financial Arrangements Between the Commonwealth and a Self-governing Northern Territory. The financial arrangements between the Commonwealth and the Northern Territory are modelled on the arrangements that apply between the Commonwealth and the States. Each year since 1979-80 the Commonwealth has provided the Northern Territory with grants for general revenue purposes, a grant by way of general revenue assistance to local government and specific purpose payments, under arrangements similar to those with the States. The Commonwealth has also provided general purpose capital funds to the Territory, comprising grant and loan components, on the same terms and conditions as apply to the general purpose capital funds paid to the States under Loan Council arrangements. In addition, the Territory borrows on behalf of its authorities under arrangements analogous to the Loan Council arrangements for State semi-government and local authorities, government-owned companies and trusts.

In this Paper, unlike Budget Paper No. 1, references to the 'States' do not include the Northern Territory, which is referred to separately where appropriate. However, references to the 'State government sector' and the 'State and local government sector' do include the Northern Territory.

CHAPTER 1—INTRODUCTION

This chapter provides an overview of the Commonwealth Government's financial relations with other levels of government. The next chapter analyses trends in State and local government sector finances and the following chapters provide greater detail on the main elements of this financial relationship.

The Commonwealth Government's financial relations with the State and local government sector comprise three broad types:

- the provision of financial assistance from the Commonwealth Budget to the States, the Northern Territory and local government. This assistance may be classified as—
  - general purpose or specific purpose payments;
  - payments for recurrent or capital purposes; and
  - grants or advances;
- the Commonwealth undertaking borrowings of amounts determined by the Australian Loan Council on behalf of the State and Northern Territory governments; and
- the determination by Loan Council of the level of borrowings that can be undertaken each financial year by Commonwealth and State semi-government and local authorities, government-owned companies and trusts, including the Northern Territory.

Estimates of Commonwealth net payments to the State and local government sector and borrowings by State and Northern Territory authorities (including local government) for 1987-88, together with the comparable figures for 1986-87, are summarised in Table 1.

Table 1—Net Commonwealth Payments to the State and Local Government Sector and Borrowings by State, Northern Territory and Local Government Authorities, 1986-87 and 1987-88

	1986–87				1987–88 (estimate)			
	Actual	Change on 1985–86	Nominal	Real(*a*)	Estimate	Change on 1986–87	Nominal	Real(*a*)
	$m	$m	%	%	$m	$m	%	%
Total Net Payments to State and local government sector(*b*)	23 126	1 336	6.1	−1.8	23 688	562	2.4	−4.2
Borrowings by State and Local Government Authorities and the Northern Territory	6 379	−662	−9.4	−16.1	5 358(*c*)	−1 021	−16.0	−21.4

(*a*) Real changes have been derived using the increase in the non-farm product deflator (forecast for 1987–88).
(*b*) Includes proceeds of Commonwealth borrowings on behalf of State and Northern Territory governments.
(*c*) This is the agreed borrowing limit to apply in 1987–88.

Forms of Commonwealth Financial Assistance to the State and Local Government Sector

The Commonwealth has made payments to the States since Federation. Prior to World War II, these payments had a relatively small impact on the overall finances of the States; they were confined for the most part to special grants designed to assist the financially weaker States and to certain specific purpose grants, including assistance for roads and for debt charges.

During and after World War II, however, there was a marked increase in the amount and scope of assistance to the States. This reflected not only the introduction and continuation of uniform income tax, but also an increase in the range and variety of the activities of both Commonwealth and State governments and greater participation by the Commonwealth Government in matters which were previously considered to be the sole responsibility of the States.

As a result of the financial transfers between levels of government, Commonwealth outlays, excluding transfers to other levels of government, presently account for about 50 per cent of total public sector outlays while the Commonwealth raises a little over 70 per cent of the funds available to the public sector, including approximately 80 per cent of taxation revenue. Commonwealth grants and net advances are equivalent to about 46 per cent of State and Northern Territory outlays excluding outlays on assistance to local government, with assistance to local government from the Commonwealth and State governments accounting for 25 per cent of local government outlays.

Commonwealth financial assistance is provided in the five main forms summarised below, each is discussed fully in subsequent chapters of this Paper.

- *General revenue assistance*—these are untied grants to assist in meeting recurrent State and Northern Territory outlays. This is the largest inter-government transfer, accounting for 59 per cent of estimated Commonwealth payments to the State and local government sector in 1987-88. (Chapter III).
- *General purpose capital payments*—these are untied payments to assist with State and Northern Territory outlays for capital purposes. They comprise the proceeds of borrowings by the Commonwealth on behalf of the States and Northern Territory along with grants from the Commonwealth provided in lieu of such borrowings (one third of the program in 1987-88). In addition, the States and Northern Territory are permitted to nominate amounts from within the borrowing component of the program for public housing purposes. These latter amounts are provided as loans from the Commonwealth on concessional terms and conditions. (Chapter IV).
- *Specific purpose payments*—these are payments to the States and Northern Territory to meet expenditure the purpose of which is designated by the Commonwealth and/or as a condition of States agreeing to undertake particular actions. In 1987-88, some 70 per cent of the payments are for recurrent purposes and virtually all were provided as grants. Some of these payments are passed on by State and Northern Territory governments to local government authorities. In 1986-87 the proportion passed on amounted to about 4 per cent. (Chapter V).
- *Financial assistance grants for local government*—these are untied grants to meet local government outlays which are provided for local government through the States and the Northern Territory. (Chapter VI).
- *Direct payments to local government*—these are grants to local government authorities under various Commonwealth expenditure programs. They constitute the smallest form of assistance, accounting for less than 1 per cent of estimated Commonwealth payments to other levels of government in 1987-88. (Chapter VI).

State and Local Authority Borrowings

Each year the Australian Loan Council approves annual borrowing programs (comprising both new money borrowings and refinancings) by Commonwealth and State semi-government and local authorities, government-owned companies and trusts, including the Northern Territory.

In the last five years new money borrowings by State authorities and the Northern Territory have on average accounted for 26 per cent of State sector funds available from their own sources and 13 per cent of total funds available to them. The comparable figures for the local government sector are 18 per cent and 14 per cent. Chapter IV provides more detailed information about these arrangements.

Institutional Arrangements

Since Federation, institutions have evolved to provide a framework for the management of various aspects of Commonwealth/State financial relations. The most important of these are:

- the Premiers' Conference;
- the Australian Loan Council; and
- the Commonwealth Grants Commission.

It is at the annual Premiers' Conference that the total amount of general revenue assistance and the shares of each State and the Northern Territory are determined. Although these payments are at the Commonwealth's discretion, they are subject to negotiation among the Commonwealth and the States at the Conference. The distribution of these funds among the States is generally in accordance with per capita relativities recommended and periodically reviewed by the Commonwealth Grants Commission. These relativities are set with a view to compensating States for assessed relative revenue and expenditure disabilities in their recurrent budgets; Chapter III provides more details.

Under the Financial Agreement of 1927, the Loan Council, which meets at the same time as the Premiers' Conference, has responsibility for determining the level of borrowings by the Commonwealth on its own behalf and on behalf of the State governments. Except in limited circumstances, State governments are not permitted to borrow in their own right. The Loan Council is thus responsible for determining the level of general purpose capital assistance, while the Commonwealth determines the amounts within that total which it will provide in the form of grants and concessional loans. The remainder of the program is provided as loans at market rates of interest and is financed by the sale of various Commonwealth Government Securities. The proceeds of these sales are then allocated to the States and represent State debt. While the Northern Territory is not a member of Loan Council, analogous arrangements apply.

Borrowings by Commonwealth and State authorities (semi-government and local authorities, government-owned companies and trusts) are not subject to the Financial Agreement, although Loan Council also approves the annual borrowing program of these authorities. Under the present arrangements which have been in place since the May 1985 Loan Council Meeting (known as the Global Approach) all borrowings and related means of financing capital expenditure by authorities are subject to

global limits covering new money borrowings and the refinancing of existing debt. These arrangements are discussed in more detail in Chapter IV.

Summary of 1987 Premiers' Conference and Loan Council Meeting Outcome

At the 1987 Premiers' Conference/Loan Council meeting held on 25 May, it was decided that:

- general purpose payments by the Commonwealth to the States and the Northern Territory for 1987-88 would be set at amounts equal to the forward estimates at the time reduced by $1000 million (comprising a $285 million reduction in general revenue assistance and a $715 million reduction in general purpose capital assistance); and
- the global borrowing limits of State and local authorities for 1987-88 would be set at $1000 million less than for 1986-87.

The effect of these decisions is that general revenue assistance to the States and Northern Territory, excluding special revenue assistance in relation to certain Commonwealth programs being transferred to the States and Northern Territory, is estimated to show a zero real increase in 1987-88 in terms of the Consumer Price Index. This compares with a real increase of 2 per cent provided in 1986-87. Total general revenue assistance is estimated at $14 253 million in 1987-88. General purpose capital assistance to the States and Northern Territory (which is a much smaller program) will decrease by 53.5 per cent, from $1336 million in 1986-87 to $621 million this financial year.

The reduction of $1000 million in the new money global borrowing limit for State authorities represents a 16 per cent decrease, with a comparable reduction being made for the Northern Territory.

Table 2 shows details of funds available to the State and local government sector determined at the Premiers' Conference and Loan Council meeting. Total Commonwealth payments to the State and local government sector are also shown and the proportion of this total that is determined at the Premiers' Conference and Loan Council meetings.

Table 2—Funds Available to the States and the Northern Territory determined at Premiers' Conference and Loan Council Meeting (gross), 1983–84 to 1987–88

	1983–84		1984–85		1985–86		1986–87			1987–88 (estimate)		
	Amount	Increase	Amount	Increase	Amount	Increase	Amount	Increase		Amount	Increase	
	$m	Nominal %	$m	Nominal %	$m	Nominal %	$m	Nominal %	Real (*a*) %	$m	Nominal %	Real (*a*) %
Commonwealth Payments determined at Premiers' Conference and Loan Council Meeting												
Recurrent Purposes—												
General Revenue Funds(*b*)	10 357	12.3	10 974	6.0	11 913	8.6	13 216	10.9	2.7	14 248	7.8	0.9
Capital Purposes—												
General Purpose Capital Funds	1 371	1.7	1 296	−5.5	1 277	−1.5	751	−41.2	−45.6	235	−68.7	−70.7
Nominated Funds for Public Housing (*c*)	227	55.5	406	78.9	459	13.1	585	27.5	18.0	386	−34.0	−38.3
Total funds for Capital Purposes	1 598	7.0	1 702	6.5	1 736	2.0	1 336	−23.0	−28.8	621	−53.5	−56.5
Total Commonwealth Payments determined at Premiers' Conference and Loan Council Meeting (1)	11 955	11.6	12 676	6.0	13 649	7.7	14 552	6.6	−1.3	14 869	2.2	−4.4
Total Commonwealth Payments to the State and Local Sector (gross) (*d*)	19 170	14.3	20 831	8.7	22 159	6.4	23 471	5.9	−1.9	24 162	2.9	−3.7
Proportion of Commonwealth Payments to the State and Local Government Sector determined at the Premiers' Conference and Loan Council Meeting—per cent	62	..	61	..	62	..	62	..	..	62	..	..
Global Borrowings (2)	6 603	7.1	7 067	7.0	7 041	−0.4	6 379	−9.4	−16.1	5 358	−16.0	−21.4
Total Commonwealth Payments and Global Borrowings (1) + (2)	18 558	9.9	19 743	6.4	20 690	4.8	20 931	1.2	−6.4	20 227	−3.4	−9.6

(*a*) Real changes have been derived using the increase in the non-farm product deflator (1987–88 has been forecast).
(*b*) Derived by deducting from Total General Revenue Funds, grants to the Northern Territory in lieu of uranium royalties and payments to the Northern Territory in respect of furlough entitlements as these two general revenue payments are not determined at the Premiers' Conference.
(*c*) The estimate shown for 1987–88 assumes that each State will nominate its maximum entitlement and that the Northern Territory will nominate 50 per cent of its entitlement for public housing.
(*d*) This figure differs from the 'Grand Total' figure in Table 3 as that figure is on a net repayments basis and this is a gross figure.

The estimated decline in 1987-88 of total Commonwealth general purpose assistance (including funds nominated for public housing) to the State and local government sector will be the second successive year in which these payments have declined in real terms. State and local authority borrowings (including borrowings by the Northern Territory) are estimated to decline by 21.4 per cent in real terms in 1987-88. State and local authority borrowing limits will provide for the lowest level of authority borrowings since 1982-83. Reflecting in part the reduction in total net Commonwealth payments in 1986-87 (see Table 1), the growth in State and local government sector outlays slowed to around 0.9 per cent, the lowest increase in the period since 1961-62. The even sharper reductions in Commonwealth payments and borrowing limits agreed for 1987-88 at the 1987 Premiers' Conference/Loan Council meeting will require the States to exercise continued restraint.

Other Arrangements for Determining Commonwealth Payments to the States

The amounts of specific purpose payments to State and Northern Territory governments are not normally addressed directly at Premiers' Conferences or Loan Council meetings. They are made at the Commonwealth's discretion and are generally determined in the context of framing the Budget. For the most part, specific purpose payments are a means of achieving the objectives and priorities of Commonwealth programs, rather than providing general budgetary assistance to other levels of government. In 1987-88 specific purpose payments to the States and Northern Territory are estimated at $9175 million, compared with $8806 million in 1986-87, this represents a 2.5 per cent decrease in real terms; Chapter V contains full details.

Assistance for local government is also determined at the discretion of the Commonwealth. General purpose assistance for local government paid through State and Northern Territory Governments and direct payments to local government authorities, are estimated at $762 million in 1987-88 compared with $687 million in 1986-87. Chapter VI discusses the arrangements in detail.

Summary of Payments to State and Local Government Sector

Table 3 shows net payments by the Commonwealth to the State and local government sector by function. All general purpose funds are classified under the 'Not Allocated to Function' heading except general purpose capital funds nominated by the States and the Northern Territory as being for the purpose of public housing. General purpose assistance for local government is also classified to the 'Not Allocated to Function' heading, although it is treated in this Paper as a specific purpose payment. This arises because the payment is made in the first instance to State and Northern Territory governments on the condition that the assistance is passed on to local governments as general purpose assistance. Most other specific purpose payments are grouped under functional headings.

Table 3—Net Commonwealth Payments to the State and Local Government Sector by Function (*a*) 1983–84 to 1987–88

	1983–84 Amount	1984–85 Amount	1985–86 Amount	1986–87		1987–88 (estimate)	
				Amount	Increase	Amount	Increase
	$'000	$'000	$'000	$'000	%	$'000	%
Defence	6 281	7 400	5 726	4 184	−26.9	3 773	−9.8
Education	3 366 127	3 697 244	3 989 521	4 152 690	4.1	4 438 906	6.9
Health (*b*)	435 250	965 129	1 133 704	1 170 491	3.2	1 298 419	10.9
Social Security and Welfare	112 347	178 252	203 948	282 939	38.7	344 065	21.6
Housing and Community Amenities (*c*)	752 169	956 776	1 054 758	1 206 244	14.4	1 013 438	−16.0
Culture and Recreation	15 386	32 472	45 384	55 931	23.2	45 025	−19.5
Economic Services							
Transport and Communication	1 241 020	1 299 830	1 269 954	1 250 885	−1.5	1 254 831	0.3
Industry Assistance and Development	84 368	114 447	98 811	195 628	98.0	148 232	−24.2
Labour and Employment	411 683	380 897	290 208	219 068	−24.5	138 248	−36.9
Other Economic Services	77 039	111 779	66 110	96 938	46.6	55 338	−42.9
Total Economic Services	1 814 111	1 906 953	1 725 084	1 762 519	2.2	1 596 649	−9.4
General Public Services	35 424	39 579	45 255	54 634	20.7	78 818	44.3
Outlays Not Allocated to Function—							
General Revenue Funds (*b*)	10 362 139	10 978 862	11 919 938	13 227 101	11.0	14 252 888	7.8
Loan Council and Northern Territory Government Program (*c*)	1 134 494	1 050 118	1 053 095	540 087	−48.7	−102 361	−119.0
Assistance Related to State and Northern Territory Debts	109 510	121 384	49 943	51 428	3.0	51 729	0.6
Assistance for Local Government (*d*)	461 535	488 864	538 532	585 613	8.7	642 477	9.7
Natural Disaster Relief	122 487	−15 258	−7 999	2 654	−133.2	−5 600	−311.0
Special Assistance to South West Tasmania	62 906	33 871	33 571	29 876	−11.0	29 700	−0.6
Total Not Allocated to Function	12 253 071	12 657 841	13 587 080	14 436 760	6.3	14 868 833	3.0
Grand Total (net basis)	18 790 166	20 441 647	21 790 458	23 126 391	6.1	23 687 925	2.4

(*a*) Includes payments to the Northern Territory. Net of repayments of Commonwealth advances and sinking fund contributions on State Governments' Loan Council programs and analogous programs for the Northern Territory.
(*b*) Identified health grants are classified under 'General Revenue Funds'.
(*c*) Amounts nominated by States from their Loan Council borrowing programs under the Commonwealth State Housing Agreement and analogous amounts nominated by the Northern Territory have been classifed to 'Housing and Community Amenities'.
(*d*) Comprising grants to the States for on-passing to local government authorities as general purpose assistance.

Trends in Components of Commonwealth Payments to the States, the Northern Territory and for Local Authorities

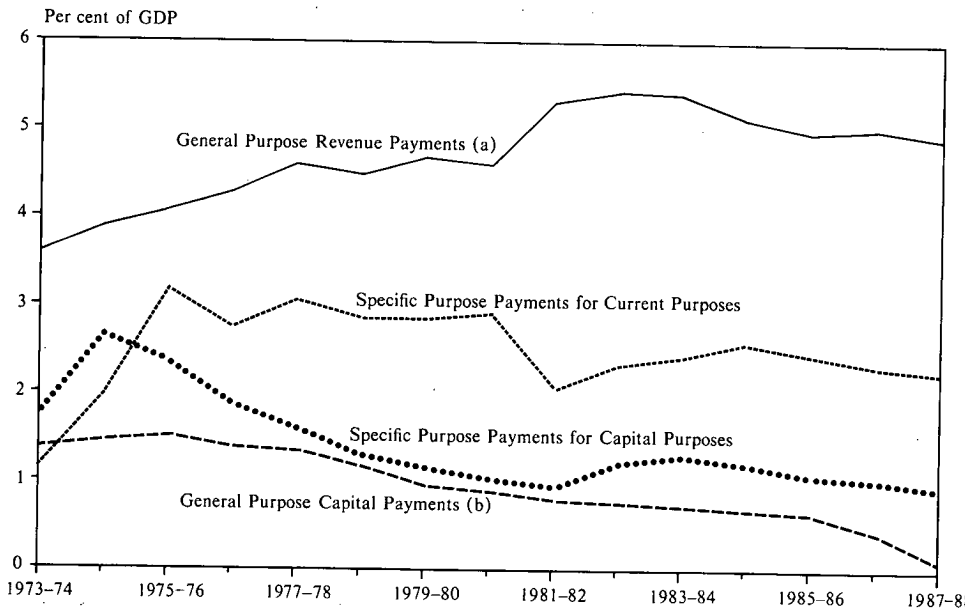
In analysing trends in Commonwealth payments to the States, the Northern Territory and for local government authorities, it is of interest to disaggregate the payments into components formed by cross classifying them into general purpose or specific purpose payments and into recurrent or capital payments.

Chart 1 illustrates the magnitude of these four categories of Commonwealth payments relative to Gross Domestic Product (GDP) and broad trends for the years 1973-74 to 1985-86. The main points are:

- the fairly consistent increase in general revenue funds relative to GDP until 1983-84, followed by a moderate decline in each of the last three years;
- the variability in specific purpose payments for recurrent purposes over the period, reflecting the differing emphasis placed on the provision of funds for specific purposes by different Commonwealth Governments and the effect of the Medicare Compensation Grants which commenced in February 1984;
- the offsetting movements in 1981-82 in the general and specific purpose recurrent payments, reflecting changed arrangements for health funding (see Chapters II and IV of the 1981-82 issue of Budget Paper No. 7 for details);

- the increase in specific purpose payments for capital purposes in 1982-83 and 1983-84, following a steady decline since 1974-75, reflecting the introduction and/or expansion of a number of major programs including, in particular, assistance for roads under the Australian Bicentennial Road Development Program and the Australian Land Transport Program, and the Commonwealth-State Housing Agreement. These payments have subsequently declined relative to GDP to around the levels of the early 1980s; and
- the steady decline, in relative terms, in general purpose capital funds provided to the State governments (see also, however, Table 5 in Chapter II, which shows more than offsetting growth in other forms of borrowing by the State and local government sector, and Chapter IV).

Chart 1: Net Commonwealth Payments to the States, the Northern Territory and Local Government Authorities as a Percentage of GDP



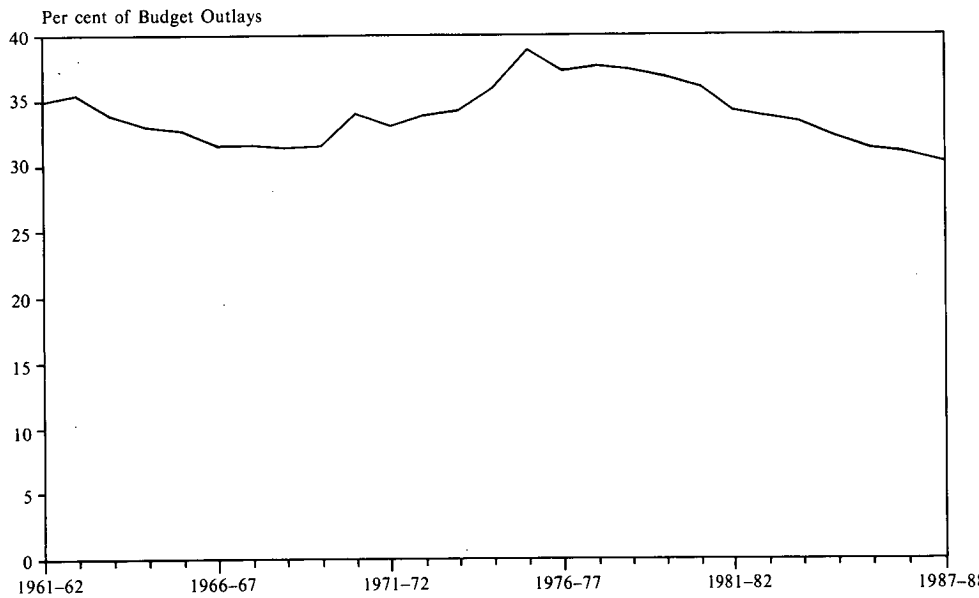
(a) Includes financial assistance grants (tax sharing grants between 1976–77 and 1984–85 and formula grants prior to 1976–77), identified health grants (from 1981–82), general revenue assistance to the Northern Territory, grants to the Northern Territory in lieu of uranium royalties and furlough entitlements and other special revenue assistance grants.

(b) Represents the State Governments' Loan Council borrowing program and general purpose capital assistance to the Northern Territory.

Commonwealth Payments to State and Local Government Sector in Relation to Total Commonwealth Budget

Net Commonwealth payments to other levels of government constitute a significant, but declining, proportion of total Commonwealth Budget outlays. In 1987-88, such payments are estimated to account for 30.3 per cent of total Commonwealth Budget outlays compared with 30.9 per cent in 1986-87. Chart 2 presents the ratio of payments to other levels of government to total Commonwealth Budget outlays since 1963-64; the ratio rose sharply in the mid-1970's but has declined steadily since then. The estimated ratio for 1987-88 is the lowest since the late 1960s and some 20 per cent below the peak recorded in 1975-76.

Chart 2: Net Commonwealth Payments to Other Levels of Government as a Percentage of Total Commonwealth Budget Outlays (a)



(a) Includes net payments from the Commonwealth to the Northern Territory from 1978–79.

Table 4 shows the growth in recent years in net Commonwealth payments to other levels of government, compared with the growth in other Commonwealth outlays (ie, outlays which the Commonwealth spends directly on the purchase of goods and services, transfer payments direct to beneficiaries, transfers overseas and transfers to other non-government organisations in Australia). In 1987-88 the estimated increase in payments to the State and local government sector is less than the estimated increase in other Commonwealth outlays. Statement No. 7, 'Transactions of the Public Sector as a Whole', in Budget Paper No. 1, compares Commonwealth outlays minus outlays on grants and net advances to the States and the Northern Territory with State and local government sector outlays.

Table 4—Commonwealth Payments to the State and Local Government Sector and Other Commonwealth Outlays, 1985–86 to 1987–88

	1985–86		1986–87		1987–88 (estimate)	
	Amount	Increase	Amount	Increase	Amount	Increase
	$m	%	$m	%	$m	%
OUTLAYS ON GRANTS AND NET ADVANCES TO OTHER LEVELS OF GOVERNMENT						
To or for the States and the Northern Territory	21 678	6.3	23 024	6.2	23 575	2.4
Direct to local government authorities	112	49.3	102	−8.9	113	10.8
TOTAL PAYMENTS TO OTHER LEVELS OF GOVERNMENT	21 790	6.4	23 126	6.1	23 688	2.4
OTHER COMMONWEALTH OUTLAYS						
Current outlays on goods, services and land—						
Defence	6 617	12.5	7 154	8.1	7 174	0.3
Other current outlays	6 052	13.7	6 551	8.2	7 214	10.1
Capital outlays	370	9.8	386	4.3	633	64.0
Total	13 039	12.9	14 091	8.1	15 021	6.6
Transfer payments and net advances—						
Personal benefit payments	22 358	8.2	24 085	7.7	26 785	11.2
Interest	7 090	25.1	7 978	12.5	7 903	−0.9
To Non-Budget Sector	2 285	17.2	2 469	8.1	2 736	10.8
Transfers overseas	806	−0.1	783	−2.9	818	4.5
Net advances other than to the States, the Northern Territory and local government authorities	13	..	−21	..	−30	..
Other	2 535	1.7	2 388	−5.8	2 225	−6.8
Total	35 087	10.7	37 682	7.4	40 437	7.3
Asset Sales(*a*)	..	..	..	..	−1 000	..
TOTAL OTHER COMMONWEALTH OUTLAYS	48 126	11.3	51 773	7.6	54 458	5.2
TOTAL OUTLAYS	69 918	9.7	74 899	7.1	78 146	4.3

(*a*) See Statement 8 in Budget Paper No. 1.

CHAPTER II—TRENDS IN STATE AND LOCAL GOVERNMENT SECTOR FINANCES

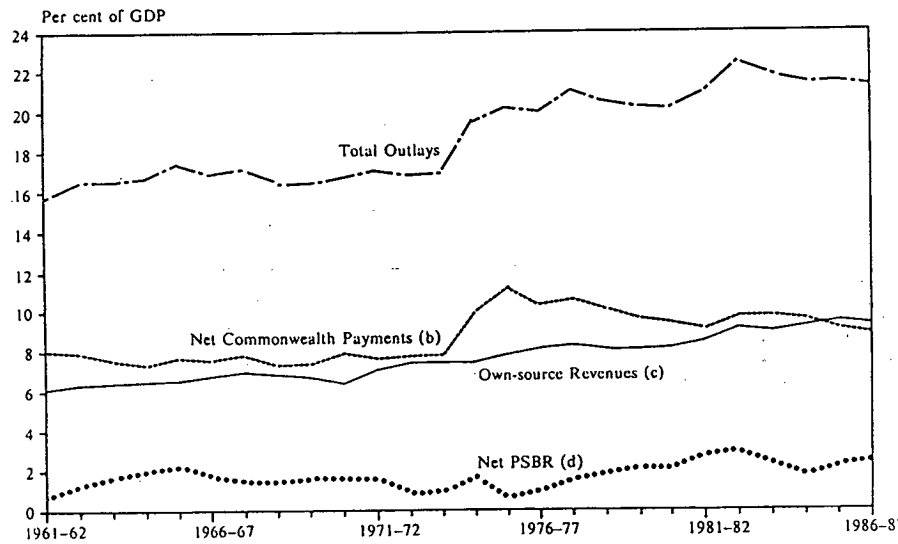
The State and local government sector accounts for approximately 50 per cent of total public sector outlays and 75 per cent of public sector employment. Its borrowing requirement in recent years has also had significant implications for financial markets. The State and local government sector is estimated to have accounted for about 60 per cent of the total net public sector borrowing requirement (PSBR) in 1986-87. This chapter provides a summary of recent trends in the outlays, revenues, financing transactions and indebtedness of the State and local government sector. It also includes State comparisons of the main aggregates expressed as proportions of each State's Gross Domestic Product.

While State budgets provide a guide to State finances, they do not encompass the whole State and local government sector and their coverage of State government activities varies among the States. This chapter therefore focuses on data on the outlays, revenues and financing transactions of the State and local government sector prepared by the Australian Bureau of Statistics (ABS) and in the form published in *Government Financial Estimates, Australia* (ABS Catalogue No. 5501.0). The scope of this chapter generally excludes financial enterprises owned by State and local governments.

Overview

From the mid-1970s, State and local government sector outlays increased as a share of GDP, despite declining net Commonwealth payments (see Chart 3). That growth was financed by significant increases in the States' net borrowing requirement, as well as increased own-source revenues. While the outlays share of GDP has fallen slightly from the 1982-83 peak, it has remained at a relatively high level. The State

Chart 3: Outlays, Revenues and Borrowings of the State and Local Government Sector as a Percentage of GDP (a)



(a) Includes the Northern Territory from 1978–79.
(b) Includes Commonwealth grants and advances to the States and the Northern Territory, less repayments of loans from, or arranged by, the Commonwealth.
(c) Includes receipts from State taxes, fees and fines, interest, rent, royalties, dividends and the net operating surplus of public trading enterprises.
(d) The net PSBR of the State and local government sector is defined as the difference between its total outlays and the sum of its own-source revenues, net Commonwealth payments and increases in provisions.

and local government sector's net PSBR declined in the two years to 1984-85 but has increased subsequently.

In 1986-87, growth in State and local government sector outlays moderated, with growth estimated at 0.9 per cent (the lowest increase in the period since 1961-62) compared with 4.7 per cent in 1985-86.[1] State and local government sector outlays also declined slightly as a share of GDP. Own-source revenues rose by 0.4 per cent, compared with a 7.0 per cent increase in 1985-86. At the same time, net Commonwealth payments fell by 1.8 per cent.

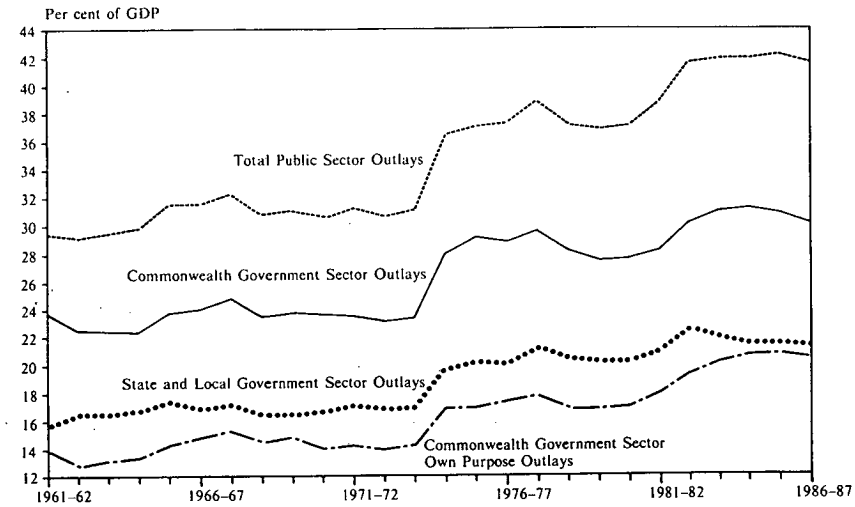
As a result of these movements in outlays and revenues, the State and local government sector's net borrowing requirement increased from 2.2 per cent of GDP in 1985-86 to around 2.3 per cent in 1986-87. This suggests that the State and local government sector's net borrowing requirement in 1986–87 was somewhat lower than gross borrowings made under the global borrowing limit agreed by Loan Council, implying that the States may have increased their holdings of financial assets.

Outlays

Chart 4 compares outlays as a proportion of GDP for the State and local government sector, the Commonwealth Government sector for its own purposes (traditionally measured as excluding those outlays which represent direct transfers to, or which are made by the Commonwealth on behalf of, the State and local government sector) and the total public sector for the years 1961-62 to 1986-87. As can be seen, State and local government sector outlays have been higher relative to GDP than Commonwealth own purpose outlays throughout the period. In 1986-87, total public sector, Commonwealth own purpose outlays and State and local government sector outlays all declined slightly as a share of GDP.

Budget Paper No. 1 (Statement No. 7) includes a discussion of trends in public sector outlays, including the issues involved in defining 'own purpose' outlays.

Chart 4: Public Sector Outlays as a Percentage of GDP (a)



(a) Prior to 1978–79, the Northern Territory is included in the Commonwealth Government sector. From 1978–79, the Northern Territory is included in the State and local government sector. Includes the general government sector and public trading enterprises.

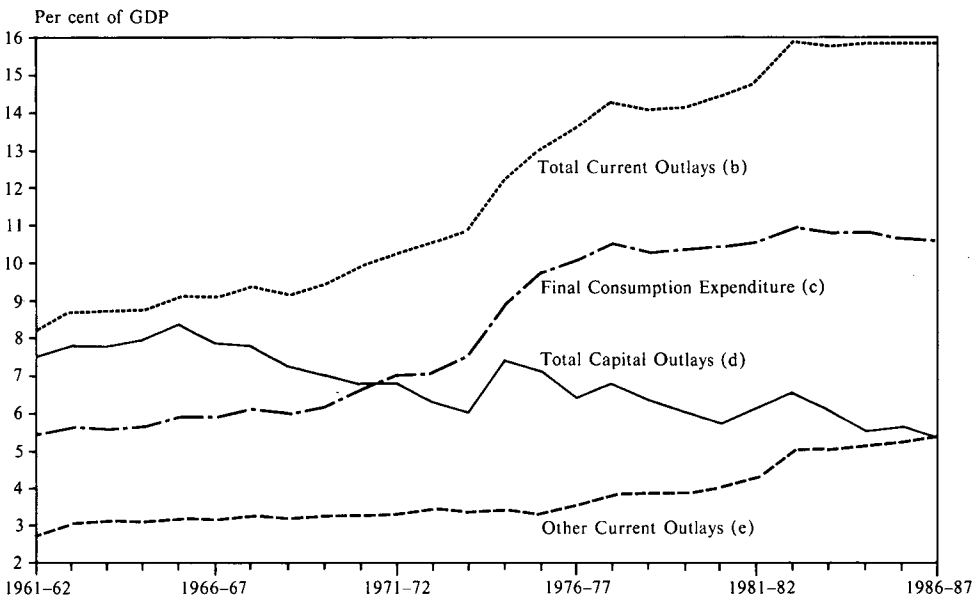
(1) In this chapter, all rates of change relate to real values using the non-farm product deflator which is forecast to increase by 6.9 per cent in 1987-88.

Composition of State and local government sector outlays

Chart 5 shows current and capital expenditures of the State and local government sector as a percentage of GDP. The main points of interest are:

- The final consumption expenditure ratio increased strongly during the 1970s and peaked in 1982-83, reflecting the general expansion of the government sector at the time. Since then, final consumption expenditure as a proportion of GDP has remained near the 1982-83 peak.
- Total current outlays have generally grown faster than final consumption expenditure in recent years because of higher interest payments which reflect a sharp rise in debt in the 1980s in conjunction with relatively high interest rates.
- Capital expenditure as a share of GDP increased in the early 1980s but has since declined to a relatively low level reflecting, among other things, the completion of major electricity generating projects.
- In 1986-87, total outlays increased by 0.9 per cent, with current outlays rising by 2.3 per cent, compared with 4.1 per cent in 1985-86, and capital outlays declined by 2.8 per cent, after rising by 6.5 per cent in 1985-86.
- Wages and salaries account for over half of current outlays and slower growth of employment contributed to the reduced growth of current outlays in 1986-87.

Chart 5: State and Local Government Sector Outlays as a Percentage of GDP (a)

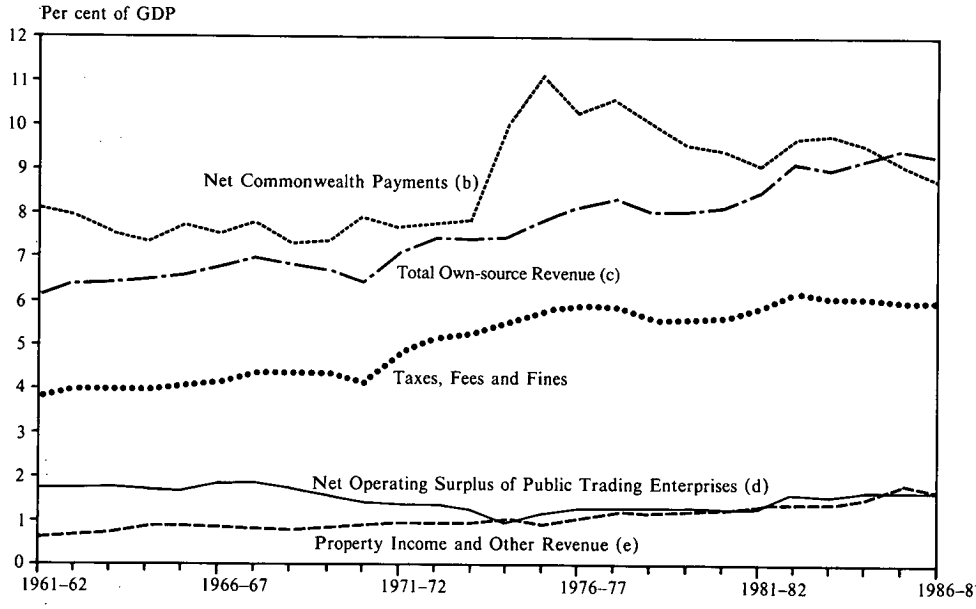


(a) Includes the Northern Territory from 1978–79.
(b) Includes final consumption expenditure and other current outlays.
(c) Includes expenditure on wages, salaries and supplements and final consumption of goods and services.
(d) Includes gross fixed capital expenditure, increase in stocks, expenditure on land and intangible assets, and capital transfer payments.
(e) Includes interest paid, subsidies to enterprises, personal benefit payments and other current expenditure.

Revenues: Own-Source and Commonwealth Payments

Total net Commonwealth payments to the State and local government sector have declined as a proportion of GDP from a peak in the mid-1970s (see Chart 6). Following increases in 1982-83 and 1983-84, these payments were reduced in 1985-86 by 0.5 per cent, by 1.8 per cent in 1986-87 and are estimated to fall by a further 4.2 per cent in 1987-88. Even so, current levels remain above those reached prior to the very rapid growth in the early to mid-1970s. In contrast, own-source revenues of the State and local government sector have increased fairly steadily as a proportion of GDP since the early 1970s. In 1985-86, State and local government sector revenues financed a greater share of outlays than net Commonwealth payments. In 1986-87, own-source revenues grew by 0.4 per cent.

Chart 6: State and Local Government Sector Revenues as a Percentage of GDP (a)



(a) Includes the Northern Territory from 1978–79.
(b) Commonwealth grants and advances to the States and the Northern Territory, less repayments of loans from, or arranged by, the Commonwealth.
(c) Includes taxes, fees and fines, property income and other revenue and net operating surpluses of public trading enterprises.
(d) Net of provisions for depreciation, superannuation, etc.
(e) Interest, rent, royalties, dividends and other revenue.

As to the composition of State and local government sector own-source revenues, the main points of interest are that:

- Taxation revenues increased fairly steadily over the period, with the strongest increase occurring in the early 1970s (associated with the transfer of payroll taxation from the Commonwealth to the States). Since peaking in 1982-83, taxation revenues have been broadly unchanged as a proportion of GDP.

- Property incomes and other revenue (interest, rent, royalties and dividends) have grown steadily over the period, with strong growth in the two years to 1985–86 associated with the growth in mineral and petroleum royalties and in earnings on investments (reflecting a substantial increase in holdings of financial assets and relatively high interest rates).
- In 1986-87, all broad categories of own-source revenues grew at a much slower rate than in the previous year reflecting, inter alia, a marked decline in resource royalty revenues.

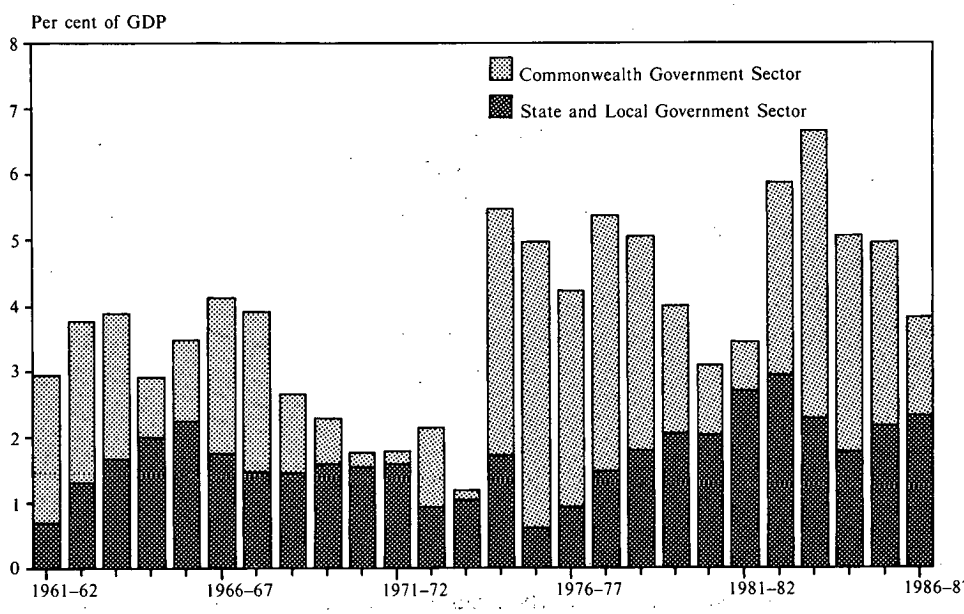
Financing Transactions

Net Public Sector Borrowing Requirement

The demands which the State and local government sector make on financial markets are best indicated by that sector's net PSBR. The net PSBR of the State and local government sector is defined as the difference between its outlays on the one hand and the sum of its own-source revenues, net Commonwealth payments (which include both grants and net advances from the Commonwealth) and increases in provisions (for example for depreciation and superannuation) on the other. The sector's net PSBR is equal to its deficit (as published by the ABS) less net advances from the Commonwealth, since the latter forms part of the Commonwealth's net PSBR. The net PSBR is therefore equivalent to the 'other deficit financing' item as measured by the ABS (see ABS Catalogue No. 5501.0).

Chart 7 compares the State and local government sector's net PSBR with that of the Commonwealth since 1961-62.

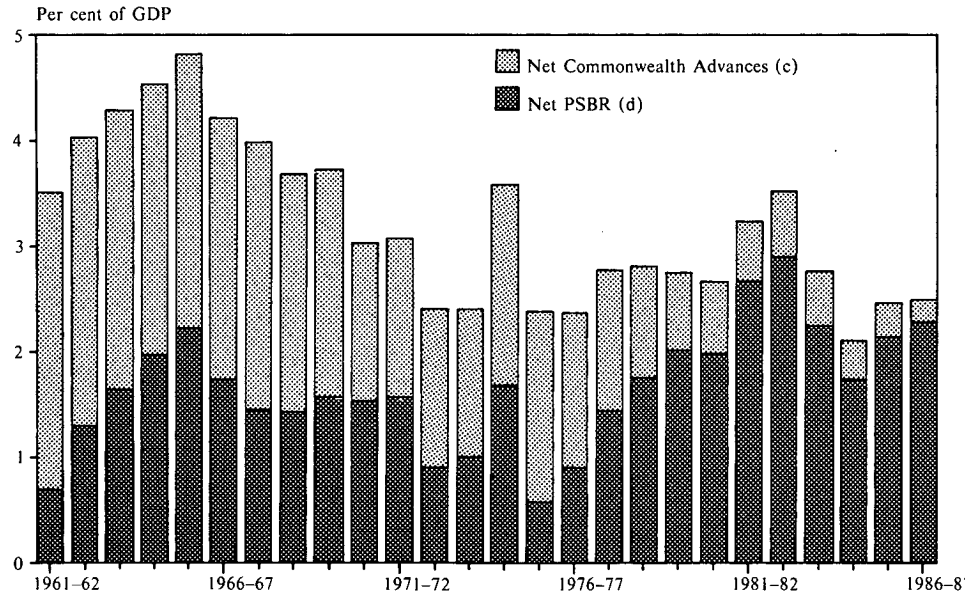
Chart 7: Public Sector Net PSBR as a Percentage of GDP (a)



(a) Prior to 1978–79, the Northern Territory is included in the Commonwealth Government sector. From 1978–79, the Northern Territory is included in the State and local government sector. The net PSBR of the State and local government sector excludes net advances received from the Commonwealth since these are included in the Commonwealth's net PSBR.

Chart 8 and Table 5 show the composition of the State and local government sector's deficit relative to GDP since 1961-62.

Chart 8: State and Local Government Sector Financing Transactions as a Percentage of GDP (a)(b).



(a) Includes the Northern Territory from 1978–79.
(b) Net Commonwealth advances plus net PSBR equals the total deficit of the State and local government sector.
(c) Advances under the State Governments' Loan Council program (including general purpose capital assistance for the Northern Territory) and under specific purpose programs, less repayments of such advances by the States and the Northern Territory to the Commonwealth.
(d) See footnote (d) to Chart 3.

Table 5—State and Local Government Sector Borrowing Requirement, 1961–62 to 1986–87

	Total Deficit(*a*) (1)=(2)+(5)		Net Advances from the Commonwealth (2)			Conventional Loan Council Borrowing Programs for Authorities (*b*) (3)	Borrowings by Authorities outside Loan Council Programs (*c*) (4)=(5)−(3)	Net PSBR (5)			Gross PSBR (*d*) (6)		Excess of Gross over Net PSBR (*e*) (7)=(6)−(5)	Increase in Holdings of Financial Assets (*f*) (8)
	$m	% of GDP	$m	% of GDP	% of Total Deficit	$m	$m	$m	% of GDP	% of Total Deficit	$m	% of GDP	$m	$m
1961–62	544	3.5	437	2.8	80.3	263	−156	107	0.7	19.7	n.a.	n.a.	n.a.	33
1962–63	674	4.0	457	2.7	67.8	276	−59	217	1.3	32.2	n.a.	n.a.	n.a.	101
1963–64	795	4.3	491	2.6	61.8	297	8	305	1.6	38.4	n.a.	n.a.	n.a.	36
1964–65	928	4.5	524	2.6	56.5	305	98	403	2.0	43.4	n.a.	n.a.	n.a.	79
1965–66	1 035	4.8	557	2.6	53.8	312	166	478	2.2	46.2	n.a.	n.a.	n.a.	−75
1966–67	997	4.2	585	2.5	58.7	341	70	411	1.7	41.2	n.a.	n.a.	n.a.	8
1967–68	1 007	4.0	639	2.5	63.5	421	−54	367	1.5	36.4	n.a.	n.a.	n.a.	81
1968–69	1 049	3.7	640	2.2	61.0	460	−51	409	1.4	39.0	n.a.	n.a.	n.a.	74
1969–70	1 175	3.7	680	2.2	57.9	471	24	495	1.6	42.1	n.a.	n.a.	n.a.	3
1970–71	1 057	3.0	523	1.5	49.5	497	38	535	1.5	50.6	n.a.	n.a.	n.a.	55
1971–72	1 202	3.1	590	1.5	49.1	547	65	612	1.6	50.9	n.a.	n.a.	n.a.	90
1972–73	1 074	2.4	668	1.5	62.2	643	−237	406	0.9	37.8	n.a.	n.a.	n.a.	202
1973–74	1 291	2.4	749	1.4	58.0	718	−176	542	1.0	42.0	n.a.	n.a.	n.a.	185
1974–75	2 314	3.6	1 225	1.9	52.9	866	223	1 089	1.7	47.1	n.a.	n.a.	n.a.	−56
1975–76	1 819	2.4	1 372	1.8	75.4	1 055	−608	447	0.6	24.6	n.a.	n.a.	n.a.	767
1976–77	2 070	2.4	1 278	1.5	61.7	1 279	−487	792	0.9	38.3	n.a.	n.a.	n.a.	435
1977–78	2 628	2.8	1 261	1.3	48.0	1 581	−214	1 367	1.4	52.0	n.a.	n.a.	n.a.	57
1978–79	3 020	2.8	1 127	1.1	37.3	1 865	28	1 893	1.8	62.7	n.a.	n.a.	n.a.	215
1979–80	3 342	2.8	895	0.7	26.8	2 195	253	2448	2.0	73.2	n.a.	n.a.	n.a.	19
1980–81	3 681	2.7	936	0.7	25.4	2 439	305	2 744	2.0	74.5	n.a.	n.a.	n.a.	−79
1981–82	5 022	3.2	865	0.6	17.2	2 628	1 529	4 157	2.7	82.8	n.a.	n.a.	n.a.	401
1982–83	6 004	3.5	1 056	0.6	17.6	1 567	3 381	4 948	2.9	82.4	6 165	3.6	1 217	535
1983–84	5 343	2.8	991	0.5	18.5	1 784	2 569	4 353	2.3	81.5	6 603	3.4	2 250	1 278
1984–85	4 548	2.1	791	0.4	17.4	n.a.	n.a.	3 757	1.7	82.6	7 067	3.3	3 310	584
1985–86	5 952	2.5	783	0.3	13.2	n.a.	n.a.	5 169	2.2	86.8	7 041	2.9	1 872	503
1986–87	6 632	2.5	544	0.2	8.2	n.a.	n.a.	6 088	2.3	91.8	6 379	2.4	291	n.a.

(*a*) Financing transactions (i.e., total outlays less total receipts) less increases in provisions as defined in the ABS publication *Government Financial Estimates* (Catalogue No. 5501.0).

(*b*) Includes conventional borrowings by all authorities subject to Loan Council arrangements. Excludes borrowings by electricity authorities in 1982-83 and 1983-84.

(*c*) Includes borrowings by electricity authorities in 1982-83 and 1983-84 and non-conventional forms of financing such as sale and leaseback transactions, overseas trade credits, domestic deferred payments, security deposits and other front end capital contributions, identified changes in short term borrowings (overdrafts, promissory notes, bills of exchange) and net changes in cash balances.

(*d*) Total conventional and non-conventional borrowings, as defined under Loan Council's Global Approach, by the State and local government sector. Estimates of the sectors' gross borrowings prior to 1982-83 are not available.

(*e*) The differences between net and gross borrowings partly reflect the sector's accumulation of financial assets, as well as some differences in the timing and coverage of the two sets of figures and possible errors in the derivation.

(*f*) The increase in the sector's holdings of cash and short term financial assets and long term investments, adjusted to exclude any holdings on behalf of private bodies, which mostly represent holdings for public sector superannuation in Queensland. The estimates for recent years do not include increases in holdings of financial assets by State central borrowing authorities on their own behalf in New South Wales, Victoria and South Australia. Source: Australian Bureau of Statistics, *State and Local Government Finance, Australia 1984-85*, (Catalogue No. 5504.0) except for 1985-86 which is sourced from Australian Bureau of Statistics, *National Income and Expenditure, 1986-87*, Catalogue No. 5213.0.

The major points of interest are:

- The State and local government sector's deficit (comprising the sector's net PSBR and net advances from the Commonwealth) has fluctuated between 2 per cent and 5 per cent of GDP and was around 2.5 per cent in 1986-87.
- There has been a steady decline since the mid-1970s in net advances from the Commonwealth measured as a share of GDP; that decline does not appear to have had much constraint on the deficit and, as a consequence, an increasing share of the State and local government sector's deficit has been funded directly from financial markets.
- Most of the increase in the State and local government sector's net PSBR in the early 1980s came from borrowings outside the approved Loan Council borrowing programs for semi-government and local authorities (Chapter IV provides further details). It was against this background that Loan Council agreed, at its 21 June 1984 meeting, to bring all State semi-government and local authorities' borrowings within agreed programs under the Global Approach, which controls the gross PSBR (see below).
- After peaking in 1982-83 at 2.9 per cent of GDP, the State and local government sector's net PSBR declined to 1.7 per cent by 1984-85, reflecting a slow-down in capital expenditure programs and buoyant growth in own-source revenues. However, the sector's net PSBR has increased in the past two years to around 2.3 per cent of GDP in 1986-87. These increases have partly offset the reduction in the Commonwealth's own net PSBR during this period.

Financial Assets

The net PSBR does not indicate the actual level of new money borrowing by governments, which is measured by the gross PSBR. The gross PSBR for the State and local government sector comprises the new money borrowings by State semi-government and local authorities subject to Loan Council global borrowing limits. It is the gross PSBR which is subject to regulation under the Global Approach.

In concept, the difference between gross and net PSBR reflects changes in the stock of financial assets; with an excess of the gross PSBR over the net PSBR implying a build-up of financial assets, and an excess of the net PSBR over the gross PSBR implying a run-down of financial assets. There are, however, other factors affecting measured differences between net and gross PSBR. As measured, the 'excess' of gross over net PSBR also reflects:

- a residual item identified by the ABS covering other funds available, including possible errors and omissions in the ABS estimates of outlays, receipts or borrowings; and

- some significant differences in definition, coverage and timing between the ABS measure of gross borrowings less the repayment of debt and the measure of gross PSBR based on Loan Council data.[2]

Accordingly, the excess of gross over net PSBR (see (7) in Table 5) only provides a broad guide to the magnitude and direction of changes in the stock of financial assets. This is emphasised by the fact that, in 1985-86, the increase in holdings of financial assets as measured by the ABS (see (8) in Table 5) represented around one quarter of the difference between the net and the gross PSBR. For this reason, the ABS's direct estimates of changes in the State and local government sector's holdings of financial assets should be used where they are available.

Direct estimates are, however, only available up to 1985-86 and show a substantial build-up in financial assets in recent years—around $3.3 billion in the five years to 1985-86. These estimates exclude the holdings of State central borrowing authorities (CBAs) on their own behalf in New South Wales, Victoria and South Australia, which have been treated as public financial enterprises operating outside the public accounts. Most other CBAs, while also treated as public financial enterprises, are included in the ABS statistics as they operate through the public accounts. If all CBAs were included in the ABS data, the build-up in assets would be more marked.

The excess of gross over net PSBR shown in Table 5 indicates that, while the State and local government sector's gross PSBR has been reduced significantly since the introduction of the Global Approach in 1984-85, it has in aggregate remained comfortably above the sector's net borrowing requirement, pointing to a build-up in holdings of financial assets during this period.

The May 1987 Loan Council meeting agreed that the State authorities' global limit would be reduced by $1000 million (to $5293 million) in 1986-87. The full effect of this decision on the net PSBR will depend, among other things, on how the States vary their holdings of financial assets. To the extent that the States are prepared to run down their holdings, the net PSBR can be expected to exceed the gross PSBR.

Gross Indebtedness

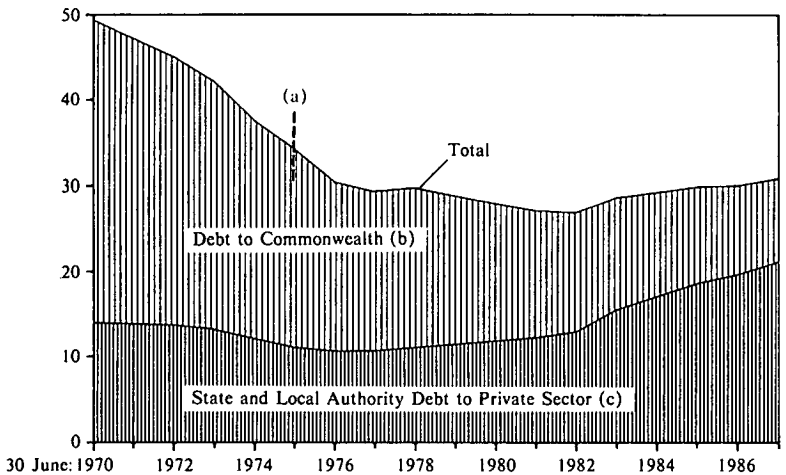
The developments in the State and local government sector's financing transactions outlined above are reflected in the changing pattern of the sector's gross indebtedness. Chart 9 provides an indication of the public sector's gross indebtedness as a proportion of GDP. The estimates for State and local authority debt prior to 1986 are derived by adjusting debt figures as at 30 June 1986 by data on borrowings for preceding years and therefore can only be taken as an indication of broad trends.

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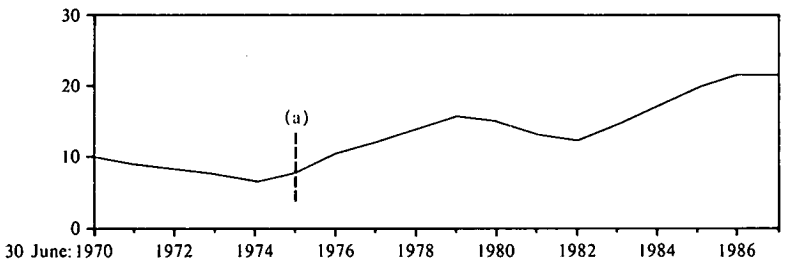
(2) As measured, the excess of gross over net PSBR includes both the increase in holdings of financial assets (ie, investments, currency and deposits, but excluding holdings for private bodies) and 'other funds available, including errors and omissions'. In addition, there are slight differences in the definitions and actual measurement of these two concepts; there are two main differences in this category. First, the ABS estimates of borrowings are based on movements in liabilities on a strict financial year basis, while the Loan Council arrangements allow some flexibility in the timing of borrowings around the end of a financial year. Secondly, there are differences in the treatment of State central borrowing authorities and joint ventures with the private sector (some are excluded from ABS data but included in Loan Council data).

Chart 9: Components of Public Sector Gross Indebtedness as a Percentage of GDP

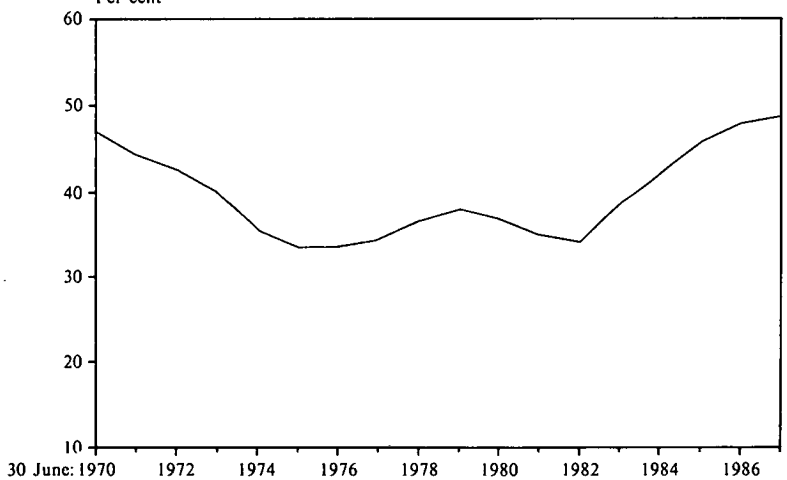
Panel A: Debt of State and Local Government Sector to Other Sectors
Per cent



Panel B: Debt of Commonwealth Sector to Other Sectors (d)
Per cent



Panel C: Debt of Public Sector to Other Sectors (e)
Per cent



(a) In 1975-76, $1000 million of State debt to the Commonwealth (equivalent to 1.3 per cent of then GDP) was transferred to the Commonwealth.
(b) Includes Commonwealth securities issued on behalf of State Governments and the Northern Territory and net Commonwealth advances to the State and local government sector. Data is net of estimated holdings by the State and local government sector of Commonwealth debt issued on behalf of that sector.
(c) For 30 June 1986 and 1987 see Appendix II. For earlier years estimates based on Loan Council data on new money borrowings (1983-85) and national accounts data on net sales of securities by authorities (prior to 1983).
(d) Includes estimated debt of Commonwealth authorities but excludes estimated Commonwealth sector's holdings of its own debt and Commonwealth securities issued on behalf of the States and Northern Territory.
(e) Excludes the public sector's estimated holdings of all Commonwealth securities and the indebtedness of the State and local government sector to the Commonwealth. Accordingly, the data shown in Panels A and B do not add to the data shown in Panel C.

The main features are:

- The gross indebtedness of the State and local government sector as a proportion of GDP declined significantly during the first half of the 1970s, reflecting the lower level of the sector's deficit and the takeover by the Commonwealth of $1000 million of State debt from 30 June 1975.
- The level of the State and local government sector's indebtedness to the Commonwealth has declined significantly since 1970, reflecting not only the takeover of debt by the Commonwealth but also the reduction in the level of advances to the States for specific purpose capital programs and in respect of the State Governments' Loan Council programs (see Chapters IV and V for further details).
- Since the early 1980s, the State and local government sector's gross indebtedness to the private sector and as a result its overall gross indebtedness has increased as a proportion of GDP. The significant accumulation of financial assets during this period suggests, however, that the increase in the sector's net indebtedness would have been less marked.
- The indebtedness of the Commonwealth government sector and the public sector as a whole has also risen over the 1980s.

Trends in the Finances of Individual States

Table 6 shows trends in total outlays, own-source revenues, net Commonwealth payments and the net PSBR of each State Government as a proportion of each State's estimated Gross Domestic Product (referred to here as State Gross Product) for the period 1980-81 to 1985-86.(3) These data exclude the local government sector. Comparable data are not yet available for 1986-87.

(3) The term 'State Gross Product' refers to each State's Gross Domestic Product. Estimates of State Gross Product at factor cost are published by the ABS for the years 1977-78 to 1983-84 in *Australian National Accounts, State Accounts, 1985-86* (Catalogue No. 5220.0). In order to obtain estimates at market prices to 1985-86, it has been assumed that the components of gross operating surplus (GOS) excluding Commonwealth general government GOS, and State government indirect taxes less subsidies (all of which have been published at the aggregate level to 1985-86) have continued to be distributed in line with past shares (specifically the average shares apparent in the last three years for which data are available). Commonwealth general government GOS, Commonwealth indirect taxes less subsidies and differences between the latest estimates of GDP and those published in *Australian National Accounts, State Accounts, 1985-86*, for all years have been allocated across the States and the Northern Territory in line with their estimated shares of total State Gross Product before the allocation of these items.

Table 6—State Government Sector Outlays, Revenues and Net PSBR as a Percentage of State Gross Product (*a*), 1980–81 to 1985–86

	1980–81	1981–82	1982–83	1983–84	1984–85	1985–86
TOTAL OUTLAYS						
New South Wales	17.7	18.1	18.6	18.6	18.2	18.2
Victoria	17.5	18.8	20.2	19.3	19.0	18.7
Queensland	18.2	19.2	22.2	21.5	21.1	21.8
Western Australia	19.4	19.7	22.7	24.2	21.5	21.5
South Australia	20.6	21.0	23.2	21.3	21.0	21.6
Tasmania	25.6	27.3	29.6	29.9	29.5	28.9
Northern Territory	48.2	48.5	46.9	45.9	47.0	46.5
Total	18.6	19.3	20.9	20.5	20.0	20.0
OWN-SOURCE REVENUES						
New South Wales	7.0	6.8	7.7	7.6	7.7	7.7
Victoria	7.1	7.5	8.1	7.4	7.5	7.6
Queensland	6.1	7.0	7.3	7.4	8.6	9.2
Western Australia	6.4	6.9	7.1	8.1	7.9	8.3
South Australia	6.3	6.8	7.0	6.9	7.2	7.6
Tasmania	7.4	8.4	8.8	9.1	9.3	9.4
Northern Territory	4.2	4.3	5.4	5.4	6.3	6.0
Total	6.8	7.0	7.6	7.5	7.8	8.0
NET COMMONWEALTH PAYMENTS						
New South Wales	8.3	7.7	8.3	8.5	8.2	8.0
Victoria	7.9	7.8	8.3	8.1	8.0	7.6
Queensland	10.1	9.9	10.5	10.8	10.6	10.0
Western Australia	11.2	11.1	10.8	11.5	10.9	10.3
South Australia	12.5	12.2	13.5	12.5	12.4	11.7
Tasmania	15.8	16.0	17.1	18.4	17.0	15.3
Northern Territory	40.9	41.2	40.0	39.6	40.5	36.3
Total	9.6	9.3	9.8	9.9	9.7	9.2
NET PSBR						
New South Wales	2.0	2.9	1.9	1.6	1.6	1.9
Victoria	2.1	3.1	3.3	3.0	2.5	2.6
Queensland	1.6	1.9	4.0	2.9	1.4	2.1
Western Australia	1.2	1.1	4.0	3.8	2.0	2.2
South Australia	1.1	1.5	2.0	1.4	0.5	1.8
Tasmania	1.5	2.2	3.7	1.8	2.8	3.6
Northern Territory	1.9	1.8	−1.3	−0.8	−1.6	3.3
Total	1.8	2.5	2.8	2.4	1.8	2.2

(*a*) Excludes the local government sector. State Gross Product is measured at market prices, with figures for 1984-85 and 1985-86 being Treasury estimates. Table does not show increases in provisions, so that it is not possible to calculate the net PSBR figures from the information contained in this table.

The major features over this period are that, as a proportion of estimated State Gross Product:

- total outlays have increased most strongly in Queensland while in the Northern Territory they have declined;
- own-source revenues have grown fastest in Queensland and slowest in Victoria;
- net Commonwealth payments have declined for all States;
- net PSBRs have increased for most States, although the levels in more recent years are generally somewhat lower than those recorded in 1982-83; and
- in the three years to 1984-85, net advances from the Commonwealth exceeded the deficit in the Northern Territory.

As noted above, there has been a large increase in the holdings of financial assets by the State and local government sector in recent years. This increase has not, however, been uniform across the States. Table 7 shows the ABS's direct estimates of the increases in holdings of cash and investments by each State and the Northern Territory for the years 1980-81 to 1984-85.

Table 7—Increase in Holdings of Cash and Investments by State and Local Sector, 1980–81 to 1984–85 ($ millions)

	1980–81	1981–82	1982–83	1983–84	1984–85
New South Wales	−124.3	156.0	444.2	690.2	486.5
Victoria	−67.6	40.3	93.6	0.9	−257.6
Queensland	66.7	68.9	−14.0	396.8	19.2
Western Australia	60.7	137.9	−59.9	105.9	229.5
South Australia	−32.8	−20.6	−19.5	35.2	45.2
Tasmania	8.9	14.5	67.1	58.6	36.9
Northern Territory	9.8	4.1	23.3	−9.3	24.1
Total	−78.6	401.1	534.8	1 278.3	583.8

Source: Australian Bureau of Statistics, *State and Local Government Finance, Australia, 1984–85*, (Catalogue No. 5504.0).

These direct estimates exclude the holdings of CBAs on their own behalf in New South Wales, Victoria and South Australia. If these holdings were included, it is estimated that there would be a relatively minor effect on the estimates for New South Wales and Victoria but a more marked effect on those for South Australia.

Differences in Finances among the States

As well as illustrating differences among the States and the Northern Territory in the growth of the main aggregates relative to State Gross Product, Table 6 shows marked differences among the States in the level of these aggregates. Table 8 presents the data in Table 6 as an index to facilitate comparisons among the States and the Northern Territory.

Table 8—Index of State Government Sector Revenues, Net PSBR and Outlays as a Percentage of State Gross Product—Average for 1980-81 to 1985-86 (*a*)

	Commonwealth net payments	Own-source revenue	Net PSBR	Outlays
New South Wales	85.3	99.7	89.5	91.7
Victoria	83.4	101.1	124.5	95.1
Queensland	107.7	101.5	100.3	103.8
Western Australia	114.7	99.7	103.3	107.9
South Australia	130.3	93.6	60.5	107.8
Tasmania	173.5	117.4	117.3	142.8
Northern Territory	416.0	70.2	27.2	237.4
Total	100.0	100.0	100.0	100.0

(*a*) The index value for a particular aggregate for a State is the average of annual values for that State over the period 1980-81 to 1985-86, where the annual values are the ratio of the aggregate to State Gross Product (from Table 6) expressed as a percentage of the equivalent ratio for the total for all States and the Northern Territory. A figure in excess of (less than) 100 implies that the State concerned has a higher (lower) than average value when the aggregate is expressed as a percentage of State Gross Product.

Some of the important factors that contribute to the wide variation among States and the Northern Territory illustrated in Table 8 are discussed briefly below. It should be emphasised, however, that the observed differences are not solely a reflection of the discretionary budget policies of individual State governments. Also relevant are the impact of national policies, notably the impact of fiscal equalisation, and differences among the States and the Northern Territory in revenue raising capacity and in those costs of service provision which are largely outside their control.

The widest variation among States and the Northern Territory is in respect of the level of net Commonwealth payments relative to State Gross Product. These differences reflect, in a large part, variations in the level of general revenue grants which account for about 60 per cent of total net Commonwealth payments and are distributed so as to promote fiscal equalisation. The objective of fiscal equalisation is to give each State and the Northern Territory, provided it were to make a comparable revenue effort, the fiscal capacity to provide services to its residents at a standard not appreciably different from the standards of the other States. Thus the relative level of Commonwealth general revenue grants to a State can be influenced by the relative size of the State's tax base and the relative costs of providing services which depend, importantly, on the size, composition and dispersion of each State's population.

As the level and distribution of net Commonwealth payments to the States and Northern Territory are largely determined in the context of the Premiers' Conference and Loan Council meetings and the Commonwealth Budget, individual State and the Northern Territory governments have only limited direct influence on the level of payments they receive. In particular, the distribution of general revenue payments largely reflects the relativities recommended by the Commonwealth Grants Commission on the basis of fiscal equalisation, following regular inquiries to which the States and the Northern Territory give evidence. The level and distribution of specific purpose payments among the States and the Northern Territory is influenced importantly by Commonwealth spending priorities in the area of expenditure concerned. The distribution of certain specific purpose payments is also taken into account by the Commission in determining the general revenue grants relativities.

Differences among the States and the Northern Territory in their own-source revenues reflect differences in their tax bases relative to State Gross Product (and so their revenue raising capacities) as well as in their revenue raising policies. The former include differences among the States and the Northern Territory in levels of employment and per capita income and in the distribution of taxable financial transactions and exploitable mineral deposits.

Differences in the level of the net PSBR reflect policy differences among the States and the Northern Territory, as well as differences in the timing and level of demand for capital infrastructure. During the six years to 1985-86, it is evident that, relative to State Gross Product, Victoria and Tasmania generally had significantly higher net PSBRs, while those for South Australia and the Northern Territory were relatively modest. The relatively low level for the Northern Territory is explained by the fact that for three of these six years net Commonwealth advances exceeded the Northern Territory deficit.

State policies in respect of the standard and range of service delivery contribute

to the significant differences in the level of outlays. However, variations among the States and the Northern Territory in the costs they would incur in providing an average level and range of services are also important. The level of State outlays, therefore, reflects both State policies and, through fiscal equalisation, certain differences in the cost of service delivery among the States and the Northern Territory (related mainly to the size and geographic dispersal, as well as differences in the social and age-sex structure, of State populations).

A guide to the impact of State policy differences on the relative level of expenditure and revenue among the States and the Northern Territory can be derived from assessments undertaken by the Commonwealth Grants Commission in its reviews of general revenue grants relativities, the most recent of which were completed in 1985. These assessments, which relate solely to recurrent expenditure and revenue, are summarised in Table 9. It should be noted that the methods used to compare the States on the one hand, and the Northern Territory on the other, while similar, have not been identical.

Table 9—Index of Policy–Determined Differentials in State Government Sector Recurrent Expenditure and Own-Source Revenue, Average for 1981–82 to 1983–84 *(a)*

	Expenditure *(b)*	Own-source revenue *(c)*
New South Wales	100.8	102.8
Victoria	106.1	108.6
Queensland	85.1	84.2
Western Australia	97.4	97.4
South Australia	103.1	95.0
Tasmania	104.3	93.1
Northern Territory	99.1	87.3
Total	100.0	100.0

(a) The differentials are measured as the average value over the period 1981–82 to 1983–84 of the term obtained when a State's actual expenditure (or revenue) in each year is expressed as a percentage of its 'standardised' expenditure (or revenue) in that year as assessed by the Commonwealth Grants Commission. Standardised expenditure, for example, is the (hypothetical) expenditure level which a State would have undertaken if it had provided services at a level, and with the efficiency, equivalent to the average levels among the States and the Northern Territory. The source of the data is Commonwealth Grants Commission, *Report on Tax Sharing Relativities 1985*, Volume II, Tables A-33 and A-112.

(b) A figure in excess of (less than) 100 implies a higher (lower) than average standard of service provision.

(c) A figure in excess of (less than) 100 implies a higher (lower) than average revenue raising effort.

CHAPTER III—GENERAL REVENUE ASSISTANCE

General revenue grants have been paid by the Commonwealth to the States in one form or another since Federation, and to the Northern Territory since 1979-80. The purpose of these grants is to assist the States and the Northern Territory, by way of subventions to their budgets, in the financing of their outlays. The States and the Northern Territory determine the allocation of these grants in accordance with their own budgetary priorities.

The principal forms of general revenue assistance paid to the States during the 1985-86 to 1987-88 triennium, as agreed at the Premiers' Conference held on 30 May 1985, are:

- financial assistance grants, which replaced the tax sharing grants provided between 1976-77 and 1984-85;
- identified health grants; and
- special revenue assistance to certain States.

At the May 1985 Premiers' Conference, the Commonwealth agreed to provide the Northern Territory with general revenue grants, which are equivalent to the financial assistance grants and identified health grants provided to the States. The Northern Territory also receives general revenue assistance in the form of:

- grants in lieu of uranium royalties; and
- payments in respect of recreation leave and furlough entitlements.

In addition, during 1986-87, the Commonwealth provided additional general revenue assistance to all the States and the Northern Territory to facilitate the transfer of certain Commonwealth programs during that and the following year.

A detailed history of successive arrangements governing general revenue assistance to the States since Federation was contained in Chapter II of the 1981-82 and 1982-83 issues of Budget Paper No. 7 and in Appendix II of the 1981-82 issue. A detailed explanation of the tax sharing and identified health grants arrangements that applied between 1982-83 and 1984-85 was presented in the issues of Budget Paper No. 7 for those years. Details of the arrangements for general revenue assistance to the Northern Territory from 1979-80 to 1985-86 are also in previous issues of that Paper. This chapter outlines the current arrangements for payment of general revenue assistance to the States and the Northern Territory.

Outcome of 25 May 1987 Premiers' Conference

At the May 1985 Premiers' Conference it was agreed that, during the triennium beginning 1985-86, the level of financial assistance grants and identified health grants to the States, and general revenue grants to the Northern Territory, would be determined having regard to increases in the All Groups Consumer Price Index (CPI) in the year ending in the March quarter. In respect of 1985-86, it was agreed that the level of grants should be maintained in real terms (with respect to the CPI) and that the level should increase by two per cent in real terms in each of the two following years. These arrangements applied in both 1985-86 and 1986-87.

Changes were made in respect of 1987-88, however, as part of the Commonwealth's policy of reducing the calls made by all levels of government on the

nation's savings. The Commonwealth announced various decisions designed to reduce its Budget deficit in the Treasurer's *Statement of Initial Budget Measures for 1987-88* (the May Statement) on 13 May 1987. In that Statement, the Commonwealth also indicated its intention to seek agreement, at the Premiers' Conference on 25 May 1987, to savings of $1000 million on the forward estimates of general purpose payments to the States and the Northern Territory in 1987-88, which include both revenue and capital payments.

At the Conference, it was agreed that the level of financial assistance grants and identified health grants to be paid to the States in 1987-88 (and general revenue payments to the Northern Territory) would be maintained in real terms on the basis of estimates available at the time of the Premiers' Conference. Accordingly, it was agreed that the total pool of such payments to the States would be fixed at $13 538.8 million. This amount was calculated on the basis of the estimates at the time of the Premiers' Conference of the level of payments in 1986-87, increased by 8 per cent, representing the forecast rise in the CPI in the four quarters to March 1988 over the preceeding four quarters.

These revised arrangements are to be given legislative authority by amendments to the *State Grants (General Revenue) Act 1985*. This agreement represented a departure from the arrangements agreed at the 1985 Premiers' Conference providing for a two per cent real increase in financial assistance grants and identified health grants in 1987-88. The decision to hold these grants to the same real level and its consequent effect upon other general revenue assistance to the States and the Northern Territory, accounted for $285 million of the $1000 million savings against the forward estimates of general purpose payments achieved at the May 1987 Premiers' Conference.

The arrangements for determining the distribution of these grants among the States remain the same as those agreed at the 1985 Premiers' Conference, with the financial assistance grants distribution being in accordance with the per capita relativities recommended by the Commonwealth Grants Commission following its *Report on Tax Sharing Relativities 1985* (hereinafter referred to as the Commission's 1985 Report) and the identified health grants in accordance with the per capita relativities implicit in their 1984-85 distribution.

GENERAL REVENUE ASSISTANCE TO THE STATES

Financial Assistance Grants

The current arrangements provide for the total pool of financial assistance grants to be adjusted each year having regard to movements in the CPI. In 1985-86 and 1986-87, the payments were made on the basis of the actual increase in the CPI in the year ending March quarter over the previous year. In 1987-88, the size of the pool has been determined on the basis of estimates available at the time of the Premiers' Conference.

Amount of Financial Assistance Grants

In 1986-87, the amount of financial assistance grants payable was determined by increasing total grants paid in 1985-86 ($9781.7 million) by 9.14 per cent, comprising the increase in the All Groups Consumer Price Index for the six State capital

cities in the year ending in the March quarter of 1987 over the preceding year, plus a two per cent growth factor. For 1987-88, the total amount of the grants was fixed at the 1987 Premiers' Conference at $11 756.1 million, being the amount estimated at the time to maintain the same real level as in 1986-87.

Distribution of Financial Assistance Grants

The arrangements adopted at the 1985 Premiers' Conference provided for financial assistance grants to be distributed among the States in each year of the triennium in accordance with the per capita relativities recommended by the Commonwealth Grants Commission following its 1985 Report. A summary of the recommendations in the Commission's 1985 Report, and their implications for the distribution of financial assistance grants, were outlined in the 1985-86 issue of Budget Paper No. 7.

Since 1979, the Commission has conducted three inquiries into the relative per capita distribution of tax sharing grants (and, subsequently, financial assistance grants) among the States that would be required to enable each State, provided it made a comparable revenue effort, to provide services to its residents at a standard not appreciably different from the standards of the other States. This is known as the principle of fiscal equalisation. The Commission determines the States' per capita relativities on the basis of, inter alia, its assessment of differences in the revenue raising capacities of the States and differences in the cost of providing government services of a comparable standard. In general, the Commission's relativities assessments are not affected by the States' actual expenditure or revenue raising policies. As a result, the States are able to determine the level and structure of expenditure and taxation policies according to their own priorities without affecting their share of the grants. Fiscal equalisation does not therefore imply a State-by-State uniformity in the structure or level of taxation nor in the level and quality of government services. Similarly, the Commission's assessed relativities should not be affected by differences among the States in the efficiency of provision of government services.

A broad outline of the major elements of the Commission's principles and methodology for assessing the States' per capita relativities was provided in the 1985-86 issue of Budget Paper No. 7. The Commission's Reports, *State Tax Sharing Entitlements 1981* and *State Tax Sharing and Health Grants 1982*, provide a more detailed account.

Table 10 provides details of the calculation of financial assistance grants paid to each State in 1986-87, together with the calculations required to estimate the financial assistance grants to be paid to each State in 1987-88. While the total pool is fixed, the precise distribution among the States will be based on the Statistician's determination of State populations as at 31 December 1987. The Statistician is required to make this determination not later than 10 June 1988.

Identified Health Grants

Identified health grants have been paid to the States since 1981-82 (with the exception of South Australia and Tasmania which did not join the identified health grants arrangements until 1 February 1984). They replaced grants payable to the States under previous hospital cost sharing agreements (which had been determined

by reference to increases in hospital costs) and payments for community health and school dental programs. The States are free to determine the allocation of these grants in accordance with their own budgetary priorities.

Under the arrangements agreed at the 1985 Premiers' Conference for the triennium 1985-86 to 1987-88, it was decided to continue to provide identified health grants as separate general purpose grants, but with the expectation that they would be absorbed into the financial assistance grants after 1987-88. It was also decided to determine the annual level of these grants on the same basis as for the financial assistance grants. As a result, after increasing by two per cent in real terms in 1986-87, the total pool of these grants has been fixed at $1782.7 million in 1987-88, which represents the maintenance of such payments in real terms on the basis of estimates made at the time of the May 1987 Premiers' Conference.

The 1985 Premiers' Conference agreed that these grants would be distributed during the triennium on the basis of the per capita relativities implicit in their distribution in 1984-85. Under previous arrangements, the identified health grant for each State was simply increased in accordance with the increase in total Commonwealth tax collections in the preceding year. The current arrangements therefore mean that the States with the fastest population growth—and, by extension, those most likely to experience the fastest growth in demand for their health services—receive an increasing share of the grants.

Table 10 shows the identified health grants paid to each State in 1986-87 and the estimated grants payable in 1987-88.

Table 10—Financial Assistance Grants and Identified Health Grants, 1986–87 and 1987–88

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total
FINANCIAL ASSISTANCE GRANTS							
1986–87							
(1) Population at 31.12.86 ('000s) (*a*)	5 581.3	4 188.3	2 616.3	1 458.7	1 378.9	448.6	15 672.1
(2) Per capita relativities (*b*)	1.008	1	1.416	1.455	1.397	1.605	
(3) Product of Rows (1) and (2)	5 625.9	4 188.3	3 704.6	2 122.4	1 926.3	720.0	18 287.6
(4) Percentage Distribution of Row (3) among States (per cent)	30.8	22.9	20.3	11.6	10.5	3.9	100.0
(5) Amount of Grants ($m) (*c*)	3 350.0	2 494.0	2 206.0	1 263.8	1 147.0	428.8	10 889.6
1987–88 (estimate)							
(1) Population at 31.12.87 ('000s) (*a*)	5 662.6	4 240.9	2 666.3	1 492.9	1 392.1	453.0	15 907.7
(2) Per capita relativities (*b*)	1.008	1	1.416	1.455	1.397	1.605	
(3) Product of Rows (1) and (2)	5 707.9	4 240.9	3 775.5	2 172.1	1 944.8	727.0	18 568.2
(4) Percentage Distribution of Row (3) among States (per cent)	30.7	22.8	20.3	11.7	10.5	3.9	100.0
(5) Amount of Grants ($m) (*d*)	3 613.9	2 685.0	2 390.4	1 375.2	1 231.3	460.3	11 756.1
IDENTIFIED HEALTH GRANTS							
1986–87							
(1) Population at 31.12.86 ('000s) (*a*)	5 581.3	4 188.3	2 616.3	1 458.7	1 378.9	448.6	15 672.1
(2) Per capita relativities (*b*)	1.1415	1	0.4935	1.3842	1.5988	1.597	
(3) Product of Rows (1) and (2)	6 371.0	4 188.3	1 291.1	2 019.2	2 204.6	716.5	16 790.6
(4) Percentage Distribution of Row (3) among States (per cent)	37.9	24.9	7.7	12.0	13.1	4.3	100.0
(5) Amount of Grants ($m) (*e*)	626.6	411.9	127.0	198.6	216.8	70.5	1 651.3
1987–88 (estimate)							
(1) Population at 31.12.87 ('000s) (*a*)	5 662.6	4 240.9	2 666.3	1 492.9	1 392.1	453.0	15 907.7
(2) Per capita relativities (*b*)	1.1415	1	0.4935	1.3842	1.5988	1.597	
(3) Product of Rows (1) and (2)	6 463.9	4 240.9	1 315.8	2 066.4	2 225.7	723.4	17 036.1
(4) Percentage Distribution of Row (3) among States (per cent)	37.9	24.9	7.7	12.1	13.1	4.2	100.0
(5) Amount of Grants ($m) (*e*)	676.4	443.8	137.7	216.2	232.9	75.7	1 782.7

(*a*) Estimates of population for 31 December 1986 were determined by the Statistician in accordance with the *States Grants (General Revenue) Act 1985*. The estimates of population for December 1987 are subject to revision.

(*b*) Per capita relativities adopted at the 1985 Premiers' Conference to apply in the triennium which commenced in 1985-86.

(*c*) The pool of financial assistance grants was determined in 1986-87 by escalating the 1985-86 grants by the increase in the All Groups Consumer Price Index for the year ending March quarter 1987 over the previous year (9.14 per cent) plus a 2 per cent increase.

(*d*) For 1987-88 the pool of financial assistance grants was determined as the 1986-87 pool as estimated at the time of the 1987 Premiers' Conference escalated by the increase in the CPI to the March quarter 1988 as estimated at that time.

(*e*) The pool of identified health grants was determined in 1986-87 by escalating the amount paid in 1985-86 in the same manner as financial assistance grants. The estimate for 1987-88 has also been calculated in the same manner as financial assistance grants for 1987-88.

Special Revenue Assistance Grants

At the 1985 Premiers' Conference, the Commonwealth agreed that, in addition to financial assistance grants and identified health grants, it would provide special revenue assistance grants to South Australia and Tasmania in 1985-86 and 1986-87. These payments were designed to smooth the adjustment process for these States arising from the cessation of the relative advantage which they enjoyed, for a number of years prior to 1985-86, in the level of their total basic general revenue grants as a result of hospital cost sharing agreements concluded with the Commonwealth in 1975[1].

From 1985-86, this advantage was offset by a lower share of financial assistance grants but the special revenue assistance provided to South Australia and Tasmania in 1985-86 was equal to two-thirds of the health grants advantage each would have received in 1985-86 if the previous arrangements had continued. In 1986-87, the two States received an amount equal to one-third of the relative advantage (ie, one half of the special revenue assistance provided in 1985-86) thereby phasing out the advantage.

This special revenue assistance, provided under the *States Grants (General Revenue) Act 1985*, amounted to $34.2 million in 1985-86 and $17.1 million in 1986-87 for South Australia; and $11.9 million in 1985-86 and $6.0 million in 1986-87 for Tasmania. Queensland also received $10 million in 1985-86 in respect of the Grants Commission's assessment that Queensland's financial relativity had been disturbed by the introduction of Medicare.

Following agreement at the 1986 Premiers' Conference, Tasmania also received further special budgetary assistance in 1986-87 of $13 million; a grant of $31.1 million for similar purposes was provided in 1985-86. These grants were provided in recognition of the fact that Tasmania was facing a larger adjustment than any other State to a lower share of financial assistance grants flowing from the implementation of the per capita relativities agreed at the 1985 Premiers' Conference. The grant for 1986-87 was provided on the basis that Tasmania would adjust during 1986-87 to the relativities adopted in 1985.

At the 1987 Premiers' Conference, the Commonwealth Government indicated that it did not have the capacity to provide special revenue assistance to any State in 1987-88 beyond that necessary to facilitate the transfer of responsibility for two Commonwealth programs to the States.

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[1] In 1975 the Commonwealth entered into hospital cost sharing agreements with South Australia and Tasmania of 10 years duration, whereas the agreements with the other States were of 5 years duration. When identified health grants arrangements replaced the hospital cost sharing agreements in 1981-82, these two States exercised their right to remain on cost sharing arrangements. They did so because it placed them in an advantageous position relative to the other States, as their hospital cost sharing grants were not subject to the deductions that were made to the other States' health grants in 1981-82 and 1982-83. (These deductions reflected the increased revenue raising capacity assessed to be available to the States as a result of the then new health insurance arrangements and associated revised rates for hospital charges.) South Australia and Tasmania subsequently agreed to join the identified health grants arrangements when Medicare was introduced (1 February 1984) but on the basis that they would retain the relative advantage to which they were entitled under the hospital cost sharing arrangements, which were not due to expire until the end of 1984-85. The relativities that were recommended by the Commission following its 1985 Report, and which were adopted at the 1985 Premiers' Conference for the purpose of distributing financial assistance grants among the States in the triennium commencing in 1985-86, offset these States' relative advantage in the distribution of the health grants.

Special revenue assistance was provided to the States from 1 January 1987 to allow them to take responsibility for the Isolated Patients Travel and Accommodation Assistance Scheme (IPTAAS) and will continue in 1987-88. In 1986-87, the States received $9.6 million, which was equal to six month's estimated benefit payments and Commonwealth administrative costs associated with IPTAAS. In 1987-88, the States are to receive the full year cost of the program, increased in line with the arrangements for escalating identified health grants to the States (ie, the same real level as in 1986-87 as estimated at the time of the 1987 Premiers' Conference).

As a result of a decision announced in the May Statement, funds previously designated for the Commonwealth's Program of Aids for Disabled Persons (PADP) also will be provided as special revenue assistance to the States in 1987-88. These grants for 1987-88 will be $10.3 million, which is the estimated cost of the program to the Commonwealth, excluding administrative costs.

The special revenue assistance for facilitating the transfer of IPTAAS and PADP are transitional arrangements, preparatory to the absorption of these payments into the financial assistance grants expected from 1988-89.

Table 11 provides details of special revenue assistance paid to the States in 1985-86, 1986-87 and 1987-88.

Table 11—Special Revenue Assistance to the States, 1985–86 to 1987–88
($ thousands).

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Six State Total
HEALTH GRANTS ADJUSTMENTS(*a*)							
1985–86	..	..	..	..	34 200	11 909	46 109
1986–87	..	..	..	..	17 100	5 954	23 054
1987–88	..	..	..	..	..	..	..
SPECIAL BUDGETARY ASSISTANCE							
1985–86	..	..	10 000(*b*)	..	..	31 069(*c*)	41 069
1986–87	..	..	..	..	..	13 000(*c*)	*13 000*
1987–88	..	..	..	..	..	..	..
ISOLATED PATIENTS TRAVEL AND ACCOMMODATION ASSISTANCE SCHEME(*d*)							
1985–86	..	..	..	..	..	..	..
1986–87	2 063	435	3 193	2 528	896	456	9 571
1987–88	4 456	940	6 897	5 460	1 935	985	20 673
PROGRAM OF AIDS FOR DISABLED PEOPLE(*e*)							
1985–86	..	..	..	..	..	..	..
1986–87	..	..	..	..	..	..	..
1987–88	3 415	2 665	1 761	1 019	1 019	407	10 285

(*a*) These grants were provided to smooth the adjustment process for South Australia and Tasmania arising from the cessation of their relative health grant advantage.
(*b*) To compensate for the disruption in Queensland's financial relativities caused by the introduction of Medicare.
(*c*) To assist with Tasmania's adjustment to the financial assistance grants relativities adopted from 1985-86.
(*d*) Responsibility for IPTAAS was transferred to the States from 1 January 1987.
(*e*) Responsibility for PADP was transferred to the States from 1 July 1987.

GENERAL REVENUE ASSISTANCE TO THE NORTHERN TERRITORY

General Revenue Grants

It was decided at the 1985 Premiers' Conference that, for the years 1985-86 to 1987-88, the Northern Territory would continue to receive general revenue grants under arrangements separate from those applying to the States. The Commonwealth did, however, indicate at that Conference that it expected the Territory to be included, from 1988-89 onwards, in the arrangements to be applied to the States at that time.

Reflecting the changes in the arrangements for providing general revenue grants to the States in the triennium commencing in 1985-86, new arrangements for providing general revenue grants to the Territory were also agreed at the 1985 Premiers' Conference. These arrangements, which brought the determination of the Territory's general revenue grants onto a basis closer to those for the States, were detailed in the 1985-86 issue of Budget Paper No. 7[(2)]. Under those arrangements, the Territory received a general revenue grant of $561.3 million in 1985-86.

In 1986-87, the Territory received a general revenue grant determined by escalating an adjusted base figure of $558.9 million for 1985-86, in line with the two per cent real increase in the States' financial assistance grants and the Territory's relative rate of population growth for the year ending 31 December 1986. The adjusted base figure for 1985-86 represented the actual general revenue grant to the Territory in 1985-86, reduced by an amount of $2.45 million which had been transferred to the Territory's grant for general purpose funding for local government (see page 95 of the 1986-87 issue of Budget Paper No. 7 for details). Under these arrangements, the Territory received a general revenue grant of $628.1 million in 1986-87.

At the May 1987 Premiers' Conference, it was decided that the Territory's general revenue grant for 1987-88 should be calculated in the same manner as the States' financial assistance grants. The 1987-88 grant is to be calculated by escalating the 1986-87 grant, as estimated at the time of the Premiers' Conference, by the forecast increase in the CPI at the time (8 per cent) plus the relative increase in the Territory's population. In subsequent discussions between the Commonwealth and the Northern Territory Governments it was agreed that this estimate be reduced by $0.7 million in light of the decision that, from 1 January 1988, the students attending Kormilda and Yirrara Colleges will be eligible for payments from the Commonwealth under the Aboriginal Secondary Assistance Scheme (ABSEC). The Northern Territory was previously responsible for payments to these students. A further adjustment will be made in 1988-89 to reflect the full year impact of this decision. Under these arrangements, the Territory is estimated to receive a general revenue grant of $690.0 million in 1987-88. The actual amount payable to the Territory will depend on the Statistician's determination of State and Territory populations as at 31 December 1987.

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(2) See page 94 of the 1985-86 issue of Budget Paper No. 7. It should be noted that the figure for debt charges assistance to the Northern Territory in 1984-85, which was one of the items used to adjust the Territory's tax sharing grants paid in 1984-85 for the purpose of determining a base amount from which the Territory's 1985-86 general revenue grant was calculated, was revised, with the agreement of the Northern Territory Government, from $59.1 million to $57.5 million.

Special Revenue Assistance Grants

The Territory received special revenue assistance of $1.2 million during 1986-87 to allow it to take over responsibility for IPTAAS. In 1987-88, the Territory is to receive $2.7 million for IPTAAS, calculated in the same manner as the grants to the States for this purpose. The Territory is also to receive, on the same basis as the States, special revenue assistance of $0.2 million in 1987-88 for the transfer of PADP.

Grant in Lieu of Uranium Royalties

Under the *Atomic Energy Act 1953*, ownership of uranium and other prescribed substances in the Northern Territory is vested in the Crown in right of the Commonwealth. The Memorandum of Understanding provides for the Commonwealth to pay a grant to the Northern Territory each year, equal in amount to and in lieu of uranium royalties at the rate of 1.25 per cent, in respect of the mining of uranium in the Northern Territory.

It is estimated that $4.7 million will be payable in 1987-88, compared with $4.5 million in 1986-87.

Payments in Respect of Recreation Leave and Furlough Entitlements

Under the Memorandum of Understanding, the Commonwealth has made payments to the Territory in lieu of the accrued recreation leave and furlough entitlements of officers who transferred from the Commonwealth Public Service to the Northern Territory Public Service. A lump sum payment of $6.7 million was paid to the Territory in 1986-87 to fully discharge this liability.

SPECIAL GRANTS

Special grants have been paid to the States on the recommendation of the Commonwealth Grants Commission since 1934-35. Under the *Commonwealth Grants Commission Act 1973*, the Commission is required, inter alia, to inquire into and report upon any application made by a State or the Northern Territory for financial assistance for the purpose of making it possible for the State (or the Northern Territory), by reasonable effort, to function at a standard not appreciably below the standards of the other States.

Since 1982-83, however, the Commission's general reviews of State per capita relativities have fulfilled the function for the States formerly performed by the special grant process. Accordingly, at the 1982 Premiers' Conference, the States agreed not to seek special grants in respect of the years 1982-83 to 1984-85; that agreement was extended to 1987-88 at the 1985 Premiers' Conference.

The Northern Territory applied for special grants for the years 1979-80 to 1984-85 inclusive. At the 1985 Premiers' Conference, it was agreed that, in the context of the special arrangements applying in respect of the payment of general revenue grants to the Territory in the triennium 1985-86 to 1987-88, the Territory would continue to be entitled to apply for special grants.

In its Report on the Northern Territory's application for a special grant in respect of 1982-83 (its *Fifth Report 1985 on Special Assistance for the Northern Territory*) the Commission found that the Territory had been overfunded by $12.6

million in respect of that year on the basis of the principle of fiscal equalisation.[1] This assessment was made without taking account of the additional assistance grant of $15 million paid to the Territory in 1982-83.

The Commonwealth decided that it was appropriate to recoup the overfunding assessed by the Commission as a negative special grant with respect to 1982-83. Following this action, the Northern Territory withdrew its applications for special grants in respect of 1983-84 and 1984-85. The Commonwealth, however, decided that it would be appropriate for the Commission to make an assessment of whether the level of Commonwealth financial assistance provided to the Territory in those two years was appropriate on fiscal equalisation grounds. The Commonwealth's intention was that the Commission should make an assessment of the Northern Territory's finances on the same basis as it would have done if the Northern Territory had not withdrawn its applications for special grants in respect of those years.

The Commission released its *Sixth Report 1986 on Financial Assistance for the Northern Territory* on 12 January 1987. It found that the Territory had been overfunded by $14.4 million in 1983-84. With respect to 1984-85, it found that the level of overfunding depended upon the treatment accorded the $12.6 million recouped by the Commonwealth in that year. Treating the $12.6 million as an adjustment in respect of 1982-83 (but recovered in 1984-85) implied overfunding of $13.2 million in 1984-85. Treating the $12.6 million as a reduction in the Northern Territory's tax sharing grant in 1984-85 implied overfunding of $0.6 million.

Following consideration of the Commission's Report, the Commonwealth took the view that the Territory had been overfunded by $14.4 million in 1983-84 and $13.2 million in 1984-85. At the May 1987 Premiers' Conference, the Commonwealth announced its decision to recover $14.4 million of the $27.6 million overfunding by way of a negative special grant in 1987-88. The Commonwealth agreed to forgo the remainder of the overfunding on the understanding that the general revenue funding arrangements for the Territory would be fully adjusted onto a State-like basis from 1 July 1988.

SUMMARY OF GENERAL REVENUE GRANTS TO THE STATES AND THE NORTHERN TERRITORY

Table 12 shows payments of general revenue grants to the States and the Northern Territory from 1983-84 to 1986-87 and estimates for 1987-88. Total general revenue grants to the States and the Northern Territory in 1987-88 are estimated to increase by 7.8 per cent compared with an increase of 11.0 per cent in 1986-87.

Table 12—General Revenue Assistance to the States and the Northern Territory, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
FINANCIAL ASSISTANCE AND GENERAL REVENUE GRANTS (*a*) (*b*)									
1983 84	2 576 810	1 926 238	1 684 834	999 277	953 830	397 042	8 538 032	424 655	8 962 687
1984 85	2 693 115	2 019 927	1 885 612	1 042 348	1 000 280	417 147	9 058 429	471 292	9 529 721
1985 86	3 012 615	2 248 332	1 973 578	1 122 961	1 037 171	387 036	9 781 693	561 317	10 343 010
1986 87	3 350 031	2 493 990	2 205 989	1 263 833	1 147 046	428 759	10 889 647	628 132	11 517 779
1987 88 (estimate)	3 613 865	2 685 033	2 390 389	1 375 223	1 231 288	460 287	11 756 085	689 980	12 446 761
IDENTIFIED HEALTH GRANTS (*b*)									
1983-84	489 116	323 248	99 992	150 663	78 609	27 236	1 168 864	25 299	1 194 163
1984-85	521 442	344 218	104 684	161 985	182 326	58 970	1 373 626	27 200	1 400 826
1985-86	563 000	371 037	113 515	176 307	195 890	63 553	1 483 302	..	1 483 302
1986-87	626 560	411 908	126 984	198 584	216 817	70 461	1 651 313	..	1 651 313
1987-88 (estimate)	676 386	443 776	137 697	216 240	232 906	75 696	1 782 701	..	1 782 701
SPECIAL REVENUE ASSISTANCE									
1983 84	47 100	62 800	31 000	18 200	17 200	7 200	183 500	..	183 500
1984 85	..	31 000	..	20 300	..	..	51 300	..	51 300
1985 86	..	..	10 000	..	34 200	42 978	87 177	..	87 177
1986 87	2 063	435	3 193	2 528	17 996	19 410	45 625	1 235	46 860
1987 88(c)	7 871	3 604	8 657	6 479	2 954	1 392	30 958	2 845	33 802
SPECIAL GRANTS									
1983-84	..	..	..	..	..	..	..	16 900	16 900
1984 85	..	..	..	..	..	..	..	−12 600	−12 600
1985 86	..	..	..	..	..	..	..	..	..
1986 87	..	..	..	..	..	..	..	..	..
1987 88	..	..	..	..	..	..	..	−14 381	−14 381
ADDITIONAL ASSISTANCE GRANTS									
1983 84	..	..	..	..	..	..	..	..	..
1984 85	..	..	..	..	..	..	..	5 000	5 000
GRANTS IN LIEU OF URANIUM ROYALTIES									
1983 84	..	..	..	..	..	..	..	4 405	4 405
1984 85	..	..	..	..	..	..	..	4 116	4 116
1985 86	..	..	..	..	..	..	..	4 449	4 449
1986 87	..	..	..	..	..	..	..	4 471	4 471
1987 88 (estimate)	..	..	..	..	..	..	..	4 700	4 700
PAYMENTS IN RESPECT OF FURLOUGH ENTITLEMENTS									
1983 84	..	..	..	..	..	..	..	485	485
1984 85	..	..	..	..	..	..	..	500	500
1985 86	..	..	..	..	..	..	..	2 000	2 000
1986 87	..	..	..	..	..	..	..	6 677	6 677
1987 88	..	..	..	..	..	..	..	..	..
TOTAL GENERAL REVENUE ASSISTANCE									
1983-84	3 113 026	2 312 287	1 815 825	1 168 140	1 049 639	431 479	9 890 395	471 744	10 362 139
1984-85	3 214 557	2 395 145	1 990 296	1 224 633	1 182 606	476 117	10 483 355	495 508	10 978 862
1985-86	3 575 615	2 619 369	2 097 093	1 299 268	1 267 262	493 567	11 352 173	567 765	11 919 938
1986 87	3 978 654	2 906 333	2 336 166	1 464 945	1 381 859	518 630	12 586 586	640 515	13 227 101
1987 88 (estimate)	4 298 122	3 132 414	2 536 743	1 597 943	1 467 148	537 375	13 569 743	683 144	14 252 887

(*a*) Financial assistance grants are made to the States and general revenue grants to the Northern Territory. For the years prior to 1985 86 these grants were known as tax sharing grants.

(*b*) Identified health grants to the Northern Territory were absorbed into the Territory's general revenue grant in 1985–86.

(*c*) Special revenue assistance has been provided to all States and the Northern Territory following the Commonwealth's decision to transfer responsibility for the Isolated Patients' Travel and Accommodation Assistance Scheme from 1 January 1987 and the Program of Aids for Disabled People from 1 July 1987.

ARRANGEMENTS TO APPLY FROM 1988-89

The general revenue funding arrangements expire at the end of 1987-88 and the arrangements to apply from 1988-89 will be decided at the 1988 Premiers' Conference.

The per capita relativities to apply to the distribution of general revenue grants from 1988-89 are presently being reviewed by the Commission. The terms of reference for that review, which were determined by the Commonwealth in consultation with the State and the Northern Territory governments, were sent on 20 March 1986. Details of the terms of reference were presented in the 1986-87 issue of Budget Paper No. 7.

During 1986-87, the Commission has received submissions from all the States, the Northern Territory and the Commonwealth Treasury and has conducted hearings and inspections in most of the States and the Northern Territory. These hearings were completed in July 1987. The Commission's report is to be presented no later than 31 March 1988 and will be subject to discussion at the 1988 Premiers' Conference.

CHAPTER IV—GENERAL PURPOSE CAPITAL ASSISTANCE AND BORROWINGS BY THE STATE AND LOCAL GOVERNMENT SECTOR

General purpose capital assistance to the States is paid from the Commonwealth Budget under the State Governments' Loan Council programs. In recent years these programs have included a substantial grant component and a component provided as loans for public housing at concessional interest rates, as well as borrowings by the Commonwealth on behalf of the States. In addition, State authorities, government-owned companies and trusts borrow funds directly from capital markets in accordance with annual global limits agreed by Loan Council. This chapter provides information on general purpose capital assistance to the State and local government sector and on borrowings by State (and Commonwealth) authorities under the Global Approach, which was adopted by Loan Council in June 1984. Chapter II of this Paper included a discussion of the indebtedness of the State and local government sector.

The Financial Agreement of 1927 provides the basis for the Commonwealth's role in regard to the supply of general purpose capital assistance to the State and local government sector. Under the Financial Agreement, State Governments have only limited borrowing powers but provision is made for the Commonwealth to undertake borrowings on their behalf. The amount of such borrowings is determined each year by Loan Council, which was established under the Financial Agreement to co-ordinate borrowings for the Commonwealth and State Governments and consists of representatives of the Commonwealth and each State.

The Financial Agreement also provides that the annual borrowing program of the Commonwealth (except defence borrowings and borrowings for temporary purposes) is subject to approval by Loan Council.

The Northern Territory is not subject to the Financial Agreement but under established arrangements receives general purpose capital assistance on a basis similar to that of the State Governments' Loan Council programs.

Borrowings by State (and Commonwealth) authorities are not subject to the Financial Agreement. However, various arrangements agreed to by Commonwealth and State Governments since 1936 have provided for Loan Council approval of annual borrowing programs for semi-government and local authorities (for further details see later sections of this chapter).

Relevant statistics for the period from 1983-84 are presented in Appendix II; statistical information for preceding years is available in previous issues of Budget Paper No. 7. (An historical series covering the period 1951-52 to 1975-76 is included in Appendix III of the 1975-76 issue of Budget Paper No. 7.)

GENERAL PURPOSE CAPITAL ASSISTANCE TO THE STATE AND NORTHERN TERRITORY GOVERNMENTS

Trends in General Purpose Capital Assistance

In the 1950s and 1960s the State Governments' Loan Council programs provided the main source of funds for capital expenditure by the State and local government sector. Since the early 1970s, however, the importance of these programs as a source of capital funds has diminished. The main reasons for this have been:

- the increased importance of direct borrowings by the State and local government sector:
  - State and local authorities have increased their borrowings, both within and outside approved Loan Council programs, particularly borrowings associated with infrastructure development in the late 1970s and early 1980s, and those undertaken by electricity authorities in 1982-83 and 1983-84 following the decision by Loan Council that, for a trial period of three years, domestic borrowings by such authorities should no longer be subject to a borrowing ceiling; and
  - in recent years State governments have also borrowed from their own authorities, including from central borrowing authorities which have been established to co-ordinate State authority borrowings made under the Global Approach. (Such borrowings by State governments may be undertaken without Loan Council approval provided no securities are issued; the Financial Agreement provides that, if any securities are issued, they must be Commonwealth securities);
- the increasing provision by the Commonwealth of portions of these programs on concessional terms and conditions, which has limited the scope for increasing the overall size of the programs. These concessional elements of the programs include:
  - the provision, from 1970-71, of a portion of the programs as an interest free capital grant; and
  - the agreement by the Commonwealth, in 1982-83 and subsequent years, to allow States to nominate part or all of the loan portion of their programs for public housing and to provide that part on concessional terms and conditions (an interest rate of 4.5 per cent and repayable over 53 years). These funds are additional to the specific purpose assistance provided under the Commonwealth State Housing Agreement, but are subject to the matching requirements of that Agreement being met;
- the relatively rapid growth of specific purpose capital assistance in the early 1970s, including the transfer to specific purpose payments in 1973-74 of assistance for public housing and financial responsibility for tertiary education, which were both provided previously as part of the State Governments' Loan Council programs; and
- increasing pressures on the Commonwealth Budget, including from the relatively strong growth over the period as a whole in general revenue assistance.

As a result of these changes, the State Governments' Loan Council programs, which were originally a means by which the Commonwealth centralised borrowings

on behalf of State governments, have increasingly become a vehicle for providing funds on concessional terms to the States. The main source of loan funds for the State and local government sector is now borrowings by semi-government and local authorities.

Amount of General Purpose Capital Assistance in 1987-88

Following a reduction of 23 per cent in the 1986-87 State government and Northern Territory borrowing programs, Loan Council agreed at its 25 May 1987 meeting to further substantial reductions in 1987-88. The State Governments' Loan Council programs of $533 million in 1987-88 is 56 per cent lower than in 1986-87, while the corresponding general purpose capital assistance to the Northern Territory of $88 million is 36 per cent lower. These programs represent a combined reduction of $715 million in the general purpose capital assistance available to the States and the Northern Territory from the Commonwealth Budget.

The distribution of the State Governments' Loan Council programs among the States in 1986-87 followed an historical pattern which has been unaltered since 1975-76. The share of general purpose capital assistance for the Northern Territory was determined at self-government on 1 July 1978 and has been varied in the context of the implementation of new general revenue grant arrangements in 1985-86. However, as part of the package of adjustments to general purpose payments agreed at the Premiers' Conference and Loan Council meeting held on 25 May 1987, the distribution of general purpose capital assistance among the States and the Northern Territory was altered so that each State and Territory bore a broadly similar percentage reduction in the level of general purpose (recurrent and capital) assistance compared with the levels in the Forward Estimates of Budget Outlays for 1987-88. The amounts and distributions of general purpose capital assistance for 1986-87 and 1987-88 are shown in Table 13.

Table 13—General Purpose Capital Assistance, 1986–87 and 1987–88

	1986–87				1987–88			
	Borrowings	Capital Grants	Total	Percentage of Total	Borrowings	Capital Grants	Total	Percentage of Total
	$'000	$'000	$'000	%	$'000	$'000	$'000	%
New South Wales	250 379	138 809	389 188	29.13	114 447	58 224	172 671	27.80
Victoria	194 597	107 884	302 481	22.64	94 636	48 318	142 954	23.02
Queensland	102 704	56 939	159 643	11.95	24 966	12 483	37 449	6.03
Western Australia	71 672	39 735	111 407	8.34	34 503	11 251	45 754	7.37
South Australia	100 943	55 962	156 905	11.74	51 779	27 390	79 169	12.75
Tasmania	54 286	30 097	84 383	6.32	36 877	18 438	55 315	8.91
Total States	774 581	429 426	1 204 007	90.12	357 208	176 104	533 312	85.88
Northern Territory	84 885	47 060	131 945	9.88	56 797	30 899	87 696	14.12
Total	859 466	476 486	1 335 952	100.00	414 005	207 003	621 008	100.00

Concessional Elements of General Purpose Capital Assistance in 1987-88

Loan Council also agreed that one third of total general purpose capital assistance to the States and Northern Territory in 1987-88 would be provided as a capital grant. This proportion is the same as that which applied from 1975-76 to 1984-85, but slightly lower than the 35.7 per cent applying in 1985-86 and 1986-87. As a result, $207 million is to be provided as capital grants out of the total programs of $621 million. Loan Council also agreed to some relatively minor variations in the

distribution of the loan portion of the program among the States and the Northern Territory, with the result that most do not receive precisely one third of their general purpose capital assistance in grant form.

Loan Council further agreed that, subject to meeting the matching requirements of the Commonwealth State Housing Agreement, the States and the Northern Territory would be able to nominate all of the loan portion of their 1987-88 programs for public housing. This was also the case for Western Australia and South Australia for 1986-87, although in that year the other States and the Northern Territory were limited to nominating up to 60 per cent of the loan component of their programs for housing. Under these arrangements, the States and the Northern Territory are expected to nominate $385.6 million for housing in 1987-88, compared with nominations of $584.7 million in 1986-87. (The States are expected to nominate the full amount of their programs and the Northern Territory 50 per cent of its program. See Appendix II for the distribution of aggregate nominated amounts and Chapter V for further details of the arrangements as they affect total Commonwealth assistance for public housing purposes.)

In 1987-88, therefore, it is expected that over 95 per cent of general purpose capital funds will be provided to the States and the Northern Territory on concessional terms. This compares with 79 per cent in 1986-87 and 62 per cent in 1985-86. The payments of the capital grant and housing nominations are shown in Table 14. The concessional elements of the 1987-88 program are estimated to yield an annual interest saving to the States and the Northern Territory of over $55 million in a full year. This will take the interest saving to the States and the Northern Territory—and the consequent cost to the Commonwealth—arising from the cumulative provision of concessional funds since 1970-71 to an annual rate of over $1000 million.

Table 14—States and Northern Territory: Concessional Elements of General Purpose Capital Assistance and Commonwealth Assistance for State and Northern Territory Debt ($ thousands)

	Capital Grant	Housing Nominations	Commonwealth Sinking Fund Contributions(*a*)	Total Payments
1970–71	200 000	..	24 550	224 550
1971–72	219 100	..	26 323	245 423
1972–73	248 539	..	27 979	276 518
1973–74	278 307	..	29 509	307 816
1974–75	345 878	..	30 805	376 683
1975–76	430 333	..	30 200	460 533
1976–77	452 000	..	31 635	483 635
1977–78	477 930	..	33 747	511 677
1978–79	477 936	..	35 959	513 895
1979–80	450 803	..	38 148	488 951
1980–81	474 034	..	40 138	514 172
1981–82	474 034	..	42 271	516 305
1982–83	497 876	145 898	44 435	688 209
1983–84	532 688	227 114	46 344	806 146
1984–85	567 317	405 764	48 190	1 021 271
1985–86	619 151	459 445	49 943	1 128 539
1986–87	476 486	584 726	51 428	1 112 640
1987–88	207 003	385 607	51 729	644 339
Total	7 429 415(*b*)	2 208 554	683 333(*c*)	10 321 302(*b*)(*c*)

(*a*) Includes notional Commonwealth sinking fund payments for the period from 1980-81 to 1984-85 in respect of debt allocated to the Northern Territory as these were used to determine the amount of Commonwealth debt on issue to the Northern Territory.

(*b*) Excludes $1000 million of State debt transferred to the Commonwealth in 1975-76.

(*c*) Only cumulative sinking fund contributions for the period 1970-71 to 1987-88 are shown. Between 1927-28 and 1969-70, sinking fund contributions of $321.6 million were made, resulting in total sinking fund contributions of $1005.0 million in the period to 1987-88.

The Commonwealth also contributes to the cost of debt issued on behalf of the States and the Northern Territory in other ways. Under the Financial Agreement, the Commonwealth makes contributions to the National Debt Sinking Fund in respect of State debt and similar payments are made to the Northern Territory Debt Sinking Fund for debt issued on behalf of the Northern Territory Government. (These sinking fund contributions are shown in Table 14 and are discussed further in Chapter V.) Again, by an amendment to the Financial Agreement of 5 February 1976, the Commonwealth took over $1000 million of State debt from 30 June 1975. The combined effect of this debt transfer, and of the cumulative sinking fund contributions by the Commonwealth on behalf of the States and the Northern Territory of over $1000 million from 1927-28 to 1987-88, will result in interest savings to the States and the Territory at an annual rate of about $230 million in addition to those referred to in the previous paragraph. Interest savings also arise for the States and the Northern Territory because the Commonwealth acts as a central borrower, using Commonwealth guaranteed debt instruments, on behalf of the States and the Territory.

Financing of General Purpose Capital Assistance

Any portion of the State Governments' Loan Council programs and general purpose capital assistance to the Northern Territory that is provided as loans at market rates of interest, along with the conversion or redemption of maturing State and Northern Territory debt that cannot be financed from the National and Northern Territory Debt Sinking Funds respectively, are financed from the proceeds of the issue of Treasury Bonds and Australian Savings Bonds. These are then allocated to the States and the Northern Territory and represent State and Northern Territory Government debt.

Details of the financing of the State Governments' Loan Council programs and Northern Territory Government borrowing program since 1983-84 are given in Appendix II.

In line with previous practice, the Commonwealth undertook at the 25 May 1987 Loan Council meeting to 'underwrite' the total approved State Governments' Loan Council programs of $533.3 million, on the understanding that the States agreed to: the level of governmental borrowings proposed by the Commonwealth for its own purposes and for State governments; the global limits proposed on Commonwealth and State authority borrowings; and the various other requirements of the Global Approach (details of which appear later in this chapter). The Commonwealth further agreed:

- to provide $176 million of the programs as a capital grant;
- to provide the remainder of the programs on concessional terms for public housing;
- to arrange, to the maximum extent possible, the redemption of maturing State debt that cannot be met from State Sinking Funds; and
- to make pro-rata weekly advances of the programs.

Terms and Conditions of Borrowings by the Commonwealth Government

As discussed in previous issues of Budget Paper No. 7, there has been in recent years a progressive reduction in Loan Council's controls over the terms and

conditions of borrowings by the Commonwealth and by State (and Commonwealth) authorities. The Chairman of Loan Council now has a delegation to determine the terms and conditions of the issue by the Commonwealth of Treasury Bonds, indexed Treasury Bonds, Treasury Notes, Australian Savings Bonds, Income Equalisation Deposits and overseas borrowings.

LOAN COUNCIL ARRANGEMENTS APPLYING TO AUTHORITY BORROWINGS

The Gentlemen's Agreement between the Commonwealth and the States provided the framework for Loan Council oversight of borrowings by Commonwealth and State authorities from 1936 to 1984. By the early 1980s, however, the Loan Council was exercising increasingly less influence under the Gentlemen's Agreement over the totality of authority borrowings. This reflected extensive use of non-conventional financing techniques, such as financial leasing and similar forms of borrowing, which were outside the scope of the Agreement. The decision in June 1982 to exclude domestic borrowings by electricity authorities from Loan Council control for a trial period of three years further reduced Loan Council influence on authority borrowings.

These developments culminated in the Gentlemen's Agreement being suspended at the 21 June 1984 Loan Council meeting and the Global Approach being adopted on a trial basis for 1984-85. The objective of the Global Approach was to broaden the scope of Loan Council oversight of authority borrowings by bringing within voluntarily agreed limits all forms of borrowings by Commonwealth and State semi-government and local authorities, government-owned companies and trusts. The Global Approach also allows for the publication of timely information on total borrowings by Commonwealth and State authorities.

State semi-government and local authorities generally borrow at somewhat higher interest rates than the Commonwealth Government. The relevant margins vary from time to time depending on market conditions. Indicative interest rates for smaller semi-government and local authorities for recent years and the margins applying over Commonwealth securities of similar maturity are shown in Appendix II.

The Global Approach

At the 30 May 1985 Loan Council meeting, it was decided that the Gentlemen's Agreement would be terminated formally and that the Global Approach would form the ongoing framework for Loan Council oversight of authority borrowings. The main elements of the arrangements for authority borrowings under the Global Approach, including modifications made since May 1985, are:

- the Commonwealth and each State government agree to voluntarily limit the level of new money borrowings each year from all sources by their authorities to global limits agreed by Loan Council. As occurred under the Gentlemen's Agreement, the States and the Commonwealth are free to determine the distribution of the global total among their individual authorities;
- authorities subject to the limits include semi-government and local authorities and all companies and trusts which are wholly-owned, majority owned or partly owned and effectively controlled by governments. Borrowings by gov-

ernment-owned financial institutions (such as State banks and insurance companies) and statutory marketing authorities are excluded from the global limits except when on-lent to, or used for the purposes of, governments or authorities subject to the limits (except where such borrowings are associated with temporary or unexpected fluctuations in government outlays and receipts);

- the forms of new money borrowings to be within the agreed limits include 'conventional' domestic and overseas loan raisings, deferred payment arrangements, overseas trade credits, financial leases (including leveraged leasing and similar arrangements), sale and leaseback arrangements, instalment purchase by government departments, the net change in temporary purpose borrowings over the financial year and any other form of raising new capital funds (including equity raisings by or on behalf of authorities). New money borrowings exclude operating leases and temporary purpose borrowings within the financial year; and
- bodies subject to global limits are able to refinance debt outside new money borrowing limits, provided there is no net addition to the total level of outstanding debt.

Overseas Borrowings

Arrangements for overseas borrowings under the Global Approach are:

- New money overseas borrowings by State authorities, including non-conventional financing techniques (such as trade credits, financial leases and the net change in temporary purpose overseas borrowings over the financial year) are subject to an aggregate overseas ceiling. The distribution of the overseas ceiling is determined by agreement among the States.
- New money overseas borrowings (including the net change in temporary purpose borrowings) are not to exceed for more than a two month period during the financial year each State's new money overseas borrowing ceiling for that year, with an upper limit at all times during the year of 150 per cent of each State's ceiling.
- Borrowings by statutory marketing authorities are, as already noted, outside global limits. However, the following limits apply to the amounts which statutory marketing authorities may borrow overseas:
  - up to the level of their expected foreign currency denominated sales for advance payments to growers (provided this does not exceed their current season's net borrowing requirement);
  - up to 50 per cent of their borrowing requirement to finance buffer stocks held in Australia; and
  - any of their borrowing requirement to finance buffer stocks held or being shipped abroad.
- Commonwealth and State authorities subject to the global limits and statutory marketing authorities are allowed to borrow in all private overseas capital markets and a range of overseas public issue markets. The permitted public issue markets are:
  - domestic $US market;
  - Eurodollar market;

- Swiss Franc market;
- Euro-sterling market;
- European Currency Unit (ECU) market;
- Euro-$A market;
- Yen and non-Yen Tokyo markets;
- Deutschemark market;
- Euro-yen market;
- Dutch Guilder market; and
- Euro-Canadian dollar market, which has been added since the June 1986 Loan Council meeting.

- Conversion or refinancing of overseas debt is permitted outside the overseas borrowing ceiling.
- Since the 21 June 1984 Loan Council meeting, approval of the terms and conditions of overseas borrowings by authorities has been delegated to the individual members of Loan Council. However, specific Loan Council approval of terms and conditions of individual overseas borrowings is still required in the Sterling private placement market (essentially with a view to differentiating such borrowings from public issues by the Commonwealth in the relatively small Sterling market). Individual approaches to public markets continue to require prior Loan Council approval, and are subject to orderly queuing arrangements and to the Commonwealth Government having a prior right of access.

Global Borrowing Limits for 1987-88

At its 25 May 1987 meeting, Loan Council agreed to an aggregate new money borrowing limit for State authorities of $5293 million, which is $1000 million, or about 16 per cent, less than borrowings in 1986-87. The agreed amount includes a special temporary addition of $98 million to Western Australia. A global borrowing limit for the Northern Territory of $65 million was also agreed for 1987-88, compared with actual borrowings of $86 million in 1986-87. This reduction in the Northern Territory's program largely reflects lower financing requirements following the completion of the Channel Island Power Station near Darwin. Details of the borrowing programs for each of the States and the Northern Territory are provided in Table 15, while Appendix II provides details of the agreed conversion/refinancing programs.

For 1987-88, Loan Council also agreed to an aggregate overseas borrowing ceiling of $1165 million for State authorities, equal to 22 per cent of aggregate new money borrowings. This compares with an overseas borrowing ceiling of $1374 million in 1986-87. The distribution of the overseas ceiling, which was agreed among the States, is shown in Table 16.

For 1987-88, Loan Council approved a new money borrowing limit for Commonwealth authorities of $1187.9 million, a decrease of $271 million, or 18.6 per cent, on borrowings for 1986-87. The major part of the borrowings undertaken under this limit will be for the Telecom capital works program and for aircraft acquisitions by Qantas and Australian Airlines.

Table 15—'Global' New Money Borrowings by State and Northern Territory Semi-Government and Local Authorities (*a*), 1985–86 to 1987–88

	1985–86					1986–87					1987–88 (*b*)				
	Borrowings Against Basic Programs	Special Temporary Additions	Total	Percentage Change on Previous Year	Percentage of Total	Borrowings Against Basic Programs	Special Temporary Additions	Total	Percentage Change on Previous Year	Percentage of Total	Basic Programs	Special Temporary Additions	Total	Percentage Change on Previous Year	Percentage of Total
	$m	$m	$m	%	%	$m	$m	$m	%	%	$m	$m	$m	%	%
New South Wales	2 059.1	..	2 059.1	6.1	29.2	1 845.0	..	1 845.0	−10.4	28.9	1 539.7	..	1 539.7	−16.5	28.7
Victoria	1 856.7	150.0	2 006.7	1.2	28.5	1 648.9	210.0	1 858.9	−7.5	29.1	1 526.4	..	1 526.4	−17.9	28.5
Queensland	1 538.9	..	1 538.9	−0.8	21.9	1 397.0	−10.0	1 387.0	−9.9	21.7	1 160.5	..	1 160.5	−16.3	21.7
Western Australia	664.4	76.9	741.3	−9.4	10.5	601.1	33.9	635.0	−14.3	10.0	486.0	98.0	584.0	−8.0	10.9
South Australia	400.0	..	400.0	−18.9	5.7	360.0	−10.0	350.0	−12.5	5.5	300.8	..	300.8	−14.1	5.6
Tasmania	230.0	..	230.0	0.4	3.3	207.0	10.0	217.0	−5.7	3.4	181.6	..	181.6	−16.3	3.4
Total States	6 749.1	226.9	6 976.0	−0.6	99.1	6 059.0	233.9	6 292.9	−9.8	98.6	5 195.0	98.0	5 293.0	−15.9	98.8
Northern Territory	50.0	15.0	65.0	30.0	0.9	86.3	..	86.3	32.8	1.4	65.0	..	65.0	−24.7	1.2
Total	6 799.1	241.9	7 041.0	−0.3	100.0	6 145.3	233.9	6 379.2	−9.4	100.0	5 260.0	98.0	5 358.0	−16.0	100.0

(*a*) Includes borrowings in all forms by all semi-government and local authorities, government-owned companies and trusts.
(*b*) Approved global borrowing limits.

Table 16—New Money Overseas Borrowings by State Semi-Government Authorities (*a*), 1979–80 to 1987–88 ($ million)

	New South Wales	Victoria (*b*)	Queensland (*b*)	Western Australia	South Australia	Tasmania	Six States Total (*b*)
CONVENTIONAL BORROWINGS							
1979–80	103.0	100.0	84.0	15.3	..	20.0	322.3
1980–81	32.0	87.0	70.0	30.2	..	12.9	232.1
1981–82	151.5	120.5	135.0	71.7	20.0	42.5	541.2
1982–83	150.0	120.0	171.0	78.7	21.6	..	541.3
1983–84	190.4	209.5	150.0	173.6	40.0	..	763.5
1984–85 (*c*)	356.2	619.5	275.5	149.0	146.0	40.0	1 585.7
1985–86	358.8	492.4	315.0	155.0	95.0	43.4	1 459.6
1986–87	346.3	339.4	196.1	172.0	82.5	46.5	1 182.8
NON-CONVENTIONAL BORROWINGS (*d*)							
1979–80	36.2	70.1	124.3	4.8	..	..	235.4
1980–81	80.0	2.8	..	2.5	..	..	85.3
1981–82	442.5	105.6	160.7	13.1	26.2	2.9	751.0
1982–83	611.9	30.0	3.8	159.5	106.8	0.1	912.1
1983–84	347.0	70.7	...	33.6	43.6	6.5	501.4
1984–85	337.2	11.9	13.0	9.1	..	3.4	374.6
1985–86	47.3	7.7	..	..	..	1.9	56.9
1986–87	59.7	0.6	..	..	3.5	0.9	64.7
TOTAL							
1979–80	139.2	170.1	208.3	20.1	..	20.0	557.7
1980–81	112.0	89.8	70.0	32.7	..	12.9	317.4
1981–82	594.0	226.1	295.7	84.8	46.2	45.4	1 292.2
1982–83	761.9	150.0	174.8	238.2	128.4	0.1	1 453.4
1983–84	537.4	280.2	150.0	207.2	83.6	6.5	1 264.9
1984–85	693.4	631.4	288.0	158.1	146.0	43.4	1 960.3
1985–86	406.1	500.1	315.0	155.0	95.0	45.3	1 516.5
1986–87	406.0	340.0	196.1	172.0	86.0	47.4	1 247.5
1987–88 (*e*)	338.8	335.9	255.4	128.6	66.3	40.0	1 165.0

(*a*) Includes new money borrowings by all semi-government and local authorities, government-owned companies and trusts.
(*b*) Figures shown for non-conventional borrowings include trade credits only for Queensland for all years shown and trade credits only for Victoria for the years 1979–80 to 1981–82.
(*c*) Special additions of $390 million were approved during the year, further to the 1984–85 overseas (conventional) borrowing ceiling of $1 200 million.
(*d*) Includes overseas trade credits, overseas financial leases and similar transactions.
(*e*) A ceiling of 22 per cent of the global limits ($1 165 million) on overseas conventional and non-conventional borrowings was agreed at the 25 May 1987 Loan Council meeting.

CHAPTER V—SPECIFIC PURPOSE PAYMENTS TO THE STATES AND THE NORTHERN TERRITORY

The Commonwealth provides financial assistance to the States and the Northern Territory subject to conditions for a wide range of Commonwealth programs. The conditions may include the Commonwealth specifying the purpose for which the assistance may be spent, the States agreeing to undertake particular actions, a requirement for the States to contribute some specified amount of their own funds to the program to qualify for assistance and, in the case of loans, interest and repayment obligations. Similar types of assistance are also made to the Northern Territory. This chapter outlines specific purpose payments recently made, presently being made or proposed to be made, to the States and the Northern Territory.

The various payments in this chapter are grouped under the functional headings used in the Statements in Budget Paper No. 1—the only exceptions being that payments included in the 'Not Allocated to Function' category (namely, assistance related to State and Northern Territory debts, assistance for local government, natural disaster relief and assistance for South West Tasmania) are shown under specific headings in appropriate places in the chapter and that various payments for Aboriginal advancement, support for steel regions, payments under the Commonwealth State Housing Agreement and payments under the Federal Water Resources Assistance Program are grouped together (in the functional statements these are distributed over a number of functions).

It should be noted that the distribution of assistance among the States and the Northern Territory under some programs is dependent on application or agreement by the States and the Territory to participate in programs or the approval of particular projects. In a few other cases, final decisions have not been taken by the Commonwealth regarding the distribution among States. In such cases, a provisional or notional estimate of the distribution is included. This does not, however, by itself constitute a commitment by the Commonwealth to a particular level of funding or an indication that a State or the Northern Territory has agreed to participate in the program.

Specific purpose payments to each State and the Northern Territory since 1983-84, classified as to whether they were for recurrent or capital purposes, are shown in Appendix VI of this Paper. Specific purpose payments for 1983–84 to 1986–87 and estimated payments for 1987-88 classified by function are presented in the following table.

Table 17—Commonwealth Specific Purpose Payments to the States and the Northern Territory by Function, 1983–84 to 1987–88

	1983–84	1984–85	1985–86	1986–87		1987–88 (estimate)	
	Amount	Amount	Amount	Amount	Increase	Amount	Increase
	$'000	$'000	$'000	$'000	%	$'000	%
Defence	6 301	7 420	5 756	4 216	−26.8	3 806	−9.7
Education	3 366 127	3 697 244	3 989 521	4 152 690	4.1	4 438 906	6.9
Health	432 134	961 409	1 112 129	1 161 870	4.5	1 296 819	11.6
Social Security and Welfare	80 154	128 288	135 235	202 274	49.6	248 525	22.9
Housing and Community Amenities	524 309	548 193	594 193	625 794	5.3	635 217	1.5
Culture and Recreation	15 386	32 472	45 084	55 631	23.4	45 025	−19.1
Economic Services—							
Transport and Communication	1 224 519	1 284 337	1 255 345	1 241 525	−1.1	1 242 542	0.1
Industry Assistance and Development	84 368	114 447	98 811	195 628	98.0	148 232	−24.2
Labour and Employment	411 683	380 188	288 890	218 503	−24.4	136 891	−37.4
Other Economic Services	77 039	111 779	66 110	96 938	46.6	55 338	−42.9
Total Economic Services	1 797 610	1 890 752	1 709 157	1 752 594	2.5	1 583 003	−9.7
General Public Services	35 424	39 579	45 255	54 634	20.7	78 818	44.3
Not Allocated to Function							
Assistance Related to State Debts	60 739	62 269	49 943	51 428	3.0	51 729	0.6
Assistance for Local Government (*a*)	461 535	488 864	538 532	585 613	8.7	642 477	9.7
Natural Disaster Relief	122 487	−15 258	−7 999	2 654	−133.2	−5 600	−311.0
Special Assistance for South West Tasmania	62 906	33 871	33 571	29 876	−11.0	29 700	−0.6
Total not Allocated to Function	707 667	569 745	614 047	669 571	9.0	718 306	7.3
Grand Total (net basis)	6 965 111	7 875 102	8 250 376	8 679 274	5.2	9 048 425	4.2

(*a*) Comprising grants to the States and the Northern Territory to be passed on to local government authorities as general purpose assistance.

ASSISTANCE RELATED TO STATE DEBTS

Payments Under the Financial Agreement

Sinking Fund Contributions

The Financial Agreement of 1927 established arrangements for the payment of contributions to the National Debt Sinking Fund, 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 the 1974-75 issue of Budget Paper No. 7.

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*) which had retrospective effect to 30 June 1975, and provided for sinking fund arrangements in respect of State debt, may be summarised as follows:

- specified contributions were made by the States ($121.5 million) and by the Commonwealth ($30.2 million) in 1975-76;
- for the next nine years (ten in the case of New South Wales) the contributions equalled the amounts contributed in 1975-76 adjusted by a percentage of the difference between each State's net public debt at 30 June 1975 and the net public debt at 30 June immediately preceding the year of contribution. The percentage was 1.20 for State contributions and 0.28 for Commonwealth contributions; and
- from and including 1985-86 (1986-87 in the case of New South Wales) the contribution by each State would equal 0.85 per cent of its net public debt at the preceding 30 June and the Commonwealth's contribution would be 0.28 per cent.

Further details of sinking fund arrangements are presented in the annual reports of the National Debt Commission.

The Financial Agreement amendments of 1975-76 also gave effect to the transfer of $1000 million of State debt to the Commonwealth from 30 June 1975. (*See* page 34 of the 1975-76 issue of Budget Paper No. 7.)

In respect of the Northern Territory, the Memorandum of Understanding provided that, for the early years of self-government, the Commonwealth would provide the Northern Territory with assistance to fully offset its debt servicing obligations on debt allocated to finance general purpose capital assistance to the Territory, at least until the growth rate in debt charges stabilised. At the May 1985 Premiers' Conference/Loan Council meeting it was decided that the Territory's debt charges had stabilised to a sufficient extent to absorb the Commonwealth's assistance in respect of debt charges into general revenue payments to the Territory and for the Territory to accept formal responsibility for servicing the debt allocated to it. Arising from that decision, an amount of $57.5 million, representing a revised estimate of debt charges assistance in 1984-85, was absorbed in 1985-86 into the base for determining the Territory's general revenue grant for that and subsequent years.

The Commonwealth and Northern Territory Governments also reached agreement in the course of 1985-86 on the amount of Commonwealth debt outstanding on behalf of the Territory at 30 June 1985 which became the responsibility of the Northern Territory and on the new financial arrangements to apply with effect from 1 July 1985 in respect of debt allocated to the Northern Territory under its borrowing program. The new arrangements are consistent with those applying to the States under the Financial Agreement and require the Territory from 1985-86 to reimburse the Commonwealth for the whole of interest charges on debt allocated to the Territory and to reimburse the Commonwealth for loan management and loan flotation expenses on the same basis as the States.

The new arrangements also require the Commonwealth and the Northern Territory to make sinking fund contributions in 1985-86 and each subsequent financial year equal to 0.28 per cent and 0.85 per cent, respectively, of the net public debt outstanding on the Territory's behalf at 30 June of the preceding financial year. These sinking fund payments are paid into a Northern Territory Debt Sinking Fund which was established in 1985-86 as part of the Commonwealth Public Account. The Commonwealth also pays interest at market related rates on balances in the Northern Territory Debt Sinking Fund, on a similar basis as is paid by the Reserve Bank in respect of National Debt Sinking Fund balances.

The following table shows the Commonwealth's sinking fund contributions in respect of the States' and the Northern Territory's debts from 1983-84, including estimated contributions to be made in 1987-88.

Table 18—Sinking Fund Payments, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	15 010	11 398	6 013	4 264	5 722	3 082	(*a*)	45 490
1984–85	15 680	11 844	6 277	4 453	5 651	3 194	(*a*)	47 099
1985–86	16 258	12 278	6 653	4 474	5 573	3 361	1 345	49 943
1986–87	16 775	12 728	6 879	4 452	5 547	3 486	1 561	51 428
1987–88 (estimate)	16 902	12 830	6 930	4 411	5 497	3 514	1 645	51 729

(*a*) Prior to the establishment of the Northern Territory Debt Sinking Fund in 1985–86, Sinking Fund contributions by the Commonwealth were notional only and included in Debt Charges Assistance to the Territory.

Housing for Members of the Australian Defence Force

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 construction of dwellings for serving members of the Defence Force. (For further details see page 35 of the 1975-76 issue of Budget Paper No. 7.)

Present arrangements were agreed between the Commonwealth and the States in 1972 and renewed for six years in 1978. These arrangements are continuing on an informal basis pending the finalisation of a further agreement.

Funds for housing for members of the Australian Defence Force in the States are provided under the arrangements by way of loans at market rates of interest repayable over 53 years. Funds are provided for both the construction of new dwellings and improvements.

The following table shows loans provided to the States since 1983-84 and estimates for 1987-88.

Table 19—Advances for Houses for Members of the Australian Defence Force, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Six State Total
1983–84	2 597	..	2 559	134	9	..	5 299
1984–85	4 685	1 226	48	..	..	..	5 959
1985–86	3 891	279	27	61	..	..	4 258
1986–87	1 634	415	257	121	10	..	2 437
1987–88 (estimate)	1 476	174	202	18	18	105	1 993

Assistance to Emergency Services

The Natural Disasters Organisation (NDO), which was established in 1974, functions under the auspices of the Department of Defence.

NDO is responsible for mitigating the effects of disasters at the request of State and Territory counter disaster organisations by co-ordinating Commonwealth physical assistance (including that provided by the Defence Force) as well as supporting the development of a core civil defence structure.

NDO also manages physical and financial programs in support of State and Territory Emergency Services in their counter disaster and civil defence roles. The following forms of assistance are provided by the Commonwealth:

- salaries reimbursement for an agreed number of State Emergency Service personnel at Divisional or District headquarters level;
- grants on a dollar for dollar basis towards the cost of providing accommodation for emergency service units at the local level;
- meeting the travel and accommodation costs of State and Territory counter disaster personnel attending the Australian Counter Disaster College, Mt. Macedon (Victoria);

- provision of selected items of emergency equipment to State and Territory Emergency Service organisations. Equipment valued at $1.2 million was provided in 1986-87 and a similar amount is planned for 1987-88; and
- other, including the development of national counter disaster policy plans and procedures, maintenance of an effective public information and awareness program and training.

The first three of these forms of assistance are classified as recurrent grants to the States and Northern Territory for purposes of this and other Budget Papers.

The provision of capital equipment is classified as a Commonwealth own-purpose outlay. The following table shows grants made for these purposes since 1983-84 and estimated grants in 1987-88.

Table 20—Recurrent Grants for Emergency Services, 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				PERSONNEL COSTS				
1983-84	504	358	487	197	68	120	24	1 758
1984-85	601	375	503	278	139	143	118	2 156
1985-86	607	412	473	349	282	157	139	2 420
1986-87	638	366	492	414	312	152	149	2 523
1987-88 (estimate)	697	385	537	443	331	172	168	2 733
				PROTECTION AND OTHER WORKS				
1983-84	89	73	100	53	10	14	..	340
1984-85	115	137	96	68	28	20	..	464
1985-86	73	73	82	52	..	10	10	300
1986-87	84	129	198	39	54	41	..	545
1987-88 (estimate)	73	105	105	53	32	32	40	440
				TOTAL				
1983-84	593	431	587	251	78	134	24	2 098
1984-85	716	512	600	345	166	163	118	2 620
1985-86	680	485	555	401	282	167	149	2 720
1986-87	721	495	690	453	366	193	149	3 067
1987-88 (estimate)	770	490	642	496	363	204	208	3 173

EDUCATION

Grants to the States for education began with assistance for the recurrent expenditures of universities in 1951-52. The magnitude and area of Commonwealth assistance has been progressively extended with the assumption by the Commonwealth of financial responsibility for universities and colleges of advanced education from 1974 (with corresponding offsets in general purpose assistance to the States) and the provision, also from 1974, of substantially increased assistance for schools and colleges of technical and further education (TAFE). More recently, in 1984, the Commonwealth decided to provide substantial increases in recurrent per student funding for government schools as well as for the non-government sector. As a result of these developments, payments to the States for education have grown rapidly—for example, from $259.4 million in 1972-73 to an estimated $4419 million in 1987-88.

The Commonwealth's tertiary education and schools programs have a calendar year rather than a financial year basis and funding for the tertiary education programs is usually determined on a triennial basis. However, pending further consideration of tertiary education resource issues, the Commonwealth Government has decided to approve tertiary program grants for 1988 only. Funding decisions on tertiary education and schools programs are announced in constant prices with supplementary grants being paid retrospectively for cost increases for most programs—through the program year for salary and wage increases, and to the commencement of the program year for other elements. In accordance with these arrangements, separate bulk allowances of $100 million and $54 million, have been included in the Budget for estimated cost supplementation of the payments to the States for tertiary education and schools, respectively, in 1987-88.

Tertiary Education

The Commonwealth Tertiary Education Commission promotes the balanced and co-ordinated development of tertiary education throughout Australia. Programs of assistance to the States and the Northern Territory for tertiary education are administered by the Commission.

Higher Education

The Commonwealth assumed financial responsibility for higher education (universities and colleges of advanced education (CAEs)) in 1974. Commonwealth funding aims to ensure that higher education meets the economic and social needs of the nation and that opportunities are provided for equitable participation. Total Commonwealth assistance in 1988 for universities and colleges of advanced education in the States is estimated at around $2194 million (December 1986 prices). Included in this amount is a reduction of $24 million in recurrent grants announced in the May Statement.

This figure also reflects the Commonwealth's decision to introduce from 1987 an administration charge to be paid by all students enrolling in higher education courses. The Charge will be set at $262 in 1988. The Charge aims to defray, in part, the administrative overheads of institutions and is collected by institutions themselves, with Commonwealth higher education grants being reduced by 90 per cent of estimated collections. As a result, institutions effectively retain 10 per cent of the benefit of the charge for their own purposes. In addition, the Commonwealth will provide funds for an additional intake of between 3 500 and 4 000 students in 1988. Further details are provided in Statement No. 3 in Budget Paper No. 1.

The following tables show grants to the States and the Northern Territory for universities and CAEs since 1983-84 and estimated grants for 1987-88.

Table 21—Grants for Universities, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Six State Total
			RECURRENT				
1983–84	368 063	256 957	138 705	79 172	91 428	35 020	969 344
1984–85	398 558	274 555	149 006	85 199	96 873	37 240	1 041 430
1985–86	438 264	302 729	164 896	93 936	107 273	40 476	1 147 573
1986–87	443 918	308 165	168 747	96 815	109 037	41 267	1 167 948
1987–88 (estimate) (*a*)	461 876	315 977	175 566	100 245	110 812	42 672	1 207 148
			CAPITAL				
1983–84	26 068	14 557	12 782	5 812	5 795	1 672	66 686
1984–85	25 908	20 692	10 573	5 440	5 597	2 055	70 264
1985–86	32 319	21 334	9 658	6 472	5 946	3 410	79 140
1986–87	38 519	23 126	15 400	11 447	8 128	6 357	102 978
1987–88 (estimate) (*a*)	45 204	26 497	19 875	10 484	7 934	5 917	115 911
			TOTAL				
1983–84	394 131	271 514	151 487	84 984	97 223	36 692	1 036 030
1984–85	424 466	295 247	159 578	90 639	102 470	39 295	1 111 694
1985–86	470 582	324 063	174 553	100 408	113 219	43 886	1 226 713
1986–87	482 437	331 290	184 146	108 263	117 165	47 624	1 270 925
1987–88 (estimate) (*a*)	507 080	342 474	195 441	110 729	118 746	48 589	1 323 059

(*a*) The estimates for 1987–88 do not include amounts paid on account of cost supplementation; *see* introductory paragraphs to the 'Educaton' Section.

Table 22—Grants for Colleges of Advanced Education, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983–84	174 046	234 310	100 021	78 064	66 590	10 367	5 039	668 437
1984–85	180 481	257 331	107 942	85 273	72 763	11 125	6 074	720 989
1985–86	202 336	284 566	124 822	95 118	80 346	12 254	7 676	807 117
1986–87	207 688	291 563	130 099	98 376	80 574	12 452	8 643	829 394
1987–88 (estimate) (*a*)	218 985	303 715	134 724	102 715	83 634	13 374	..	857 147
				CAPITAL				
1983–84	18 023	15 675	4 589	3 494	3 949	441	..	46 171
1984–85	15 754	21 068	6 439	3 618	4 001	454	76	51 410
1985–86	18 097	23 934	10 734	5 809	4 940	713	189	64 416
1986–87	27 380	26 571	11 002	13 475	7 604	670	191	86 893
1987–88 (estimate) (*a*)	31 617	27 416	19 634	11 641	5 269	5 793	249	101 619
				TOTAL				
1983–84	192 069	249 985	104 610	81 558	70 539	10 808	5 039	714 608
1984–85	196 235	278 399	114 381	88 891	76 764	11 579	6 150	772 399
1985–86	220 435	308 500	135 556	100 927	85 286	12 967	7 865	871 534
1986–87	235 068	318 134	141 100	111 851	88 178	13 122	8 834	916 287
1987–88 (estimate) (*a*)	250 602	331 131	154 358	114 356	88 903	19 167	249	958 766

(*a*) The estimates for 1987–88 do not include amounts paid on account of cost supplementation; *see* introductory paragraphs to the 'Education' Section.

State's Contributions to Higher Education Superannuation

From 1 January 1988, those States which operate higher education superannuation schemes on an 'emerging cost' basis (namely all States except Queensland) will be required to make a contribution to the expenditure incurred by higher education institutions under those schemes. The Commonwealth will continue to meet all costs accrued in those States after it took over full funding responsibility for higher education in 1974 up until the Superannuation Scheme for Australian Universities was introduced in 1981. These States will, however, now be required to make an annual contribution equal to the superannuation expenditure incurred by higher education institutions calculated on the basis that they:

- share costs attributable to service prior to 1974 in proportion to their relative contribution to the funding of the recurrent costs of higher education during the relevant period; and
- meet those costs attributable to service after 1981 in excess of those which would have arisen if employer contibutions had been limited to 14 per cent of higher education salaries.

State contributions are estimated to total $11 million in 1987-88 and the estimated contribution for these States are shown in the following table. These contributions will be funded either by payments from the States concerned or by way of offsets to payments of financial assistance made to those States under the *States Grants (General Revenue) Act 1985*. It will be necessary to amend that Act to give effect to these arrangements.

Table 23—State's Contributions to Higher Education Superannuation, 1987–88
($ thousands)

	New South Wales	Victoria	Western Australia	South Australia	Tasmania	Total
1987–88 (estimate)	−4 700	−4 760	−300	−1 200	−40	−11 000

Technical and Further Education

Assistance to the States and the Northern Territory 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 as compensation for not levying fees. The Commonwealth and the States and Northern Territory share the responsibility for the funding of TAFE, with the Commonwealth share being around a fifth of recurrent funding and around two-thirds of capital funding.

The program of financial assistance in 1988 to the States and the Northern Territory amounts to around $271 million (December 1986 prices). Reflected in this figure is a reduction of $30 million in the recurrent program announced in the May Statement.

The following table shows grants to the States for technical and further education since 1983-84 and estimated grants for 1987-88; the amounts exclude grants for the Participation and Equity Program which are included in Table 26.

Table 24—Grants for Technical and Further Education, 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983-84	45 489	32 569	12 119	11 805	10 509	3 552	1 312	117 355
1984-85	48 240	35 514	14 161	12 804	11 481	3 878	1 430	127 509
1985-86	51 529	33 778	16 423	13 474	12 809	4 784	1 898	134 693
1986-87	55 641	37 293	21 400	14 867	13 663	4 433	2 238	149 536
1987-88 (estimate) (*a*)	47 952	30 537	17 785	12 538	12 050	3 851	1 895	126 608
				CAPITAL				
1983-84	41 062	29 945	18 784	8 065	13 986	2 777	3 609	118 228
1984-85	50 739	49 700	23 732	15 725	16 106	2 334	4 507	162 843
1985-86	44 332	40 800	28 589	16 138	8 921	737	7 525	147 043
1986-87	56 786	44 777	26 338	14 385	16 554	4 817	1 764	165 421
1987-88 (estimate) (*a*)	61 625	46 402	25 475	14 117	10 586	7 147	4 988	170 340
				CAPITAL				
1983-84	86 551	62 514	30 904	19 870	24 494	6 329	4 921	235 583
1984-85	98 979	85 214	37 893	28 530	27 587	6 212	5 938	290 352
1985-86	95 861	74 578	45 011	29 613	21 729	5 521	9 423	281 736
1986-87	112 427	82 070	47 738	29 252	30 217	9 250	4 002	314 957
1987-88 (estimate) (*a*)	109 577	76 939	43 260	26 655	22 636	10 998	6 883	296 948

(*a*) The estimates for 1987-88 do not include amounts 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. By 1975-76 the Commonwealth was providing grants for both government and non-government schools including general recurrent and building (capital) grants and special purpose programs such as for handicapped children, disadvantaged schools and migrants. Notwithstanding this increased Commonwealth involvement, the bulk of public sector funding for schools, and in particular government schools, continues to be the responsibility of the States and the Northern Territory.

Commonwealth schools assistance to the States and the Northern Territory in 1988 will amount to $1701.5 million (estimated December 1986 prices), compared to $1638.0 million (estimated December 1986 prices) in 1987, an increase of 2.3 per cent in real terms.

The estimates for 1987-88 and calendar year 1988 reflect real growth in general recurrent (per capita) grants, offset by reductions mainly in the level of funding for specific purpose programs due to the termination at the end of 1987 of the Basic Learning in Primary Schools Program and the Participation and Equity Program. The main new initiative is the Commonwealth Government's decision, as part of the National Language Policy, to extend the period for intensive English instruction under the New Arrivals element of the English as a Second Language Program at an estimated cost of $5.3 million in 1987-88.

General recurrent (per capita) grants for both government and non-government schools will continue to rise in 1987-88 and in the 1988 calendar year, in line with the annual increase in per student grants payable to the States and non-government authorities under the *States Grants (Schools Assistance) Act 1984* and under Resource Agreements with the States and non-government authorities. The real per student increases in 1988 will be some 4 per cent in most cases for government and non-government primary schools, about 3 per cent for non-government secondary schools and about 11 per cent for government secondary schools. General recurrent grants for government schools in the States and the Northern Territory will rise by $50.7 million in 1987-88 while general recurrent grants to non-government schools are to rise by $76.7 million.

The following table shows grants to the States and the Northern Territory for schools since 1983-84 and the estimated grants for 1987-88. Further details are available in Appendix III.

Table 25—Grants for Government and Non-Government Schools, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983–84	382 973	330 391	166 839	90 749	83 558	26 290	8 837	1 089 637
1984–85	409 726	349 687	181 590	98 497	88 863	28 722	10 248	1 167 334
1985–86	455 835	380 186	204 456	110 292	99 404	31 875	12 360	1 294 407
1986–87	491 185	407 894	220 760	119 790	106 181	34 157	12 656	1 392 624
1987–88 (estimate) (*a*)	513 504	428 231	233 055	125 456	111 742	36 235	13 157	1 461 381
				CAPITAL				
1983–84	63 733	53 229	32 179	18 366	16 706	5 993	3 436	193 643
1984–85	71 152	55 004	35 175	22 061	19 156	6 024	4 229	212 800
1985–86	74 245	54 404	43 736	22 156	17 552	6 065	4 601	222 758
1986–87	68 192	52 586	31 719	21 804	17 497	5 394	5 324	202 516
1987–88 (estimate) (*a*)	72 172	59 735	37 256	21 179	16 246	5 402	5 936	217 926
				TOTAL				
1983–84	446 707	383 620	199 019	109 115	100 264	32 283	12 273	1 283 280
1984–85	480 878	404 691	216 765	120 558	108 019	34 745	14 477	1 380 133
1985–86	530 080	434 590	248 192	132 448	116 955	37 940	16 961	1 517 165
1986–87	559 378	460 479	252 480	141 594	123 679	39 551	17 980	1 595 140
1987–88 (estimate) (*a*)	585 676	487 966	270 311	146 635	127 988	41 637	19 093	1 679 307

(*a*) The estimates for 1987–88 do not include amounts paid on account of cost supplementation; *see* introductory paragraphs to the 'Education' Section.

Participation and Equity

The Participation and Equity Program, which commenced in January 1984, has the objectives of both increasing participation in education and introducing greater equity in overall educational provision for young people. The program, which was originally due to expire in 1986, was extended to 1987 following the Commonwealth Government's decision that the assistance formerly planned to be provided for 1986 is to be spread over the two calendar years. The program will not be renewed beyond 1987.

The following table shows grants to the States and the Northern Territory under the program since 1983-84 and estimated grants for 1987-88.

Table 26—Recurrent Grants for the Participation and Equity Program, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	7 972	7 771	5 297	2 152	3 041	753	361	27 346
1984–85	31 825	23 006	13 626	8 140	8 196	3 226	855	88 875
1985–86	22 070	15 560	10 966	6 260	6 131	2 194	582	63 763
1986–87	11 881	10 996	7 876	4 287	3 970	1 571	614	41 195
1987–88 (estimate) (*a*)	11 763	5 976	3 674	2 275	2 166	754	387	26 995

(*a*) The estimates for 1987–88 do not include amounts paid on account of cost supplemention; *see* introductory paragraphs to the 'Education' Section.

Video Facilities

Under this program the Commonwealth is providing the States and the Northern Territory with capital grants during the 1985-87 triennium to make educational video facilities available on loan to children in isolated areas. As a result of the termination of the program at the end of 1987, it is estimated that $0.6 million will be provided in 1987-88 compared to payments of $1.3 million in 1986-87. A provisional estimate of payments to each State and the Northern Territory is included in Appendix VI.

HEALTH

The Commonwealth has been providing assistance to the States for health services and facilities since 1949-50. The level of assistance rose rapidly during the 1970s with the introduction of arrangements for the sharing of net costs of operating recognised hospitals, and the beginning of the community health program and the school dental scheme.

Under financial arrangements that commenced on 1 July 1981, New South Wales, Victoria, Queensland, Western Australia and the Northern Territory received, under the *States (Tax Sharing and Health Grants) Act 1981*, general purpose financial assistance identified for health purposes in lieu of specific purpose assistance previously provided by the Commonwealth to those States for public hospital operating costs, the community health program and the school dental scheme. Under these arrangements, South Australia and Tasmania received general purpose assistance payments in respect of the community health program and school dental scheme only. However, as part of the arrangements for the introduction of Medicare, from 1 February 1984 specific purpose payments to South Australia and Tasmania for health purposes under the hospital cost-sharing agreements were replaced by general purpose identified health grants. For the triennium 1985-86 to 1987-88, the identified health grant arrangements are continued under the *States Grants (General Revenue) Act 1985.*

The Isolated Patients Travel and Accommodation Assistance Scheme (IPTAAS) was abolished on 31 December 1986. Additional general revenue assistance has been provided to the States and the Northern Territory in 1986-87 to enable them to provide patient travel arrangements complementary to their existing health care delivery systems, should they so wish.

As announced in the May Statement, previous specific purpose Commonwealth funding for aids for disabled people has been included in general purpose financial assistance to the States and the Northern Territory from 1987-88.

It is intended that these payments will be absorbed into the financial assistance grants after 1987-88. For further details of these arrangements, see Chapter III.

Medicare Compensation

As part of its Medicare program, the Commonwealth makes Medicare Compensation Grants to the States and the Northern Territory designed to ensure that no State is financially disadvantaged by the introduction of Medicare into its public hospital system. These grants are designed to compensate each State and the Northern Territory for revenue losses associated with both the abolition of accommodation charges for public patients in public hospitals and of charges for public hospital in-patient and out-patient care and the reduction in accommodation fees for private patients in public hospitals and other additional costs associated with the introduction of Medicare.

Medicare Compensation Grants are provided on the basis that the States and the Northern Territory will provide public hospital in-patient treatment in shared wards, and out-patient treatment, without charge to persons defined as eligible by the *Health Insurance Act 1973* unless the patient elects to be treated as a private patient.

From 1 February 1984 to 30 June 1985 the compensation provided was based on a formula comparing actual hospital utilisation during the relevant year with utilisation in 1982-83. Payments from 1 July 1985 take the form of block grants based on the 1984-85 grants indexed to take account of wage and price increases. At the 1985 Premiers' Conference it was agreed that the agreements would continue until 30 June 1988. The agreements will be reviewed in consultation with the States during 1987-88.

The Medicare Compensation Grants also include a component designed to restore the Commonwealth's real terms contribution to community health funding to the 1975-76 level ($21.4 million in 1987-88), capital assistance for diagnostic and other high technology equipment expected to result in reduced Medicare benefits payments in future years ($4.6 million in 1987-88) and a special payment to New South Wales of $26.4 million in 1987-88 in relation to the increased hourly rates of payment to Visiting Medical Officers in New South Wales public hospitals.

Total payments to the States and the Northern Territory under these arrangements in 1986-87 were $1017.9 million, with an estimated $1083.9 million to be provided in 1987-88. The following table shows payments to the States and the Northern Territory for Medicare since 1983-84 and estimated payments in 1987-88.

Table 27—Recurrent Grants for Medicare, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	104 096	80 045	29 075	27 277	21 227	10 675	2 372	274 767
1984–85	351 903	249 187	75 573	85 195	118 353	32 685	11 578	924 474
1985–86	420 755	256 040	72 083	89 086	111 891	33 251	13 163	996 269
1986–87	414 988	266 839	78 560	92 754	117 342	35 020	12 400	1 017 903
1987–88 (estimate)	440 186	283 635	83 230	98 743	125 511	39 318	13 286	1 083 909

Capital Grants for Teaching Hospitals

As part of the negotiated package for settlement of the New South Wales doctors' dispute the Commonwealth Government agreed to provide capital grants of $150 million over the three years commencing 1985-86 to the States and the Northern Territory for the purchase of capital equipment in teaching hospitals, including the Repatriation General Hospitals which provide teaching facilities. The 1987-88 allocation of $50 million includes $47.5 million for the States and the Northern Territory. The following table shows payments to the States and the Northern Territory under this program from 1985-86 and estimated payments in 1987-88.

Table 28—Capital Grants for Teaching Hospitals, 1985–86 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1985-86	16 811	12 652	7 713	4 258	4 206	1 400	500	47 540
1986-87	16 811	12 652	7 713	4 258	4 206	1 400	500	47 540
1987-88 (estimate)	16 811	12 652	7 713	4 258	4 206	1 400	500	47 540

Reduction of Public Hospital Waiting Lists

In June 1987 the Commonwealth announced a program to provide assistance for two years for State and Territory government programs aimed at reducing hospital waiting lists in the State public hospital systems.

The Commonwealth will contribute $50 million to the States and Territories over two years. $24.7 million is to be paid to the States and the Northern Territory in 1987-88. State and territory program proposals are currently being examined by the Commonwealth. The following table shows estimated payments but as allocation to the States and territories is not yet determined, no commitment to the provision of the amount indicated is implied.

Table 29—Grants to Assist Reduction of Public Sector Hospital Waiting Lists, 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1987-88 (estimate)	9 570	7 000	3 250	1 810	2 300	560	190	24 680

Transfer of Nurse Education

In 1984 the Commonwealth announced that financial assistance would be available to States and Territories transferring nurse education from hospital-based facilities to Colleges of Advanced Education (CAEs) over the period 1985 to 1993. Assistance would be available for the transfer of up to 4750 nurse educational places in the 1985-87 triennium.

Subject to the agreement of the States and Territories, an indexed subsidy is payable at a rate of $1500 per annum (December 1983 prices) per student nurse commencing at a CAE towards the additional recurrent costs incurred by States and Territories through the transfer. The States and Territories will be required to provide appropriate capital facilities for CAEs.

CAE nursing students are eligible for payment under the Tertiary Education Assistance Scheme on the same basis as other students. Where the number of trainee nurses commencing training at CAEs exceeds the program agreed with the Commonwealth, the subsidy is rebated by the additional costs incurred by the Commonwealth under the Tertiary Education Assistance Scheme. This can result in some States (for example, New South Wales) not being eligible to receive the subsidy in the initial years of the transfer program.

The proposed arrangements also provide for the transfer of nurse education currently taking place in repatriation hospitals. The Commonwealth contribution in respect of repatriation hospitals includes the difference between the cost of nurse education in CAEs and the standard Commonwealth contribution (ie, the net 'State' cost of educating nurses in CAEs). This component is estimated to cost $2 million in 1987-88.

Payments to the States and the Northern Territory under these arrangements in 1986-87 totalled $7.2 million, with an estimated $9.4 million to be provided in 1987-88. The following table shows payments to the States and the Northern Territory in 1986-87 and estimated payments for 1987-88, subject to agreements being reached with all States.

Table 30—Recurrent Grants for Nurse Education, 1986–87 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1986–87	..	4 256	..	1 826	937	106	117	7 242
1987–88 (estimate)	1 353	4 091	1 269	1 373	980	213	83	9 362

Acquired Immune Deficiency Syndrome

Since 1984-85, the Commonwealth has supported a number of initiatives to combat the spread of Acquired Immune Deficiency Syndrome (AIDS). At a national level, these include an education campaign and medical research. In addition, contributions are made to programs operated by the States and Territories for screening provided by the Red Cross Blood Transfusion Service, and education, prevention, counselling and screening. Funding for the latter programs is provided on a dollar for dollar matching basis. Payments to the States in 1987-88 are estimated to be $9.2 million compared to $5.7 million in 1986-87. The 1987-88 payments include $1 million for supply of the drug AZT.

The following table shows grants to the States since 1984-85 and estimated grants for 1987-88.

Table 31—Recurrent Grants for Combating Acquired Immune Deficiency Syndrome, 1984–85 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1984–85	1 529	876	441	343	408	100	..	3 697
1985–86	2 397	1 493	497	564	421	86	129	5 586
1986–87	2 325	1 469	519	645	551	71	154	5 734
1987–88 (estimate)	4 613	1 724	995	921	536	170	265	9 224

Women's Health Screening

The Commonwealth will provide $870 000 to the States and the Northern Territory to conduct selected trials of breast and cervical screening and to monitor and evaluate the effectiveness of such screening in reducing morbidity and mortality from breast and cervical cancer. The share of funds between States and the Northern Territory will be resolved in further negotiations with the Commonwealth. Estimated distribution for 1987-88 is shown in Appendix VI; the distribution among the States and the Northern Territory is notional only and no commitment to the provision of the amount shown for each State and the Northern Territory is implied.

Launceston General Hospital

Under an agreement with the Tasmanian Government, the Commonwealth has met 50 per cent of the approved costs of Stage 1 of the redevelopment of the Launceston General Hospital. Capital grants to Tasmania for this purpose from 1976-77 to 1985-86 totalled $22 million. In addition, the Commonwealth is to fund 50 per cent of the approved cost of construction of Stage II of the hospital and a centralised laundry facility at an indicative total cost to the Commonwealth of $31.9 million. Capital grants of $5.7 million were provided in 1986-87 towards the construction of the laundry and $4 million towards the Stage II development. It is estimated that grants totalling $11.2 million will be provided in 1987-88 towards the Stage II development.

Albury RALA Sub-Centre

A one off payment of $85 000 will be made to New South Wales in 1987-88 as a contribution towards the extension of a building in the State Rehabilitation Woodstock Complex, Albury, which houses the Albury Repatriation Artificial Limb and Appliance (RALA) Sub-Centre.

Launceston and Port Pirie Pathology Laboratories

Under an agreement with the South Australian Government, in 1986-87 the Commonwealth transferred the Port Pirie pathology laboratory to State control. The transfer, which follows that of the Launceston laboratory to Tasmanian Government control, is consistent with the findings of the Ross Committee of Inquiry into Laboratories, which recommended that control of such facilities be progressively transferred to the States. Commonwealth recurrent funding for operation of the two laboratories for 1987-88 will be $1.9 million.

National Drug Campaigns

Funds have been provided to support State and national projects of drug education since 1970-71. This assistance has been accorded the Northern Territory since 1980-81. The Commonwealth is continuing to sponsor, in conjunction with the States and the Northern Territory, the National Drug Education Program. An amount of $2.1 million was made available for this purpose in 1986-87 and an amount of $2.2 million is to be provided in 1987-88. In addition, the Commonwealth is undertaking, with the States and Territories, over a three year period to 1987-88, a joint $100 million National Campaign Against Drug Abuse.

In 1986-87 the Commonwealth provided $12.6 million on a cost sharing basis with the States and the Northern Territory to fund over 120 projects approved by the Ministerial Council on Drug Strategy in Sydney in May 1986. An amount of $13.5 million will be provided in 1987-88.

Cost-shared projects to be undertaken include: community based drug abuse prevention projects; school-based drug education training and resource programs; training and support for workers in the drug field; counselling referral and support services; and a wide range of treatment and rehabilitation programs—both for the community as a whole and for particular client groups.

Grants paid to the States and the Northern Territory since 1983-84 and estimated payments for 1987-88 are shown in the following table.

Table 32—Recurrent Grants for Drug Campaigns, 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	502	378	291	211	207	132	72	1 793
1984–85	547	397	306	232	218	110	73	1 882
1985–86	4 724	3 472	2 254	1 297	1 372	506	203	13 828
1986–87	5 045	3 803	2 420	1 386	1 346	515	212	14 727
1987–88 (estimate)	5 384	4 059	2 582	1 478	1 435	548	225	15 710

Home and Community Care—Home Nursing Services

The bulk of Commonwealth payments to the States and the Northern Territory under the Home and Community Care (HACC) program appear under the Social Security and Welfare function. Payments to the States and the Northern Territory of $16.2 million in 1985-86, $31.0 million in 1986-87 and estimated payments of $61.5 million in 1987-88 under HACC for home nursing services, however, have been reclassified to the Health function. Total payments for the HACC program are detailed in the Social Security and Welfare Section later in this Chapter.

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. This assistance has also been provided to the Northern Territory since 1981-82.

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

Grants paid since 1983-84 and estimates for 1987-88 are shown in the following table.

Table 33—Grants for Blood Transfusion Services, 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983–84	2 992	3 749	1 373	1 153	1 292	271	144	10 974
1984–85	3 228	3 608	1 599	1 274	1 387	226	137	11 459
1985–86	3 719	4 854	1 927	1 524	1 657	319	160	14 159
1986–87	3 782	4 519	2 130	1 590	1 561	333	191	14 106
1987–88 (estimate)	4 060	4 850	2 286	1 706	1 676	357	205	15 140
				CAPITAL				
1983–84	110	105	205	115	47	71	3	656
1984–85	336	..	1 371	83	43	5	297	2 134
1985–86	276	300	213	341	107	64	28	1 329
1986–87	401	745	100	475	256	106	28	2 110
1987–88 (estimate)	470	1 028	147	324	256	24	23	2 272
				TOTAL				
1983–84	3 102	3 854	1 578	1 268	1 339	342	147	11 630
1984–85	3 564	3 608	2 970	1 357	1 430	232	433	13 593
1985–86	3 995	5 154	2 140	1 865	1 764	382	187	15 488
1986–87	4 183	5 264	2 230	2 064	1 818	438	219	16 216
1987–88 (estimate)	4 530	5 878	2 433	2 031	1 933	381	228	17 412

Diseases Control

The Commonwealth has provided since 1974 assistance to the States on a dollar for dollar basis to control Australian Encephalitis. This assistance has been provided to the Northern Territory since 1979-80. In 1983-84 the program was expanded into the National Diseases Control Program to control other mosquito-borne diseases such as dengue fever and Ross River virus infection. An amount of $412 000 has been provided for this program in 1987-88. The Commonwealth Government has decided to curtail the program in 1987-88. It will be discontinued in 1988-89.

Recurrent grants paid to the States and the Northern Territory under these arrangements since 1983-84 and estimates for 1987-88 are set out in Appendix VI.

SOCIAL SECURITY AND WELFARE

Home and Community Care

Under the *Home and Community Care Act 1985* (HACC) the Commonwealth, in conjunction with the States and Territories, aims to provide a comprehensive range of basic maintenance and support services to enable frail aged and disabled people to remain in the community rather than be placed in possibly inappropriate and unnecessary institutional care. HACC subsumes services previously provided under the *Delivered Meals Subsidy Act 1970*, *States Grants (Paramedical Services) Act 1969*, *States Grants (Home Care) Act 1969* and the *Home Nursing Subsidy Act 1957*.

In 1987-88 the Act provides for the Commonwealth and the States to provide for increases in expenditure of up to 20 per cent over 1986-87 outlays. In addition, two dollars Commonwealth to one dollar States matched funds ($16.2 million)

made available but not spent in 1986-87 will be made available in 1987-88. These funds will be used to maintain existing services together with new and expanded levels of provisions. In addition, $5 million in new unmatched funds is provided to test new and innovative methods of delivering services (to be particularly targetted at those people most at risk of institutionalisation).

The Budget provision for HACC in 1987-88 is $176.9 million. Of this amount, payments to the States and the Northern Territory are estimated at $175.1 million, ($111.3 million in 1986-87) of which $113.6 is classified under this function and $61.5 million is classified under the Health function. This increase is in part due to the transfer of responsibility to State and Territory governments for making payments to Home Nursing and delivered meals organisations.

The following table shows HACC payments in 1985-86 and 1986-87 under this function and estimated payments in 1987-88.

Table 34—Grants for the Home and Community Care Program, 1985–86 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1985-86	21 587	15 054	5 165	3 621	4 315	1 729	311	51 782
1986-87	37 287	29 732	9 015	10 007	10 172	2 328	475	99 017
1987-88 (estimate)	60 738	50 859	15 814	17 401	17 281	3 983	757	166 832
				CAPITAL				
1985-86	1 185	3 052	979	397	357	5	9	5 984
1986-87	994	5 195	4 449	1 254	43	353	..	12 288
1987-88 (estimate)	1 380	3 187	2 308	880	275	251	10	8 290
				TOTAL				
1985-86	22 772	18 106	6 144	4 018	4 672	1 734	320	57 766
1986-87	38 281	34 927	13 464	11 261	10 215	2 681	475	111 305
1987-88 (estimate)	62 117	54 046	18 122	18 281	17 555	4 234	767	175 122

Assessment Services

The Commonwealth will provide recurrent grants for geriatric assessment services totalling $7.3 million to enable the State and the Northern Territory governments to fund multi-disciplinary assessment teams to match the needs of frail aged to the most appropriate services available. Expenditure on these services has been expanded in 1987-88 in accordance with the Commonwealth's objective of reducing unnecessary institutionalisation of the frail aged.

Amounts paid to the States and the Northern Territory since 1985-86 and estimates for 1987-88 are shown in the following table.

Table 35—Recurrent Grants for Geriatric Assessment, 1985–86 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1985-86	1 305	1 598	157	90	515	236	57	3 958
1986-87	2 071	2 464	213	362	726	273	139	6 249
1987-88 (estimate)	1 983	3 292	663	507	531	263	98	7 337

Rehabilitation Centres

The Commonwealth is providing recurrent grants totalling $0.5 million to New South Wales and the Northern Territory in 1987-88 as a contribution to the operating cost of joint rehabilitation centres in Newcastle, Bathurst and Darwin. The contribution previously provided by the Commonwealth toward the cost of the Douglas Parker Rehabilitation Centre in Hobart has been included in the Medicare grants to Tasmania from 1 July 1987. Payments under this program since 1983-84 and estimated payments in 1987-88 are shown in Appendix VI.

Crisis Accommodation

Capital grants to the States and the Northern Territory totalling $15.5 million are being provided in 1987-88 within the Commonwealth State Housing Agreement under the Crisis Accommodation Program. The funds may be used for the purchase, construction, renovation or leasing of dwellings to provide short-term emergency accommodation (such as refuges). This compares with payments to the States and the Northern Territory in 1986-87 for this program of $14 million. These grants do not have to be matched by the States and the Northern Territory. (Recurrent funding for emergency accommodation is provided under the Supported Accommodation Assistance Program discussed below).

The following table shows grants to the States and the Northern Territory for this program from 1983-84 and estimated payments in 1987-88.

Table 36—Capital Grants for the Crisis Accommodation Program, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	1 323	996	608	335	331	107	100	3 800
1984–85	4 443	3 348	2 054	1 135	1 112	359	150	12 601
1985–86	4 651	3 504	2 160	1 191	1 161	376	157	13 200
1986–87	4 933	3 711	2 301	1 274	1 226	398	157	14 000
1987–88 (estimate)	5 447	4 092	2 553	1 420	1 349	439	200	15 500

Mortgage and Rent Relief

Under this program, which began in 1982-83, the Commonwealth makes available funds for short-term assistance to low-income home buyers experiencing extreme difficulty in meeting their mortgage repayments and to low income private renters experiencing similar difficulty in meeting rent payments or in gaining access to private rental accommodation. Funds are provided to the States and the Northern Territory on a dollar for dollar matching basis. In 1984 this program was incorporated as a sub-program under the Commonwealth State Housing Agreement. Grants to the States and the Northern Territory in 1987-88 are estimated to total $25 million compared with $24.1 million in 1986-87.

The following table shows payments to the States and the Northern Territory since 1983-84 and estimated payments in 1987-88.

Table 37—Recurrent Grants for the Mortgage and Rent Relief Scheme, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	6 980	5 250	1 600	1 770	1 750	555	170	18 075
1984–85	7 658	5 771	3 469	1 956	1 918	618	196	21 586
1985–86	8 020	6 043	3 724	2 055	2 002	648	208	22 700
1986–87	8 508	6 400	3 968	2 197	2 114	686	227	24 100
1987–88 (estimate)	8 817	6 623	4 132	2 299	2 182	710	237	25 000

Supported Accommodation Assistance

Under the *Supported Accommodation Assistance Act 1985* (SAAP), the Commonwealth, in conjunction with the States and the Northern Territory, provides a range of supported accommodation and related support services for permanently homeless people, or people and their dependants made temporarily homeless as a result of crisis. The program, which is to be renegotiated in 1987-88 in accordance with current agreements with the States and the Northern Territory, incorporates the former Women's Emergency Services Program, Homeless Persons' Assistance Program, Youth Services Scheme and elements of the Children's Services Program.

Expenditures on this program in 1987-88 are estimated at $42.4 million of which $40.0 million is paid to the States and the Northern Territory. The States and the Northern Territory are required to match Commonwealth expenditure on a ratio of nine State dollars for every ten Commonwealth dollars above an agreed unmatched base level of Commonwealth expenditure relating to services previously funded by the Commonwealth under the *Homeless Persons' Assistance Act 1974.*

In previous years, funds have been appropriated for SAAP in respect of the period October to September. The Commonwealth Government has decided to bring SAAP funding to a financial year basis and this year is appropriating funds for the period October to June, with funds for July to September 1988 to be included in the 1988-89 appropriations. The amount of $42.4 million allocated for SAAP in 1987-88 includes an additional $5 million for new and upgraded services and provision for the Commonwealth's share of indexation of recurrent funding to approved SAAP services in respect of the nine months to June 1988. In addition, some $2.2 million is included for the upgrading of services previously funded under the Homeless Persons Assistance Act, to facilitate their inclusion in SAAP.

The following table shows payments to the States and the Northern Territory under the scheme since 1984-85 and estimated payments in 1987-88.

Table 38—Recurrent Grants for the Supported Accommodation Assistance Program, 1984–85 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1984–85	6 287	2 786	2 608	2 212	2 022	1 110	576	17 601
1985–86	10 994	5 818	4 819	3 574	3 627	2 027	1 171	32 030
1986–87	14 063	11 125	7 149	4 741	4 436	2 217	1 608	45 339
1987–88 (estimate)	12 505	9 650	6 557	4 198	3 881	1 940	1 307	40 038

Children's Services

Extensive Commonwealth financial support for services for children commenced in 1972-73 under the *Child Care Act 1972*. Under that Act, payments are made directly to non-profit organisations and local government bodies. Payments to the States commenced in 1973-74 under a broader scheme of assistance introduced in that year and have continued since then, as have the direct forms of payment. In later years payments have also been made to the Northern Territory.

The program provides capital and recurrent assistance for child care services including centre based and family day care, vacation and outside school hours care and occasional care and special services for Aboriginals, migrants and children with disabilities.

The Commonwealth is to provide $234.7 million in 1987-88 for children's services. This includes $57.1 million for expansion towards the Commonwealth Government's commitment to provide an additional 20 000 new child care places by 1988. Some 8 400 of these places will be established in conjunction with the States and the Northern Territory with the Commonwealth providing a capital contribution to the cost of establishing these centres. It is estimated that, of the total 1987-88 allocation, approximately $33 million will take the form of payments to the States and the Northern Territory.

The following table shows payments to the States and the Northern Territory since 1983-84 and estimates for 1987-88.

Table 39—Grants for Children's Services, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983–84	4 032	4 044	1 378	1 377	3 510	499	336	15 176
1984–85	1 902	2 990	692	699	5 564	170	101	12 118
1985–86	1 556	1 903	500	614	7 216	137	142	12 068
1986–87	2 012	1 514	481	415	7 279	138	224	12 063
1987–88 (estimate)	2 261	1 838	597	474	9 023	176	215	14 584
				CAPITAL				
1983–84	2 000	..	..	443	40	..	..	2 483
1984–85	3 634	2 225	1 900	1 563	1 270	..	172	10 764
1985–86	..	..	574	828	..	..	..	1 402
1986–87	26	2 322	1 859	1 230	401	399	168	6 405
1987–88 (estimate)	4 753	5 847	3 064	1 979	2 182	613	193	18 631
				TOTAL				
1983–84	6 032	4 044	1 378	1 820	3 550	499	336	17 659
1984–85	5 536	5 215	2 592	2 262	6 834	170	273	22 882
1985–86	1 556	1 903	1 075	1 442	7 216	137	142	13 470
1986–87	2 038	3 836	2 340	1 645	7 680	537	392	18 468
1987–88 (estimate)	7 014	7 685	3 661	2 453	11 205	789	408	33 215

Family Support Services

Agreement was reached with the States and Territories for a new Family Support program, which commenced on 1 January 1987. The base level of funding for the new program is the 1985-86 level of funding under the previous Family Support Services Scheme plus funding for related family services previously provided separately by the Commonwealth and the States and the Northern Territory. This base level of funding will continue to be provided by the Commonwealth and the States and the Northern Territory in accordance with their existing shares. However, indexation of the base and expansion of the program will be cost-shared between the Commonwealth and the States and the Northern Territory on a dollar for dollar basis.

The agreements provide for matched expansion of the program by 20 per cent in the calendar year 1987 and a further 25 per cent in 1988. Payments for family support services in 1987-88 reflecting this expansion are estimated at $9.5 million compared to $5.9 million in 1986-87.

The following table shows payments to the States and the Northern Territory under the Family Support Services Scheme between 1984-85 and 1985-86, and expenditure under the Family Support Program for 1986-87 and estimated expenditure for 1987-88.

Table 40—Recurrent Grants for Family Support Services, 1984–85 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1984–85	569	903	306	341	504	146	138	2 907
1985–86	773	993	336	622	559	125	168	3 576
1986–87	1 525	1 715	671	908	713	200	194	5 926
1987–88 (estimate)	2 574	2 952	1 157	1 277	965	304	247	9 476

Translator and Interpreter Service

Since 1979-80, the Commonwealth has provided the States and the Northern Territory with assistance towards the provision of additional State-operated translator and interpreter services in areas of prime State responsibility. The program, originally initiated as a result of the Galbally Report, has been further extended to 30 June 1988. In 1987-88 the Commonwealth will provide recurrent grants of $1.3 million under this program ($1 million in 1986-87). Payments to the States and the Northern Territory since 1983-84 and estimated payments in 1987-88 are shown in Appendix VI.

Supervision and Welfare Support for Refugee Minors

A recurrent grant of $0.4 million is to be provided to the States and the Northern Territory in 1987-88 for a program of supervision and welfare support for refugee minors without parents in Australia. This program which provides social workers to supervise the children's welfare is cost-shared with the States and the Northern Territory on a dollar for dollar basis. Expenditure under this program in 1986-87 was $0.4 million. Payments to each State and the Northern Territory are shown in Appendix VI.

ABORIGINAL ADVANCEMENT

Since 1968-69, the Commonwealth has provided special assistance to the States for Aboriginal advancement purposes through programs administered by the Department of Aboriginal Affairs. This assistance has also been provided to the Northern Territory since 1979-80. The assistance currently embraces the fields of health (including environmental health), education, training, employment, social support, community management and services and culture and recreation. The assistance is provided to supplement expenditure incurred by the States and the Northern Territory in respect of their Aboriginal citizens in priority areas.

It is estimated that some $35.9 million will be provided to the States and the Northern Territory in 1987-88 ($38.6 million in 1986-87) for Aboriginal advancement purposes, comprising:

- $13 million for assistance to State and Northern Territory health departments and authorities to stimulate, support and co-ordinate substance abuse and health programs for Aboriginals;
- $9.6 million for assistance to State education departments and authorities for the implementation and support of special Aboriginal education programs;
- $3.7 million for programs designed to provide employment and vocational training for Aboriginals;
- $1.2 million to assist State departments and authorities in the provision of social and community welfare services for Aboriginals; and
- $8.1 million to assist State and Northern Territory departments and authorities in the provision and maintenance of essential services and basic community amenities such as water, sewerage, power generation and reticulation services in Aboriginal communities.

This expenditure is in addition to direct Commonwealth expenditure on Aboriginal advancement programs through the Department of Aboriginal Affairs of some $102.3 million in 1987-88 ($98.9 million in 1986-87).

The above estimates include a payment of $3.2 million to Western Australia under a special program, the Western Australian Aboriginal Land and Communities Program, involving matching Commonwealth and State funds to a total of $100 million over five years, 1986-87 to 1991-92. The program is intended to assist with the acquisition of land and upgrading and provision of basic services within lands held by Aboriginal groups. Funds will also be distributed through the Aboriginal Development Commission ($3.4 million in 1987-88) and Aboriginal Advancement programs ($3.4 million in 1987-88).

Special housing assistance for Aboriginals is provided under the public housing arrangements discussed below.

The following table shows payments made to the States and the Northern Territory since 1983-84 and estimated payments in 1987-88. Details of these payments by function are in Appendix III.

Table 41—Payments for Aboriginal Advancement, 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983–84	4 061	1 864	5 966	12 329	5 877	168	287	30 553
1984–85	4 505	1 700	5 632	12 999	5 999	179	308	31 321
1985–86	4 068	1 882	5 575	13 454	5 937	179	294	31 388
1986–87	3 357	2 087	5 668	12 188	6 376	170	70	29 915
1987–88 (estimate)	3 048	2 109	6 080	11 406	6 495	193	42	29 373
				CAPITAL				
1983–84	503	..	1 410	3 413	894	..	1 159	7 380
1984–85	2 021	80	989	3 866	822	..	1 472	9 249
1985–86	100	..	1 048	4 002	83	..	2 047	7 280
1986–87	..	..	100	7 046	1 170	..	377	8 693
1987–88 (estimate)	63	..	225	5 597	917	..	54	6 857
				TOTAL				
1983–84	4 564	1 864	7 376	15 742	6 771	168	1 446	37 932
1984–85	6 526	1 780	6 621	16 864	6 821	179	1 780	40 570
1985–86	4 168	1 882	6 623	17 456	6 020	179	2 341	38 668
1986–87	3 357	2 087	5 768	19 234	7 546	170	447	38 609
1987–88 (estimate)	3 111	2 109	6 305	17 003	7 412	193	96	36 230

HOUSING AND COMMUNITY AMENITIES nec

Public Housing

Under successive arrangements between the Commonwealth and the States since 1945-46, funds have been made available to the States and, since 1979-80, the Northern Territory, to provide rental accommodation and home purchase assistance to persons with low or moderate incomes.

For many years, housing funds have been closely aligned with the State Governments' Loan Council programs. For two years, 1971-72 and 1972-73, they were integrated within these programs (although additional specific recurrent grants of $2.75 million in each of those years, payable for 30 years, were provided in lieu of former interest subsidies). From 1973-74, when appropriate 'offsets' were made to State Governments' Loan Council programs, financial assistance for public housing has been provided by way of specific purpose payments. These payments have been made subject to the provisions of successive Commonwealth State Housing Agreements (CSHAs), the most recent of which was negotiated in 1984, which have included requirements for the States and the Northern Territory to match, on a dollar for dollar basis, certain Commonwealth assistance.

The 1984 CSHA, like previous Agreements, places particular importance on the provision of assistance to those most in need. The States and the Northern Territory have flexibility in determining the uses to which housing funds can be put and the extent of assistance to individuals. During 1986-87 the 1984 Agreement was reviewed and, as a result, some funding and administrative arrangements are to be revised. The 1984 Agreement (including these revisions) provides for:

- guaranteed minimum Commonwealth funding of at least $2100 million in aggregate over the three years 1987-88 to 1989-90;

- broadened eligibility criteria to ensure that single people, particularly young single people, can qualify for assistance;
- rents for public housing tenants based on the cost of providing the accommodation, with rent rebates for those unable to afford this amount;
- rental purchase schemes to facilitate home ownership for those who cannot save a deposit;
- low start loans for home purchase assistance with repayments based on income; and
- separately identified funds for assistance to specific groups and for specific purposes.

In 1987-88, the Commonwealth will provide a total of $700 million as grants to the States and the Northern Territory for public housing under the CSHA compared to $693.7 million in 1986-87. This includes funds for the Mortgage and Rent Relief Scheme and the Crisis Accommodation Program which are classified to the Social Security and Welfare function.

The following table shows the various components of payments to the States under the CSHA in 1987-88.

Table 42—Details of Payments to be made under the Commonwealth State Housing Agreement, 1987–88 (estimate) ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
Pensioner Housing	14 517	8 560	7 396	3 051	2 614	839	523	37 500
Aboriginal Housing	12 345	3 417	15 186	10 264	5 595	696	12 497	60 000
Local Government and Community Housing	4 201	3 156	1 969	1 095	1 040	339	200	12 000
Other Housing Assistance	184 439	141 004	77 545	49 561	57 468	23 222	16 761	550 000
Mortgage and Rent Relief (*a*)	8 817	6 623	4 132	2 299	2 182	710	237	25 000
Crisis Accommodation (*a*)	5 447	4 092	2 553	1 420	1 349	439	200	15 500
TOTAL	229 766	166 852	108 781	67 690	70 248	26 245	30 418	700 000

(*a*) In this and other Budget Papers, payments under these programs are classified to the 'Social Security and welfare' function; *see* above.

Pensioner Housing

Since 1969-70, the Commonwealth has provided grants to the States to assist with the provision of accommodation at reasonable rentals for certain categories of pensioners who have little or no means of support apart from their pensions. Since 1978-79 these grants have been provided under the CSHA. Eligible persons include those in receipt of an age or invalid pension, a widow's pension, a supporting parent's benefit, a special benefit, a sheltered employment allowance, a rehabilitation allowance in certain circumstances and some classes of service pension. Grants totalling $37.5 million have been allocated to the States and the Northern Territory for this purpose in 1987-88, an increase of $0.5 million over funding in 1986-87. These grants do not have to be matched by the States and the Northern Territory. In practice the States and Northern Territory also allocate much of the other untied assistance provided under the CSHA to providing housing for pensioners and beneficiaries.

Aboriginal Housing

Grants to the States and the Northern Territory totalling $60 million in 1987-88 are to be provided under the CSHA for Aboriginals in need of rental housing assistance, $2 million more than allocated in 1986-87. These grants do not have to be matched by the States and the Northern Territory.

Local Government and Community Housing

In 1987-88, $12 million will be provided under the CSHA as grants to the States and the Northern Territory for the Local Government and Community Housing Program, an increase of $1 million over 1986-87 funding. These grants will enable the States and the Northern Territory to assist local government, community and welfare organisations to purchase, construct, lease or upgrade dwellings for low cost rental housing. These dwellings may also be wholly or jointly owned by State Housing Authorities but managed by local government, community or welfare organisations. These grants do not have to be matched by the States and the Northern Territory.

Other Housing Assistance—Grants

In 1987-88, $550 million is to be provided to the States and the Northern Territory under the CSHA as grant assistance for public housing not tied to specific housing programs, compared with $549.6 million in 1986-87. Under the 1984 Agreement, these grants are provided on a dollar for dollar matching basis and the States and the Northern Territory are free to allocate the grants between home purchase assistance programs and rental housing programs as they wish. However from, 1987-88 rental housing programs are to receive at least 50 per cent of total funds allocated for housing from CSHA, Loan Council and State matching funds.

Other Housing Assistance—Loans

Under the CSHA assistance may be provided by way of loans, repayable in equal annual instalments over 53 years at a concessional fixed rate of interest of 4.5 per cent. However, since 1984-85 all assistance to the States and the Northern Territory under the CSHA has been provided in the form of grants, and this arrangement is to continue in 1987-88.

The following table shows recurrent and capital payments made to the States and the Northern Territory for housing from 1983-84 and estimated payments in 1987-88 (further details are given in Appendix III).

Table 43—Payments for Housing, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983–84	1 848	1 347	423	627	941	314	..	5 500
1984–85	1 848	1 347	423	627	941	314	..	5 500
1985–86	1 848	1 347	423	627	941	314	..	5 500
1986–87	1 848	1 347	423	627	941	314	..	5 500
1987–88 (estimate)	1 848	1 347	423	627	941	314	..	5 500
				CAPITAL				
1983–84	157 390	115 653	62 181	49 778	62 308	24 011	28 679	500 000
1984–85	188 657	138 850	76 538	57 691	70 121	26 713	30 430	589 000
1985–86	199 956	146 300	85 891	60 228	69 933	26 587	29 605	618 500
1986–87	212 850	155 224	96 344	63 384	70 204	26 565	31 029	655 600
1987–88 (estimate)	215 502	156 137	102 096	63 971	66 717	25 096	29 981	659 500
				TOTAL				
1983–84	159 238	117 000	62 604	50 405	63 249	24 325	28 679	505 500
1984–85	190 505	140 197	76 961	58 318	71 062	27 027	30 430	594 500
1985–86	201 804	147 647	86 314	60 855	70 874	26 901	29 605	624 000
1986–87	214 698	156 571	96 767	64 011	71 145	26 879	31 029	661 100
1987–88 (estimate)	217 350	157 484	102 519	64 598	67 658	25 410	29 981	665 000

Nominating Arrangements for Public Housing

Since 1982-83, the assistance for public housing provided by the Commonwealth through specific purpose payments has been supplemented by the 'nominating arrangements' for public housing. Under these arrangements, States are able to nominate amounts from the borrowing component of their Loan Council programs, (and the Northern Territory from its related Government borrowing program) as loans for public housing, provided that they have first met the matching requirements of the CSHA. These nominated amounts are made available on the same concessional terms and conditions as apply to loans which may be made under the CSHA.

For 1987-88, the States and the Northern Territory are able to nominate up to the whole of the loan portion of their Loan Council program for public housing. This was also the case for Western Australia and South Australia in 1986-87, although the other States and the Northern Territory were limited to nominating up to 60 per cent of the loan portion of their respective programs. Under these arrangements, the States and the Northern Territory are expected to nominate $385.6 million in 1987-88, with the States nominating the whole of their programs and the Northern Territory 50 per cent. (Further details of these arrangements are included in Chapter IV.)

The cumulative effect of these nominating arrangements since 1982-83 represents a cost to the Commonwealth, and benefit to the States and the Northern Territory, in terms of reduced interest costs and sinking fund contributions estimated at $108 million in 1986-87 and $160 million in 1987-88. They thus represent a very considerable element of the total assistance provided by the Commonwealth for public housing purposes.

The following table sets out the amounts of loans for public housing made to the States and the Northern Territory from 1983-84 to 1986-87 and the amounts they are expected to nominate in 1987-88, together with details of repayments of past loans.

Table 44—Nominated Amounts for Public Housing—Loans and Repayments, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				LOANS				
1983–84	20 000	44 488	10 000	7 000	127 626	18 000	..	227 114
1984–85	80 000	45 082	30 000	96 509	135 923	18 250	..	405 764
1985–86	65 000	75 858	40 037	93 132	131 166	21 162	33 090	459 445
1986–87	150 227	116 758	61 622	71 672	100 943	32 572	50 931	584 725
1987–88 (estimate)	114 447	94 636	24 966	34 503	51 779	36 877	28 399	385 607
				REPAYMENTS				
1983–84	−97	−363	−42	−35	−121	−49	..	−705
1984–85	−198	−594	−92	−70	−743	−138	..	−1 835
1985–86	−593	−839	−241	−540	−1 434	−232	..	−3 879
1986–87	−934	−1 243	−445	−1 015	−2 133	−345	−160	−6 275
1987–88 (estimate)	−1 400	−1 865	−655	−1 520	−3 190	−515	−240	−9 385
				NET NEW LOANS				
1983–84	19 903	44 125	9 958	6 965	127 505	17 951	..	226 409
1984–85	79 802	44 488	29 908	96 439	135 180	18 112	..	403 929
1985–86	64 407	75 019	39 796	92 592	129 732	20 930	33 090	455 566
1986–87	149 293	115 515	61 177	70 657	98 810	32 227	50 771	578 450
1987–88 (estimate)	113 047	92 771	24 311	32 983	48 589	36 362	28 159	376 222

Urban and Regional Development nec and the Environment

Payments to the States and the Northern Territory included under this functional heading have related to a number of programs. Estimates relate to the repayment by the States of loans made in earlier years, primarily for land acquisition and development in urban areas. Total repayments in 1987-88 are expected to be $11.0 million compared with $12.4 million in 1986-87.

Growth Centres

Negotiations are continuing with New South Wales in respect of the repayments of debts relating to the Bathurst-Orange and Macarthur growth centres. A repayment of $1.5 million is expected in 1987-88.

Repayments of $85 000 in respect of loans previously provided to New South Wales and Victoria for municipal works at Albury-Wodonga and $27 000 in respect of loans provided to New South Wales for municipal works at Bathurst-Orange are scheduled for 1987-88.

Capital payments to the States for growth centres and related projects since 1983-84, are given in Appendix VI.

Urban Rehabilitation

In 1986-87, the Commonwealth made the final payment to New South Wales in respect of the transfer of ownership of the Glebe Estate to that State in February 1985. Following the transfer, the Commonwealth undertook to provide capital grants to New South Wales of $4 million in 1985-86 and $3 million in 1986-87 to assist with the rehabilitation of the Estate.

In previous years the Commonwealth has also provided funding under this item for the acquisition of property and planning and site development in the Woolloomooloo Basin in Sydney and for the acquisition of the Emerald Hill Estate in Melbourne.

Repayments of advances in the period 1983-84 to 1987-88 are shown in Appendix IV while the other payments discussed above are shown in Appendix VI.

Environmental Restoration

In 1987-88 the Commonwealth is to provide recurrent grants of $231 000 to the Northern Territory in relation to the rehabilitation of the former uranium mining site at Rum Jungle ($48 000 in 1986-87). This is expected to be the final year of these rehabilitation works, which will be followed by a program of environmental monitoring. Payments under this program since 1983-84 are shown in Appendix VI.

Urban Flood Mitigation

A description of outlays under this heading is presented under 'Federal Water Resources Assistance Program' later in this chapter.

Captains Flat—Pollution Abatement Works

A final grant of $20 000 in 1987-88 is to be paid to New South Wales under the *Captains Flat (Abatement of Pollution) Agreement Act 1975* to rectify deficiencies in the original works program for the abatement of mine waste pollution of the Molonglo River. Details of loans and grants under this program since 1983-84 are given in Appendix VI.

CULTURE AND RECREATION

The Commonwealth provides grants to the States and the Northern Territory for a variety of cultural, recreational, sporting and conservation-related activities. An estimated $60.6 million will be made available in 1987-88 for these activities.

National Estate

Under this program the Commonwealth provides assistance to the States and the Northern Territory to support activities related to the conservation, protection and enhancement of land and buildings of historical, environmental or scientific interest. Grants are made in accordance with agreements concluded under the *Urban and Regional Development (Financial Assistance) Act 1974.*

The following table shows grants paid to the States and the Northern Territory since 1983-84 and the estimated grants for 1987-88.

Table 45—Capital Grants for Expenditure on the National Estate, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	417	417	417	417	417	417	200	2 700
1984–85	438	438	438	438	438	438	210	2 835
1985–86	458	458	458	458	458	458	220	2 970
1986–87	490	490	490	490	490	490	235	3 175
1987–88 (estimate)	526	526	526	526	526	526	252	3 410

National Sports Facilities

The 1987-88 allocation for this program ($5.2 million) continues an initiative commenced in 1984-85. The program is due for completion in 1988-89 with an expected allocation of $2.8 million. The program provides assistance to the States, territories, local governments and national sporting organisations for the development of sports facilities to a level required for international competition.

Payments to each State and the Northern Territory since 1983-84, including indicative allocations for 1987-88, are shown in the following table.

Table 46—Capital Grants for National Standard Sporting Facilities, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	4 871	258	13	20	875	1 297	665	8 000
1984–85	5 194	3 136	..	313	2 191	..	..	10 834
1985–86	4 698	..	..	1 946	357	..	..	7 000
1986–87	485	2 281	..	1 366	501	1 430	475	6 539
1987–88 (estimate)	..	1 229	2 400	..	1 372	200	..	5 200

Australian Bicentenary

As part of its commitment to the Bicentenary celebrations the Commonwealth is undertaking a program of expenditure which, at average 1987-88 prices, amounts to $202 million.

As part of this expenditure an amount of $63.6 million is being made available to the States and the Northern Territory under the Commonwealth/State Bicentennial Commemorative Program. Under this program, the States and the Northern Territory can nominate projects with lasting benefits to the Australian community. In accordance with agreed guidelines the States and the Northern Territory are required to at least match the funds that are provided by the Commonwealth. It is estimated that an amount of $23.9 million will be paid to the States and the Northern Territory in 1987-88, substantially completing the program.

Payments to each State and the Northern Territory since 1984-85 and estimated payments in 1987-88 are shown in the following table.

Table 47—Capital Grants for the Bicentennial Commemorative Program, 1984–85 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1984–85	3 915	500	736	..	..	..	..	5 151
1985–86	1 986	5 025	3 306	1 417	1 081	200	28	13 042
1986–87	8 949	3 000	5 656	1 360	227	515	404	20 110
1987–88 (estimate)	3 928	6 550	621	4 165	5 325	2 085	1 258	23 932

National Maritime Museum

The establishment of a National Maritime Museum as part of the New South Wales Darling Harbour Redevelopment Program was announced by the Commonwealth Government in November 1985. The Commonwealth will provide New South Wales

with capital grants of up to $30 million for the construction of the Museum: $2 million was expended in 1985-86 for this purpose, $18 million in 1986-87 and $10 million is to be provided in 1987-88. It is expected that the Museum will be opened in 1988.

Rainforest Conservation

The Commonwealth Government has undertaken to fund a Rainforest Conservation Program of $22.25 million over 1986-87, 1987-88 and 1988-89, with the majority of this amount being payable to the States and the Northern Territory.

The program aims to identify rainforest areas of high conservation significance and to assist the States in acquiring these, planning and managing rainforest national parks and in acquiring land for plantation establishment.

Expo 88—Brisbane

To assist the States and the Northern Territory participate in Expo 88—Brisbane, the Commonwealth Government will provide a contribution of $0.6 million for the rental costs of the combined States and Northern Territory Pavilion.

South West Tasmania World Heritage Area

The Commonwealth has agreed to contribute $2.2 million per annum in real terms for the five years from 1987-88 for the management and development of the South West Tasmania World Heritage Area. The funds will be used towards recurrent management expenditure and minor capital works.

Defence of the America's Cup

Payments totalling $6 million were made to Western Australia in 1986-87 to complete the Commonwealth's financial contribution to the defence of the America's Cup.

ECONOMIC SERVICES—TRANSPORT

Payments to the States and the Northern Territory included under this functional heading are in respect of assistance for aerodromes and land transport.

Aerodrome Local Ownership Plan

Under the Aerodrome Local Ownership Plan, the Commonwealth finances the up-grading of aerodrome servicing local demands to a mutually agreed standard at the time of transfer from Commonwealth to local ownership and thereafter provides grants to help local bodies fund the maintenance and further development of the aerodromes. Most aerodromes transferred under the Plan are owned by local authorities, but some are owned by State semi-government authorities operating in local areas or by non-government organisations.

Payments for those aerodromes which are operated by State semi-government authorities are classified as payments to the States. An amount of $27 000 has been provided for payments to the States under this program in 1987-88. Details of payments made direct to local authorities can be found in Chapter VI. Details of payments to the States since 1983-84 and estimates for 1987-88 are given in Appendix VI.

Land Transport

The Commonwealth has been providing assistance to the States for expenditure on land transport since 1923-24. Details of this assistance in past years may be obtained from earlier issues of Budget Paper No. 7 and, in particular, from the 1975-76 issue which provides details of Commonwealth assistance from 1923-24.

The Australian Land Transport Program and the Australian Bicentennial Road Development Program provide the major share of Commonwealth assistance to the States and the Northern Territory for land transport. The Budget figures provide for expenditure of $1244 million in the States and the Northern Territory under these programs in 1987-88 from total program expenditure of $1250 million.

In 1987-88, some $538.6 million (43 per cent of total assistance provided to the States and the Northern Territory under the two programs) will be provided to the States and the Northern Territory for the development of the national highway system, reflecting the high priority the Commonwealth attaches to developing this system and its undertaking to fully fund all works on national roads. $450.2 million (36 per cent) will be provided for arterial roads and $255.2 million (21 per cent) for local roads. A portion of this local road allocation is retained in each State and the Northern Territory for expenditure on local roads by their road authorities; the remainder is distributed to local government.

The following table shows the distribution of total funds to the States and the Northern Territory under various road programs since 1983-84 and estimated payments for 1987-88. The figures in this section include a notional distribution of 10 per cent of the funds to be allocated for National Roads in 1987-88. The actual distribution of these funds among the States and the Northern Territory is still to be determinded by the Commonwealth Government in accordance with National Highway priorities.

Table 48—Capital Grants under Road Programs (*a*), 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	395 197	229 127	254 501	142 939	93 780	46 866	32 788	1 195 198
1984–85	392 348	248 466	258 865	154 013	95 410	51 324	44 275	1 244 700
1985–86	394 494	253 900	257 600	158 139	97 292	43 173	40 550	1 245 147
1986–87	395 050	253 700	257 300	154 300	96 900	48 000	39 800	1 245 050
1987–88 (estimate) (*a*)	394 600	253 500	257 100	154 200	96 800	48 000	39 800	1 244 000

(*a*) Includes funds provided under the Australian Bicentennial Road Development Program as well as under Roads Grants Act (up to 1984–85) and under the Australian Land Transport Program (from 1985–86).

Australian Land Transport Program

The *Australian Land Transport (Financial Assistance) Act 1985* commenced on 1 July 1985 and provides for land transport funding over a five-year period. In 1987-88, $763.8 million will be provided under the program to the States and the Northern Territory for expenditure on roads. A further $6 million (which is not distributed among the States and the Northern Territory) will be made available for funding land transport research, road safety activities and Australian Land Transport Program administrative costs ($1 million in 1987-88) incurred by the Commonwealth Department of Transport and Communications. The program also provides scope for reallocating funding to railway improvement programs.

The program is funded by payments into the Australian Land Transport Trust Fund of a share of the excise on motor spirit and diesel fuel. This share is indexed to the CPI in accordance with the arrangements for the indexation of general excise rates. As part of the savings in Government spending announced in the May Statement, the amount of excise allocated to the program will be reduced by 0.723 cents per litre from 1 July 1987. Taking account of this adjustment, the current effective rate of excise allocated to the Fund is 3.355 cents per litre.

The review of the distribution of funds for arterial and local roads by the Independent Inquiry into the Distribution of Federal Road Grants (the Cameron Inquiry) was completed in December 1986. The Commonwealth Government endorsed the Inquiry's recommendations for the provision of funding for both restoration and upgrading purposes, an 'effort neutral' approach to Commonwealth funding and a periodic review of the data sources supporting the indicators developed by the Inquiry and the weighting applied to those indicators in the light of Commonwealth objectives. The Commonwealth Government also accepted the Inquiry's recommendations for the allocation of the 10 per cent of the Australian Land Transport Program (ALTP) arterial and local road funds that were left unallocated pending the review. This will slightly increase the share of ALTP funding to New South Wales, Victoria and South Australia, as well as providing a larger share for urban and rural arterial roads. The share of funding to other States, the Northern Territory and local roads will decline marginally.

The following table shows the distribution of road grants to the States and the Northern Territory by category of road under the *Australian Land Transport (Financial Assistance) Act 1985* in 1986-87 and estimates for 1987-88.

Table 49—Capital Grants by Road Category under the Australian Road Transport Program, 1986–87 and 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
NATIONAL ROADS								
1986–87	134 800	64 129	75 318	43 900	35 600	14 694	17 537	385 978
1987–88 (estimate)	117 100	64 500	80 000	36 800	28 900	12 000	20 100	359 400
URBAN ARTERIAL ROADS								
1986–87	38 500	36 495	14 775	14 000	5 973	4 020	1 383	115 146
1987–88 (estimate)	40 700	34 800	15 900	14 900	6 600	3 600	1 200	117 700
RURAL ARTERIAL ROADS								
1986–87	24 100	18 143	32 400	11 900	9 280	3 780	680	100 283
1987–88 (estimate)	26 300	17 400	29 600	12 800	9 500	4 200	800	100 600
LOCAL ROADS								
1986–87	57 600	41 399	40 100	29 400	15 794	10 350	9 400	204 043
1987–88 (estimate)	54 300	37 300	35 600	26 900	14 200	9 300	8 500	186 100
TOTAL								
1986–87	255 000	160 166	162 593	99 200	66 647	32 844	29 000	805 450
1987–88 (estimate)	238 400	154 000	161 100	91 400	59 200	29 100	30 600	763 800

Australian Bicentennial Road Development

The Commonwealth introduced the Australian Bicentennial Road Development (ABRD) Program in 1982, with the overall aim of developing sections of the Australian road system to a high standard by 1988, the bicentennial year. It is estimated that the program will involve total expenditure of about $2500 million over the period 1982-1988.

The program is financed by a surcharge on the excise on motor spirit and diesel fuel, which is paid into the Australian Bicentennial Road Development Trust Fund. The level of the surcharge applying from 1 July 1983 until the termination of the program on 31 December 1988 is two cents per litre. The Commonwealth Government announced in the May Statement that this surcharge will be continued for a further 5 years after 1988 to finance road improvements and upgrading. Expenditure under this program is estimated at $480.2 million in 1987-88 compared with $439.6 million in 1986-87.

The program provides that up to 25 per cent of total funds available for urban arterial roads over the life of the program may be redirected to expenditure on urban public transport capital projects, where it can be demonstrated that such expenditure will reduce traffic or wear and tear on the urban arterial road system.

The following table shows the distribution of grants to the States and the Northern Territory by category of road under the program in 1986-87 and estimates for 1987-88.

Table 50—Capital Grants by Road Category Under the Australian Bicentennial Road Development Program, 1986–87 and 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
NATIONAL ROADS								
1986-87	71 556	32 500	42 196	22 776	10 500	4 825	7 538	191 891
1987-88 (estimate)	65 000	32 200	39 900	18 400	14 400	5 900	3 400	179 200
URBAN ARTERIAL ROADS								
1986-87	41 585	34 600	28 707	15 056	9 471	5 760	1 687	136 866
1987-88 (estimate)	39 700	39 100	27 900	22 600	11 900	4 500	2 400	148 100
RURAL ARTERIAL ROADS								
1986-87	14 312	18 709	12 738	9 738	5 679	1 338	116	62 630
1987-88 (estimate)	25 500	17 100	16 700	12 200	5 900	6 100	300	83 800
LOCAL ROADS								
1986-87	12 547	7 691	11 059	7 530	4 650	3 277	1 459	48 213
1987-88 (estimate)	26 000	11 100	11 500	9 600	5 400	2 400	3 100	69 100
TOTAL								
1986-87	140 000	93 500	94 700	55 100	30 300	15 200	10 800	439 600
1987-88 (estimate)	156 200	99 500	96 000	62 800	37 600	18 900	9 200	480 200

Interstate Road Transport

The Federal Interstate Registration Scheme commenced operation on 1 January 1987 when the *Interstate Road Transport Act 1985* and the *Interstate Road Transport Charge Act 1985* took effect. The scheme is designed to ensure that owners of vehicles engaged solely in interstate trade and commerce make a reasonable contribution to the maintenance of the road system.

Registration charges are collected by State and Territory vehicle registration authorities on behalf of the Commonwealth and paid into the Interstate Road Transport Trust Fund. Proceeds from this fund are distributed to the States and Territories for expenditure on the maintenance and upkeep of roads used by registered vehicles. Allocations in 1986-87 were based on tonne-kilometres performed by vehicles engaged in interstate trade and surveyed by the Australian Bureau of Statistics in the 1985 Survey of Motor Vehicles Usage.

Collections for 1987-88, the first full year of operation of the scheme, are estimated at $5 million. A notional allocation of recurrent grants to each State and the Northern Territory is shown in Appendix VI.

ECONOMIC SERVICES—INDUSTRY ASSISTANCE AND DEVELOPMENT

Rural Adjustment

Since 1975-76 the Commonwealth has provided assistance to the States for the purposes of a Rural Adjustment Scheme embracing debt reconstruction, farm build-up, farm improvement, carry-on finance, rehabilitation and household support. The Northern Territory has received funding under this Scheme since 1979-80.

Prior to 1 July 1985, Commonwealth assistance for debt reconstruction, farm build-up and farm improvement took the form of low interest long term loans (85 per cent) and grants (15 per cent).

Under revised financial arrangements introduced on 1 July 1985, assistance for debt reconstruction, farm build-up and farm improvement is provided by the Commonwealth as an interest subsidy of 50 per cent of the cost of funds raised from commercial sources, for a maximum of seven years. Similarly, carry-on finance is provided as a 50 per cent interest subsidy on commercial borrowings for a maximum of seven years, but with the cost shared equally between the Commonwealth, and the States and the Northern Territory.

The Commonwealth funds all household support and rehabilitation assistance provided under the Scheme and contributes to the administrative costs incurred by the States and the Northern Territory annually at the rate of 1 per cent of the balance of outstanding loans and 2 per cent of assistance provided for household support and rehabilitation.

Payments under the Scheme in 1987-88 are expected to total $42.0 million compared with $33.9 million in 1986-87. It is estimated that the increased interest subsidy associated with these payments will support new borrowings of about $77 million in 1987-88.

The following table shows payments to the States and the Northern Territory under the Scheme since 1983-84 and estimated payments in 1987-88.

Table 51—Payments for Rural Adjustment, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				GRANTS				
1983–84	916	1 261	1 091	1 422	1 027	44	184	5 944
1984–85	1 261	1 180	1 739	788	634	77	133	5 811
1985–86	1 019	2 990	1 028	1 114	1 046	123	..	7 320
1986–87	8 285	9 608	4 347	4 980	5 439	819	400	33 878
1987–88 (estimate)	13 440	9 240	6 720	5 460	5 460	840	840	42 000
				ADVANCES				
1983–84	5 644	5 577	14 487	7 820	3 696	249	989	38 463
1984–85	6 423	4 118	7 747	3 870	2 257	380	649	25 443
1985–86	2 520	2 087	1 600	1 720	1 360	115	76	9 478
1986–87	..	..	..	..	..	..	..	..
1987–88 (estimate)	..	..	..	..	..	..	..	..
				TOTAL				
1983–84	6 560	6 838	15 578	9 242	4 723	293	1 173	44 407
1984–85	7 684	5 298	9 486	4 658	2 891	457	781	31 254
1985–86	3 539	5 077	2 628	2 834	2 406	238	76	16 798
1986–87	8 285	9 608	4 347	4 980	5 439	819	400	33 878
1987–88 (estimate)	13 440	9 240	6 720	5 460	5 460	840	840	42 000

Assistance to the Sugar Industry

Following agreement with Queensland and New South Wales, the Commonwealth is providing up to $100 million over the three years 1986-87 to 1988-89 in assistance to the sugar industry on a two dollar Commonwealth: one dollar State cost-sharing basis. The package consists of a contribution of up to $54 million for price support and up to $46 million for farm and mill adjustment assistance based on area or regional adjustment plans.

Due to the recent upturn in sugar prices, it is not expected that it will be necessary to provide funds for price support in 1987-88. Estimated payments to New South Wales and Queensland for adjustment assistance are $2 million and $13 million respectively. In 1986-87, $14.6 million was provided for price support and $8.8 million for adjustment assistance in Queensland.

Plant Genetic Resources

The Commonwealth will provide capital grants of $111 000 in 1987-88 ($485 000 in 1986-87) for the purpose of upgrading storage facilities relating to State plant genetic resource programs. Payments to each State in previous years are shown in Appendix VI.

Soil Conservation

The Commonwealth will provide recurrent grants of $4.8 million in 1987-88 ($4.4 million in 1986-87) to the States and the Northern Territory under the National Soil Conservation Program. The program, which commenced in 1983-84, provides financial assistance primarily to the States and the Northern Territory for the purposes of soil conservation and related research and extension activities.

The following table shows payments to the States and the Northern Territory under this program since 1983-84 and estimated payments in 1987-88.

Table 52—Recurrent Grants for Soil Conservation, 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983-84	173	128	113	67	64	26	28	600
1984-85	825	499	611	611	396	161	165	3 267
1985-86	973	533	738	703	422	186	230	3 785
1986-87	1 157	578	886	846	458	197	278	4 400
1987-88 (estimate)	1 267	624	970	926	466	240	307	4 800

Eradication of Bovine Brucellosis and Tuberculosis

Since 1970 the Commonwealth has joined with the States, the Northern Territory and the cattle industry in an intensified national campaign for the eradication of bovine brucellosis and tuberculosis. In 1987-88, $19 million will be paid in recurrent grants to the States and the Northern Territory for operational expenditure on the campaign from the National Cattle Disease Eradication Trust Account, compared with $22.9 million in 1986-87. The reduction reflects the diminishing requirement for operational activities as eradication proceeds. These funds are provided by the industry through levies on the slaughter and export of livestock.

In 1973, the Commonwealth joined with the mainland States in a scheme to compensate owners of livestock slaughtered following positive reaction to bovine tuberculosis tests, and from July 1976, joined with these States in a bovine brucellosis slaughter compensation scheme. Since 1983-84, the Commonwealth has met 75 per cent of net slaughter compensation, with the States and the Northern Territory contributing 25 per cent. An estimated $11.6 million is to be paid in recurrent grants to the States for compensation in 1987-88.

The Commonwealth has also agreed to provide $3.3 million in 1987-88 on a dollar for dollar matching basis with the States and the Northern Territory, for expenditure on assistance measures comprising restocking and freight rebates ($0.4 million), loans for capital improvements ($1.1 million) and additional holding costs ($1.8 million).

The following table shows payments that have been made under these schemes since 1983-84 and estimated payments for 1987-88.

Table 53—Payments for Expenditure on the Eradication of Bovine Brucellosis and Tuberculosis, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				GRANTS				
1983–84	6 169	4 504	9 990	1 955	2 624	53	9 955	35 250
1984–85	6 433	4 281	12 752	2 346	2 496	64	13 219	41 591
1985–86	5 106	4 042	14 092	1 892	1 579	55	9 624	36 390
1986–87	3 137	3 266	19 950	1 882	1 206	95	9 087	38 622
1987–88 (estimate)	1 766	2 053	14 468	2 408	912	95	11 138	32 840
				ADVANCES				
1983–84	..	..	..	..	..	..	..	..
1984–85	..	..	..	..	..	..	..	..
1985–86	..	..	611	..	220	..	867	1 698
1986–87	..	..	..	23	..	..	441	464
1987–88 (estimate)	..	..	683	50	80	..	250	1 063
				TOTAL				
1983–84	6 169	4 504	9 990	1 955	2 624	53	9 955	35 250
1984–85	6 433	4 281	12 752	2 346	2 496	64	13 219	41 591
1985–86	5 106	4 042	14 703	1 892	1 799	55	10 491	38 088
1986–87	3 137	3 266	19 950	1 904	1 206	95	9 528	39 086
1987–88 (estimate)	1 766	2 053	15 151	2 458	992	95	11 388	33 903

Exotic Diseases Eradication

The Commonwealth is to provide $162 000 in 1987-88, on a dollar for dollar cost-sharing basis with the States, for feral animal control as part of its exotic diseases preparedness program. In 1986-87, $151 000 was provided for this purpose. Estimated payments to each State and the Northern Territory are shown in Appendix VI.

Costs of Destruction of Recalled Organochlorine Stocks

The Commonwealth is to provide on a dollar for dollar basis up to $1 million in 1987-88 to assist the States and the Northern Territory with the transport and destruction of stocks of persistent organochlorine products recalled under administrative arrangements adopted by the States. This assistance is part of the Commonwealth's response to chemical residue problems facing our agricultural and pastoral industries. The estimated payments to each State and the Northern Territory are shown in Appendix VI. The allocation between the States and the Northern Territory has not yet been determined; no commitment to the provision of the amount indicated is implied.

Agricultural Research

Commonwealth Special Research Grants have been made to the States since 1960-61 to finance special investigation projects of a new limited nature, usually on a dollar for dollar matching basis with the States and/or industry. From 1986-87, these recurrent grants have been made from the Australian Special Rural Research Trust Fund. Grants to the States are estimated to be $972 000 in 1987-88, compared to $429 000 in 1986-87. In 1987-88, recurrent grants of $222 000 will also be made

available to projects sponsored by the Australian Agricultural Council under a separate program. A further $160 000 will be provided to the States to undertake research into pest and disease disinfestation treatments to meet importing countries quarantine requirements. Estimated payments to each State are shown in Appendix VI.

Fertilisers Assistance

Grants are made to the States for the purpose of offsetting the cost to farmers of dumping duties on imported fertilisers. Payments are made to importers and equivalent payments are also made to local manufacturers of those fertilisers and competing fertilisers, agras and double super phosphate. The 1987-88 provision of $18.5 million for the scheme is substantially less than 1986-87 payments of $42.6 million reflecting estimated lower dumping margins. The decline in dumping margins reflects estimates of significant increases in world prices of fertilisers subject to dumping duties in 1987-88.

The following table shows actual and estimated payments to the States for this purpose since the scheme began in January 1986.

Table 54—Recurrent Grants for Fertiliser Assistance, 1985–86 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Total
1985–86	1 584	2 973	3 143	6 629	2 972	17 300
1986–87	7 271	8 105	6 626	10 782	9 816	42 600
1987–88 (estimate)	3 136	2 930	3 657	4 601	4 175	18 500

Fisheries Management

The Commonwealth is to provide a capital grant of $3.1 million to Queensland in 1987-88 for the acquisition of initial capital equipment required for the management of fisheries in the Torres Strait Protected Zone. Some $0.6 million of the 1987-88 cost of the program is being offset by receipts from increased fisheries levies. In 1985-86 and 1986-87, $1.1 million in total was provided for this program.

National Industry Extension Service

The National Industry Extension Service (NIES), launched on 1 July 1986, is a joint venture between the Commonwealth and the States and territories to help enterprises improve levels of business efficiency and international competitiveness.The Service is designed to facilitate access to information and advice on these matters from both government and private sector organisations. The delivery of NIES is largely undertaken by State and Northern Territory governments using both their own and Commonwealth funds. The Commonwealth is to provide $7.4 million for this purpose in 1987-88. Estimated payments to each State and the Northern Territory are shown in Appendix VI.

Portland Aluminium Smelter

In 1986-87, the Commonwealth provided $1.5 million to Victoria to facilitate Chinese participation (through the China International Trust and Investment Corporation) in the Portland aluminium smelter joint venture.

Federal Water Resources Assistance Program

The Commonwealth has for many years provided financial assistance to the States and the Northern Territory for water-related purposes. From 1984-85 this assistance has been provided under the Federal Water Resources Assistance Program (FWRAP) which combines all previous forms of assistance for water management projects and water resource development. Assistance to the States and the Northern Territory in respect of approved projects is a major component of Commonwealth expenditure under the FWRAP.

For 1987-88, the Budget provides $57.4 million for payments to the States and the Northern Territory under the FWRAP, $5 million less than expenditure in 1986-87, reflecting mainly the expected completion in 1987-88 of work on water treatment facilities in the Hunter River region of New South Wales.

Payments to the States and the Northern Territory under the FWRAP are classified under three functional headings. For 1987-88 $39.8 million has been allocated to Industry Assistance and Development, including $29 million for construction of the Burdekin Dam, $6.8 million for salinity mitigation studies and works and $4 million for the Bundaberg Irrigation Works in Queensland. A total of $12.5 million allocated to Other Economic Services includes $5.5 million for water treatment facilities in South Australia, $0.7 million for water treatment facilities in the Hunter River region of New South Wales and $5.5 million for the Country Towns Water Supply Improvement Program in all States and the Northern Territory. An amount of $5 million has been provided, under Housing and Community Amenities, for urban flood mitigation.

Payments to the States and the Northern Territory for water related purposes since 1983-84 and estimated payments for 1987-88 are provided in the table below. The next table shows 1986-87 payment details by projects in each State and the Northern Territory. Further detailed information is provided in Appendix III.

Table 55—Assistance for Water Related Purposes, 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1985–86	1 446	3 431	900	1 948	1 735	211	1 472	11 142
1986–87	623	3 029	..	156	756	6	57	4 628
1987–88 (estimate) (*b*)	320	2 405	..	80	162	..	79	3 046
				CAPITAL GRANTS				
1983–84(*a*)	6 829	5 665	22 447	8 382	10 355	293	1 410	55 382
1984–85(*a*)	6 740	6 246	28 356	9 738	7 707	237	1 505	60 528
1985–86	9 150	1 971	31 643	944	2 446	149	81	46 383
1986–87	10 640	3 045	35 395	1 773	2 488	56	101	53 499
1987–88 (estimate) (*b*)	6 460	3 639	34 144	2 832	2 859	399	136	50 469
				CAPITAL LOANS				
1983–84	..	..	..	..	..	..	..	..
1984–85	..	..	..	..	..	..	..	..
1985–86	..	..	..	744	3 920	..	..	4 664
1986–87	..	..	..	..	4 200	..	..	4 200
1987–88 (estimate) (*b*)	..	..	..	..	3 850	..	..	3 850
				TOTAL				
1983–84	6 829	5 665	22 447	8 382	10 355	293	1 410	55 382
1984–85	6 740	6 246	28 356	9 738	7 707	237	1 505	60 528
1985–86	10 596	5 402	32 543	3 635	8 101	360	1 553	62 190
1986–87	11 263	6 075	35 395	1 929	7 444	63	158	62 327
1987–88 (estimate) (*b*)	6 780	6 044	34 144	2 912	6 871	399	215	57 365

(*a*) During 1983–84 and 1984–85 recurrent and capital grants were classified together.
(*b*) Estimated allocations to the States and Northern Territory are indicative.

Table 56—Payments to the States and Northern Territory under the Federal Water Resources Assistance Program in 1986–87 ($ thousands)

State	Amount	Purpose
New South Wales	*(a)* 2 577	Murray Valley Salinity Mitigation—a co-ordinated program with New South Wales, Victoria and South Australia for salinity reduction and drainage control.
	(b) 2 649	Urban Flood Plain Management—approved works and studies in coastal and inland urban centres.
	(a) 50	Rural Flood Management—approved works and studies on coastal and inland rivers.
	(c) 5 250	Chichester Water Treatment Plant—construction of water treatment facilities to improve water quality in the Hunter Valley region.
	(c) 632	Urban Water Supply—the Country Towns Water Supply Improvement Program (COWSIP).
	(c) 105	Water Conservation and Efficiency Improvement.
Victoria	*(a)* 3 000	Murray Valley Salinity Mitigation (*see* above).
	(c) 761	Urban Water Supply—COWSIP (*see* above).
	(b) 1 495	Urban Flood Plain Management (*see* above).
	(a) 155	Rural Flood Plain Management (*see* above).
	(c) 664	State Water Plan.
Queensland	*(b)* 243	Urban Flood Plain Management (*see* above).
	(a) 4 000	Bundaberg Irrigation Works, including works of conservation, distribution and reticulation of water.
	(a) 30 007	Burdekin Falls Dam—construction of a dam on the Burdekin River to provide water for irrigation in the Burdekin River Basin.
	(c) 1 145	Urban Water Supply—COWSIP (*see* above).
Western Australia	*(c)* 384	Urban Water Supply—COWSIP (*see* above).
	(a) 1 160	Salinity Control—Collie River catchment and South-West catchments (Denmark, Kent, Warren and Helena Rivers).
	(b) 305	Urban Flood Plain Management Studies and Works.
	(c) 80	State Water Plan
South Australia	*(c)* 6 224	Urban Water Supply—Metropolitan Adelaide and Northern Towns Water Filtration Program; and COWSIP (*see* above).
	(a) 656	Murray Valley Salinity Mitigation (*see* above).
	(b) 464	Urban Flood Plain Management—flood mitigation works on the River Torrens.
	(a) 80	Rural Flood Plain Management.
	(a) 20	Water Conservation and Efficiency Improvement.
Tasmania	*(b)* 63	Urban Flood Plain Management—Launceston Flood Protection Works and the Tamar Valley Silting Study.
Northern Territory	*(b)* 62	Urban Flood Plain Management.
	(c) 87	Urban Water Supply—COWSIP (*see* above).
	(c) 9	Water Plan.
Total	62 327	

(a) Classified under Industry Assistance and Development.
(b) Classified under Housing and Community Amenities.
(c) Classified under Other Economic Services.

Water Quality Improvement—South Australia

The Commonwealth provided a capital grant of $17 million to South Australia in 1986-87 for projects to improve water quality.

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 25 cents per tonne of which an amount equivalent to 20 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 1983-84 and estimated payments in 1987-88.

Table 57—Recurrent Grants for Coal Mining Industry Long Service Leave, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Queensland	Western Australia	Tasmania	Total
1983–84	13 956	3 246	1 020	45	18 266
1984–85	15 034	3 109	938	33	19 114
1985–86	13 968	3 092	727	69	17 857
1986–87	13 866	5 123	684	97	19 769
1987–88 (estimate)	16 894	5 000	700	90	22 684

Community Employment Program

An amount of $100 million has been provided in 1987-88 for direct job creation through the Community Employment Program established under the *Community Employment Act 1983*. Of this amount, $95.3 million will be payments to the States and the Northern Territory.

The Community Employment Program provides short term employment for three to twelve months, particularly for women, Aboriginals, migrants, the long-term unemployed and disabled persons. The overall program objective is to enhance the employment prospects of those most disadvantaged in the labour market by providing relevant work experience. Funds are provided for expenditure on additional, labour intensive projects of social and economic benefit to the community. The program is administered jointly by the Commonwealth and the States and territories.

Payments to the States and the Northern Territory from 1983-84 and estimated payments in 1987-88 are shown in the following table.

Table 58—Recurrent Grants for Community Employment Program, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	86 297	64 012	41 268	22 986	21 739	7 508	2 822	246 632
1984–85	125 316	94 428	57 960	32 004	31 392	10 116	3 168	354 384
1985–86	90 750	68 434	42 073	23 203	22 707	7 334	2 323	256 824
1986–87	63 903	48 061	29 790	16 505	15 879	5 152	1 711	181 001
1987–88 (estimate)	35 573	24 377	14 771	7 912	9 375	2 479	804	95 291

Infrastructure Support for the Steel Regions

The Commonwealth is providing capital grants for a range of infrastructure development projects in the Illawarra, Hunter and Whyalla regions designed to promote employment opportunities in these regions to assist in offsetting the decline in employment in the steel industry. Outlays for this purpose totalled $36.6 million in 1986-87 and are estimated at $12.5 million in 1987-88.

The functional breakdown of these payments is shown in the following table.

Table 59—Grants to the States for Infrastructure Support to the Steel Regions, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
New South Wales—					
TAFE building projects(*a*)	1 028	10 000	1 074	3 386	..
Fishing port facilities at Nelson Bay(*b*)	..	..	2 800	1 860	..
Port Kembla grain terminal(*b*)	..	..	3 200	14 153	1 347
Water quality improvement (*c*)	229	1 650	3 807	5 250	664
Tourism projects(*b*)	46	2 000	2 000	2 000	4 000
Roads projects(*d*)	8 500	500	1 850	982	..
Technology Centres(*e*)	..	2 000	60	5 064	3 068
Total New South Wales	9 803	16 150	14 791	32 695	9 079
South Australia—					
Whyalla region projects(*e*)	..	1 198	834	3 915	3 381
Total.	9 803	17 348	15 625	36 610	12 460

(*a*) Expenditure for these projects is included under Education in the functional classifications in Table 17.
(*b*) Expenditure for these projects is included in Industry Assistance and Development in the functional classification in Table 17.
(*c*) Assistance for this purpose is allocated under the Federal Water Resources Assistance Program and is included under Other Economic Services in the functional classification in Table 17.
(*d*) Expenditure for these projects is included under Transport in the functional classification in Table 17.
(*e*) Expenditure for these projects is included under Labour and Employment in the functional classification in Table 17.

Public Sector Training for Aboriginals

It is estimated that $18.3 million will be provided within the Training for Aboriginals Program (TAP) for public sector training opportunities for Aboriginal people. Of this, $9.0 million will be paid to the States and the Northern Territory.

The emphasis within Public Sector Training is on training leading to the permanent employment of Aboriginal people. Participants receive the designated wage for the job and the employing organisation is reimbursed the full wage cost for the training period.

Separate identification of payments in this category is unavailable prior to 1985-86 but is included in the Training for Aboriginals Program in Statement Nos 1 and 3 of Budget Paper No. 1.

Table 60—Recurrent Grants for Public Sector Training for Aboriginals, 1985–86 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1985–86	3 076	258	2 462	1 561	556	65	1 807	9 785
1986–87	2 909	244	2 329	1 477	526	61	1 709	9 255
1987–88 (estimate)	2 834	238	2 269	1 440	512	59	1 665	9 017

Special Employment-Related Program—Repayments

During the course of 1986-87 a number of States and the Northern Territory repaid an unused portion of the funds that had been advanced to them in 1982-83 and 1983-84 for employment creation activities under the Wage Pause Program. Details of the repayments are presented in Appendix VI.

OTHER ECONOMIC SERVICES

Urban Water Supply

The description previously given of payments under this heading is presented under 'Federal Water Resources Assistance Program' earlier in this chapter.

Assistance to Northern Territory Electricity Commission

In accordance with provisions of the Memorandum of Understanding with the Northern Territory, the Commonwealth has provided financial assistance for the operational costs of electricity supply from the time of self-government. As a result of the Northern Territory government's decision to generate electricity from natural gas there will, after a transitional period, be a significant lessening of future costs in the provision of electricity. Reflecting this, in 1985 the Commonwealth reduced its assistance towards meeting the operating costs of the Northern Territory Electricity Commission (NTEC) and agreed to provide recurrent grants of $40 million per annum from 1985-86 to 1988-89—compared to $72.9 million in 1984-85—with payments after the first year to be indexed in line with the consumer price index. In 1986-87 the grant was reduced to $29.5 million as a consequence of the fall in world oil prices and to assist the Commonwealth's Budget outcome. Returning to the previous arrangements, an amount of $47.5 million is to be provided in 1987-88.

The Commonwealth has also been providing grant assistance representing 40 per cent of the capital cost of the construction of a new power station near Darwin, to replace the existing oil-fired plant and has agreed to provide up to a further $52 million (1984-85 prices) representing 40 per cent of the estimated remaining cost of the gas-fired plant. The final contribution of $0.8 million is to be provided in 1987-88.

Both recurrent and capital grants paid to the Northern Territory for NTEC assistance since 1983-84 and estimated payments for 1987-88 are shown in the following table.

Table 61—Payments to Northern Territory Electricity Commission, 1983–84 to 1987–88 ($ thousands)

	Recurrent	Capital	Total
1983–84	63 122	4 471	67 594
1984–85	72 862	8 940	81 802
1985–86	39 568	19 434	59 002
1986–87	29 456	40 575	70 031
1987–88 (estimate)	47 535	811	48 346

GENERAL PUBLIC SERVICES

Law, Order and Public Safety

Legal Aid

In 1987-88, $76.8 million will be provided by way of payments to the States for legal aid compared with $52.9 million in 1986-87. Legal aid in Australia is provided through a scheme involving co-operation between the Commonwealth and the States (except for Aboriginal legal aid which is administered by the Department of Aboriginal Affairs). The Commonwealth provides funding for a share of the operating costs of legal aid commissions in each State and for referrals to private practitioners on Commonwealth matters. Assistance is also provided through the States for community legal aid centres. Of the total amount, $2.2 million in grants is provided for this purpose. The increase in the States' legal aid funding in 1987-88 mainly reflects the full year effect of the Commonwealth's payments to New South Wales following the merger of the New South Wales Legal Aid Commission with the Australian Legal Aid Office, from 2 April 1987.

The following table shows payments to the States since 1983-84 and estimated payments in 1987-88. The 1987-88 distribution of these grants among the States is notional only and no commitment to the provision of the amount shown for each State is implied.

Table 62—Recurrent Grants for Legal Aid, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Total
1983–84	219	15 337	8 429	6 249	4 697	10	34 940
1984–85	562	15 065	10 096	7 054	5 463	29	38 269
1985–86	434	17 827	11 307	8 004	6 284	49	43 904
1986–87	6 032	19 279	11 871	8 782	6 879	76	52 919
1987–88 (estimate)	25 046	21 419	12 955	8 884	8 425	82	76 810

Reimbursement of Costs of Operations of the Joint Law Courts Library in New South Wales

It is estimated that New South Wales will be provided with a grant of $585 000 in 1987-88 to meet the Commonwealth's share of the salary and operations costs of the Joint Law Courts Library in Sydney. An amount of $330 000 was provided in 1986-87 for this purpose. The increase reflects a one-off increase in expenditure for 1987-88 of $237 500.

Human Rights—Payments under Co-operative Arrangements

In 1987-88, $1.1 million will be provided to New South Wales, Victoria, Western Australia and South Australia under co-operative arrangements with the Commonwealth for the administration of human rights matters. These arrangements, under which the Commonwealth provides funding to assist State equal employment opportunities organisations in implementing the provisions of Commonwealth legislation relating to sex and racial discrimination, enable all human rights matters to be dealt with through a single office. The estimated allocation of funds among the States is given in Appendix [VI].

Company Fees—Revenue Sharing

In 1987-88, $625 000 will be provided to the States and the Northern Territory under the Commonwealth State Scheme for Co-operative Companies and Securities Regulations—Fee Sharing Agreement. An amount of $420 000 was provided for this purpose in 1986-87. The increase reflects the full year effect of the agreement. Prior to 1 October 1986, these payments were made under refunds of revenue.

ASSISTANCE FOR LOCAL GOVERNMENT

Since 1974-75 recurrent grants have been made to the States (and the Northern Territory since 1979-80) to be passed on to local government authorities. These grants are to finance on-going expenditures and to equalise fiscal capacities of the local government authorities. New arrangements for the payment of these grants which applied from 1986-87 were decided following the National Inquiry into Local Government Finance which presented its Report in October 1985. Details of these arrangements are given in Chapter VI.

NATURAL DISASTER RELIEF

The long-standing Commonwealth assistance under natural disaster relief arrangements aims to help the States and the Northern Territory meet the unpredictable and sometimes large costs of providing natural disaster relief and restoration. The arrangements recognise the States' (and Northern Territory's) primary responsibility under the Constitution for the administration, provision and financing of relief measures. Disasters covered by the arrangements—mainly weather related—are bushfires, cyclones, droughts, earthquakes, floods and storms.

Under the arrangements the Commonwealth reimburses at least 50 per cent of State expenditure on eligible measures for the relief of personal hardship and distress. In respect of other eligible relief and restoration measures, the Commonwealth provides financial assistance when total State expenditure on all

those measures in a financial year exceeds its assessed financial capacity, as represented by an annual base amount. The base amounts are set at 0.225 per cent of State annual budget sector revenue and grants two years earlier (the latest available data). The base amounts applying in 1987-88 and recent years are as shown in the following table.

Table 63—Base Amounts for Eligibility for Assistance under Natural Disaster Relief Arrangements, 1985–86 to 1987–88 ($ million)

	1985–86	1986–87	1987–88
New South Wales	22.39	24.58	27.78
Victoria	16.87	18.73	20.22
Queensland	10.48	11.60	14.00
Western Australia	6.87	7.85	8.41
South Australia	6.05	7.00	7.51
Tasmania	2.41	2.57	2.71
Northern Territory	1.83	2.05	2.19

Commonwealth assistance, in respect of expenditure by a State above its base amount, is dollar for dollar up to 75 per cent above the base amount and three dollars Commonwealth to one dollar State thereafter. The States have responsibility for selecting, within agreed guidelines, the specific measures to be eligible for assistance under the arrangements. Categories of eligible relief measures currently include:

- grants for relief of personal hardship and distress, such as the provision of emergency food, clothing and accommodation;
- concessional loans to farmers or operators of small businesses, whose assets (including fodder) have been significantly damaged and who have no reasonable access to commercial finance but who have reasonable prospects of long term viability;
- concessional loans to needy persons or voluntary non-profit bodies whose assets have been significantly damaged and who have no reasonable access to commercial finance; and
- grants for the restoration of essential public assets, owned by State and local government undertakings other than financial and trading undertakings, but including railways.

An amount of $25 million has been provided for Commonwealth assistance towards disaster relief in 1987-88, compared with outlays of $36.3 million in 1986-87. The estimate is based on past experience—actual assistance will depend on the level of ongoing State expenditure in respect of past disasters and on the incidence and severity of any disasters in 1987-88.

The following table of payments to the States from 1983-84 and estimated payments in 1987-88 reflects the varying incidence of disasters between States and between years.

Table 64—Payments for Natural Disaster Relief (*a*), 1983–84 to 1987–88
($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
			RECURRENT					
1983–84	7 370	4 556	13 742	1 013	1 862	53	..	28 596
1984–85	381	−540	1 183	..	44	61	..	1 128
1985–86	..	−316	6 200	70	..	..	..	5 954
1986–87	2 993	−278	6 471	..	..	..	..	9 186
1987–88 (estimate) (*b*)	2 060	770	2 403	199	234	8	..	5 674
			CAPITAL GRANTS					
1983–84	7 412	4 908	22 704	1 631	2 543	8	2 167	41 373
1984–85	..	..	7 747	..	..	71	..	7 818
1985–86	418	..	7 200	270	37	..	..	7 925
1986–87	..	..	3 001	..	..	..	..	3 001
1987–88 (estimate) (*b*)	1 152	526	3 695	473	66	16	100	6 028
			CAPITAL LOANS					
1983–84	3 815	7 855	44 157	5 828	6 902	274	..	68 830
1984–85	..	..	2 186	..	..	149	..	2 335
1985–86	..	..	11 537	777	..	4	..	12 318
1986–87	..	..	23 950	194	..	..	..	24 144
1987–88 (estimate) (*b*)	2 574	1 340	5 033	2 517	1 814	20	..	13 298
			TOTAL					
1983–84	18 597	17 318	80 603	8 471	11 308	335	2 167	138 799
1984–85	381	−540	11 116	..	44	281	..	11 281
1985–86	418	−316	24 937	1 117	37	4	..	26 197
1986–87	2 993	−278	33 422	194	..	..	..	36 331
1987–88 (estimate) (*b*)	5 786	2 636	11 131	3 189	2 114	44	100	25 000

(*a*) Excludes the cost of emergency services provided by the Defence Force.
(*b*) Estimates shown for 1987–88 are indicative only as they make some provision for expected payments in respect of possible new disasters which, based on an average of past experience, can be expected to qualify for Commonwealth assistance.

Appendix III provides more detailed information about Commonwealth payments to the States and the Northern Territory in respect of natural disaster relief. Details of such payments in past years may be obtained from earlier issues of Budget Paper No. 7 and, especially, from Tables 158 and 159 of the 1975-76 issue of Budget Paper No. 7.

ASSISTANCE RELATED TO SOUTH WEST TASMANIA

Under a Memorandum of Understanding signed on 26 June 1984, the Commonwealth undertook to provide financial assistance to Tasmania to offset the effects on employment and electricity prices of the cessation of Stage Two of the Gordon River Power Development.

Assistance under these arrangements amounted to $29.9 million in 1986-87. A further $29.7 million will be provided in 1987-88 including the fifth (of ten) annual instalments of $20 million, indexed to January 1984 prices, to subsidise the future cost of electricity supply in the State.

The following table shows recurrent and capital grants provided to Tasmania under this program since 1983-84 and estimated payments in 1986-87.

Table 65—Assistance Related to South West Tasmania, 1983–84 to 1987–88
($ thousands)

	Recurrent	Capital	Total
1983–84	20 333	42 573	62 906
1984–85	21 493	12 378	33 871
1985–86	25 290	8 281	33 571
1986–87	26 529	3 347	29 876
1987–88 (estimate)	28 298	1 402	29 700

CHAPTER VI—PAYMENTS TO OR FOR LOCAL GOVERNMENT AUTHORITIES

Local government authorities in Australia have been established under State and Northern Territory legislation for the purpose of providing certain public services within defined geographical boundaries. The functions of these authorities differ significantly between and within the States and the Northern Territory. The Commonwealth's financial relations with local government authorities consist of payments from the Commonwealth Budget, either directly or through the State and the Northern Territory governments, and through the borrowings of local government being subject to Loan Council arrangements.

In 1987-88, Commonwealth funding will be provided to local government authorities in three forms.

(i) General purpose assistance—under the *Local Government (Financial Assistance) Act 1986*, the Commonwealth provides grants to local government bodies that can be spent at their discretion. These grants are the local government equivalent of general purpose assistance to the States and the Northern Territory and represent the only Commonwealth program specifically designed to assist the budgetary position of local governments. The grants are initially paid to the States and the Northern Territory who are required to pass on the entire amount to local government authorities. Reflecting this, these payments are treated as a specific purpose payment to the States and the Northern Territory elsewhere in this Paper.

(ii) Direct grants—there are a number of programs under which local government authorities are among the bodies eligible for, and that have received, Commonwealth assistance paid direct to them. The grants are required to be spent on specific purposes designated by the Commonwealth. They are not, however, equivalent to specific purpose payments to the States and the Northern Territory as the grants are not made under programs solely designed to assist local government. Not all local governments necessarily undertake the activities that are eligible for assistance under the various Commonwealth programs. These payments are treated as a separate category 'Direct Payments to Local Government Authorities' elsewhere in this Paper.

(iii) Assistance passed on through the States and the Northern Territory—some of the funds provided to the States and the Northern Territory for specific purposes are passed on to local government. The amounts passed on are generally at the discretion of the State and the Northern Territory governments, although in certain instances (such as road funding) the amounts passed on are subject to the approval of the Commonwealth. As is the case with direct grants, this assistance is not provided under programs specifically designed to assist local government. Elsewhere in this Paper, such assistance is classified as a specific purpose payment to the States and the Northern Territory.

The following table shows payments to local government authorities under these forms of assistance since 1983-84. Descriptions of these programs are provided in this chapter and more detailed figures for each State and the Northern Territory are presented in Appendix V.

Table 66—Summary of Commonwealth Assistance to Local Government Authorities, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
General Purpose Assistance	461 535	488 864	538 532	585 613	642 477
Direct Payments—Recurrent	32 389	55 080	94 054	87 605	90 421
—Capital	20 872	19 460	17 460	13 906	22 425
Assistance Passed on through States	386 220	418 483	383 622	343 235	n.a.
Total	901 015	981 887	1 033 668	1 030 359	n.a.

For the purposes of this chapter, payments made to Commonwealth statutory authorities that are subsequently passed on to local government authorities have not been recorded. This category includes some payments made by the Australia Council for community arts activities previously recorded as payments direct to local government.

Sources of Funds for Local Government Authorities

The following table shows total receipts of local government authorities in Australia for the period 1974-75 to 1985-86 (the latest year for which relevant data are available). It indicates the growth in, and relative size of, total Commonwealth payments to or for local government, State grants and local government's own-source funding (mainly rates).

Table 67: Sources of Funds for Local Government Authorities in Australia

	Commonwealth Sources			State Sources			Own Sources			Total	
	$m (a)	Real Change %	% of Total Funds	$m (b)	Real Change %	% of Total Funds	$m (c)	Real Change %	% of Total Funds	$m	Real Change %
1974–75	241	..	20.1	89	..	7.4	869	..	72.5	1 199	..
1975–76	344	22.6	21.0	107	3.2	6.5	1 188	17.4	72.5	1 639	17.4
1976–77	277	−27.7	15.1	148	24.3	8.1	1 407	6.4	76.8	1 832	0.4
1977–78	316	5.4	15.4	179	11.7	8.7	1 557	2.2	75.9	2 052	3.5
1978–79	336	−0.3	15.3	193	1.1	8.8	1 673	0.7	76.0	2 202	0.6
1979–80	387	4.8	15.9	210	−1.0	8.6	1 832	−0.4	75.4	2 429	0.4
1980–81	482	12.6	17.4	214	−7.9	7.7	2 079	2.6	74.9	2 775	3.3
1981–82	557	3.5	17.5	210	−12.1	6.6	2 421	4.3	75.9	3 188	2.9
1982–83	669	8.2	18.1	229	−1.8	6.2	2 808	4.5	75.8	3 706	4.7
1983–84	901	25.1	20.9	262	6.3	6.1	3 149	4.2	73.0	4 312	8.1
1984–85	982	2.5	20.8	295	5.9	6.2	3 453	3.1	73.0	4 730	3.1
1985–86	1 034	−1.7	20.4	343	8.5	6.8	3 704	0.1	72.9	5 081	0.3

(*a*) Includes payments for local government in the Northern Territory since 1979–80.
(*b*) Derived by subtracting Commonwealth general purpose payments to local government, as shown in this chapter, from total transfer payments to local government, as shown in the 1986–87 issue of ABS publication 5501.0.
(*c*) These data are consistent with the 1986–87 issue of the ABS publication 5501.0 but not with the revised data included in Chapter II of this paper.

BORROWING ARRANGEMENTS FOR LOCAL GOVERNMENT AUTHORITIES

It is emphasised that borrowings referred to in this section are included in the totals of borrowings by State and local authorities shown elsewhere in this Paper.

As shown in the following table, local authority borrowings totalled $651 million in 1986-87 or about 8 per cent of all public authority new money borrowings in Australia. These borrowings by local government authorities are conducted within the Loan Council's Global Approach which controls the borrowing programs of Commonwealth and State semi-government and local authorities, government-owned companies and trusts (see Chapter IV for further details).

As the following table shows, the amount of borrowings by local government authorities vary markedly between States (after adjusting for differences in population). This reflects a number of factors including differences in demand for local government infrastructure arising from differing rates of population growth between States and, more importantly, variations between the States in the functions allocated to local government.

Table 68—New Money Borrowings by Local Authorities (*a*), 1985–86 to 1987–88

	1985–86			1986–87			1987–88 (estimate)		
	Borrowings by all semi-government and local authorities $'000	Borrowings by Local authorities $'000	Percent of total program	Borrowings by all semi-government and local authorities $'000	Borrowings by Local authorities $'000	Percent of total program	Borrowings by all semi-government and local authorities $'000	Borrowings by Local authorities $'000	Percent of total program
New South Wales	2 059 064	287 000	13.9	1 845 000	251 100	13.6	1 539 700	209 700	13.6
Victoria	2 006 660	130 502	6.5	1 858 850	130 521	7.0	1 526 400	135 500	8.9
Queensland	1 538 912	241 640	15.7	1 387 000	168 953	12.2	1 160 500	166 291	14.3
Western Australia	741 332	41 161	5.6	635 000	32 408	5.1	584 000	41 000	7.0
South Australia	400 000	45 500	11.4	350 000	46 000	13.1	300 800	40 000	13.3
Tasmania	230 000	14 847	6.5	217 000	18 871	8.7	181 600	21 410	11.8
Total States	6 975 968	760 650	10.9	6 292 850	647 853	10.3	5 293 000	613 901	11.6
Northern Territory	65 000	2 574	4.0	86 300	3 141	3.6	65 000	3 000	4.6
Total	7 040 968	763 224	10.8	6 379 150	650 994	10.2	5 358 000	616 901	11.5

(*a*) New money borrowings include conventional loan raisings and other borrowings by way of domestic deferred payment arrangements, overseas trade credits, financial leases, sale and leaseback and similar arrangements, security deposits and other repayable capital contributions, and net changes in temporary purpose borrowings over the financial year.

Full details of recent changes in Loan Council arrangements applying to borrowings by local government authorities are set out at pages 101 and 102 of the 1985-86 issue of Budget Paper No. 7.

GENERAL PURPOSE ASSISTANCE

General purpose financial assistance has been paid to local government authorities since 1974-75. The arrangements under which these payments were made from 1974-75 to 1985-86 are described in earlier issues of Budget Paper No. 7.

The arrangements applying from 1986-87 reflected the Commonwealth Government's consideration of the recommendations of the National Inquiry into Local Government Finance, chaired by Professor Peter Self, which presented its Report in October 1985. The present arrangements, which are embodied in the *Local Government (Financial Assistance) Act 1986*, are:

- As in 1986-87, the total amount of Commonwealth general purpose financial assistance for local government authorities in 1987-88 will be determined by increasing the previous year's level of funding by the larger of:
  - the increase in the All Groups Consumer Price Index for the eight capital cities in the year to the March quarter 1988 over the previous year;
  - the percentage change in general purpose payments to the States (defined as the sum of financial assistance grants, identified health grants and general purpose capital assistance) for 1987-88.

The amount of assistance in 1987-88 is expected to be escalated in line with the increase in the CPI because general purpose payments to the States are estimated to decline in real terms in 1987-88.

- For 1988-89 and subsequent years, the annual level of assistance will be determined by increasing the amount paid in the preceding year by the percentage change in Commonwealth general purpose payments to the States, thereby ensuring equitable treatment by the Commonwealth in the provisions of general revenue assistance to the States and to local government.
- The Northern Territory is included with the States under the Act, rather than receiving assistance under separate arrangements as was the case prior to 1986-87.
- The distribution of total assistance among the States and the Northern Territory is to be phased from the distribution that existed in 1985-86 (which was based on recommendations made by the Commonwealth Grants Commission in 1977) to an equal per capita basis by 1989-90. For 1986-87, the distribution which applied in 1985-86 was varied only by the inclusion of the Northern Territory. In 1987-88 and 1988-89, the distribution is being adjusted in equal steps to bring it onto an equal per capita distribution based on projected population at 30 June 1987. The following table shows the distribution of the grants in 1985-86, 1986-87, 1987-88 and 1988-89 as specified in the Act.

Table 69—General Purpose Financial Assistance for Local Government Authorities—Distribution Among the States and the Northern Territory
(per cent)

	1985–86	1986–87	1987–88	1988–89
New South Wales	36.4977	36.1593	35.6609	35.1625
Victoria	25.4513	25.2153	25.8433	26.4714
Queensland	16.8606	16.7043	16.6526	16.6010
Western Australia	9.3897	9.3026	9.2407	9.1788
South Australia	8.6010	8.5212	8.6552	8.7890
Tasmania	3.1997	3.1700	3.0049	2.8398
Northern Territory	*(a)*	0.9273	0.9424	0.9575
Total	100.0000	100.0000	100.0000	100.0000

(a) Prior to 1986–87, general purpose assistance for local government in the Northern Territory was provided under separate arrangements.

- Each State and the Northern Territory was required to formulate by 1 July 1987, and implement by 1 July 1991, principles for the distribution of grants among its own local government bodies. These principles have been submitted to the relevant Commonwealth Minister for approval and are to have regard to the objective of horizontal fiscal equalisation, which is defined in the Act as a distribution that:

  'ensures that each local governing body in the State is able to function, by reasonable effort, at a standard not lower than the average standard of other local governing bodies in the States, and that takes account of differences in the expenditure required by those local governing bodies in the performance of their functions and in the capacity of those local government bodies to raise revenue.'

- These distributional arrangements, which require an increase in the involvement by the Commonwealth in oversight of the distribution of funds within each State and the Northern Territory, are intended to achieve a greater degree of uniformity in distribution methodologies across States. However, they

leave each State's Local Government Grants Commission with considerable discretion in the detailed assessment of each body's relative need for assistance.

- The principles also provide that no local government body is to receive an amount in any year that is less than the amount that it would be allocated if 30 per cent of the State or the Northern Territory's grant was allocated among local authorities on an equal per capita basis.

When considering the measures announced in the May Statement, the Commonwealth Government decided that no change would be made to the arrangements for determining the annual level of funding embodied in existing legislation. It was decided, however, to change the timing of the payment of general purpose financial assistance to local government authorities made under the *Local Government (Financial Assistance) Act 1986*. From 1 July 1987, the annual amount of such assistance will be paid in quarterly instalments rather than, as previously, in a single annual instalment paid around October.

The shift to quarterly payments will enable the Commonwealth to better match its outlays and receipts, resulting in a saving in public debt interest payments estimated at about $27 million a year due to a reduced within-year financing task. Notwithstanding a comparable loss in interest earnings for local government authorities, they are not expected to absorb reductions in payments from the Commonwealth of the same order as the States. Commonwealth assistance to local government (including both the untied assistance entitlement for 1987-88 and direct payments for specific purposes), after allowing for any loss of interest earnings, is expected to decline by about one half of a per cent in real terms in 1987-88. This compares with an estimated decline of more than 4 per cent in general purpose payments to the States and the Northern Territory governments.

The following table shows payments of local government personal income tax sharing assistance to the States and the Northern Territory from 1983-84 to 1985-86 and payments of local government financial assistance grants in 1986-87 and 1987-88 (estimated). The 1987-88 estimate reflects the expected outcome of the funding formula described above as well as the decision to carry forward in 1987-88 an amount of $4.8 million that would otherwise have been paid to local government in 1986-87 on account of the increase in the CPI to March 1987 being higher than was expected at the time of the 1986-87 Budget.

Table 70—Grants to States and the Northern Territory to be Passed on as General Purpose Assistance for Local Government, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	167 647	116 907	77 447	43 130	39 507	14 697	2 199	461 535
1984–85	177 574	123 829	82 033	45 684	41 847	15 568	2 330	488 864
1985–86	195 615	136 410	90 367	50 326	46 098	17 149	2 566	538 532
1986–87	211 754	147 664	97 823	54 477	49 901	18 564	5 430	585 613
1987–88 (estimate)	229 137	166 007	106 992	59 372	55 601	19 314	6 054	642 477

COMMONWEALTH PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES

Details of payments made direct to local government authorities under various Commonwealth programs are shown below. Wide variations between the States and the Northern Territory in the amounts paid to local authorities under particular programs reflect, among other things, differences in the extent to which the activities concerned are carried out by those authorities rather than by private organisations or by State or Territory government departments or authorities. (Further details of a number of these programs are provided in Statement No. 3 of Budget Paper No. 1).

Nursing Homes

In 1974-75, the Commonwealth Government introduced a scheme under which religious, charitable and other non-profit organisations operating nursing homes may receive assistance from the Commonwealth Government in meeting approved deficits incurred in running the homes.

Local government authorities operating nursing homes on a non-profit basis were eligible to participate in this scheme and authorities in four States—New South Wales, Victoria, Western Australia and South Australia—received assistance under the scheme.

On 1 July 1987, the Commonwealth Government commenced the phasing in of standard daily resident fees and standard Commonwealth benefits for aged nursing home residents to replace the deficit-financing arrangements under the Nursing Homes Assistance Act. These nursing homes are now approved and funded under the National Health Act and benefit payments are made in respect of approved residents, rather than as a payment to a local government authority to cover a nursing home deficit. From 1987-88, therefore, these payments are no longer recorded as payments to local government authorities. In 1987-88, some $600 000 will be paid to local government authorities under the Nursing Homes Assistance Act for the cost of approved day care services for people not resident in the former deficit-financed homes and for budget settlements in respect of previous years' funding.

The following table shows payments made direct to local government authorities from 1983-84 to 1986-87 and estimated payments for 1987-88 under the Nursing Homes Assistance Act.

Table 71—Grants Made Direct to Local Government Authorities for Nursing Homes, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Total
1983–84	836	..	..	546	1 037	..	2 420
1984–85	854	70	..	606	1 481	..	3 012
1985–86	1 178	675	..	888	2 523	..	5 265
1986–87	1 445	1 236	..	1 324	2 975	..	6 980
1987–88 (estimate)	30	120	..	25	425	..	600

Home and Community Care

Commonwealth Government assistance for Home and Community Care is outlined in Chapter V. From 1 July 1987 State and Territory governments will assume responsibility for all payments to funded organisations, including payments to local government authorities.

The following table shows payments made direct to local government authorities in 1986-87.

Table 72—Grants Made Direct to Local Government Authorities for Home and Community Care, 1985–86 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
1985–86	1 520	2 398	2	284	..	..	..	4 204
1986–87	1 385	2 170	..	62	..	..	2	3 619
1987–88 (estimate)	..	..	..	..	..	..	..	..

Aged or Disabled Persons' Homes and Hostels

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.

Grants on a two dollar for one dollar cost sharing basis up to certain maximum limits may be made to meet the cost of erection, extension or purchase of the accommodation. The maximum subsidies are reviewed periodically and are currently $20 200 for a single unit and $23 450 for a double unit of accommodation.

Capital grants under this Act are paid direct to charitable organisations and local government authorities. In 1986-87, local government authorities received $5.4 million out of total capital grants of $53.5 million. For 1987-88 it is estimated that local government authorities will receive $6.4 million out of total estimated payments under the Act of $64.7 million.

Under the Act, the Commonwealth also pays personal, hostel and respite care subsidies to eligible organisations. The hostel care subsidy is paid to residents of eligible hostels to assist organisations to provide services such as meals, laundry, cleaning and social activities. Personal care subsidy is provided to assist hostels to provide a higher level of care for more dependent residents. The respite care subsidy is aimed at encouraging the provision of respite care beds in hostels for aged and disabled persons who cannot temporarily care for themselves or whose carers need short-term relief.

These subsidies are automatically indexed in November each year and the current rates are $1.95 per day for hostel care, $11 per day for personal care and $7.50 per day for respite care. To further assist hostels to accommodate frail aged people who would otherwise be in more expensive nursing homes, the Commonwealth Government has decided that the personal care subsidy will be further increased by five annual real increases of $1.50 per day commencing May 1988.

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

Subject to certain conditions, the Commonwealth meets the capital cost to eligible organisations of building hostel accommodation up to a maximum limit per person. Local government authorities first received assistance under the Act in 1975-76. Grants under this Act are made only in respect of hostels which were approved for funding under the Act within a three year period commencing on 27 September 1972. This is therefore a terminating program, with estimated payments to local government authorities in 1987-88 of $674 999 ($3112 in 1986-87). Grants for hostel accommodation approved after 27 September 1975 are made under the *Aged or Disabled Persons Homes Act 1954*.

The following table shows payments made direct to local government authorities under the *Aged or Disabled Persons' Homes Act 1954* and the *Aged or Disabled Persons' Hostels Act 1972* from 1983-84 to 1986-87 and estimated payments for 1987-88.

Table 73—Grants Made Direct to Local Government Authorities for Aged or Disabled Persons' Homes and Hostels 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983–84	208	667	10	123	242	..	..	1 251
1984–85	124	939	42	179	503	..	..	1 786
1985–86	272	1 101	103	234	503	..	..	2 213
1986–87	366	1 267	68	175	480	..	..	2 355
1987–88 (estimate)	448	1 919	116	285	476	..	..	3 244
				CAPITAL				
1983–84	1 018	1 061	1 013	859	1 685	424	..	6 060
1984–85	2 157	1 218	383	796	636	18	..	5 207
1985–86	1 417	2 233	49	..	614	..	..	4 313
1986–87	1 229	1 645	48	464	1 361	8	604	5 359
1987–88 (estimate)	1 654	2 214	65	625	1 832	10	40	6 440
				TOTAL				
1983–84	1 226	1 729	1 023	982	1 926	424	..	7 311
1984–85	2 281	2 156	425	975	1 138	18	..	6 993
1985–86	1 688	3 334	152	234	1 117	..	..	6 526
1986–87	1 595	2 912	115	639	1 841	8	604	7 713
1987–88 (estimate)	2 102	4 133	181	910	2 308	10	40	9 684

Disability Services Program

On 5 June 1987 the new *Disability Services Act 1986* was proclaimed. The Act provides the legislative basis for the provision of financial assistance to community organisations and local government authorities conducting services for people with disabilities. In this respect, it replaces the core funding provisions of the *Handicapped Persons Assistance Act 1974* which have been repealed. It also replaces certain sections of the *Social Security Act 1947* insofar as those sections related to the Rehabilitation Services Program. The new legislation also provides for grants of financial assistance to States for the provision of eligible services.

The following table shows payments made direct to local government authorities from 1983-84 to 1986-87 under the Handicapped Persons Assistance Act, and estimated payments for 1987-88 under the Disability Services Act.

Table 74—Grants Made Direct to Local Government Authorities for Handicapped Persons, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Western Australia	South Australia	Tasmania	Total
			RECURRENT			
1983–84	88	..	26	..	..	114
1984–85	94	..	..	..	..	94
1985–86	103	22	..	13	..	137
1986–87	40	..	..	7	10	57
1987–88 (estimate)	55	55	..	..	..	110
			CAPITAL			
1983–84	6	..	4	..	..	10
1984–85	..	..	..	..	..	..
1985–86	3	28	..	..	..	31
1986–87	..	..	..	..	..	..
1987–88 (estimate)	30	30	..	..	..	60
			TOTAL			
1983–84	95	..	30	..	..	124
1984–85	94	..	..	..	..	94
1985–86	106	50	..	13	..	169
1986–87	40	..	..	7	10	57
1987–88 (estimate)	85	85	..	..	..	170

Children's Services

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

The following table shows grants made direct to local government authorities from 1983-84 to 1986-87 and estimated payments for 1987-88.

Table 75—Grants Made Direct to Local Government Authorities for Children's Services, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983–84	7 220	7 999	1 562	2 111	502	1 132	501	21 027
1984–85	11 897	13 519	2 864	3 089	784	2 186	461	34 800
1985–86	19 496	20 936	3 728	5 156	1 017	2 537	620	53 492
1986–87	23 655	25 120	3 564	5 893	1 096	2 888	904	63 120
1987–88 (estimate)	25 483	17 516	13 367	7 322	4 864	3 519	1 738	73 809
				CAPITAL				
1983–84	207	328	366	265	8	79	2	1 254
1984–85	340	328	400	470	1	28	363	1 930
1985–86	331	222	282	424	129	110	33	1 530
1986–87	841	789	21	1 452	35	152	13	3 303
1987–88 (estimate)	1 955	2 428	2 022	416	980	207	166	8 174
				TOTAL				
1983–84	7 427	8 327	1 927	2 376	510	1 211	502	22 281
1984–85	12 237	13 847	3 264	3 559	785	2 214	824	36 730
1985–86	19 827	21 158	4 010	5 580	1 146	2 647	653	55 022
1986–87	24 495	25 909	3 585	7 345	1 131	3 040	917	66 422
1987–88 (estimate)	27 438	19 944	15 389	7 738	5 844	3 726	1 904	81 983

Aboriginal Advancement

Some payments are made direct to local government authorities through the Department of Aboriginal Affairs under the Department's employment programs. $4.7 million will be provided in 1987-88 for Community Development Employment Projects run by the Mornington Island and Aurukun Shire Councils in Queensland ($4.5 million in 1986-87). Community Development Employment Projects provide a work based alternative to unemployment benefits for Aboriginals in remote communities.

Public Sector Training for Aboriginals

Commonwealth assistance to the States and the Northern Territory for Public Sector Training for Aboriginals is outlined in Chapter V. Some funds under this program are provided direct to local government authorities.

Separate identification of payments in this category is unavailable prior to 1986-87 but is included in the Training for Aboriginals Program in Statements Nos 1 and 3 of Budget Paper No. 1. In 1987-88 estimated payments are $1.4 million compared with $0.4 million in 1986-87.

The following table shows payments made direct to local government authorities for Aboriginal Advancement and Public Sector Training of Aboriginals from 1984-85 and estimated payments for 1987-88.

Table 76—Grants Made Direct to Local Government Authorities for Aboriginal Advancement, 1984–85 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1984–85	28	277	3 538	116	..	..	..	3 959
1985–86	50	5	4 049	95	22	..	829	5 049
1986–87	57	7	3 958	56	30	..	179	4 287
1987–88 (estimate)	184	26	4 737	60	110	5	120	5 242

Local Government Development

This program, introduced in 1984-85, provides grants for projects designed to demonstrate effective means of addressing common problems. The purpose is to promote the spread of effective practices throughout the local government sector to strengthen its capacity to improve its efficiency and performance, strengthen local economies and infrastructure and facilitate the provision of community services. Expenditures under this program from 1984-85 absorb those previously allocated under the Local Government Improvement Program.

The following table shows payments made direct to local government authorities from 1984-85. While a sum of $2 million has been allocated for 1987-88 it is yet to be finally distributed between the States; the table below provides a notional allocation and no commitment to the provision of the amount shown for each State is implied.

Table 77—Grants Made Direct to Local Government Authorities for the Local Government Development Program, 1984–85 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1984–85	1 937	1 395	489	380	311	142	..	4 655
1985–86	1 785	1 430	742	407	396	190	50	5 000
1986–87	812	343	308	231	207	99	..	2 000
1987–88 (estimate)	812	343	308	231	207	99	..	2 000

Aerodrome Local Ownership Plan

Under the Aerodrome Local Ownership Plan, the Commonwealth finances the upgrading of aerodromes servicing local demands to a mutually agreed standard at the time of transfer from Commonwealth to local ownership and thereafter provides grants to help local bodies fund the maintenance and further development of the aerodromes. Most aerodromes transferred under the plan are owned by local government authorities, but some are owned by State semi-government authorities operating in local areas or by non-government organisations.

The following table shows payments made direct to local government authorities from 1983-84 to 1986-87 and estimated payments for 1987-88. Payments to State semi-government authorities under the plan are included in Chapter V of this Paper.

Table 78—Grants Made Direct to Local Government Authorities for Aerodromes, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
				RECURRENT				
1983-84	1 158	508	884	380	134	6	106	3 176
1984-85	1 345	442	1 582	469	166	9	32	4 045
1985-86	1 363	466	1 088	552	158	27	107	3 760
1986-87	1 865	576	1 624	638	134	24	..	4 860
1987-88 (estimate)	2 235	704	1 421	792	203	21	..	5 376
				CAPITAL				
1983-84	3 542	187	2 062	7 156	337	41	..	13 325
1984-85	6 514	522	1 610	1 649	1 153	..	..	11 448
1985-86	7 626	143	1 225	548	1 305	3	..	10 849
1986-87	3 185	183	839	120	172	..	..	4 500
1987-88 (estimate)	3 184	31	1 433	400	1 923	2	..	6 973
				TOTAL				
1983-84	4 700	695	2 946	7 536	471	47	106	16 501
1984-85	7 859	964	3 192	2 118	1 319	9	32	15 493
1985-86	8 989	608	2 313	1 099	1 463	30	107	14 609
1986-87	5 051	760	2 463	758	306	24	..	9 360
1987-88 (estimate)	5 419	735	2 854	1 192	2 126	23	..	12 349

Subsidy for Migrant Aid

Grants have been provided since May 1982 to enable the Fairfield City Council in New South Wales to employ a community development worker to assist in the settlement of Indo-Chinese refugees in the area. The Commonwealth Government decided during 1986-87 to continue to provide grants until January 1990 due to the continuing demand for services from the high number of Indo-Chinese refugees in the area. The estimated amount to be paid in 1987-88 is $40 000 compared to $27 816 in 1986-87.

ASSISTANCE PASSED ON THROUGH THE STATES

There are certain programs involving payments to the States and the Northern Territory under which a portion of the funds made available are passed on to local government authorities. It should be noted that the degree of influence exerted by the Commonwealth over particular amounts paid to local authorities varies considerably among the different programs as does the availability of information relating to those amounts. Generally, the States and the Territory have considerable discretion as to the amounts passed on to local government authorities.

Each of the programs concerned is summarised in Chapter V of this Paper. The purpose of this section is to outline the way in which local government is involved and to provide details of the amounts passed on by the States and the Northern Territory at their own discretion, or at the request of the Commonwealth, to local government authorities. For 1984-85 and subsequent years all of the information has been provided by the States and the Northern Territory. Because of the lag, in some cases, between the payment of funds to States and the Northern Territory and their subsequent allocation by them, the amounts paid to them for local government authorities under a particular program in any one year may not necessarily equal the amounts paid to those authorities in that year.

As with the programs involving direct payments, differences between the States and the Northern Territory in the level of payments in this category made to local government authorities reflect, in part, differences in the extent to which the functions concerned are undertaken by local government authorities rather than by State and the Northern Territory 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 and the Northern Territory shown elsewhere in this Paper.

State Emergency Services

A description of Commonwealth assistance for State Emergency Services is included in Chapter V. This assistance includes grants paid to the States and the Northern Territory, some of which are passed on to local government authorities to provide depots for emergency service units.

The following table shows amounts of assistance passed on by some States for the capital costs of local depots from 1983-84.

Table 79—State Emergency Services—Grants Passed on to Local Government Authorities, 1983–84 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Total
1983–84	89	45	100	50	..	..	284
1984–85	105	71	96	68	20	..	360
1985–86	83	103	91	33	10	10	330
1986–87	83	493	107	79	..	10	773

Home and Community Care

Commonwealth Government assistance for Home and Community Care is outlined in Chapter V and earlier in this chapter in the section on 'Commonwealth Payments Made Direct to Local Government Authorities'. This program subsumes earlier programs (among others) for Home Care Services and Senior Citizens' Centres, previously provided under the *States Grants (Home Care) Act 1969* (for those details see the 1985-86 issue of Budget Paper No. 7).

In addition to direct grants to local government and non-government organisations for Home and Community Care, grants for this purpose will be made to the States and the Northern Territory, some of which will be passed on by them to their local government authorities.

The following table shows amounts of assistance passed on by the States and Territory in 1985-86 and 1986-87.

Table 80—Home and Community Care Program—Grants Passed on to Local Government Authorities, 1985–86 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1985–86	2 886	13 188	..	1 359	516	173	10	18 132
1986–87	1 630	23 665	689	1 195	113	250	12	27 554

Supported Accommodation Assistance

Commonwealth assistance to the States and the Northern Territory for Supported Accommodation is outlined in Chapter V. Some of these funds are passed on by the States to local government authorities.

The following table shows amounts of assistance passed on by the States and Territory from 1984-85 to 1986-87.

Table 81—Supported Accommodation Assistance—Grants Passed on to Local Government Authorities, 1984–85 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	Total
1984–85	..	..	127	210	337
1985–86	73	..	81	469	623
1986–87	..	9	24	304	337

Children's Services

Commonwealth Government assistance for services for children is outlined in Chapter V and earlier in this Chapter in the section on 'Commonwealth Payments Made Direct to Local Government Authorities'. In addition to direct grants to local government and private bodies for children's services, grants for this purpose are made to the States and the Northern Territory, some of which are passed on by them to their local government authorities.

The following table shows amounts of assistance passed on by the States and the Territory from 1983-84 to 1986-87.

Table 82—Children's Services—Grants Passed on to Local Government Authorities, 1983–84 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	512	4 458	95	115	..	22	..	5 202
1984–85	1 995	6 872	27	175	98	28	10	9 204
1985–86	1 471	1 229	60	269	26	29	25	3 109
1986–87	297	1 960	83	93	23	24	15	2 495

Family Support Services

Commonwealth Government assistance for Family Support Services is outlined in Chapter V. Some of these funds are passed on by the States and the Northern Territory to local government authorities.

The following table shows amounts of assistance passed on by the States and the Territory since 1984-85.

Table 83—Family Support Services—Grants Passed on to Local Government Authorities, 1984–85 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1984–85	793	175	53	114	68	2	41(*a*)	1 246
1985–86	831	331	32	50	76	..	48(*a*)	1 367
1986–87	..	214	41	114	55	24	10	459

(*a*) Funds passed on to the Northern Territory include funds for Aboriginal Community Councils.

Housing

Local government authorities are among the organisations eligible to receive funding under the Local Government and Community Housing Program, which was introduced in 1984-85 as a sub-program of the Commonwealth State Housing Agreement (CSHA). The funds may be used to purchase, construct, lease or upgrade dwellings for low cost rental housing. The dwellings may be wholly or jointly owned by State or the Northern Territory Housing Authorities but are managed by local government authorities.

The following table shows amounts of assistance passed on by some States under the Local Government and Community Housing Program from 1984-85. In addition, the Victorian Government passed on $354 363 in untied grants for public housing under the Other Housing Assistance Program of the CSHA in 1985-86 (see Chapter V for details of this assistance).

Table 84—Local Government and Community Housing Program—Grants Passed on to Local Government Authorities, 1984–85 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Total
1984–85	..	140	1 145	..	..	1 285
1985–86	3 533	627	1 659	190	53	6 062
1986–87	3 883	884	1 124	70	469	6 430

National Estate

National Estate projects supported from funds provided to the States under the *Urban and Regional Development (Financial Assistance) Act 1974* have included many projects undertaken by local government authorities. Assistance passed on by the States and the Northern Territory to local government authorities in 1986-87 for projects undertaken by them amounted to $605 000 out of total payments to the States and Territory under this program of $3.4 million.

The following table shows amounts of assistance passed on by the States and the Territory from 1983-84.

Table 85—National Estate—Grants Passed on to Local Government Authorities, 1983–84 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Total
1983–84	..	21	67	137	56	45	326
1984–85	16	45	8	438	18	27	552
1985–86	134	35	27	97	30	17	340
1986–87	125	83	124	199	53	21	605

America's Cup Defence

The Commonwealth funded the provision of infrastructure, facilities and services in Western Australia required during the defence of the America's Cup. Assistance under the program was directed towards projects which were designed to maximise the benefits to the people of Western Australia arising from the America's Cup

defence, and minimise any detrimental effects the conduct of the defence placed on the City of Fremantle and neighbouring local government areas, as well as providing facilities of continuing value after the defence is completed. The projects were nominated by the Western Australian State Government and local government authorities and assessed by an inter-governmental committee representing the three tiers of government. In 1986-87, $3.5 million ($6.7 million in 1985-86) was passed on by the Western Australian State Government to local government authorities under the program.

Roads

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

As noted elsewhere in this Paper, funds for roads in 1987-88 are provided by the Commonwealth to the States and the Northern Territory under the *Australian Land Transport (Financial Assistance) Act 1985*, which replaced the *Roads Grants Act 1981* from 1 July 1985, and the Australian Bicentennial Road Development Program introduced in 1982-83.

The following table shows amounts of assistance passed on by the States and the Northern Territory under these programs from 1983-84. Some funds for roads are also being made available under the Community Employment Program.

Table 86—Roads Assistance–Grants Passed on to Local Government Authorities, 1983–84 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983-84	70 998	51 169	25 734	34 239	11 479	12 707	1 833	208 159
1984-85	64 769	55 300	29 909	33 477	15 751	12 203	1 783	213 192
1985-86	73 500	45 630	29 759	39 642	12 031	12 850	1 875	215 288
1986-87	71 332	45 430	32 867	46 325	12 922	10 285	2 343	221 504

Flood Mitigation

Funds are provided to the States and the Northern Territory by the Commonwealth for approved floodplain management works and studies under the Federal Water Resources Assistance Program (FWRAP). Some of these funds are passed on by the States to local government authorities.

The following table shows amounts of assistance passed on by some States from 1983-84.

Table 87—Flood Mitigation—Grants Passed on to Local Government Authorities, 1983–84 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Tasmania	Total
1983–84	2 500	..	1 227	..	3 727
1984–85	2 223	..	886	..	3 109
1985–86	2 687	501	1 774	104	5 066
1986–87	2 698	551	142	..	3 391

Community Employment Program

A description of this program, which is funded under the *Community Employment Act 1983*, is set out in Chapter V of this Paper.

The following table shows amounts of assistance passed on by the States and the Northern Territory from 1983-84.

Table 88—Community Employment Program—Grants Passed on to Local Government Authorities, 1983–84 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
1983–84	38 768	18 730	28 795	13 988	10 533	3 572	141	114 527
1984–85	58 104	43 593	33 639	15 005	13 023	4 221	606	168 191
1985–86	43 410	35 087	19 297	11 908	9 283	3 244	765	122 995
1986–87	27 663	20 974	9 926	4 764	6 588	4 893	394	75 201

Infrastructure Support for the Steel Regions

The Commonwealth provides assistance for a range of infrastructure development projects in the steel regions (see Chapter V for details). The South Australian Government passed on $0.986 million to local government authorities in the Whyalla region for this purpose in 1986-87.

South-West Tasmania Special Assistance

Certain employment generation projects approved under arrangements for financial assistance to Tasmania following the cessation of the Gordon-below-Franklin Dam are for the benefit of local government. Amounts passed on by the State to local authorities for such projects in 1983-84, 1984-85 and 1985-86 were approximately $0.1 million, $1.8 million and $1.7 million respectively. $0.9 million was passed on in 1986-87.

National Sports Facilities

Commonwealth assistance to the States and the Northern Territory for National Sports Facilities is outlined in Chapter V. Some of these funds are passed on by the States to local government authorities. In 1986-87 Victoria passed on $160 165.

Australian Bicentenary

Commonwealth assistance to the States and the Northern Territory for Bicentenary celebrations under the Commonwealth/State Bicentennial Commemorative Program is outlined in Chapter V. Some of these funds are passed on by the States to local government authorities. In 1986-87 Queensland passed on $482 889.

APPENDICES

The tables in these Appendices provide a comprehensive record of payments by the Commonwealth to and for the States and the Northern Territory for the period 1983–84 to 1985–86 and estimates of payments in 1987–88. These payments may be classified as being provided as:

- general purpose or specific purpose payments;
- payments for recurrent or capital purposes; and
- grants or advances.

Tables are provided which set out the payments on the basis of each method of classification.

Where appropriate, information is also included on payments made direct to local government authorities to show total Commonwealth payments to the State and local government sector.

Appendix I *Summary Tables* provides tables of total payments to the States and the Northern Territory on each basis of classification and the rates of growth of various classes of payments. Tables are included which set out payments on both a gross and net basis and provide details of payments to each State and the Northern Territory for the years 1985–86, 1987–88 (estimated).

Appendix II *Tables of General Purpose Capital Funds* provides details of the funds available to the States through the State Governments' Loan Council programs and as capital grants, and the financing of the State Governments' Loan Council programs, as well as details of the related Northern Territory Government borrowing program. It also records borrowings by State semi-government and local government authorities subject to Loan Council arrangements and the Northern Territory.

Appendix III *Tables of Specific Purpose Payments* sets out details of some of the major programs of specific purpose payments to the States described in Chapter V of this Paper.

Appendix IV *Advances, Debt Charges, Net Advances and net Payments* deals with those payments made by the Commonwealth in the form of advances. It sets out the advances and debt charges on advances applicable to each State and thereby permits a detailed reconciliation between Commonwealth payments on a gross basis as set out in this Paper and Commonwealth payments on a net basis as recorded in the other Budget Papers.

Appendix V *Commonwealth Payments to or for Local Government Authorities* provides details for authorities in each of the States and the Northern Territory and for the six states and Northern Territory of Commonwealth payments to local government.

Appendix VI *Commonwealth Payments to or for the States and the Northern Territory 1983–84 to 1987–88* provides details for the States and the Northern Territory, the six States, and each State and the Northern Territory individually of Commonwealth payments and Loan Council and the Northern Territory Government borrowings.

APPENDIX I—SUMMARY TABLES

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Table 89—Summary of the Main Aggregate Payments, 1986–87 ($ thousands)

	Recurrent Grants	Capital Grants	Advances (Gross)	Total Payments (Gross)	Repayments	Total Payments (Net)
(1) Payments to State and Northern Territory Governments (*a*)						
Six States—						
General Purpose Payments	12 586 586	429 426	774 581	13 790 593	−210 955	13 579 638
Specific Purpose Payments	5 925 489	2 636 895	30 878	8 593 262	−123 508	8 469 755
Total	18 512 076	3 066 321	805 459	22 383 855	−334 463	22 049 393
Northern Territory—						
General Purpose Payments	640 515	47 060	84 885	772 460	−6 460	766 000
Specific Purpose Payments	91 121	121 447	441	213 010	−3 491	209 519
Total	731 636	168 507	85 326	985 470	−9 951	975 519
States and the Northern Territory Combined—						
General Purpose Payments	13 227 101	476 486	859 466	14 563 053	−217 415	14 345 638
Specific Purpose Payments	6 016 611	2 758 342	31 319	8 806 272	−126 998	8 679 274
Total of States and the Northern Territory	19 243 712	3 234 828	890 785	23 369 326	−344 414	23 024 912
(2) Payments direct to Local Government Authorities	87 605	13 906	..	101 511	−32	101 479
COMBINED TOTAL	19 331 317	3 248 734	890 785	23 470 837	−344 445	23 126 391

(*a*) Includes payments passed on by the States and the Northern Territory to their respective local authorities.

Table 90—Summary of the Main Aggregate Payments, 1987–88 (estimate) ($ thousands)

	Recurrent Grants	Capital Grants	Advances (Gross)	Total Payments (Gross)	Repayments	Total Payments (Net)
(1) Payments to State and Northern Territory Governments (*a*)						
Six States—						
General Purpose Payments	13 569 743	176 104	357 208	14 103 055	−340 270	13 762 785
Specific Purpose Payments	6 307 158	2 658 529	19 954	8 985 641	−123 243	8 862 398
Total	19 876 902	2 834 633	377 162	23 088 697	−463 513	22 625 183
Northern Territory—						
General Purpose Payments	683 144	30 899	56 797	770 840	−6 878	763 962
Specific Purpose Payments	104 784	84 813	250	189 847	−3 880	185 967
Total	787 928	115 712	57 047	960 687	−10 758	949 929
States and the Northern Territory Combined—						
General Purpose Payments	14 252 887	207 003	414 005	14 873 896	−347 148	14 526 748
Specific Purpose Payments	6 411 943	2 743 341	20 204	9 175 488	−127 123	9 048 364
Total of States and the Northern Territory	20 664 830	2 950 344	434 209	24 049 384	−474 271	23 575 112
Payments Direct to Local Government Authorities	90 421	22 425	..	112 846	−33	112 813
COMBINED TOTAL	20 755 251	2 972 769	434 209	24 162 230	−474 304	23 687 925

(*a*) Includes payments passed on by the States and the Northern Territory to their respective local authorities.

Table 91—Summary of Payments to each State and to the Northern Territory, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
NEW SOUTH WALES					
Recurrent Grants	4 593 509	5 039 201	5 563 592	6 030 950	6 519 636
Capital Grants	866 297	958 446	1 000 977	1 030 402	941 431
Advances (*gross*)	407 052	360 155	337 836	252 049	118 497
Capital Payments (*gross*)	1 273 350	1 318 601	1 338 812	1 282 451	1 059 928
Less Repayments	104 849	131 267	120 738	103 770	106 967
State Total (*net*)	5 762 010	6 226 534	6 781 667	7 209 631	7 472 596
Payments Direct to LGA's	16 262	26 447	37 299	34 907	36 110
Total Payments (*net*)	5 778 272	6 252 981	6 818 966	7 244 538	7 508 707
VICTORIA					
Recurrent Grants	3 552 366	3 883 058	4 193 157	4 556 096	4 889 021
Capital Grants	575 785	703 060	708 434	698 562	658 875
Advances (*gross*)	311 173	267 375	255 227	195 012	96 150
Capital Payments (*gross*)	886 957	970 434	963 661	893 574	755 025
Less Repayments	80 131	85 976	77 502	77 981	80 113
State Total (*net*)	4 359 193	4 767 516	5 079 317	5 371 689	5 563 933
Payments Direct to LGA's	13 024	20 373	35 428	33 336	25 386
Total Payments (*net*)	4 372 217	4 787 889	5 114 745	5 405 025	5 589 319
QUEENSLAND					
Recurrent Grants	2 481 116	2 736 847	2 904 779	3 214 219	3 456 156
Capital Grants	502 440	524 761	567 181	557 119	535 562
Advances (*gross*)	213 084	156 712	147 231	126 911	30 884
Capital Payments (*gross*)	715 525	681 473	714 412	684 030	566 446
Less Repayments (*a*)	86 971	52 109	51 660	53 575	54 921
State Total (*net*)	3 109 669	3 366 211	3 567 531	3 844 675	3 967 681
Payments Direct to LGA's	5 899	11 567	14 948	11 474	24 247
Total Payments (*net*)	3 115 568	3 377 778	3 582 479	3 856 149	3 991 928
WESTERN AUSTRALIA					
Recurrent Grants	1 577 322	1 728 032	1 841 024	2 043 536	2 197 875
Capital Grants	285 176	331 352	361 568	339 202	310 001
Advances (*gross*)	122 427	100 421	96 434	72 048	37 088
Capital Payments (*gross*)	407 604	431 774	458 002	411 249	347 089
Less Repayments	39 032	51 794	44 365	42 162	38 921
State Total (*net*)	1 945 893	2 108 011	2 254 661	2 412 624	2 506 044
Payments Direct to LGA's	11 840	7 876	10 981	10 415	10 156
Total Payments (*net*)	1 957 733	2 115 887	2 265 641	2 423 039	2 516 200

Table 91—Summary of Payments to each State and to the Northern Territory, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
SOUTH AUSTRALIA					
Recurrent Grants	1 532 163	1 694 809	1 806 605	1 951 415	2 067 089
Capital Grants	263 644	319 488	288 950	304 862	254 219
Advances (*gross*)	157 098	138 180	136 666	105 153	57 541
Capital Payments (*gross*)	420 742	457 667	425 616	410 015	311 760
Less Repayments	45 114	42 120	48 797	39 214	164 282
State Total (*net*)	1 907 791	2 110 356	2 183 424	2 322 216	2 214 567
Payments Direct to LGA's	3 944	5 035	7 850	6 497	11 020
Total Payments (*net*)	1 911 736	2 115 391	2 191 274	2 328 713	2 225 587
TASMANIA					
Recurrent Grants	601 783	653 078	684 042	715 859	747 125
Capital Grants	163 394	167 047	135 986	136 174	134 544
Advances (*gross*)	76 995	73 628	70 660	54 286	37 002
Capital Payments (*gross*)	240 389	240 675	206 646	190 460	171 546
Less Repayments	17 807	18 810	17 407	17 792	18 343
State Total (*net*)	824 365	874 944	873 281	888 527	900 329
Payments Direct to LGA's	1 682	2 383	3 370	3 181	3 863
Total Payments (*net*)	826 046	877 327	876 651	891 708	904 192
SIX STATE TOTAL					
Recurrent Grants	14 338 258	15 735 024	16 993 199	18 512 076	19 876 902
Capital Grants	2 656 737	3 004 154	3 063 095	3 066 321	2 834 633
Advances (*gross*)	1 287 830	1 096 471	1 044 054	805 459	377 162
Capital Payments (*gross*)	3 944 566	4 100 625	4 107 149	3 871 780	3 211 795
Less Repayments (*a*)	373 903	382 076	360 468	334 494	463 546
State Total (*net*)	17 908 921	19 453 573	20 739 880	22 049 361	22 625 150
Payments Direct to LGA'S	52 651	73 680	109 876	99 809	110 782
Total Payments (*net*)	17 961 572	19 527 253	20 849 756	22 149 171	22 735 932
NORTHERN TERRITORY					
Recurrent Grants	624 831	686 698	670 050	731 636	787 928
Capital Grants	115 246	142 292	166 392	168 507	115 712
Advances (*gross*)	94 326	92 283	111 244	85 326	57 047
Capital Payments (*gross*)	209 572	234 575	277 636	253 834	172 759
Less Repayments	6 420	7 738	8 622	9 951	10 758
Northern Territory Total (*net*)	827 983	913 534	939 064	975 519	949 929
Payments Direct to LGA's	611	860	1 638	1 702	2 064
Total Payments (*net*)	828 594	914 394	940 702	977 221	951 993

Table 91—Summary of Payments to Each State and to the Northern Territory, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
	TOTAL				
Recurrent Grants	14 963 089	16 421 722	17 663 249	19 243 712	20 664 830
Capital Grants	2 771 983	3 146 446	3 229 487	3 234 828	2 950 344
Advances (*gross*)	1 382 155	1 188 754	1 155 298	890 785	434 209
Capital Payments (*gross*)	4 154 138	4 335 200	4 384 785	4 125 614	3 384 554
Less Repayments (*a*)	380 323	389 814	369 090	344 445	474 304
Total of States and Northern Territory (*net*)	18 736 904	20 367 107	21 678 944	23 024 880	23 575 079
Payments Direct to LGA's	53 262	74 540	111 514	101 511	112 846
Total Payments (*net*)	18 790 166	20 441 647	21 790 458	23 126 391	23 687 925

(*a*) Repayments of Commonwealth advances made direct to local government authorities (which are not included in repayments tables in Appendix V) which were $20 000 in the years 1983–84 and 1984–85, $30 012 in 1985–86, $31 612 in 1986–87 and are estimated to be $33 000 in 1987–88, are included in these totals.

Table 92—Summary of Payments to each State and to the Northern Territory, 1983–84 to 1987–88 ($ per head of population)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
NEW SOUTH WALES					
Recurrent Grants	853.29	925.92	1 010.18	1 080.57	1 151.34
Capital Grants	160.92	176.11	181.75	184.62	166.25
Advances (*Gross*)	75.61	66.18	61.34	45.16	20.93
Capital Payments (*Gross*)	236.54	242.28	243.09	229.78	187.18
Less Repayments	19.48	24.12	21.92	18.59	18.89
State Total (*Net*)	1 070.36	1 144.08	1 231.35	1 291.76	1 319.63
Payments Direct to LGA's	3.02	4.86	6.77	6.25	6.38
Total Payments (*Net*)	1 073.38	1 148.94	1 238.12	1 298.01	1 326.01
VICTORIA					
Recurrent Grants	875.74	947.14	1 012.29	1 087.81	1 152.83
Capital Grants	141.94	171.49	171.03	166.79	155.36
Advances (*Gross*)	76.71	65.22	61.62	46.56	22.67
Capital Payments (*Gross*)	218.66	236.71	232.64	213.35	178.03
Less Repayments	19.75	20.97	18.71	18.62	18.89
State Total (*Net*)	1 074.64	1 162.88	1 226.22	1 282.55	1 311.98
Payments Direct to LGA's	3.21	4.97	8.55	7.96	5.99
Total Payments (*Net*)	1 077.85	1 167.85	1 234.77	1 290.50	1 317.96
QUEENSLAND					
Recurrent Grants	996.59	1 083.00	1 130.78	1 228.55	1 296.23
Capital Grants	201.81	207.65	220.79	212.94	200.86
Advances (*Gross*)	85.59	62.01	57.31	48.51	11.58
Capital Payments (*Gross*)	287.40	269.67	278.11	261.45	212.45
Less Repayments (*a*)	34.93	20.62	20.11	20.48	20.60
State Total (*Net*)	1 249.06	1 332.05	1 388.78	1 469.52	1 488.08
Payments Direct to LGA's	2.37	4.58	5.82	4.39	9.09
Total Payments (*Net*)	1 251.43	1 336.62	1 394.60	1 473.91	1 497.17
WESTERN AUSTRALIA					
Recurrent Grants	1 147.23	1 239.62	1 294.37	1 400.92	1 472.27
Capital Grants	207.42	237.70	254.21	232.53	207.66
Advances (*gross*)	89.04	72.04	67.80	49.39	24.84
Capital Payments (*gross*)	296.46	309.74	322.01	281.93	232.50
Less Repayments	28.39	37.16	31.19	28.90	26.07
State Total (*net*)	1 415.30	1 512.21	1 585.19	1 653.94	1 678.70
Payments Direct to LGA's	8.61	5.65	7.72	7.14	6.80
Total Payments (*net*)	1 423.91	1 517.86	1 592.91	1 661.08	1 685.50

Table 92—Summary of Payments to each State and to the Northern Territory, 1983–84 to 1987–88 ($ per head of population)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
SOUTH AUSTRALIA					
Recurrent Grants	1 136.59	1 247.87	1 321.10	1 415.21	1 484.87
Capital Grants	195.58	235.23	211.30	221.09	182.62
Advances (*gross*)	116.54	101.74	99.94	76.26	41.33
Capital Payments (*gross*)	312.12	336.97	311.24	297.35	223.95
Less Repayments	33.47	31.01	35.68	28.44	118.01
State Total (*net*)	1 415.24	1 553.83	1 596.66	1 684.13	1 590.81
Payments Direct to LGA's	2.93	3.71	5.74	4.71	7.92
Total Payments (*net*)	1 418.17	1 557.53	1 602.40	1 688.84	1 598.73
TASMANIA					
Recurrent Grants	1 383.97	1 485.61	1 539.66	1 595.68	1 649.43
Capital Grants	375.77	380.00	306.08	303.54	297.03
Advances (*gross*)	177.07	167.49	159.04	121.01	81.69
Capital Payments (*gross*)	552.84	547.48	465.12	424.54	378.72
Less Repayments	40.95	42.79	39.18	39.66	40.49
State Total (*net*)	1 895.86	1 990.30	1 965.60	1 980.57	1 987.66
Payments Direct to LGA's	3.87	5.42	7.59	7.09	8.53
Total Payments (*net*)	1 899.73	1 995.73	1 973.19	1 987.66	1 996.18
SIX STATE TOTAL					
Recurrent Grants	950.37	1 031.06	1 099.69	1 181.22	1 249.37
Capital Grants	176.09	196.85	198.22	195.66	178.20
Advances (*gross*)	85.36	71.85	67.56	51.39	23.71
Capital Payments (*gross*)	261.45	268.70	265.79	247.05	201.91
Less Repayments (*a*)	24.78	25.04	23.33	21.34	29.14
State Total (*net*)	1 187.04	1 274.73	1 342.15	1 406.92	1 422.13
Payments Direct to LGA's	3.49	4.83	7.11	6.37	6.96
Total Payments (*net*)	1 190.53	1 279.55	1 349.26	1 413.29	1 429.09
NORTHERN TERRITORY					
Recurrent Grants	4 566.94	4 860.37	4 565.24	4 867.97	5 069.68
Capital Grants	842.35	1 007.13	1 133.68	1 121.17	744.55
Advances (*gross*)	689.43	653.17	757.93	567.72	367.07
Capital Payments (*gross*)	1 531.78	1 660.30	1 891.61	1 688.89	1 111.62
Less Repayments (*a*)	46.92	54.77	58.74	66.21	69.22
Northern Territory Total (*net*)	6 051.80	6 465.90	6 398.11	6 490.65	6 112.09
Payments Direct to LGA's	4.47	6.08	11.16	11.32	13.28
Total Payments (*net*)	6 056.26	6 471.98	6 409.27	6 501.97	6 125.37

Table 92—Summary of Payments to each State and to the Northern Territory, 1983–84 to 1987–88 ($ per head of population)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
	TOTAL				
Recurrent Grants	982.87	1 066.19	1 132.30	1 216.24	1 286.33
Capital Grants	182.08	204.28	207.03	204.45	183.68
Advances (*gross*)	90.79	77.18	74.06	56.30	27.03
Capital Payments (*gross*)	272.87	281.46	281.09	260.75	210.71
Less Repayments (*a*)	24.98	25.31	23.66	21.77	29.53
Total of States and Northern Territory (*net*)	1 230.76	1 322.34	1 389.72	1 455.21	1 467.51
Payments Direct to LGA's	3.50	4.84	7.15	6.42	7.02
Total Payments (*net*)	1 234.26	1 327.18	1 396.87	1 461.63	1 474.53

(a) Repayments of Commonwealth advances made direct to local government authorities (which are not included in repayments tables in Appendix V) which were $20 000 in the years 1983–84 and 1984–85, $30 012 in 1985–86, $31 612 in 1986–87 and estimated to be $33 000 in 1987–88, are included in these totals.

Table 93—Summary of Payments to the States and the Northern Territory, State Government Loan Council Programs and Payments made direct to Local Government Authorities, 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
GENERAL REVENUE FUNDS									
1983–84	3 113 026	2 312 287	1 815 825	1 168 140	1 049 639	431 479	9 890 395	471 744	10 362 139
1984–85	3 214 557	2 395 145	1 990 296	1 224 633	1 182 606	476 117	10 483 355	495 508	10 978 862
1985–86	3 575 615	2 619 369	2 097 093	1 299 268	1 267 262	493 567	11 352 173	567 765	11 919 938
1986–87	3 978 654	2 906 333	2 336 166	1 464 945	1 381 859	518 630	12 586 586	640 515	13 227 101
1987–88 (estimate)	4 298 122	3 132 414	2 536 743	1 597 943	1 467 148	537 375	13 569 743	683 144	14 252 887
SPECIFIC PURPOSE PAYMENTS—RECURRENT									
1983–84	1 480 483	1 240 080	665 291	409 182	482 524	170 304	4 447 863	153 087	4 600 949
1984–85	1 824 644	1 487 912	746 550	503 399	512 203	176 961	5 251 670	191 190	5 442 860
1985–86	1 987 977	1 573 788	807 686	541 756	539 344	190 475	5 641 026	102 285	5 743 311
1986–87	2 052 296	1 649 763	878 053	578 592	569 556	197 230	5 925 489	91 121	6 016 611
1987–88 (estimate)	2 221 514	1 756 607	919 413	599 933	599 941	209 750	6 307 158	104 784	6 411 943
TOTAL RECURRENT GRANTS									
1983–84	4 593 509	3 552 366	2 481 116	1 577 322	1 532 163	601 783	14 338 258	624 831	14 963 089
1984–85	5 039 201	3 883 058	2 736 847	1 728 032	1 694 809	653 078	15 735 024	686 698	16 421 722
1985–86	5 563 592	4 193 157	2 904 779	1 841 024	1 806 605	684 042	16 993 199	670 050	17 663 249
1986–87	6 030 950	4 556 096	3 214 219	2 043 536	1 951 415	715 859	18 512 076	731 636	19 243 712
1987–88 (estimate)	6 519 636	4 889 021	3 456 156	2 197 875	2 067 089	747 125	19 876 902	787 928	20 664 830
GENERAL PURPOSE CAPITAL FUNDS									
1983–84	474 845	369 055	194 779	135 927	191 439	102 955	1 469 000	129 063	1 598 063
1984–85	505 715	393 047	207 442	144 764	203 884	109 648	1 564 500	137 452	1 701 952
1985–86	505 715	393 047	207 442	144 764	203 884	109 648	1 564 500	171 452	1 735 952
1986–87	389 188	302 481	159 643	111 407	156 905	84 383	1 204 007	131 945	1 335 952
1987–88 (estimate)	172 671	142 954	37 449	45 754	79 169	55 315	533 312	87 696	621 008
SPECIFIC PURPOSE PAYMENTS—CAPITAL									
1983–84	798 505	517 902	520 746	271 677	229 303	137 434	2 475 566	80 509	2 556 075
1984–85	812 886	577 387	474 031	287 010	253 783	131 027	2 536 125	97 123	2 633 248
1985–86	833 097	570 614	506 970	313 238	221 732	96 998	2 542 649	106 184	2 648 833
1986–87	893 263	591 093	524 387	299 842	253 110	106 077	2 667 773	121 889	2 789 662
1987–88 (estimate)	887 257	612 071	528 997	301 335	232 591	116 231	2 678 483	85 063	2 763 545
TOTAL CAPITAL PAYMENTS (GROSS)									
1983–84	1 273 350	886 957	715 525	407 604	420 742	240 389	3 944 566	209 572	4 154 138
1984–85	1 318 601	970 434	681 473	431 774	457 667	240 675	4 100 625	234 575	4 335 200
1985–86	1 338 812	963 661	714 412	458 002	425 616	206 646	4 107 149	277 636	4 384 785
1986–87	1 282 451	893 574	684 030	411 249	410 015	190 460	3 871 780	253 834	4 125 614
1987–88 (estimate)	1 059 928	755 025	566 446	347 089	311 760	171 546	3 211 795	172 759	3 384 554
TOTAL GENERAL PURPOSE FUNDS									
1983–84	3 587 871	2 681 342	2 010 604	1 304 067	1 241 078	534 434	11 359 395	600 807	11 960 202
1984–85	3 720 272	2 788 192	2 197 738	1 369 397	1 386 490	585 765	12 047 855	632 960	12 680 814
1985–86	4 081 330	3 012 416	2 304 535	1 444 032	1 471 146	603 215	12 916 673	739 217	13 655 890
1986–87	4 367 842	3 208 814	2 495 809	1 576 352	1 538 764	603 013	13 790 593	772 460	14 563 053
1987–88 (estimate)	4 470 793	3 275 368	2 574 192	1 643 697	1 546 317	592 690	14 103 055	770 840	14 873 896
TOTAL SPECIFIC PURPOSE PAYMENTS									
1983–84	2 278 988	1 757 982	1 186 036	680 858	711 827	307 738	6 923 429	233 596	7 157 025
1984–85	2 637 530	2 065 300	1 220 582	790 408	765 986	307 988	7 787 794	288 313	8 076 107
1985–86	2 821 075	2 144 403	1 314 656	854 994	761 075	287 473	8 183 675	208 469	8 392 144
1986–87	2 945 559	2 240 856	1 402 440	878 434	822 666	303 307	8 593 262	213 010	8 806 272
1987–88 estimate	3 108 771	2 368 678	1 448 410	901 268	832 533	325 982	8 985 641	189 847	9 175 488
TOTAL PAYMENTS TO THE STATES AND TO THE NORTHERN TERRITORY									
1983–84	5 866 859	4 439 324	3 196 641	1 984 925	1 952 905	842 171	18 282 824	834 403	19 117 227
1984–85	6 357 802	4 853 492	3 418 320	2 159 805	2 152 476	893 753	19 835 649	921 273	20 756 922
1985–86	6 902 405	5 156 819	3 619 191	2 299 026	2 232 221	890 688	21 100 348	947 686	22 048 034
1986–87	7 313 401	5 449 670	3 898 249	2 454 786	2 361 430	906 320	22 383 855	985 470	23 369 326
1987–88 estimate	7 579 564	5 644 046	4 022 602	2 544 965	2 378 849	918 671	23 088 697	960 687	24 049 384
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)									
1983–84	16 262	13 024	5 899	11 840	3 944	1 682	52 651	611	53 262
1984–85	26 447	20 373	11 567	7 876	5 035	2 383	73 680	860	74 540
1985–86	37 299	35 428	14 948	10 981	7 850	3 370	109 876	1 638	111 514
1986–87	34 907	33 336	11 474	10 415	6 497	3 181	99 809	1 702	101 511
1987–88 estimate	36 110	25 386	24 247	10 156	11 020	3 863	110 782	2 064	112 846

Table 93—Summary of Payments to the States and the Northern Territory, State Government Loan Council Programs and Payments made direct to Local Government Authorities, 1983–84 to 1987–88 ($ thousands)—continued

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
TOTAL PAYMENTS (GROSS)									
1983–84	5 883 120	4 452 348	3 202 540	1 996 765	1 956 849	843 853	18 335 475	835 014	19 170 489
1984–85	6 384 249	4 873 865	3 429 887	2 167 681	2 157 511	896 136	19 909 329	922 132	20 831 462
1985–86	6 939 704	5 192 247	3 634 138	2 310 006	2 240 071	894 058	21 210 224	949 324	22 159 548
1986–87	7 348 308	5 483 006	3 909 723	2 465 200	2 367 927	909 500	22 483 665	987 172	23 470 837
1987–88 estimate	7 615 674	5 669 431	4 046 850	2 555 121	2 389 869	922 534	23 199 479	962 751	24 152 230
REPAYMENTS BY STATES, THE NORTHERN TERRITORY AND LOCAL GOVERNMENT AUTHORITIES									
1983–84	104 849	80 131	86 971	39 032	45 114	17 807	373 903	6 420	380 323
1984–85	131 267	85 976	52 109	51 794	42 120	18 810	382 076	7 738	389 814
1985–86	120 738	77 502	51 660	44 365	48 797	17 407	360 468	8 622	369 090
1986–87	103 770	77 981	53 575	42 162	39 214	17 792	334 494	9 951	344 445
1987–88 estimate	106 967	80 113	54 921	38 921	164 282	18 343	463 546	10 758	474 304
TOTAL PAYMENTS (NET)									
1983–84	5 778 272	4 372 217	3 115 568	1 957 733	1 911 736	826 046	17 961 572	828 594	18 790 166
1984–85	6 252 981	4 787 889	3 377 778	2 115 887	2 115 391	877 327	19 527 253	914 394	20 441 647
1985–86	6 818 966	5 114 745	3 582 479	2 265 641	2 191 274	876 651	20 849 756	940 702	21 790 458
1986–87	7 244 538	5 405 025	3 856 149	2 423 039	2 328 713	891 708	22 149 171	977 221	23 126 391
1987–88 estimate	7 508 707	5 589 319	3 991 928	2 516 200	2 225 587	904 192	22 735 932	951 993	23 687 925

Table 94—Summary of Payments to the States and the Northern Territory, State Government Loan Council Programs and Payments made direct to Local Government Authorities, 1983–84 to 1987–88 ($ per head of population)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
GENERAL REVENUE FUNDS									
1983–84	578.28	570.03	729.36	849.62	778.64	992.31	655.56	3 448.02	680.65
1984–85	590.65	584.22	787.58	878.50	870.74	1 083.06	686.94	3 507.15	712.81
1985–86	649.22	632.35	816.37	913.48	926.70	1 110.93	734.64	3 868.35	764.12
1986–87	712.86	693.92	892.94	1 004.27	1 002.16	1 156.05	803.12	4 261.69	835.98
1987–88 (estimate)	759.03	738.62	951.40	1 070.40	1 053.91	1 186.36	853.03	4 395.72	887.30
SPECIFIC PURPOSE PAYMENTS—RECURRENT									
1983–84	275.02	305.71	267.23	297.61	357.95	391.66	294.81	1 118.92	302.22
1984–85	335.27	362.93	295.42	361.12	377.13	402.55	344.12	1 353.22	353.38
1985–86	360.96	379.94	314.42	380.89	394.40	428.73	365.05	696.90	368.17
1986–87	367.71	393.90	335.61	396.65	413.06	439.63	378.09	606.28	380.26
1987–88 (estimate)	392.31	414.21	344.82	401.87	430.96	463.07	396.48	674.24	399.17
TOTAL RECURRENT GRANTS									
1983–84	853.29	875.74	996.59	1 147.23	1 136.59	1 383.97	950.37	4 566.94	982.87
1984–85	925.92	947.14	1 083.00	1 239.62	1 247.87	1 485.61	1 031.06	4 860.37	1 066.19
1985–86	1 010.18	1 012.29	1 130.78	1 294.37	1 321.10	1 539.66	1 099.69	4 565.24	1 132.30
1986–87	1 080.57	1 087.81	1 228.55	1 400.92	1 415.21	1 595.68	1 181.22	4 867.97	1 216.24
1987–88 (estimate)	1 151.34	1 152.83	1 296.23	1 472.27	1 484.87	1 649.43	1 249.51	5 069.96	1 286.47
GENERAL PURPOSE CAPITAL FUNDS									
1983–84	88.21	90.98	78.24	98.86	142.01	236.77	97.37	943.33	104.97
1984–85	92.92	95.87	82.09	103.85	150.12	249.43	102.52	972.87	110.50
1985–86	91.82	94.89	80.75	101.78	149.09	246.80	101.24	1 168.15	111.28
1986–87	69.73	72.22	61.02	76.37	113.79	188.09	76.83	877.90	84.43
1987–88 (estimate)	30.49	33.71	14.05	30.65	56.87	122.12	33.53	564.29	38.66
SPECIFIC PURPOSE PAYMENTS—CAPITAL									
1983–84	148.33	127.67	209.17	197.60	170.10	316.07	164.09	588.45	167.90
1984–85	149.36	140.83	187.58	205.89	186.86	298.06	166.18	687.43	170.96
1985–86	151.27	137.75	197.36	220.23	162.14	218.33	164.54	723.46	169.80
1986–87	160.05	141.13	200.43	205.55	183.56	236.45	170.22	810.99	176.31
1987–88 (estimate)	156.69	144.33	198.40	201.85	167.08	256.60	168.38	547.34	172.04
TOTAL CAPITAL PAYMENTS (GROSS)									
1983–84	236.54	218.66	287.40	296.46	312.12	552.84	261.45	1 531.78	272.87
1984–85	242.28	236.71	269.67	309.74	336.97	547.48	268.70	1 660.30	281.46
1985–86	243.09	232.64	278.11	322.01	311.24	465.12	265.79	1 891.61	281.09
1986–87	229.78	213.35	261.45	281.93	297.35	424.54	247.05	1 688.89	260.75
1987–88 (estimate)	187.18	178.03	212.45	232.50	223.95	378.72	201.90	1 111.63	210.70
TOTAL GENERAL PURPOSE FUNDS									
1983–84	666.49	661.01	807.60	948.48	920.66	1 229.08	752.92	4 391.35	785.62
1984–85	683.58	680.09	869.67	982.35	1 020.85	1 332.49	789.45	4 480.02	823.31
1985–86	741.05	727.24	897.12	1 015.26	1 075.79	1 357.73	835.88	5 036.50	875.41
1986–87	782.59	766.14	953.95	1 080.64	1 115.95	1 344.14	879.95	5 139.59	920.41
1987–88 (estimate)	789.53	772.33	965.45	1 101.04	1 110.78	1 308.48	886.55	4 960.01	925.96
TOTAL SPECIFIC PURPOSE PAYMENTS									
1983–84	423.35	433.38	476.39	495.21	528.05	707.73	458.90	1 707.37	470.12
1984–85	484.63	503.76	483.00	567.01	563.99	700.61	510.31	2 040.65	524.35
1985–86	512.22	517.69	511.77	601.12	556.55	647.05	529.60	1 420.36	537.98
1986–87	527.76	535.03	536.04	602.20	596.62	676.08	548.32	1 417.27	556.57
1987–88 (estimate)	549.00	558.53	543.22	603.72	598.04	719.67	564.86	1 221.58	571.21
TOTAL PAYMENTS TO THE STATES AND TO THE NORTHERN TERRITORY									
1983–84	1 089.83	1 094.40	1 283.99	1 443.69	1 448.71	1 936.81	1 211.82	6 098.72	1 255.74
1984–85	1 168.20	1 183.85	1 352.67	1 549.36	1 584.84	2 033.09	1 299.76	6 520.67	1 347.65
1985–86	1 253.27	1 244.93	1 408.89	1 616.38	1 632.34	2 004.78	1 365.48	6 456.86	1 413.38
1986–87	1 310.35	1 301.16	1 490.00	1 682.84	1 712.56	2 020.23	1 428.27	6 556.86	1 476.98
1987–88 (estimate)	1 338.52	1 330.87	1 508.67	1 704.77	1 708.82	2 028.15	1 451.41	6 181.59	1 497.18
PAYMENTS MADE DIRECT TO LOCAL GOVERNMENT AUTHORITIES (GROSS)									
1983–84	3.02	3.21	2.37	8.61	2.93	3.87	3.49	4.47	3.50
1984–85	4.86	4.97	4.58	5.65	3.71	5.42	4.83	6.08	4.84
1985–86	6.77	8.55	5.82	7.72	5.74	7.59	7.11	11.16	7.15
1986–87	6.25	7.96	4.39	7.14	4.71	7.09	6.37	11.32	6.42
1987–88 (estimate)	6.38	5.99	9.09	6.80	7.92	8.53	6.96	13.28	7.03

Table 94—Summary of Payments to the States and the Northern Territory, State Government Loan Council Programs and Payments Made Direct to Local Government Authorities, 1983–84 to 1987–88 ($ per head of population)—continued

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
TOTAL PAYMENTS (GROSS)									
1983–84	1 092.85	1 097.61	1 286.36	1 452.30	1 451.63	1 940.68	1 215.31	6 103.19	1 259.24
1984–85	1 173.06	1 188.82	1 357.24	1 555.01	1 588.55	2 038.51	1 304.59	6 526.75	1 352.49
1985–86	1 260.04	1 253.48	1 414.71	1 624.10	1 638.08	2 012.37	1 372.59	6 468.02	1 420.53
1986–87	1 316.60	1 309.12	1 494.38	1 689.98	1 717.28	2 027.32	1 434.63	6 568.18	1 483.40
1987–88 (estimate)	1 344.90	1 336.85	1 517.77	1 711.57	1 716.74	2 036.68	1 458.38	6 194.87	1 504.20
REPAYMENTS BY STATES, THE NORTHERN TERRITORY AND LOCAL GOVERNMENT AUTHORITIES									
1983–84	19.48	19.75	34.93	28.39	33.47	40.95	24.78	46.92	24.98
1984–85	24.12	20.97	20.62	37.16	31.01	42.79	25.04	54.77	25.31
1985–86	21.92	18.71	20.11	31.19	35.68	39.18	23.33	58.74	23.66
1986–87	18.59	18.62	20.48	28.90	28.44	39.66	21.34	66.21	21.77
1987–88 (estimate)	18.89	18.89	20.60	26.07	118.01	40.49	29.14	69.22	29.53
TOTAL PAYMENTS (NET)									
1983–84	1 073.38	1 077.85	1 251.43	1 423.91	1 418.17	1 899.73	1 190.53	6 056.26	1 234.26
1984–85	1 148.94	1 167.85	1 336.62	1 517.86	1 557.53	1 995.73	1 279.55	6 471.98	1 327.18
1985–86	1 238.12	1 234.77	1 394.60	1 592.91	1 602.40	1 973.19	1 349.26	6 409.27	1 396.87
1986–87	1 298.01	1 290.50	1 473.91	1 661.08	1 688.84	1 987.66	1 413.29	6 501.97	1 461.63
1987–88 (estimate)	1 326.01	1 317.96	1 497.17	1 685.50	1 598.73	1 996.18	1 429.24	6 125.65	1 474.68

Table 95—Commonwealth Payments to or for the States and Loan Council Borrowings and Payments to the Northern Territory, 1986–87 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
GENERAL REVENUE FUNDS									
Financial Assistance Grants	3 350 031	2 493 990	2 205 989	1 263 833	1 147 046	428 759	10 889 647	..	10 889 647
Special Revenue Assistance	2 063	435	3 193	2 528	17 996	19 410	45 625	1 235	46 860
General Revenue Grants	..	..	..	..	..	..	..	628 132	628 132
Health Grants	626 560	411 908	126 984	198 584	216 817	70 461	1 651 313	..	1 651 313
Grant in Lieu of Royalties	..	..	..	..	..	..	..	4 471	4 471
Recreation Leave and Furlough Entitlements	..	..	..	..	..	..	..	6 677	6 677
TOTAL	3 978 654	2 906 333	2 336 166	1 464 945	1 381 859	518 630	12 586 586	640 515	13 227 101
GENERAL PURPOSE CAPITAL FUNDS									
Loan Council Borrowings									
Loan Portion	100 152	77 839	41 082	..	..	21 714	240 787	..	240 787
Housing Nomination	150 227	116 758	61 622	71 672	100 943	32 572	533 794	..	533 794
General Purpose Loans to Northern Territory									
Loan Portion	..	..	..	..	..	..	..	33 954	33 954
Housing Nomination	..	..	..	..	..	..	..	50 931	50 931
Capital Grants	138 809	107 884	56 939	39 735	55 962	30 097	429 426	47 060	476 486
TOTAL	389 188	302 481	159 643	111 407	156 905	84 383	1 204 007	131 945	1 335 952
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES									
Payments Under Financial Agreement									
Sinking Fund on State Debt	16 775	12 728	6 879	4 452	5 547	3 486	49 867	1 561	51 428
Emergency Services	721	495	690	453	366	193	2 918	149	3 067
Universities	443 918	308 165	168 747	96 815	109 037	41 267	1 167 948	..	1 167 948
Colleges of Advanced Education	207 688	291 563	130 099	98 376	80 574	12 452	820 751	8 643	829 394
Technical and Further Education	55 641	37 293	21 400	14 867	13 663	4 433	147 297	2 238	149 536
Schools	491 185	407 894	220 760	119 790	106 181	34 157	1 379 968	12 656	1 392 624
Participation and Equity Program	11 881	10 996	7 876	4 287	3 970	1 571	40 582	614	41 195
Public Hospitals—Running Costs	..	..	..	119	..	..	119	..	119
Medicare	414 988	266 839	78 560	92 754	117 342	35 020	1 005 503	12 400	1 017 903
Nurse Education	..	4 256	..	1 826	937	106	7 125	117	7 242
Drug Education Campaigns	5 045	3 803	2 420	1 386	1 346	515	14 516	212	14 727
Blood Transfusion Services	3 782	4 519	2 130	1 590	1 561	333	13 915	191	14 106
Transfer Pathology Laboratory	..	..	..	..	426	1 299	1 725	..	1 725
National Diseases Control	82	180	120	76	40	..	499	34	533
Funds to Combat AIDS	2 325	1 469	519	645	551	71	5 580	154	5 734
Home and Community Care	37 287	29 732	9 015	10 007	10 172	2 328	98 542	475	99 017
Geriatric Assessment	2 071	2 464	213	362	726	273	6 110	139	6 249
Supported Accommodation Assistance	14 063	11 125	7 149	4 741	4 436	2 217	43 731	1 608	45 339
Children's Services	2 012	1 514	481	415	7 279	138	11 839	224	12 063
Family Support Services	1 525	1 715	671	908	713	200	5 732	194	5 926
International Year of Homeless	38	78	20	11	..	..	147	..	147
Rehabilitation Centres	977	..	..	2 000	19	1 690	4 686	30	4 716
Environmental Restoration	..	..	..	..	..	..	..	510	510
Rainforest Conservation	881	69	..	71	..	..	1 021	44	1 065
Mortgage and Rent Relief	8 508	6 400	3 968	2 197	2 114	686	23 873	227	24 100
Translating and Interpreting Services	255	482	..	..	104	..	842	191	1 033
Unattached Refugee Children	221	75	2	..	49	..	348	..	348
Aboriginal Advancement	3 357	2 087	5 668	12 188	6 376	170	29 846	70	29 915
Assistance for Housing	1 848	1 347	423	627	941	314	5 500	..	5 500
Urban Flood Mitigation	207	85	..	77	..	6	375	48	423
America's Cup Defence	..	..	..	5 957	..	..	5 957	..	5 957
South West Tasmania—Heritage Area	..	..	..	..	..	2 000	2 000	..	2 000
Aerodrome Local Ownership Plan	39	..	24	..	23	242	327	92	419
Insterstate Road Transport	570	339	185	76	180	7	1 358	51	1 409

Table 95—Commonwealth Payments to or for the States and Loan Council Borrowings and Payments to the Northern Territory, 1986–87 ($ thousands)—continued

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
Urban Water Supply and Treatment	105	664	..	80	..	..	849	9	858
NTEC Assistance	..	..	..	..	..	..	..	29 456	29 456
Rural Adjustment Scheme	8 285	9 608	4 347	4 980	5 439	819	33 478	400	33 878
Fertilizers Assistance	7 271	8 105	6 626	10 782	9 816	..	42 600	..	42 600
Sugar Industry	762	..	22 760	..	..	..	23 522	..	23 522
Dried Vine Fruits Assistance	..	1 021	..	..	384	..	1 405	..	1 405
Wine Industry Adjustment	..	692	211	..	2 640	..	3 543	..	3 543
Bovine Brucellosis and Tuberculosis Eradication	3 137	3 266	19 950	1 882	1 206	95	29 536	9 087	38 622
Exotic Diseases Eradication	64	12	43	..	..	..	119	32	151
Agricultural Research	224	206	144	148	42	29	792	..	792
Irrigation and Other Water Projects	311	2 280	..	..	756	..	3 347	..	3 347
National Industry Extension Service	2 319	2 043	866	569	613	366	6 776	128	6 904
Assistance to Tin Mining	112	..	757	..	..	80	948	32	980
Soil Conservation	1 157	578	886	846	458	197	4 122	278	4 400
Coal Mining Industry—Long Service Leave	13 866	..	5 123	684	..	97	19 769	..	19 769
Special Employment Programs	−1 807	−2 060	−21	..	..	−33	−3 920	−31	−3 950
Community Employment Program	63 903	48 061	29 790	16 505	15 879	5 152	179 290	1 711	181 001
Employment Training—Aboriginal	2 909	244	2 329	1 477	526	61	7 546	1 709	9 255
Company Fees—Revenue Sharing	179	65	59	44	41	24	413	7	420
Legal Aid	6 032	19 279	11 871	8 782	6 879	76	52 919	..	52 919
Human Rights	500	320	..	265	300	..	1 385	..	1 385
Reimbursement of Costs—Law Library	330	..	..	..	..	..	330	..	330
Financial Assistance—Local Government	211 754	147 664	97 823	54 477	49 901	18 564	580 183	5 430	585 613
Natural Disaster Relief	2 993	..	6 471	..	..	..	9 464	..	9 464
Assistance for South West Tasmania	..	..	..	..	..	26 529	26 529	..	26 529
Total Specific Purpose Payments—Recurrent	2 052 296	1 649 763	878 053	578 592	569 556	197 230	5 925 489	91 121	6 016 611
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES									
Housing for Servicemen	1 634	415	257	121	10	..	2 437	..	2 437
Universities	38 519	23 126	15 400	11 447	8 128	6 357	102 978	..	102 978
Colleges of Advanced Education	27 380	26 571	11 002	13 475	7 604	670	86 702	191	86 893
Technical and Further Education	56 786	44 777	26 338	14 385	16 554	4 817	163 657	1 764	165 421
Schools	68 192	52 586	31 719	21 804	17 497	5 394	197 193	5 324	202 516
Video Facilities	202	20	527	135	90	6	981	319	1 300
Launceston General Hospital	..	..	..	..	..	5 707	5 707	..	5 707
Teaching Hospitals	16 811	12 652	7 713	4 258	4 206	1 400	47 040	500	47 540
Blood Transfusion Services	401	745	100	475	256	106	2 082	28	2 110
Home and Community Care	994	5 195	4 449	1 254	43	353	12 288	..	12 288
Crisis Accommodation Program	4 933	3 711	2 301	1 274	1 226	398	13 843	157	14 000
Children's Services	26	2 322	1 859	1 230	401	399	6 237	168	6 405
Aboriginal Advancement	..	..	100	7 046	1 170	..	8 316	377	8 693
Pensioner Housing Grants	14 282	8 509	7 096	3 095	2 640	855	36 477	523	37 000
Housing Assistance for Aborigines	12 345	3 417	14 109	10 047	5 595	696	46 209	11 791	58 000
Local Government and Community Housing Grants	3 883	2 921	1 811	1 003	965	313	10 896	104	11 000
Public Housing	182 340	140 377	73 328	49 239	61 004	24 701	530 989	18 611	549 600
Urban Flood Mitigation	2 442	1 409	243	228	464	56	4 843	14	4 857
Urban Rehabilitation	3 000	..	..	..	..	..	3 000	..	3 000
Captains Flat Project	182	..	..	..	..	..	182	..	182
Bicentennial Programs Assistance	8 949	3 000	5 656	1 360	227	515	19 706	404	20 110
America's Cup Defence	..	..	..	9	..	..	9	..	9

Table 95—Commonwealth Payments to or for the States and Loan Council Borrowings and Payments to the Northern Territory, 1986–87 ($ thousands)—continued

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
National Maritime Museum	18 000	..	..	..	..	..	18 000	..	18 000
Nature Conservation	..	12	..	..	..	..	12	..	12
National Estate	490	490	490	490	490	490	2 940	235	3 175
National Standard Sports Facilities	485	2 281	..	1 366	501	1 430	6 064	475	6 539
Aerodrome Local Ownership Plan	..	..	..	..	..	5	5	..	5
Australian Land Transport Program	255 050	160 200	162 600	99 200	66 600	32 800	776 450	29 000	805 450
Australian Bicentennial Roads Development	140 000	93 500	94 700	55 100	30 300	15 200	428 800	10 800	439 600
Burbong Bridge Construction	294	..	..	..	..	..	294	..	294
Second Hobart Bridge	..	..	..	..	..	61	61	..	61
Railway Projects	..	..	..	38	..	..	38	..	38
Urban Water Supply and Treatment	632	761	1 145	384	6 224	..	9 146	87	9 234
Special Assistance for Water	..	..	..	..	17 000	..	17 000	..	17 000
NTEC Assistance	..	..	..	..	..	..	..	40 575	40 575
Support for Steel Regions	32 695	..	..	..	3 915	..	36 610	..	36 610
Bovine, Brucellosis and Tuberculosis Eradication	..	..	..	23	..	..	23	441	464
Plant Genetic Resource Program	..	..	485	..	..	..	485	..	485
Fisheries Management	..	..	1	..	..	..	1	..	1
Burdekin Dam Construction	..	..	30 007	..	..	..	30 007	..	30 007
Salinity Reduction Control	2 266	875	..	1 160	..	..	4 301	..	4 301
Irrigation and other Water Projects	50	..	4 000	..	..	..	4 050	..	4 050
Portland Aluminum Smelter	..	1 500	..	..	..	..	1 500	..	1 500
Natural Disaster Relief	..	−278	26 951	194	..	..	26 867	..	26 867
Assistance for South West Tasmania	..	..	..	..	..	3 347	3 347	..	3 347
Total Specific Purpose Payments—Capital	893 263	591 093	524 387	299 842	253 110	106 077	2 667 773	121 889	2 789 662
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS									
General Purpose	4 367 842	3 208 814	2 495 809	1 576 352	1 538 764	603 013	13 790 593	772 460	14 563 053
Specific Purpose	2 945 559	2 240 856	1 402 440	878 434	822 666	303 307	8 593 262	213 010	8 806 272
Total	7 313 401	5 449 670	3 898 249	2 454 786	2 361 430	906 320	22 383 855	985 470	23 369 326

Table 96—Commonwealth Payments to or for the States and Loan Council Programs and Payments to the Northern Territory, 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
GENERAL REVENUE FUNDS									
Financial Assistance Grants	3 613 865	2 685 033	2 390 389	1 375 223	1 231 288	460 287	11 756 085	..	11 756 085
Special Revenue Assistance	7 871	3 604	8 657	6 479	2 954	1 392	30 958	2 845	33 803
Health Grants	676 386	443 776	137 697	216 240	232 906	75 696	1 782 701	..	1 782 701
General Revenue Grants	..	..	..	..	..	..	..	689 980	689 980
Special Grant	..	..	..	..	..	..	..	−14 381	−14 381
Grant in Lieu of Royalties	..	..	..	..	..	..	..	4 700	4 700
Total	4 298 122	3 132 414	2 536 743	1 597 943	1 467 148	537 375	13 569 743	683 144	14 252 887
GENERAL PURPOSE CAPITAL FUNDS									
Loan Council Borrowings									
—Loan Portion	..	..	..	..	..	..	..	..	..
—Housing Nomination	114 447	94 636	24 966	34 503	51 779	36 877	357 208	..	357 208
General Purpose Loans to Northern Territory									
—Loan Portion	..	..	..	..	..	..	..	28 399	28 399
—Housing Nomination	..	..	..	..	..	..	..	28 399	28 399
Capital Grants	58 224	48 318	12 483	11 251	27 390	18 438	176 104	30 899	207 003
Total	172 671	142 954	37 449	45 754	79 169	55 315	533 312	87 696	621 008
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES—									
Payments Under Financial Agreement Sinking Fund on State Debt	16 902	12 830	6 930	4 411	5 497	3 514	50 084	1 645	51 729
Emergency Services	770	490	642	496	363	204	2 965	208	3 173
Universities	461 876	315 977	175 566	100 245	110 812	42 672	1 207 148	..	1 207 148
Colleges of Advanced Education	218 985	303 715	134 724	102 715	83 634	13 374	857 147	..	857 147
State Contribution to Higher Education Superannuation	−4 700	−4 760	..	−300	−1 200	−40	−11 000	..	−11 000
Technical and Further Education	47 952	30 537	17 785	12 538	12 050	3 851	124 713	1 895	126 608
Schools	513 504	428 231	233 055	125 456	111 742	36 235	1 448 224	13 157	1 461 381
Education—Cost Escalation Allowance	51 322	43 833	22 724	13 904	13 172	4 023	148 978	596	149 574
Participation and Equity Program	11 763	5 976	3 674	2 275	2 166	754	26 608	387	26 995
Medicare	440 186	283 635	83 230	98 743	125 511	39 318	1 070 623	13 286	1 083 909
Hospital Waiting List Reduction	9 570	7 000	3 250	1 810	2 300	560	24 490	190	24 680
Nurse Education	1 353	4 091	1 269	1 373	980	213	9 279	83	9 362
Drug Education Campaigns	5 384	4 059	2 582	1 478	1 435	548	15 485	225	15 710
Blood Transfusion Services	4 060	4 850	2 286	1 706	1 676	357	14 935	205	15 140
Transfer of Pathology Laboratory	..	..	..	..	505	1 398	1 903	..	1 903
National Diseases Control	90	107	80	53	42	..	372	40	412
Funds to Combat AIDS	4 613	1 724	995	921	536	170	8 959	265	9 224
Home and Community Care	60 738	50 859	15 814	17 401	17 281	3 983	166 075	757	166 832
Geriatric Assessment	1 983	3 292	663	507	531	263	7 239	98	7 337
Supported Accommodation Assistance	12 505	9 650	6 557	4 198	3 881	1 940	38 731	1 307	40 038
Childrens Services	2 261	1 838	597	474	9 023	176	14 369	215	14 584
Family Support Services	2 574	2 952	1 157	1 277	965	304	9 229	247	9 476
Rehabilitation Centres	438	..	..	..	..	..	438	45	483
Environmental Restoration	..	..	..	..	..	..	..	231	231
Rainforest Conservation	2 958	561	9 264	415	..	..	13 197	203	13 400
Mortgage and Rent Relief	8 817	6 623	4 132	2 299	2 182	710	24 763	237	25 000
Translator and Interpreter Services	230	471	220	150	140	..	1 211	86	1 297
Unattached Refugee Children	147	114	31	33	45	..	370	3	373
Aboriginal Advancement	3 048	2 109	6 080	11 406	6 495	193	29 331	42	29 373
Assistance for Housing	1 848	1 347	423	627	941	314	5 500	..	5 500
Urban Flood Mitigation	35	37	..	..	..	..	72	46	118
Expo 88 Participation	100	100	..	100	100	100	500	100	600
South West Tasmania-Heritage Area	..	..	..	..	..	2 200	2 200	..	2 200
Aerodrome Local Ownership Plan	66	..	259	3	27	266	621	142	763
Interstate Road Transport	2 041	1 215	662	273	646	25	4 862	183	5 045
Urban Water Supply and Treatment	130	600	..	80	20	..	830	33	863

Table 96—Commonwealth Payments to or for the States and Loan Council Programs and Payments to the Northen Territory 1987-88 (estimate)—continued—($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
NTEC Assistance	..	..	..	..	..	..	..	47 535	47 535
Rural Adjustment Scheme	13 440	9 240	6 720	5 460	5 460	840	41 160	840	42 000
Fertiliser Assistance	3 136	2 930	3 657	4 601	4 175	..	18 500	..	18 500
Sugar Industry	2 000	..	13 000	..	..	..	15 000	..	15 000
Dried Vine Fruits Assistance	..	15	..	7	..	..	22	..	22
Wine Industry Adjustment	..	..	4	1	..	..	5	..	5
Bovine Brucellosis and Tuberculosis Eradication	1 766	2 053	14 468	2 408	912	95	21 702	11 138	32 840
Exotic Diseases Eradication	23	35	9	38	29	4	138	24	162
Destruction of Organochlorines	143	143	143	143	143	143	857	143	1 000
Agricultural Research	458	326	365	121	30	54	1 354	..	1 354
Irrigation and Other Water Projects	155	1 768	..	..	142	..	2 065	..	2 065
National Industry Extension Service	2 499	2 227	951	620	664	367	7 329	86	7 415
Other Mining Assistance	300	..	..	..	..	..	300	..	300
Soil Conservation	1 267	624	970	926	466	240	4 493	307	4 800
Coal Mining Industry—Long Service Leave	16 894	..	5 000	700	..	90	22 684	..	22 684
Special Employment Programs	..	..	..	−225	..	..	−225	..	−225
Community Employment Program	35 573	24 377	14 771	7 912	9 375	2 479	94 487	804	95 291
Employment Training for Aboriginals	2 834	238	2 269	1 440	512	59	7 352	1 665	9 017
Company Fees—Revenue Sharing	235	95	86	65	61	52	594	31	625
Legal Aid	25 046	21 419	12 955	8 884	8 425	82	76 810	..	76 810
Human Rights	415	277	..	193	215	..	1 100	..	1 100
Reimbursement of Costs of Law Library	585	..	..	..	..	..	585	..	585
Financial Assistance—Local Government	229 137	166 007	106 992	59 372	55 601	19 314	636 423	6 054	642 477
Natural Disaster Relief	2 060	770	2 403	199	234	8	5 674	..	5 674
Assistance for South West Tasmania	..	..	..	..	..	28 298	28 298	..	28 298
Total Specific Purpose Payments Recurrent	2 221 514	1 756 607	919 413	599 933	599 941	209 750	6 307 158	104 784	6 411 943
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES									
Housing for Servicemen	1 476	174	202	18	18	105	1 993	..	1 993
Universities	45 204	26 497	19 875	10 484	7 934	5 917	115 911	..	115 911
Colleges of Advanced Education	31 617	27 416	19 634	11 641	5 269	5 793	101 370	249	101 619
Technical and Further Education	61 625	46 402	25 475	14 117	10 586	7 147	165 352	4 988	170 340
Schools	72 172	59 735	37 256	21 179	16 246	5 402	211 990	5 936	217 926
Video Facilities	93	9	243	63	42	3	453	147	600
Education—Cost Escalation Allowance	1 645	1 344	768	558	409	126	4 850	145	4 995
Launceston General Hospital	..	..	..	..	..	11 204	11 204	..	11 204
Albury RALA Sub-Centre	85	..	..	..	..	..	85	..	85
Teaching Hospitals	16 811	12 652	7 713	4 258	4 206	1 400	47 040	500	47 540
Blood Transfusion Services	470	1 028	147	324	256	24	2 249	23	2 272
Women's Health Screening	241	184	141	101	100	64	831	39	870
Home and Community Care	1 380	3 187	2 308	880	275	251	8 280	10	8 290
Crisis Accommodation Program	5 447	4 092	2 553	1 420	1 349	439	15 300	200	15 500
Supported Accommodation Assistance	1 000	..	..	..	..	..	1 000	..	1 000
Children's Services	4 753	5 847	3 064	1 979	2 182	613	18 438	193	18 631
Aboriginal Advancement	63	..	225	5 597	917	..	6 803	54	6 857
Pensioner Housing Grants	14 517	8 560	7 396	3 051	2 614	839	36 977	523	37 500
Housing Assistance for Aborigines	12 345	3 417	15 186	10 264	5 595	696	47 503	12 497	60 000
Local Government and Community Housing Grants	4 201	3 156	1 969	1 095	1 040	339	11 800	200	12 000
Public Housing	184 439	141 004	77 545	49 561	57 468	23 222	533 239	16 761	550 000
Urban Flood Mitigation	2 575	1 603	..	404	248	80	4 910	10	4 920
Captains Flat Project	20	..	..	..	..	..	20	..	20

Table 96—Commonwealth Payments to or for the States and Loan Council Programs and Payments to the Northern Territory 1987–88 (estimate) ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
Bicentennial Programs	3 928	6 550	621	4 165	5 325	2 085	22 674	1 258	23 932
National Maritime Museum	10 000	..	..	..	..	..	10 000	..	10 000
National Estate	508	508	508	508	508	508	3 050	243	3 293
National Standard Sports Facilities	..	1 229	2 400	..	1 372	200	5 200	..	5 200
Aerodrome Local Ownership Plan	10	..	..	..	..	17	27	..	27
Australian Land Transport Program	238 400	154 000	161 100	91 400	59 200	29 100	733 200	30 600	763 800
Australian Bicentennial Roads Development	156 200	99 500	96 000	62 800	37 600	18 900	471 000	9 200	480 200
Urban Water Supply and Treatment	1 645	1 204	1 144	528	6 034	319	10 874	126	11 000
NTEC Assistance	..	..	..	..	..	..	..	811	811
Support for Steel Regions	9 079	..	..	..	3 381	..	12 460	..	12 460
Bovine Brucellosis and Tuberculosis Eradication	..	..	683	50	80	..	813	250	1 063
Plant Genetic Resource Program	6	75	..	..	30	..	111	..	111
Fisheries Management	..	..	3 113	..	..	..	3 113	..	3 113
Burdekin Dam Construction	..	..	29 000	..	..	..	29 000	..	29 000
Salinity Reduction Control	1 576	832	..	1 900	427	..	4 735	..	4 735
Irrigation and Other Water Projects	..	..	4 000	..	..	..	4 000	..	4 000
Natural Disaster Relief	3 726	1 866	8 728	2 990	1 880	36	19 226	100	19 326
Assistance for South West Tasmania	..	..	..	..	..	1 402	1 402	..	1 402
Total Specific Purpose Payments—Capital	887 257	612 071	528 997	301 335	232 591	116 231	2 678 483	85 063	2 763 545
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS									
General Purpose	4 470 793	3 275 368	2 574 192	1 643 697	1 546 317	592 690	14 103 055	770 840	14 873 896
Specific Purpose	3 108 771	2 368 678	1 448 410	901 268	832 533	325 982	8 985 641	189 847	9 175 488
Total	7 579 564	5 644 046	4 022 602	2 544 965	2 378 849	918 671	23 088 697	960 687	24 049 384

APPENDIX II—TABLES OF GENERAL PURPOSE CAPITAL FUNDS

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

Table 97—State Governments' Loan Council and Northern Territory Government Borrowing Programs (*a*), 1983-84 to 1987-88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
LOANS								
Amounts Nominated for Public Housing (*b*)								
1983-84	20 000	44 488	10 000	7 000	127 626	18 000	..	227 114
1984-85	80 000	45 082	30 000	96 509	135 923	18 250	..	405 764
1985-86	65 000	75 858	40 037	93 132	131 166	21 162	33 090	459 445
1986-87	150 227	116 758	61 622	71 672	100 943	32 573	50 931	584 726
1987-88	114 447	94 636	24 966	34 503	51 779	36 877	28 399	385 607
Other (*c*)								
1983-84	296 563	201 548	119 853	83 618	..	50 637	86 042	838 261
1984-85	257 143	216 949	108 295	..	..	54 849	91 635	728 871
1985-86	260 344	177 003	93 419	..	..	49 379	77 211	657 356
1986-87	100 152	77 839	41 082	..	..	21 713	33 954	274 740
1987-88	..	..	..	..	..	..	28 399	28 399
Total								
1983-84	316 563	246 036	129 853	90 618	127 626	68 637	86 042	1 065 375
1984-85	337 143	262 031	138 295	96 509	135 923	73 099	91 635	1 134 635
1985-86	325 344	252 861	133 456	93 132	131 166	70 541	110 301	1 116 801
1986-87	250 379	194 597	102 704	71 672	100 943	54 286	84 885	859 466
1987-88	114 447	94 636	24 966	34 503	51 779	36 877	56 797	414 005
CAPITAL GRANTS								
1983-84	158 282	123 019	64 926	45 309	63 813	34 318	43 021	532 688
1984-85	168 572	131 016	69 147	48 255	67 961	36 549	45 817	567 317
1985-86	180 371	140 186	73 986	51 632	72 718	39 107	61 151	619 151
1986-87	138 809	107 884	56 939	39 735	55 962	30 097	47 060	476 486
1987-88	58 224	48 318	12 483	11 251	27 390	18 438	30 899	207 003
TOTAL PROGRAM								
1983-84	474 845	369 055	194 779	135 927	191 439	102 955	129 063	1 598 063
1984-85	505 715	393 047	207 442	144 764	203 884	109 648	137 452	1 701 952
1985-86	505 715	393 047	207 442	144 764	203 884	109 648	171 452	1 735 952
1986-87	389 188	302 481	159 643	111 407	156 905	84 383	131 945	1 335 952
1987-88	172 671	142 954	37 449	45 754	79 169	55 315	87 696	621 008

(a) For an explanation of amounts shown in this table, see Chapter IV, particularly under the heading 'General Purpose Capital Assistance to the States and the Northern Territory'.

(b) Amounts nominated for public housing, made available on concessional terms. States may nominate amounts for 1987-88 until 31 December 1987; the amounts shown represent the maximum available for nomination by each State.

(c) Amounts raised on behalf of the States and the Northern Territory by the Commonwealth, made available on terms achieved by the Commonwealth in the market.

Table 98—State Governments' Loan Council and Northern Territory Government Borrowing Programs (*a*), 1983–84 to 1987–88 ($ per head of population)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				LOANS				
				Amounts Nominated for Public Housing				
1983–84	3.72	10.97	4.02	5.09	94.68	41.40	..	14.92
1984–85	14.70	11.00	11.87	69.23	100.08	41.51	..	26.34
1985–86	11.80	18.31	15.59	65.48	95.92	47.63	225.45	29.45
1986–87	26.92	27.88	23.55	49.13	73.21	72.61	338.87	36.96
1987–88	20.21	22.32	9.36	23.11	37.19	81.41	182.73	24.01
				Other				
1983–84	55.09	49.69	48.14	60.82	..	116.45	628.89	55.06
1984–85	47.25	52.92	42.85	..	..	124.77	648.58	47.32
1985–86	47.27	42.73	36.37	..	..	111.14	526.06	42.14
1986–87	17.94	18.58	15.70	..	..	48.40	225.91	17.36
1987–88	..	..	..	..	..	..	182.73	1.77
				Total				
1983–84	58.80	60.65	52.16	65.91	94.68	157.85	628.89	69.98
1984–85	61.95	63.91	54.72	69.23	100.08	166.28	648.58	73.67
1985–86	59.07	61.04	51.95	65.48	95.92	158.78	751.51	71.59
1986–87	44.86	46.46	39.26	49.13	73.21	121.01	564.79	54.32
1987–88	20.21	22.32	9.36	23.11	37.19	81.41	365.46	25.77
				CAPITAL GRANTS				
1983–84	29.40	30.33	26.08	32.95	47.34	78.92	314.44	34.99
1984–85	30.97	31.96	27.36	34.62	50.04	83.14	324.29	36.83
1985–86	32.75	33.84	28.80	36.30	53.18	88.02	416.64	39.69
1986–87	24.87	25.76	21.76	27.24	40.58	67.09	313.12	30.11
1987–88	10.28	11.39	4.68	7.54	19.68	40.71	198.82	12.89
				TOTAL PROGRAM				
1983–84	88.20	90.98	78.24	98.86	142.01	236.77	943.33	104.97
1984–85	92.92	95.87	82.09	103.85	150.12	249.43	972.87	110.50
1985–86	91.82	94.89	80.75	101.78	149.09	246.80	1 168.15	111.28
1986–87	69.73	72.22	61.02	76.37	113.79	188.09	877.90	84.43
1987–88	30.49	33.71	14.05	30.65	56.87	122.12	564.28	38.66

(*a*) For an explanation of amounts shown in this table, see Chapter IV, particularly under the heading 'General Purpose Capital Assistance to the State and Northern Territory Governments'. Also see footnotes to Table 97.

Table 99—'Global' New Money Borrowings by Commonwealth, State and Northern Territory Semi-Government and Local Authorities (*a*), 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	States And The Territory	Common-wealth	Total
					CONVENTIONAL BORROWINGS (*b*)					
1983–84	1 164 200	1 207 100	908 972	650 246	173 400	173 759	12 680	4 290 357	353 035	4 643 392
1984–85	1 337 282	2 007 130	736 789	770 442	478 500	225 623	37 250	5 593 016	622 065	6 215 081
1985–86	1 757 683	1 855 960	740 512	741 332	245 700	228 135	57 750	5 627 072	825 650	6 452 722
1986–87	1 792 622	1 783 270	848 700	531 133	305 600	216 053	86 300	5 563 678	678 497	6 242 175
					OTHER BORROWINGS (*c*)					
1983–84	729 692	373 231	743 028(*d*)	148 500	307 600	6 477	3 940	2 312 468	404 914	2 717 382
1984–85	603 366	(22 380)(*e*)	815 211(*d*)	47 616	14 500	3 365	12 740	1 474 418	578 154	2 052 572
1985–86	301 381	150 700	798 400	..	154 300	1 865	7 250	1 413 896	363 517	1 777 413
1986–87	52 378	75 580	538 300	103 867	44 400	947	..	815 472	780 447	1 595 919
					TOTAL 'GLOBAL' BORROWINGS					
1983–84	1 893 892	1 580 331	1 652 000(*d*)	798 746	481 000	180 236	16 620	6 602 825	757 949	7 360 774
1984–85	1 940 648	1 984 750	1 552 000(*d*)	818 058	493 000	228 988	49 990	7 067 434	1 200 219(*f*)	8 267 653
1985–86	2 059 064	2 006 660	1 538 912	741 332	400 000	230 000	65 000	7 040 968	1 189 167(*f*)	8 230 135
1986–87	1 845 000	1 858 850	1 387 000	635 000	350 000	217 000	86 300	6 379 150	1 458 944(*f*)(*g*)	7 838 094
1987–88 (*h*)	1 539 700	1 526 400	1 160 500	584 000	300 800	181 600	65 000	5 358 000	1 187 900(*f*)	6 545 900

(*a*) Includes borrowings by all Commonwealth, State and Northern Territory semi-government and local authorities, government-owned companies and trusts; see Chapter IV under the heading 'The Global Approach'.
(*b*) Includes 'conventional' loan raisings under the Gentlemen's Agreement for 1983–84, and within the global limits thereafter.
(*c*) Includes borrowings by way of domestic deferred payments, overseas trade credits, financial leases, sale and leaseback and similar arrangements, security deposits and other repayable capital contributions, and identified net changes in temporary purpose borrowings over the financial year.
(*d*) Commonwealth Treasury estimates.
(*e*) Negative reflecting a decline in temporary purpose borrowings outstanding over the course of 1984–85.
(*f*) Includes 'implicit' borrowings associated with the Commonwealth's instalment purchase of Commonwealth Government Offices.
(*g*) Includes unexpected net increase in temporary purpose borrowings of $54.9 million.
(*h*) 'Global' new money limits agreed by Loan Council at its May 1987 Meeting.

Table 100—'Global' New Money Borrowings by Commonwealth, State and Northern Territory Semi-Government and Local Authorities (*a*), 1983–84 to 1987–88 ($ per head of population)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
				CONVENTIONAL BORROWINGS				
1983–84	216.25	297.58	365.11	472.94	128.63	399.61	92.68	281.81
1984–85	245.72	489.57	291.56	552.69	352.31	513.24	263.65	363.13
1985–86	319.14	448.06	288.27	521.21	179.67	513.49	393.47	360.72
1986–87	321.19	425.77	324.39	364.11	221.63	481.59	574.20	351.63
				OTHER BORROWINGS				
1983–84	135.54	92.01	298.45	108.01	228.18	14.90	28.80	151.89
1984–85	110.86	(5.46)	322.59	34.16	10.68	7.65	90.17	95.73
1985–86	54.72	36.38	310.80	..	112.83	4.20	49.40	90.64
1986–87	9.38	18.05	205.75	71.20	32.20	2.11	..	51.54
				TOTAL 'GLOBAL' BORROWINGS				
1983–84	351.79	389.59	663.56	580.95	356.82	414.50	121.48	433.71
1984–85	356.58	484.11	614.14	586.84	362.99	520.90	353.82	458.86
1985–86	373.86	484.44	599.07	521.21	292.50	517.69	442.86	451.36
1986–87	330.57	443.82	530.14	435.31	253.83	483.70	574.20	403.17
1987–88	271.91	359.93	435.24	391.20	216.08	400.92	418.25	333.56

(*a*) See Chapter IV under the heading 'The Global Approach'. Also see footnotes to Table 99.

Table 101—New Money Borrowings by Local Government Authorities (*a*), 1983–84 to 1987–88 ($ thousands)

	New South Wales (*b*)	Victoria (*c*)	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	Total
CONVENTIONAL BORROWINGS BY LOCAL GOVERNMENT AUTHORITIES								
1983–84	219 900	91 971	185 859	39 544	23 915	7 122	1 027	569 338
1984–85	261 000	123 609	209 028	43 692	131 128	10 975	1 574	781 006
1985–86	287 000	130 502	226 740	41 161	45 500	14 847	2 574	748 324
1986–87	251 100	130 521	166 053	32 408	46 000	18 871	3 141	648 094
OTHER BORROWINGS BY LOCAL GOVERNMENT AUTHORITIES (*d*)								
1983–84	..	2 200	2 500	..	..	..	..	4 700
1984–85	10 000	3 510	23 900	..	..	..	..	37 410
1985–86	..	..	14 900	..	..	..	..	14 900
1986–87	..	..	2 900	..	..	..	..	2 900
TOTAL BORROWINGS BY LOCAL GOVERNMENT AUTHORITIES								
1983–84	219 900	94 171	188 359	39 544	23 915	7 122	1 027	574 038
1984–85	271 000	127 119	232 928	43 692	131 128	10 975	1 574	818 416
1985–86	287 000	130 502	241 640	41 161	45 500	14 847	2 574	763 224
1986–87	251 100	130 521	168 953	32 408	46 000	18 871	3 141	650 994
1987–88 (estimate)	209 700	135 500	166 291	41 000	40 000	21 410	3 000	616 901

(*a*) For an interpretation of the figures in this table, see Chapter VI.
(*b*) Excludes New South Wales County Councils.
(*c*) Excludes Victorian municipal authorities with electricity distribution functions.
(*d*) Includes other borrowings by local government authorities by way of domestic deferred payments, overseas trade credits, financial leases, sale and leaseback and similar arrangements, security deposits and other repayable capital contributions and identified net changes in temporary purpose borrowings over the financial year.

Table 102—Borrowings by Semi-Government and Local Authorities for Conversion/Refinancing Purposes (*a*), 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total States and Northern Territory	Commonwealth	Total
DOMESTIC CONVERSIONS										
Conventional (b)										
1983–84	280 800	613 684	200 810	153 483	100 000	36 917	30 450	1 416 144	239 800	1 655 944
1984–85	414 466	756 180	255 957	131 083	161 700	40 979	22 466	1 782 831	219 816	2 002 647
1985–86	610 241	1 275 080	297 363	250 280	65 000	123 257	30 780	2 652 001	369 925	3 021 926
1986–87	779 903	1 637 930	591 200	444 207	489 500	141 998	39 313	4 124 051	480 886	4 604 937
1987–88(*c*)	1 364 800	1 449 751	555 100	348 468	309 900	192 080	86 633	4 306 732	532 972	4 839 704
Non-Conventional (d)										
1983–84	..	..	..	..	..	..	3 740	3 740	..	3 740
1984–85	..	264 270	..	..	5 500	..	12 200	281 970	..	281 970
1985–86	121 090	210 180	..	..	494 400	..	27 510	853 180	155 805	1 008 985
1986–87	..	81 440	..	144 620	277 700	..	..	503 760	182 108	685 868
1987–88(*c*)	..	72 789	..	..	537 500	..	..	610 289	49 835	660 124
Total										
1983–84	280 800	613 684	200 810	153 483	100 000	36 917	34 190	1 419 884	239 800	1 659 684
1984–85	414 466	1 020 450	255 957	131 083	167 200	40 979	34 666	2 064 801	219 816	2 284 617
1985–86	731 331	1 485 260	297 363	250 280	559 400	123 257	58 290	3 505 181	525 730	4 030 911
1986–87	779 903	1 719 370	591 200	588 827	767 200	141 998	39 313	4 627 811	662 994	5 290 805
1987–88(*c*)	1 364 800	1 522 540	555 100	348 468	847 400	192 080	86 633	4 917 021	582 807	5 499 828
OVERSEAS CONVERSIONS										
Conventional (b)										
1983–84	..	..	..	..	..	..	..	..	..	..
1984–85	..	70 000	..	..	40 000	..	..	110 000	..	110 000
1985–86	168 770	145 080	212 000	46 415	230 800	..	..	803 065	138 285	941 350
1986–87	561 451	101 520	579 500	264 830	82 700	1 095	..	1 591 096	34 491	1 625 587
1987–88(*c*)	442 700	32 841	260 900	7 711	..	3 840	..	747 992	168 178	916 170
Non-Conventional (d)										
1983–84	..	..	..	..	..	..	..	..	..	..
1984–85	..	9 860	..	..	..	..	..	9 860	..	9 860
1985–86	..	..	..	..	119 900	..	..	119 900	218 508	338 408
1986–87	..	..	..	..	73 000	..	..	73 000	66 072	139 072
1987–88(*c*)	..	56 388	..	..	74 059	..	..	130 447	116 342	246 789
Total										
1983–84	..	..	..	..	..	..	..	..	..	..
1984–85	..	79 860	..	..	40 000	..	..	119 860	..	119 860
1985–86	168 770	145 080	212 000	46 415	350 700	..	..	922 965	356 793	1 279 758
1986–87	561 451	101 520	579 500	264 830	155 700	1 095	..	1 664 096	100 563	1 764 659
1987–88(*c*)	442 700	89 229	260 900	7 711	74 059	3 840	..	878 439	284 520	1 162 959
TOTAL CONVERSIONS										
Conventional (b)										
1983–84	280 800	613 684	200 810	153 483	100 000	36 917	30 450	1 416 144	239 800	1 655 944
1984–85	414 466	826 180	255 957	131 083	201 700	40 979	22 466	1 892 831	219 816	2 112 647
1985–86	779 011	1 420 160	509 363	296 695	295 800	123 257	30 780	3 455 066	508 210	3 963 276
1986–87	1 341 354	1 739 450	1 170 700	709 037	572 200	143 093	39 313	5 715 147	515 377	6 230 524
1987–88(*c*)	1 807 500	1 482 591	816 000	356 179	309 900	195 920	86 633	5 054 723	701 150	5 755 873
Non-Conventional (d)										
1983–84	..	..	..	..	..	..	3 740	3 740	..	3 740
1984–85	..	274 130	..	..	5 500	..	12 200	291 830	..	291 830
1985–86	121 090	210 180	..	..	614 300	..	27 510	973 080	374 313	1 347 393
1986–87	..	81 440	..	144 620	350 700	..	..	576 760	248 180	824 940
1987–88(*c*)	..	129 177	..	..	611 559	..	..	740 736	166 177	906 913
Total										
1983–84	280 800	613 684	200 810	153 483	100 000	36 917	34 190	1 419 884	239 800	1 659 684
1984–85	414 466	1 100 310	255 957	131 083	207 200	40 979	34 666	2 184 661	219 816	2 404 477
1985–86	900 101	1 630 340	509 363	296 695	910 100	123 257	58 290	4 428 146	882 523	5 310 669
1986–87	1 341 354	1 820 890	1 170 700	853 657	922 900	143 093	39 313	6 291 907	763 557	7 055 464
1987–88(*c*)	1 807 500	1 611 768	816 000	356 179	912 459	195 920	86 633	5 795 459	867 327	6 662 786

(*a*) Includes borrowings for the purposes of refinancing or converting the maturing debt of semi-government and local authorities and government-owned companies. Such borrowings are undertaken in addition to the new money borrowings set out in Table 99.
(*b*) Conversion/refinancing by way of conventional loan raisings.
(*c*) Amounts advised to Loan Council. Individual members of Loan Council have discretion to amend the approved conversion programs to account for the conversion of debt prior to maturity and, in the case of overseas debt, for movements in exchange rates.
(*d*) Conversion/refinancing by way of non-conventional financing transactions such as trade credits, deferred payment arrangements etc.

Table 103—Commonwealth and State Authorities' Gross Debt Outstanding and Debt Maturity Profile, 1987–88 and beyond (*a*) ($ million)

	Domestic Maturities			Overseas Maturities (*b*)			Total Maturities		
	Common-wealth	States (*c*)	Total	Common-wealth	States (*c*)	Total	Common-wealth	States (*c*)	Total
Conventional Debt Maturities									
1987–88	486	4 295	4 780	203	460	663	689	4 755	5 443
1988–89	585	4 033	4 618	141	245	386	727	4 278	5 004
1989–90	423	3 943	4 365	119	730	849	541	4 673	5 214
1990–91	308	3 870	4 179	110	785	895	418	4 656	5 074
1991–92	517	3 783	4 300	111	1 406	1 517	628	5 189	5 817
1992–93 and beyond	1 997	15 898	17 895	373	4 363	4 737	2 370	20 262	22 632
Total Debt Outstanding	4 316	35 822	40 138	1 057	7 990	9 047	5 372	43 812	49 184
Non-Conventional Debt Maturities (*d*)									
1987–88	25	1 444	1 469	183	423	607	208	1 867	2 076
1988–89	23	1 105	1 128	198	365	562	221	1 470	1 691
1989–90	19	232	251	202	370	571	220	602	822
1990–91	15	240	254	197	431	627	212	670	882
1991–92	11	280	291	178	550	728	189	830	1 020
1992–93 and beyond	96	4 304	4 400	1 070	1 588	2 658	1 167	5 892	7 058
Total Debt Outstanding	190	7 604	7 794	2 027	3 727	5 754	2 217	11 330	13 548
Total Debt Maturities									
1987–88	511	5 738	6 249	386	883	1 270	897	6 622	7 519
1988–89	609	5 138	5 747	339	609	948	948	5 747	6 695
1989–90	441	4 175	4 616	320	1 100	1 420	761	5 275	6 036
1990–91	323	4 110	4 433	306	1 216	1 522	630	5 326	5 955
1991–92	529	4 063	4 591	289	1 957	2 245	817	6 019	6 837
1992–93 and beyond	2 093	20 202	22 295	1 444	5 951	7 395	3 537	26 153	29 690
Total Debt Outstanding	4 506	43 425	47 931	3 084	11 717	14 801	7 590	55 142	62 732

(*a*) Includes maturing debt of Commonwealth and State semi-government and local authorities, government-owned companies and trusts at 30 June 1987. The conversion programs for 1987–88 shown in table [107] differ from the maturities shown in this table due either to expected redemptions of some maturing debt or the intended conversion/refinancing of debt prior to maturity.
(*b*) Australian dollar equivalent as at 30 June 1987.
(*c*) Includes Northern Territory authorities.
(*d*) Figures shown exclude domestic non-conventional debt maturities of Western Australian authorities.

Table 104—Indicative Interest Rates for Borrowings by Smaller Semi-Government and Local Authorities (*a*)

	Years to Maturity					
	2 Years		4 Years		10 Years	
	Interest Rate	Margin Over Bond Rate	Interest Rate	Margin Over Bond Rate	Interest Rate	Margin Over Bond Rate
Jun 1985	14.3	+0.9	14.2	+0.9	14.3	+0.8
Sep 1985	15.0	+1.0	14.8	+1.0	14.6	+0.9
Dec 1985	16.6	+1.1	16.3	+1.1	15.9	+1.0
Mar 1986	14.2	+1.1	14.0	+1.1	13.7	+1.0
Jun 1986	13.9	+1.2	13.9	+1.2	13.8	+1.2
Sep 1986	16.9	+1.4	16.1	+1.4	15.5	+1.4
Dec 1986	15.6	+1.4	15.3	+1.4	14.9	+1.4
Mar 1987	15.5	+1.4	15.3	+1.4	14.9	+1.4
Jun 1987	14.5	+1.4	14.6	+1.5	14.4	+1.5

(*a*) Rates are as at the end of each month shown and are based on secondary market yields, as assessed by Loan Council Secretariat, on Treasury Bonds of comparable maturities plus a margin for each maturity, which is reviewed monthly.

Table 105—Details of the Financing of the State Governments' Loan Council and Northern Territory Government Borrowing Programs (*a*) 1982–83 to 1986–87
($ thousands)

	1982–83	1983–84	1984–85	1985–86	1986–87
SPECIAL LOANS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES					
Commonwealth Government Subscription to Special Loan	..	..	230 658	..	..
Less Amounts used by the Commonwealth for other purposes	..	..	138 080	..	..
(A)	..	..	92 578	..	..
LOAN RAISINGS APPLIED TO BORROWING PROGRAMS AND HOUSING ADVANCES					
Loans Raised in Australia—					
Treasury Bonds	6 082 271	10 552 721	8 940 389	6 931 727	5 532 101
Savings Bonds	4 204 607	3 599 132	505 247	487 938	138 662
State Domestic Raisings	61 945	114 622	71 101	..	..
Loans Raised Overseas	1 133 690	1 174 099	1 807 055	2 874 930	3 083 178
Total Loan Raisings	11 482 513	15 440 574	11 323 792	10 274 595	8 753 941
Less Amounts Used—					
for redemptions	6 029 882	6 329 727	2 862 467	6 889 592	4 354 865
by Commonwealth	4 107 185	7 759 200	7 114 632	1 664 822	3 086 684
for capital grants for works program	457 667	489 667	521 500	619 151	476 486
Less amounts carried forward (*b*)	(27 554)	(117 353)	(125 179)	(15 771)	(23 560)
(B) (*c*)	915 333	979 333	950 372	1 116 801	859 466
CAPITAL GRANTS					
Capital Grants—financed from loan proceeds (C)	457 667	489 667	521 500	619 151	476 486
TOTAL PROGRAMS					
Total Programs (A) + (B) + (C)	1 373 000	1 469 000	1 564 450	1 735 952	1 335 952

(*a*) See Chapter IV under the heading 'Financing of General Purpose Capital Assistance'. Northern Territory figures included for 1985-86 and 1986-87 only. See discussion in Chapter V.
(*b*) Proceeds of loans held in Loan Fund to finance the approved Loan Council borrowing program.
(*c*) Includes amounts nominated by the States and the Northern Territory from their government borrowing programs for public housing. See Table 97.

APPENDIX III—TABLES OF SPECIFIC PURPOSE PAYMENTS

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Table 106—Grants for Schools 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
GRANTS FOR RECURRENT PURPOSES									
Government Schools									
1983–84	147 690	115 505	62 055	38 327	39 475	11 890	414 943	4 678	419 621
1984–85	159 098	122 606	68 445	41 337	41 444	12 999	445 929	5 683	451 613
1985–86	174 908	130 962	77 136	46 456	44 778	14 187	488 427	6 661	495 088
1986–87	189 392	138 023	85 632	50 107	47 002	15 358	525 513	7 018	532 531
1987–88 (estimate)	198 648	144 969	90 311	52 698	49 292	16 150	552 068	7 366	559 434
Non-Government Schools									
1983–84	222 098	204 052	97 208	47 730	40 289	13 095	624 472	3 424	627 896
1984–85	237 239	216 081	105 628	52 538	43 282	14 502	669 270	3 685	672 955
1985–86	266 587	238 553	119 373	59 138	50 378	16 457	750 486	4 486	754 972
1986–87	289 543	259 083	128 038	65 235	55 582	17 794	815 276	4 710	819 985
1987–88 (estimate)	304 154	274 257	136 501	68 548	58 878	18 983	861 322	4 597	865 919
Joint Programs									
1983–84	13 185	10 834	7 576	4 692	3 794	1 305	41 385	735	42 120
1984–85	13 389	11 001	7 517	4 621	4 138	1 220	41 887	879	42 766
1985–86	14 339	10 671	7 947	4 699	4 248	1 231	43 135	1 213	44 348
1986–87	12 250	10 787	7 090	4 448	3 597	1 006	39 179	928	40 107
1987–88 (estimate)	10 702	9 005	6 243	4 210	3 571	1 102	34 834	1 194	36 028
Total									
1983–84	382 973	330 391	166 839	90 749	83 558	26 290	1 080 800	8 837	1 089 637
1984–85	409 726	349 687	181 590	98 497	88 863	28 722	1 157 086	10 248	1 167 334
1985–86	455 835	380 186	204 456	110 292	99 404	31 875	1 282 048	12 360	1 294 407
1986–87	491 185	407 894	220 760	119 790	106 181	34 157	1 379 968	12 656	1 392 624
1987–88 (estimate)	513 504	428 231	233 055	125 456	111 742	36 235	1 448 224	13 157	1 461 381
GRANTS FOR CAPITAL PURPOSES									
Government Schools									
1983–84	51 116	38 446	24 733	13 909	13 380	4 425	146 007	1 926	147 933
1984–85	54 234	40 477	28 478	16 977	14 939	4 685	159 788	3 722	163 510
1985–86	54 541	40 815	28 502	16 234	14 858	4 677	159 626	3 684	163 310
1986–87	50 245	37 469	26 276	14 913	13 320	4 362	146 585	4 142	150 726
1987–88 (estimate)	53 070	39 400	28 237	16 494	13 721	4 631	155 553	4 709	160 262
Non-Government Schools									
1983–84	12 618	14 783	7 446	4 457	3 326	1 569	44 200	1 511	45 711
1984–85	16 919	14 527	6 698	5 084	4 217	1 339	48 783	507	49 290
1985–86	19 704	13 589	15 234	5 922	2 694	1 388	58 531	917	59 448
1986–87	17 948	15 116	5 443	6 891	4 178	1 032	50 608	1 182	51 790
1987–88 (estimate)	19 102	20 335	9 019	4 685	2 525	771	56 437	1 227	57 664
Total									
1983–84	63 733	53 229	32 179	18 366	16 706	5 993	190 207	3 436	193 643
1984–85	71 152	55 004	35 175	22 061	19 156	6 024	208 571	4 229	212 800
1985–86	74 245	54 404	43 736	22 156	17 552	6 065	218 157	4 601	222 758
1986–87	68 192	52 586	31 719	21 804	17 497	5 394	197 193	5 324	202 516
1987–88 (estimate)	72 172	59 735	37 256	21 179	16 246	5 402	211 990	5 936	217 926

Table 107—Payments for Aboriginal Advancement, by Function 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
EDUCATION									
Recurrent Payments									
1983–84	1 148	1 534	1 238	2 750	2 394	135	9 198	287	9 485
1984–85	1 174	1 394	1 048	2 945	2 517	142	9 221	266	9 487
1985–86	1 262	1 534	849	3 048	2 602	141	9 436	235	9 671
1986–87	1 267	1 726	889	2 889	2 596	131	9 498	..	9 498
1987–88 (estimate)	1 417	1 770	981	2 590	2 755	149	9 662	..	9 662
Capital Payments									
1983–84	..	..	24	..	..	..	24	..	24
1984–85	..	80	44	19	16	..	159	..	159
1985–86	..	..	..	..	20	..	20	..	20
1986–87	..	..	..	..	..	..	..	..	..
1987–88 (estimate)	..	..	..	..	..	..	..	..	..
Total									
1983–84	1 148	1 534	1 262	2 750	2 394	135	9 222	287	9 509
1984–85	1 174	1 474	1 092	2 964	2 533	142	9 379	266	9 646
1985–86	1 262	1 534	849	3 048	2 622	141	9 456	235	9 691
1986–87	1 267	1 726	889	2 889	2 596	131	9 498	..	9 498
1987–88 (estimate)	1 417	1 770	981	2 590	2 755	149	9 662	..	9 662
HEALTH									
Recurrent Payments									
1983–84	1 928	24	4 425	7 375	1 525	33	15 311	..	15 311
1984–85	2 007	24	4 369	7 828	1 229	37	15 494	..	15 494
1985–86	1 531	25	4 527	7 813	819	38	14 753	58	14 811
1986–87	778	26	4 585	6 887	902	39	13 217	64	13 282
1987–88 (estimate)	..	27	4 933	7 173	793	44	12 971	..	12 971
Capital Payments									
1983–84	96	..	161	168	45	..	470	..	470
1984–85	183	..	320	90	..	..	593	..	593
1985–86	..	..	300	7	..	..	307	..	307
1986–87	..	..	100	2	48	..	150	..	150
1987–88 (estimate)	..	..	60	..	..	..	60	..	60
Total									
1983–84	2 024	24	4 586	7 543	1 570	33	15 780	..	15 780
1984–85	2 190	24	4 689	7 918	1 229	37	16 086	..	16 086
1985–86	1 531	25	4 827	7 820	819	38	15 060	58	15 118
1986–87	778	26	4 685	6 889	950	39	13 368	64	13 432
1987–88 (estimate)	..	27	4 993	7 173	793	44	13 031	..	13 031
SOCIAL SECURITY AND WELFARE									
Recurrent Payments									
1983–84	41	210	..	736	735	..	1 722	..	1 722
1984–85	16	203	..	715	780	..	1 714	..	1 714
1985–86	40	226	..	696	793	..	1 755	..	1 755
1986–87	42	267	..	620	852	..	1 781	..	1 781
1987–88 (estimate)	45	284	..	360	475	..	1 164	..	1 164
Capital Payments									
1983–84	..	..	..	..	..	..	..	..	..
1984–85	..	..	..	..	..	..	..	..	..
1985–86	..	..	..	18	..	..	18	..	18
1986–87	..	..	..	22	..	..	22	..	22
1987–88 (estimate)	..	..	..	..	..	..	..	..	..
Total									
1983–84	41	210	..	736	735	..	1 722	..	1 722
1984–85	16	203	..	715	780	..	1 714	..	1 714
1985–86	40	226	..	714	793	..	1 773	..	1 773
1986–87	42	267	..	642	852	..	1 803	..	1 803
1987–88 (estimate)	45	284	..	360	475	..	1 164	..	1 164

Table 107—Payments for Aboriginal Advancement, by Function 1983–84 to 1987–88 ($ thousands)—continued

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
HOUSING AND COMMUNITY AMENITIES									
Recurrent Payments									
1983–84	..	..	..	710	125	..	835	..	835
1984–85	..	..	..	847	214	..	1 061	..	1 061
1985–86	..	..	..	1 226	384	..	1 610	..	1 610
1986–87	..	..	..	1 272	602	..	1 874	5	1 879
1987–88 (estimate)	..	..	..	700	989	..	1 689	42	1 731
Capital Payments									
1983–84	407	..	1 225	3 237	770	..	5 639	1 159	6 798
1984–85	1 838	..	625	3 754	800	..	7 017	1 472	8 489
1985–86	100	..	748	3 954	63	..	4 865	2 047	6 912
1986–87	..	..	..	7 019	1 122	..	8 141	377	8 518
1987–88 (estimate)	..	..	165	5 507	917	..	6 590	54	6 644
Total									
1983–84	407	..	1 225	3 947	895	..	6 474	1 159	7 634
1984–85	1 838	..	625	4 601	1 014	..	8 078	1 472	9 549
1985–86	100	..	748	5 179	447	..	6 474	2 047	8 521
1986–87	..	..	..	8 291	1 724	..	10 015	382	10 398
1987–88 (estimate)	..	..	165	6 207	1 907	..	8 279	96	8 375
CULTURE AND RECREATION									
Recurrent Payments									
1983–84	..	..	..	..	6	..	6	..	6
1984–85	3	..	..	..	38	..	40	41	82
1985–86	..	..	..	..	34	..	34	..	34
1986–87	..	..	..	..	28	..	28	..	28
1987–88 (estimate)	..	..	..	..	..	..	..	..	..
Capital Payments									
1983–84	..	..	..	5	..	..	5	..	5
1984–85	..	..	..	..	..	..	..	..	..
1985–86	..	..	..	..	..	..	..	..	..
1986–87	..	..	..	..	..	..	..	..	..
1987–88 (estimate)	..	..	..	..	..	..	..	..	..
Total									
1983–84	..	..	..	5	6	..	11	..	11
1984–85	3	..	..	..	38	..	40	41	82
1985–86	..	..	..	..	34	..	34	..	34
1986–87	..	..	..	..	28	..	28	..	28
1987–88 (estimate)	..	..	..	..	..	..	..	..	..
GENERAL PUBLIC SERVICES									
Recurrent Payments									
1987–88 (estimate)	260	..	..	..	..	..	260	..	260
Capital Payments									
1987–88 (estimate)	63	..	..	..	..	..	63	..	63
Total									
1987–88 (estimate)	323	..	..	..	..	..	323	..	323
LABOUR AND EMPLOYMENT									
Recurrent Payments									
1983–84	944	96	304	757	1 091	..	3 193	..	3 193
1984–85	1 305	79	215	663	1 222	..	3 483	..	3 483
1985–86	1 235	97	199	671	1 305	..	3 506	..	3 506
1986–87	1 270	68	194	519	1 396	..	3 446	..	3 446
1987–88 (estimate)	1 327	28	165	583	1 483	..	3 585	..	3 585
Capital Payments									
1983–84	..	..	..	3	80	..	83	..	83
1984–85	..	..	..	3	6	..	9	..	9
1985–86	..	..	..	23	..	..	23	..	23
1986–87	..	..	..	3	..	..	3	..	3
1987–88 (estimate)	..	..	..	90	..	..	90	..	90

Table 107—Payments for Aboriginal Advancement, by Function 1983–84 to 1987–88 ($ thousands)—continued

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
				Total					
1983–84	944	96	304	760	1 171	..	3 276	..	3 276
1984–85	1 305	79	215	666	1 228	..	3 492	..	3 492
1985–86	1 235	97	199	694	1 305	..	3 529	..	3 529
1986–87	1 270	68	194	522	1 396	..	3 449	..	3 449
1987–88 (estimate)	1 327	28	165	673	1 483	..	3 675	..	3 675
				TOTAL—ALL FUNCTIONS					
				Recurrent Payments					
1983–84	4 061	1 864	5 966	12 329	5 877	168	30 266	287	30 553
1984–85	4 505	1 700	5 632	12 999	5 999	179	31 013	308	31 321
1985–86	4 068	1 882	5 575	13 454	5 937	179	31 094	294	31 388
1986–87	3 357	2 087	5 668	12 188	6 376	170	29 846	70	29 915
1987–88 (estimate)	3 048	2 109	6 080	11 406	6 495	193	29 331	42	29 373
				Capital Payments					
1983–84	503	..	1 410	3 413	894	..	6 220	1 159	7 380
1984–85	2 021	80	989	3 866	822	..	7 777	1 472	9 249
1985–86	100	..	1 048	4 002	83	..	5 233	2 047	7 280
1986–87	..	..	100	7 046	1 170	..	8 316	377	8 693
1987–88 (estimate)	63	..	225	5 597	917	..	6 803	54	6 857
				Total					
1983–84	4 564	1 864	7 376	15 742	6 771	168	36 486	1 446	37 932
1984–85	6 526	1 780	6 621	16 864	6 821	179	38 790	1 780	40 570
1985–86	4 168	1 882	6 623	17 456	6 020	179	36 327	2 341	38 668
1986–87	3 357	2 087	5 768	19 234	7 546	170	38 162	447	38 609
1987–88 (estimate)	3 111	2 109	6 305	17 003	7 412	193	36 134	96	36 230

Table 108—Payments to the States and Northern Territory for Housing (*a*), 1983–84 to 1987–88 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Six State Total	Northern Territory	Total
RECURRENT GRANTS									
1983 84	1 848	1 347	423	627	941	314	5 500	..	5 500
1984 85	1 848	1 347	423	627	941	314	5 500	..	5 500
1985 86	1 848	1 347	423	627	941	314	5 500	..	5 500
1986 87	1 848	1 347	423	627	941	314	5 500	..	5 500
1987 88 (estimate)	1 848	1 347	423	627	941	314	5 500	..	5 500
PENSIONER HOUSING GRANTS									
1983 84	11 897	7 793	5 598	2 684	2 662	866	31 500	500	32 000
1984 85	13 376	8 421	6 327	2 850	2 622	904	34 500	500	35 000
1985 86	13 913	8 646	6 842	3 101	2 662	913	36 077	523	36 600
1986 87	14 282	8 509	7 096	3 095	2 640	855	36 477	523	37 000
1987 88 (estimate)	14 517	8 560	7 396	3 051	2 614	839	36 977	523	37 500
ABORIGINAL HOUSING GRANTS									
1983 84	12 345	3 417	10 346	10 017	5 595	696	42 416	9 584	52 000
1984 85	12 345	3 417	10 346	10 017	5 595	696	42 416	9 584	52 000
1985 86	12 771	3 417	12 220	10 017	5 595	696	44 716	9 584	54 300
1986 87	12 345	3 417	14 109	10 047	5 595	696	46 209	11 791	58 000
1987 88 (estimate)	12 345	3 417	15 186	10 264	5 595	696	47 503	12 497	60 000
LOCAL COMMUNITY HOUSING GRANTS									
1984 85	2 475	1 865	1 145	632	620	200	6 937	63	7 000
1985 86	3 533	2 662	1 640	905	882	286	9 908	92	10 000
1986 87	3 883	2 921	1 811	1 003	965	313	10 896	104	11 000
1987 88 (estimate)	4 201	3 156	1 969	1 095	1 040	339	11 800	200	12 000
OTHER HOUSING ASSISTANCE—GRANTS (*b*)									
1983 84	86 678	67 991	30 100	24 136	35 186	14 614	258 705	11 295	270 000
1984 85	160 461	125 147	58 720	44 192	61 284	24 913	474 717	20 283	495 000
1985 86	169 739	131 575	65 189	46 205	60 794	24 692	498 194	19 406	517 600
1986 87	182 340	140 377	73 328	49 239	61 004	24 701	530 989	18 611	549 600
1987 88 (estimate)	184 439	141 004	77 545	49 561	57 468	23 222	533 239	16 761	550 000
OTHER HOUSING ASSISTANCE—LOANS									
1983 84	46 470	36 452	16 137	12 941	18 865	7 835	138 700	7 300	146 000
1984 85	..	..	..	..	..	..	..	..	..
1985 86	..	..	..	..	..	..	..	..	..
1986 87	..	..	..	..	..	..	..	..	..
1987 88 (estimate)	..	..	..	..	..	..	..	..	..
TOTAL PAYMENTS									
1983 84	159 238	117 000	62 604	50 405	63 249	24 325	476 821	28 679	505 500
1984 85	190 505	140 197	76 961	58 318	71 062	27 027	564 070	30 430	594 500
1985 86	201 804	147 647	86 314	60 855	70 874	26 901	594 395	29 605	624 000
1986 87	214 698	156 571	96 767	64 011	71 145	26 879	630 071	31 029	661 100
1987 88 (estimate)	217 350	157 484	102 519	64 598	67 658	25 410	635 019	29 981	665 000

(*a*) For a description of these items see Chapter V heading 'Housing'.
(*b*) Excludes payments made under the *Special Employment-Related Programs Act 1982*.

Table 109—Payments to the States and the Northern Territory for Water Management Projects and Water Resource Development, 1982–83 to 1986–87
($ thousands) (*a*)

	1982–83	1983–84	1984–85	1985–86	1986–87
NEW SOUTH WALES—					
Water Resources Assessment	1 800	1 250	1 250	1 250	..
Murray Valley Salinity Mitigation	1 802	1 850	2 000	2 277	2 577
Urban Flood Plain Management	1 322	2 270	1 783	2 656	2 649
Rural Flood Plain Management	106	230	57	31	50
Split Rock Dam	14	..	..	..	..
Chichester Dam	..	1 000	..	..	..
Chichester Water Treatment Works	..	229	1 650	3 807	5 250
Conservation and Efficiency Improvement	..	..	..	..	105
Other Urban Water Supply—COWSIP	..	..	..	575	632
Total	5 044	6 829	6 740	10 596	11 263
VICTORIA—					
Water Resources Assessment	1 250	870	950	950	..
Murray Valley Salinity Mitigation	1 988	1 304	2 595	2 344	3 000
Urban Flood Plain Management	947	1 047	1 267	1 154	1 495
Rural Flood Plain Management	180	343	473	123	155
Urban Water Supply—including COWSIP	2 092	2 018	755	291	761
State Water Plan	..	83	206	540	664
Total	6 457	5 665	6 246	5 402	6 075
QUEENSLAND—					
Water Resources Assessment	1 050	730	800	800	..
Urban Flood Plain Management	866	1 017	856	1 027	243
Rural Flood Plain Management	..	..	..	300	..
Bundaberg Irrigation Works	4 000	4 000	4 000	4 000	4 000
Eton Irrigation Project	2 700	2 700	2 700	..	..
Leslie Dam, Stage II	1 000	1 000	..	..	..
Burdekin Falls Dam	3 761	13 000	20 000	26 000	30 007
Urban Water Supply—COWSIP	..	..	..	416	1 145
Total	13 377	22 447	28 356	32 543	35 395
WESTERN AUSTRALIA—					
Water Resources Assessment	2 200	1 530	1 610	1 610	..
Urban Water Supply—including COWSIP	2 130	4 752	6 650	1 044	384
Salinity Control	2 000	2 000	1 378	981	1 160
Urban Flood Plain Management	70	100	100	56	305
State Water Plan	..	..	..	13	80
Total	6 400	8 382	9 738	3 704	1 929
SOUTH AUSTRALIA—					
Water Resources Assessment	800	555	600	600	..
Murray Valley Salinity Mitigation	1 541	1 000	700	835	656
Urban Water Supply—including COWSIP	2 910	7 700	5 685	5 666	6 224
Urban Flood Mitigation—Torrens River	1 141	1 100	722	1 000	464
Rural Flood Plain Management	..	..	..	..	80
Conservation and Efficiency Improvement	..	..	..	..	20
Total	6 392	10 355	7 707	8 101	7 444

Table 109—Payments to the States and the Northern Territory for Water Management Projects and Water Resource Development, 1982–83 to 1986–87 ($ thousands) (*a*)—continued

	1982–83	1983–84	1984–85	1985–86	1986–87
TASMANIA—					
Water Resources Assessment	235	165	180	200	..
Urban Flood Plain Management	110	108	57	51	63
Coal River Investigation	18	..	..	..	..
Deloraine/Westbury Water Supply	13	20	..	..	..
Urban Water Supply	..	..	..	109	..
Total	376	293	237	360	63
NORTHERN TERRITORY—					
Water Resources Assessment	1 940	1 357	1 390	1 455	..
Urban Flood Plain Management	100	53	115	42	62
Urban Water Supply	..	..	..	46	87
Water Plan	..	..	..	10	9
Total	2 040	1 410	1 505	1 553	158
TOTAL PAYMENTS	40 086	55 381	60 528	62 259	62 327

(*a*) From 1984-85 all water related financial assistance to the States and Northern Territory has been paid under the Federal Water Resources Assistance Program (FWRAP) which brings together all previous Commonwealth programs of assistance for water management projects and water resource development.

Table 110—Payments for Natural Disaster Relief by Type of Disaster (*a*) (*b*), 1982–83 to 1986–87 ($ thousands)

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Tasmania	Northern Territory	Total
DROUGHTS								
1982–83	32 557	22 695	37 297	7 731	18 368	..	..	118 648
1983–84	10 721	4 497	44 777	6 752	4 475	325	..	71 547
1984–85	..	..	3 246	..	..	210	..	3 456
1985–86	..	..	9 430	842	..	..	..	10 272
1986–87	..	..	17 853	167	..	..	..	18 020
FLOODS, STORMS AND CYCLONES								
1982–83	..	1 529	4 487	1 157	904	..	234	8 311
1983–84	7 876	2 246	35 826	1 719	1 206	..	2 167	51 040
1984–85	381	..	7 869	..	..	..	..	8 250
1985–86	418	..	15 507	275	..	..	..	16 200
1986–87	2 993	..	15 569	27	..	..	..	18 589
BUSHFIRES								
1982–83	..	16 135	..	..	3 204	..	..	19 339
1983–84	..	10 575	..	..	5 627	10	..	16 212
1984–85	..	−540 (*c*)	..	..	44	71	..	−425
1985–86	..	−316 (*c*)	..	..	37	4	..	−275
1986–87	..	−278 (*c*)	..	..	..	..	..	−278
ALL NATURAL DISASTERS (*d*)								
1982–83	32 557	40 359	41 784	8 888	22 476	..	234	146 298
1983–84	18 597	17 318	80 603	8 471	11 308	335	2 167	138 799
1984–85	381	−540 (*c*)	11 116	..	44	281	..	11 281
1985–86	418	−316 (*c*)	24 937	1 117	37	4	..	26 197
1986–87	2 993	−278 (*c*)	33 422	194	..	..	..	36 331

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

(*b*) Payments for Natural Disaster Relief are not designed to provide assistance on a disaster-by-disaster basis, but rather to assist a State in meeting the costs of relief measures when they exceed that State's assessed annual financial capacity. This table is derived from States' advice on their expenditures by type of disaster and apportions Commonwealth assistance accordingly.

(*c*) Minus sign (−) signifies the refund to the Commonwealth of an amount overpaid to the State by the Commonwealth.

(*d*) Chapter V details the Commonwealth policy, including changes effective from 1 July 1985.

Table 111—State Outlays on and Other Details of Natural Disaster Relief, 1982–83 to 1986–87 ($ thousands)

	New South Wales					Victoria					Queensland				
	1982–83	1983–84	1984–85	1985–86	1986–87	1982–83	1983–84	1984–85	1985–86	1986–87	1982–83	1983–84	1984–85	1985–86	1986–87
Expenditures by States on eligible measures: (a)					(b)					(b)					(b)
Relief of personal hardship and distress	6	317	804	145	5 968	6 458	142(c)	771	75	8	6	55	71	574	24
Freight subsidies	22 479	13 462	399	1 414	5 160	2 316	1 176	34	43	6	17 446	10 070	3 236	10 729	10 781
Stock slaughter assistance and compensation	111	12	3	..	..	..	..	..	..	..	784	79	..	..	..
Loans to primary producers	29 481	7 179	1 596	535	7 395	28 971	5 805	488	244	49	31 068	58 427	3 919	20 765	42 089
Loans to small businesses	..	8	172	5	193	2 600	1 960	132	63	30	317	1 536	25	155	140
Loans to sporting clubs	..	..	7	6	10	..	..	..	..	..	..	..	10	..	..
Restoration of State, local and semi-government assets	..	15 194	7 367	4 388	4 321	7 321	8 047	2 176	3 658	1 454	4 927	33 122	16 864	12 347	6 276
Emergency protection works and repairs to essential services	..	..	237	5	..	6 789	2 487	2 964	..	325	..	..	..	..	..
Water cartage	907	277	110	2	128	2 095	375	..	..	..	1	84	..	..	..
Fencing	..	..	..	..	..	802	576	12	585	..	..	..	..	..	..
Disposal of unsaleable stock	..	..	..	..	..	238	2	23	10	..	..	..	..	..	..
Housing loans	..	..	..	..	..	1 500	5 550	523	358	73	..	..	..	..	..
Other measures	677	60	51	..	6	487	2 700	..	..	..	3 874	9 201	775	120	533
Total	53 661	36 510	10 746	6 500	23 181	59 578	28 819	7 124	5 036	1 945	58 424	112 574	24 901	44 690	59 843
States' annual base amounts (d)	10 000	10 000	18 490	22 390	24 580	7 000	7 000	14 560	16 870	18 730	4 000	4 000	9 100	10 480	11 600
State expenditure eligible for Commonwealth assistance (d)	43 661	26 510	804	145	5 968	52 578	21 819	771	75	8	54 424	108 574	15 801	34 210	48 243
Commonwealth assistance $3:$1 (d)	32 741	19 883	..	..	..	39 376	16 304	..	..	..	40 818	81 425	11 837	19 762	29 657
Plus Commonwealth assistance $:$ (d)	3	..	402	73	2 984	38	40	386	38	4	..	4	9	3 930	4 350
TOTAL COMMONWEALTH ASSISTANCE PAYABLE (e)	32 744	19 883	402	73	2 984	39 414	16 344	386	38	4	40 818	81 429	11 846	23 692	34 007
Plus Adjustments from previous years (f)	−1 055	−868	418	439	94	−40	−584	−1 558	−632	−278	−6	−972	−146	584	−661
Less Adjustments carried forward (f)	−868	418	439	94	85	−584	−1 558	−632	−278	4	−972	−146	584	−661	−76
COMMONWEALTH ASSISTANCE PAID (net) (f)	32 557	18 597	381	418	2 993	40 359(g)	17 318	−540(j)	−316(j)	−278(j)	41 784	80 603	11 116	24 937	33 422

Table 111—State Outlays on and Other Details of Natural Disaster Relief, 1982–83 to 1986–87 ($ thousands)—continued

	Western Australia					South Australia					Tasmania				
	1982–83	1983–84	1984–85	1985–86	1986–87	1982–83	1983–84	1984–85	1985–86	1986–87	1982–83	1983–84	1984–85	1985–86	1986–87
Expenditures by States on eligible measures: (a)															
Relief of personal hardship and distress	84	49	1	52	..	342	271	1	..	..	..	..	..	..	..
Freight subsidies	1 104	1 037	476	310	108	2 484	2 041	..	..	..	..	..	..	..	..
Stock slaughter assistance and compensation	..	..	..	..	..	..	..	..	..	..	187	4	..	..	..
Loans to primary producers	11 395	9 104	671	6 383	2 520	28 280	4 614	..	1 215	940	1 036	1 460	539	192	..
Loans to small businesses	8	..	..	..	108	1 205	544	..	..	..	..	..	..	..	..
Loans to sporting clubs	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Restoration of State, local and semi-government assets	1 926	2 740	243	2 214	2 396	3 934	2 713	4	..	..	83	..	..	..	..
Emergency protection works and repairs to essential services	..	..	..	..	..	519	..	..	..	..	..	..	..	..	..
Water cartage	..	6	..	267	446	12	27	..	..	..	5	1	..	..	..
Fencing	..	..	..	9	..	1 221	1 108	..	..	..	..	..	..	..	..
Disposal of unsaleable stock	..	..	..	..	..	250	106	..	..	..	..	..	..	..	..
Housing loans	..	..	..	..	..	537	581	40	..	..	14	..	..	..	..
Other measures	422	516	5	..	..	34	58	..	..	..	54	208	119	..	..
Total	14 939	13 452	1 396	9 236	5 578	38 818	12 063	45	1 215	940	1 378	1 672	658	192	..
States' annual base amounts (*d*)	3 000	3 000	5 810	6 870	7 850	3 000	3 000	5 360	6 050	7 000	1 200	1 200	2 130	2 410	2 570
State expenditure eligible for Commonwealth assistance (*d*)	11 939	10 452	1	2 366	..	35 818	9 063	1	..	..	178	472	..	..	..
Commonwealth assistance $3:$1 (*d*)	8 954	7 839	..	..	..	26 864	6 797	..	..	..	134	354	..	..	..
Plus Commonwealth assistance $:$ (*d*)	..	..	..	1 183	..	..	..	..	..	..	..	..	..	..	..
TOTAL COMMONWEALTH ASSISTANCE PAYABLE (*e*)	8 954	7 839	..	1 183	..	26 864	6 797	..	..	..	134	354	..	..	..
Plus Adjustments from previous years (*f*)	694	760	128	128	194	3	4 591	80	37	..	131	265	284	4	..
Less Adjustments carried forward (*f*)	760	128	128	194	..	4 591	80	37	..	..	265	284	4	..	..
COMMONWEALTH ASSISTANCE PAID (net) (*f*)	8 887	8 471	..	1 117	194	22 476(*h*)	11 308	44	37	..	..	335	281	4	..

Table 111—State Outlays on and Other Details of Natural Disaster Relief, 1982–83 to 1986–87 ($ thousands)—continued

	Northern Territory					Totals				
	1982–83	1983–84	1984–85	1985–86	1986–87	1982–83	1983–84	1984–85	1985–86	1986–87
Expenditures by States on eligible measures: (a)	(b)	(b)	(b)	(b)	(b)					
Relief of personal hardship and distress	24	260	97	..	..	6 920	1 094(c)	1 745	846	6 000
Freight subsidies	..	..	..	747	1 258	45 829	27 786	4 145	13 243	17 313
Stock slaughter assistance and compensation	..	..	..	..	..	1 082	95	3	..	..
Loans to primary producers	..	..	..	494	582	130 231	86 589	7 213	29 828	53 575
Loans to small businesses	..	..	..	..	..	4 130	4 048	329	223	471
Loans to sporting clubs	..	..	..	..	..	..	..	17	6	10
Restoration of State, local and semi-government assets	795	874	754	..	350	18 986	62 690	27 408	22 607	14 797
Emergency protection works and repairs to essential services	..	..	..	..	..	7 308	2 487	3 201	5	325
Water cartage	..	..	..	..	..	3 020	770	110	269	574
Fencing	..	..	..	..	..	2 023	1 684	12	594	..
Disposal of unsaleable stock	..	..	..	..	..	488	108	23	10	..
Housing loans	..	..	..	..	..	2 051	6 131	563	358	73
Other measures	..	..	..	..	..	5 548	12 743	950	120	539
Total	819	1 134	851	1 241	2 190	227 617	206 224	45 721	68 110	93 677
States' annual base amounts (*d*)	250	250	1 540	1 830	2 050	28 450	28 450	(i)	(i)	(i)
State expenditure eligible for Commonwealth assistance (*d*)	569	884	97	..	140	199 167	177 774	17 475	36 796	54 359
Commonwealth assistance $3:$1 (*d*)	409	663	..	..	..	149 296	133 265	11 837	19 762	29 657
Plus Commonwealth assistance $:$ (*d*)	12	..	49	..	70	53	44	846	5 224	7 408
TOTAL COMMONWEALTH ASSISTANCE PAYABLE (*e*)	421	663	49	..	70	149 349	133 309	12 683	24 986	37 065
Plus Adjustments from previous years (*f*)	1 176	1 363	−141	−92	−92	903	4 555	−935	467	−744
Less Adjustments carried forward (*f*)	1 363	−141	−92	−92	−22	4 555	−935	467	−744	−10
COMMONWEALTH ASSISTANCE PAID (net) (*f*)	234	2 167	..	..	..	146 298(g)(h)	138 799	11 281	26 197	36 331

(*a*) Includes only that data, relevant to Commonwealth assistance, furnished by the State concerned.
(*b*) Subject to revision upon audit.
(*c*) Net of reimbursements from State Electricity Commission of Victoria.
(*d*) Chapter V details the Commonwealth policy.
(*e*) Differs from assistance paid during the year as shown by the two adjustment lines.
(*f*) Minus sign (−) signifies overpayment, to the State by the Commonwealth, being adjusted or refunded.
(*g*) Includes $400 000 paid towards public appeal following the February 1983 bushfires.
(*h*) Includes $200 000 paid towards public appeal following the February 1983 bushfires.
(*i*) For some States, base amounts exceeded State expenditure.
(*j*) Reflects recoveries by Victoria from State Electricity Commission of Victoria.

APPENDIX IV—TABLES OF ADVANCES, DEBT CHARGES, NET ADVANCES, AND NET PAYMENTS TO THE STATES AND THE NORTHERN TERRITORY

Table No.	Subject	Page
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Table 112—Six States total—Advances, Debt Charges on Advances and Net Advances, 1983-84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES (a)					
Loan Council Borrowings	752 219	637 236	580 145	240 787	..
Commonwealth Government Loans—					
Loan Council					
–Housing Nomination	227 114	405 764	426 355	533 794	357 208
Housing for Servicemen	5 299	5 959	4 258	2 437	1 993
Public Housing (b)	138 700	..	..	..	..
Growth Centres	37 360	9 832	6 046	..	..
Land Acquisition	8 677	..	..	..	..
Captains Flat Project	..	24	35	36	..
Railway Projects	..	42	..	38	..
Railway Mainline Upgrading	4 150	..	..	..	..
Urban Water Supply/Treatment	..	..	4 664	4 200	3 850
Rural Adjustment Scheme	37 473	24 794	9 402	..	..
Sugar Industry	3 907	8 436	..	..	..
Canned Fruit Industry	4 100	..	..	..	..
Bovine Brucellosis & TB Eradication	..	..	831	23	813
Other Mining Assistance	..	2 048	..	..	..
Natural Disaster Relief	68 830	2 335	12 318	24 144	13 298
Total Commonwealth Loans	535 611	459 235	463 909	564 672	377 162
TOTAL ADVANCES	1 287 830	1 096 471	1 044 054	805 459	377 162
REPAYMENT OF ADVANCES					
Payment to National Debt Sinking Fund	232 749	241 296	217 982	204 839	331 125
Repayments of Commonwealth Government Loans—					
Loan Council					
–Housing Nomination	705	1 835	3 879	6 115	9 145
Housing for Servicemen	1 096	1 159	1 222	1 289	1 360
Unemployment Relief Works	4	4	10	3	3
Aboriginal Advancement	29	31	33	17	..
Public Housing	42 144	44 499	46 287	48 149	50 087
Growth Centres	83	85	76	103	1 594
Land Acquisition	9 500	31 950	10 000	4 700	1 500
Urban Rehabilitation	511	205	285	270	425
Captains Flat Project	10	12	13	14	16
Legana Industrial Estate (Tasmania)	20	20	20	20	20
Sewerage	1 112	1 253	1 361	1 477	1 942
Community Facility Townsville	7	8	9	9	9
Exmouth Township Electricity, Services	10	5	10	15	10
Perth Entertainment Centre	..	..	200	200	200
Railway Projects	6 470	4 509	3 425	3 291	3 740
Railway Mainline Upgrading	784	3 298	2 948	3 268	3 432
King Island Harbour Works	45	45	45	45	45
King Island Shipping Service	87	480	..	..	..

Table 112—Six States Total—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Weipa Development	111	117	123	129	136
Urban Water Supply and Treatment	1 845	65	169	231	125
Gladstone Power Station	2 677	3 044	3 160	3 352	3 556
Softwood Forestry	1 083	1 278	1 563	1 894	2 194
Log Salvage Loan to South Australia	..	..	11 000	..	..
Dairy Adjustment Program	2 321	2 189	1 813	813	701
Rural Adjustment Scheme	3 958	4 601	5 539	6 067	7 046
Beef Industry Assistance	868	900	354	96	..
Rural Reconstruction	7 638	8 219	8 719	9 254	9 814
Sugar Industry	37 181	..	..	..	..
Canned Fruit Industry	..	..	..	383	383
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	30
Chowilla Reservoir	143	130	99	49	11
Dartmouth Dam	135	325	825	1 385	1 760
Blowering Reservoir	1 993	1 776	1 323	732	230
Irrigation and other water projects	977	998	999	1 001	1 003
Launceston Precision Tool Annex	143	32	..	..	..
Other mining assistance	..	..	1 586	393	70
War Service Land Settlement	440	456	473	491	509
Brigalow Lands Development Scheme	693	693	693	693	693
Natural Disaster Relief	16 311	26 539	34 196	33 677	30 600
Total Repayments of Commonwealth Government Loans	141 134	140 760	142 456	129 623	132 388
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	373 883	382 056	360 438	334 463	463 513
NET ADVANCES (d) (Advances *less* Repayments)					
Loan Council Borrowings	519 470	395 940	362 163	35 948	−331 125
Commonwealth Government Loans	394 477	318 475	321 453	435 049	244 774
TOTAL NET ADVANCES	913 947	714 414	683 616	470 996	−86 351
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (e)	1 690 852	1 849 440	1 924 876	1 998 848	2 036 000
Interest on Commonwealth Government Loans—					
Housing nominations	11 254	24 868	43 184	62 679	87 735
Housing for Servicemen	19 388	20 034	20 896	21 259	21 565
Aboriginal Advancement—Bamaga	6	4	2	..	..
Housing	179 699	180 861	179 073	177 211	175 273
Growth Centres	37 871	10 361	6 566	510	4 322
Urban Rehabilitation	354	336	319	301	280
Land acquisition	8 677	..	..	..	..
Legana Industrial Estate (Tasmania)	20	17	15	12	12
Community facilities—Townsville	39	38	37	37	37
Exmouth Township	12	7	11	13	8

Table 112—Six States Total—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Captains Flat Project	37	36	36	39	35
Sewerage	21 288	21 418	21 538	20 289	23 863
Leisure Facilities	234	269	127	104	85
Railway Projects	11 121	13 786	13 414	12 530	12 096
Railway Mainline Upgrading	4 150	..	..	..	..
King Island, Harbour Works	18	15	11	8	5
King Island, Shipping Service	52	12	..	..	..
Weipa Development	115	109	103	96	90
Urban Water Supply	2 354	1 107	2 567	3 149	1 668
Blowering Reservoir	292	189	100	38	8
Gladstone Power Station	9 957	10 609	10 089	9 897	9 693
Softwood Forestry	2 938	3 299	3 919	4 587	5 173
Dairy Adjustment Program	736	710	630	638	599
Rural Adjustment Scheme	10 221	11 693	13 993	14 357	13 375
Rural Reconstruction	6 977	6 393	5 893	5 362	4 798
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	26
Canned Fruit Industry	..	..	..	40	41
Sugar Industry	1 451	..	..	..	..
Irrigation and other Water Projects	730	668	604	540	476
Dartmouth Dam	2 526	2 513	2 476	2 390	2 250
Chowilla Reservoir	21	13	7	2	..
Chrysotile Corporation	25	..	..	..	..
Launceston Precision Tools Annex	18	3	..	..	..
War Service Land Settlement	782	765	748	730	712
Brigalow Lands Development Scheme	750	704	658	611	565
Total Interest on Commonwealth Government Loans	334 111	310 837	327 016	337 431	364 790
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	2 024 963	2 160 277	2 251 892	2 336 279	2 400 790

(*a*) For purposes of these tables advances comprise the State Governments' Loan Council and Northern Territory Government borrowing programs and Commonwealth Government loans. *See* footnote (1) in Chapter II of this Paper and footnote (*d*) below.

(*b*) Comprises advances under the Commonwealth State Housing Agreements. 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. In previous editions, repayments of Loan Council borrowings which were nominated by the States and Northern Territory for public housing purposes were also included under this item. These amounts are now separately identified.

(*d*) Derived by subtracting sinking fund payments from Loan Council and Northern Territory borrowings and repayments on Commonwealth Government loans from the amounts of those loans each year. As explained in Chapter I, national accounting estimates of Commonwealth Government outlays published by the Treasury and by the Australian Bureau of Statistics show advances 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 113—New South Wales—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES (*a*)					
Loan Council Borrowings	296 563	257 143	260 344	100 152	..
Commonwealth Government Loans—					
Loan Council—Housing Nomination	20 000	80 000	65 000	150 227	114 447
Housing for Servicemen	2 597	4 685	3 891	1 634	1 476
Public Housing (*b*)	46 470	..	..	..	..
Growth Centres	23 892	9 832	6 046	..	..
Land Acquisition	3 971	..	..	..	..
Captains Flat Project	..	24	35	36	..
Rural Adjustment Scheme	5 644	6 423	2 520	..	..
Canned Fruit Industry	4 100	..	..	..	..
Other Mining Assistance	..	2 048	..	..	..
Natural Disaster Relief	3 815	..	..	..	2 574
Total Commonwealth Loans	110 489	103 012	77 492	151 897	118 497
TOTAL ADVANCES	407 052	360 155	337 836	252 049	118 497
REPAYMENT OF ADVANCES					
Payment to National Debt Sinking Fund (c)	78 490	82 037	86 060	69 018	69 678
Repayments of Commonwealth Government Loans—					
Loan Council—Housing Nomination	97	198	593	934	1 400
Housing for Servicemen	416	441	467	495	520
Public Housing	13 563	15 307	15 919	16 557	17 226
Growth Centres	52	58	46	62	1 550
Land Acquisition	..	16 950	..	..	..
Urban Rehabilitation	306	..	80	65	220
Captains Flat Project	10	12	13	14	16
Sewerage	408	450	495	544	695
Railway Projects	96	96	96	..	96
Railway Mainline Upgrading	217	2 063	1 520	1 616	1 520
Softwood Forestry	366	446	530	628	728
Dairy Adjustment Program	160	163	122	102	59
Rural Adjustment Scheme	673	892	1 062	1 272	1 633
Beef Industry Assistance	..	222	..	..	..
Rural Reconstruction	2 392	2 537	2 691	2 859	3 029
Canned Fruit Industry	..	..	..	383	383
Chowilla Reservoir	143	130	99	49	11
Dartmouth Dam	45	108	275	462	587
Blowering Reservoir	1 993	1 776	1 323	732	230
Other Mining Assistance	..	..	1 586	393	70
War Service Land Settlement	213	221	229	238	247
Natural Disaster Relief	5 210	7 160	7 532	7 350	7 070
Total Repayments of Commonwealth Government Loans	26 359	49 231	34 678	34 753	37 289
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	104 849	131 267	120 738	103 770	106 967
NET ADVANCES (*d*) (Advances *less* Repayments)					
Loan Council Borrowings	218 073	175 106	174 284	31 134	−69 678
Commonwealth Government Loans	84 131	53 781	42 814	117 145	81 208
TOTAL NET ADVANCES	302 204	228 888	217 098	148 279	11 530

Table 113—New South Wales—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (e)	558 918	626 408	652 817	682 554	698 000
Interest on Commonwealth Loans—					
Housing Nominations	1 270	3 041	6 461	10 308	14 428
Housing For Servicement	9 121	9 392	10 143	10 530	10 700
Housing	52 769	61 330	60 717	60 080	59 416
Growth Centres	24 189	10 187	6 360	307	4 123
Urban Rehabilitation	354	..	..	..	..
Land Acquisition	3 971	..	..	..	..
Captains Flat Project	37	36	36	39	35
Sewerage	7 999	7 957	8 395	7 889	8 700
Railway Projects	3 609	3 426	3 195	2 958	2 729
Blowering Reservoir	292	189	100	38	8
Softwood Forestry	1 469	1 634	1 799	1 989	2 214
Dairy Adjustment Program	61	58	48	52	48
Rural Adjustment Scheme	2 486	2 743	3 201	3 287	3 190
Rural Reconstruction	2 102	1 956	1 802	1 639	1 464
Canned Fruit Industry	..	..	..	40	41
Dartmouth Dam	842	838	825	797	750
Chowilla Reservoir	21	13	7	2	..
Chrysotile Corporation	25	..	..	..	..
War Service Land Settlement	379	371	363	354	345
Total Interest on Commonwealth Government Loans	110 996	103 172	103 453	100 311	108 191
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	669 914	729 580	756 270	782 865	806 191

(*a*), (*b*), (*c*), (*d*) and (*e*)—See corresponding footnote to Table 112.

Table 114—Victoria—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES (*a*)					
Loan Council Borrowings	201 548	216 949	177 003	77 839	..
Commonwealth Government Loans—					
Loan Council—Housing Nomination	44 488	45 082	75 858	116 758	94 636
Housing for Servicemen	..	1 226	279	415	174
Public Housing (*b*)	36 452	..	..	..	..
Growth Centres	13 468	..	..	..	..
Railway Mainline Upgrading	1 785	..	..	..	..
Rural Adjustment Scheme	5 577	4 118	2 087	..	..
Natural Disaster Relief	7 855	..	..	..	1 340
Total Commonwealth Loans	109 625	50 426	78 224	117 173	96 150
TOTAL ADVANCES	311 173	267 375	255 227	195 012	96 150
REPAYMENT OF ADVANCES					
Payment to National Debt Sinking Fund (c)	57 162	59 537	50 136	52 183	52 689
Repayments of Commonwealth Government Loans—					
Loan Council—Housing Nominations	363	594	839	1 243	1 865
Housing for Servicemen	312	329	345	361	380
Unemployment Relief Works	4	4	10	3	3
Public Housing	12 562	12 800	13 303	13 827	14 381
Growth Centres	31	27	30	41	44
Land Acquisition	4 000	4 000	3 000	700	..
Urban Rehabilitation	205	205	205	205	205
Sewerage	361	397	436	479	636
Railway Projects	192	..	192	..	192
Railway Mainline Upgrading	247	550	634	732	845
Softwood Forestry	145	145	181	217	284
Dairy Adjustment Program	1 181	1 044	775	210	193
Rural Adjustment Scheme	897	1 039	1 192	1 323	1 840
Beef Industry Assistance	115	120	..	12	..
Rural Reconstruction	1 721	1 824	1 935	2 053	2 177
Dartmouth Dam	45	108	275	462	587
War Service Land Settlement	227	235	244	253	262
Natural Disaster Relief	360	3 017	3 769	3 675	3 530
Total Repayments of Commonwealth Government Loans	22 968	26 439	27 366	25 798	27 424
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	80 131	85 976	77 502	77 981	80 113
NET ADVANCES (*d*) (Advances *Less* Repayments)					
Loan Council Borrowings	144 386	157 412	126 867	25 656	−52 689
Commonwealth Government Loans	86 656	23 987	50 858	91 375	68 726
TOTAL NET ADVANCES	231 042	181 399	177 725	117 031	16 037

Table 114—Victoria—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (e)	422 632	472 694	495 838	517 116	529 000
Interest on Commonwealth Government Loans					
Housing Nominations	4 259	6 129	8 512	12 310	17 231
Housing for Servicemen	2 952	2 967	3 095	3 105	3 145
Housing	51 166	48 186	47 683	47 159	46 613
Growth Centres	13 681	174	207	203	199
Urban Rehabilitation	..	336	319	301	280
Sewerage	7 024	6 988	6 949	6 553	7 954
Railway Projects	2 193	3 773	3 948	3 591	3 717
Railway Mainline Upgrading	1 785	..	..	..	..
Softwood Forestry	184	203	310	386	462
Dairy Adjustment Program	248	238	200	218	207
Rural Adjustment Scheme	2 764	2 960	3 248	3 259	3 169
Rural Reconsturction	1 517	1 412	1 301	1 182	1 058
Dartmouth Dam	842	838	825	797	750
War Service Land Settlement	402	394	385	376	367
Total Interest on Commonwealth Government Loans	89 017	74 598	76 981	79 440	85 152
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	511 649	547 291	572 819	596 556	614 152

(a), (b), (c), (d) and *(e)*—See corresponding footnotes in Table 112.

Table 115—Queensland—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES (*a*)					
Loan Council Borrowings	119 853	108 295	93 419	41 082	..
Commonwealth Government Loans—					
Loan Council—Housing Nomination	10 000	30 000	40 037	61 622	24 966
Housing for Servicemen	2 559	48	27	257	202
Public Housing (*b*)	16 137	..	..	..	..
Railway Mainline Upgrading	1 984	..	..	..	..
Rural Adjustment Scheme	14 487	7 747	1 600	..	..
Sugar Industry	3 907	8 436	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	611	..	683
Natural Disaster Relief	44 157	2 186	11 537	23 950	5 033
Total Commonwealth Loans	93 231	48 417	53 812	85 829	30 884
TOTAL ADVANCES	213 084	156 712	147 231	126 911	30 884
REPAYMENT OF ADVANCES					
Payment to National Debt Sinking Fund (*c*)	30 995	32 399	26 969	28 194	28 446
Repayments of Commonwealth Government Loans—					
Loan Council—Housing Nomination	42	92	241	445	655
Housing for Servicemen	276	292	308	326	345
Aboriginal Advancement	29	31	33	17	..
Public Housing	4 046	4 146	4 311	4 483	4 664
Sewerage	104	114	125	138	183
Community Facility—Townsville	7	8	9	9	9
Railway Projects	2 727	1 420	..	..	..
Railway Mainline Upgrading	261	582	674	780	904
Weipa Development	111	117	123	129	136
Urban Water Supply and Treatment	1 102	..	..	..	..
Gladstone Power Station	2 677	3 044	3 160	3 352	3 556
Softwood Forestry	242	304	397	487	549
Dairy Adjustment Program	469	485	471	358	351
Rural Adjustment Scheme	1 400	1 543	1 939	1 946	1 234
Beef Industry Assistance	641	526	352	84	..
Rural Reconstruction	1 313	1 511	1 603	1 701	1 805
Sugar Industry	37 181	..	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	18
Brigalow Lands Development Scheme	693	693	693	693	693
Natural Disaster Relief	2 635	4 782	10 223	10 401	11 340
Total Repayments of Commonwealth Government Loans	55 957	19 690	24 661	25 349	26 442
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	86 951	52 089	51 630	53 543	54 888
NET ADVANCES (*d*) (Advances *less* Repayments)					
Loan Council Borrowings	88 858	75 896	66 450	12 888	−28 446
Commonwealth Government Loans	37 275	28 727	29 152	60 480	4 442
TOTAL NET ADVANCES	126 133	104 624	95 602	73 368	−24 004

Table 115—Queensland—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (e)	206 352	219 542	243 465	259 015	256 000
Interest on Commonwealth Government Loans					
Housing Nominations	649	1 368	2 788	4 802	6 722
Housing for Servicemen	5 939	6 295	6 285	6 265	6 335
Aborigines Advancement—Bamaga	6	4	2	..	..
Housing	17 919	16 888	16 723	16 551	16 372
Community Facilities—Townsville	39	38	37	37	37
Sewerage	2 080	2 070	2 059	1 943	2 382
Railway Projects	2 319	4 234	4 103	3 996	3 873
Railway Mainline Upgrading	1 984	..	..	..	..
Weipa Development	115	109	103	96	90
Urban Water Supply and Treatment	105	..	..	..	..
Gladstone Power Station	9 957	10 609	10 089	9 897	9 693
Softwood Forestry	314	403	623	826	928
Dairy Adjustment Program	346	329	304	292	273
Rural Adjustment Scheme	1 740	2 212	3 202	3 245	2 572
Rural Reconstruction	1 356	1 158	1 066	968	864
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	14
Sugar Industry	1 451	..	..	..	..
Brigalow Lands Development Scheme	750	704	658	611	565
Total Interest on Commonwealth Government Loans	47 069	46 422	48 042	49 529	50 720
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	253 422	265 964	291 508	308 543	306 720

(*a*), (*b*), (*c*), (*d*) and (*e*)—See corresponding footnotes to Table 112.

Table 116—Western Australia—Advances, Debt Charges on Advances and Net Advances 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES (*a*)					
Loan Council Borrowings	83 618	..	..	..	..
Commonwealth Government Loans—					
Loan Council—Housing Nomination	7 000	96 509	93 132	71 672	34 503
Housing for Servicemen	134	..	61	121	18
Public Housing(*b*)	12 941	..	..	..	..
Land Acquisition	4 706	..	..	..	..
Railway Projects	..	42	..	38	..
Railway Mainline Upgrading	381	..	..	..	..
Urban Water Supply and Treatment	..	..	744	..	..
Rural Adjustment Scheme	7 820	3 870	1 720	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	23	50
Natural Disaster Relief	5 828	..	777	194	2 517
Total Commonwealth Loans	38 809	100 421	96 434	72 048	37 088
TOTAL ADVANCES	122 427	100 421	96 434	72 048	37 088
REPAYMENT OF ADVANCES					
Payment to National Debt Sinking Fund	22 563	23 564	18 284	18 268	18 142
Repayments of Commonwealth Government Loans—					
Loan Council—Housing Nomination	35	70	540	1 015	1 520
Housing for Servicemen	64	67	71	74	80
Public Housing(*c*)	3 865	3 949	4 107	4 271	4 443
Land Acquisition	..	11 000	7 000	4 000	1 500
Sewerage	147	162	183	196	269
Exmouth Township—Electricity Services	10	5	10	15	10
Perth Entertainment Centre	..	..	200	200	200
Railway Projects	3 456	2 993	3 137	3 291	3 452
Railway Mainline Upgrading	60	103	120	140	163
Urban Water Supply and Treatment	..	..	..	19	22
Softwood Forestry	132	149	176	211	242
Dairy Adjustment Program	255	249	240	87	55
Rural Adjustment Scheme	495	577	682	808	1 278
Beef Industry Assistance	20	24	2	..	..
Rural Reconstruction	1 185	1 257	1 334	1 415	1 501
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	1
Irrigation and Other Water Projects	977	998	999	1 001	1 003
Natural Disaster Relief	5 767	6 626	7 279	7 151	5 040
Total Repayments of Commonwealth Government Loans	16 469	28 230	26 081	23 893	20 779
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	39 032	51 794	44 365	42 162	38 921
NET ADVANCES (*d*) (Advances *Less* Repayments)					
Loan Council Borrowings	61 055	−23 564	−18 284	−18 268	−18 142
Commonwealth Government Loans	22 341	72 191	70 353	48 154	16 309
TOTAL NET ADVANCES	83 396	48 627	52 069	29 886	−1 833

Table 116—Western Australia—Advances, Debt Charges on Advances and Net Advances 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (e)	166 360	173 913	177 014	177 986	182 000
Interest on Commonwealth Government Loans—					
Housing Nominations	507	2 820	7 096	10 753	15 051
Housing for Servicemen	689	693	691	686	700
Housing	17 114	16 167	16 009	15 845	15 673
Land Acquisition	4 706	..	..	..	..
Exmouth Township	12	7	11	13	8
Sewerage	2 896	2 881	2 865	2 709	3 401
Leisure Facilities	234	269	127	104	85
Railway Projects	2 999	2 352	2 169	1 985	1 777
Railway Mainline Upgrading	381	..	..	..	..
Urban Water Supply and Treatment	..	..	..	97	95
Softwood Forestry	640	659	711	778	845
Dairy Adjustment Program	49	54	52	48	45
Rural Adjustment Scheme	1 686	2 037	2 374	2 552	2 496
Rural Reconstruction	1 061	989	912	831	745
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	1
Irrigation and Other Water Projects	730	668	604	540	476
Total Interest on Commonwealth Government Loans	33 705	29 596	33 620	36 940	41 398
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	200 065	203 509	210 634	214 926	223 398

(*a*), (*b*), (*c*), (*d*), and (*e*)—*See* corresponding footnotes to Table 112.

Table 117—South Australia—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES *(a)*					
Loan Council Borrowings	..	..	..	..	..
Commonwealth Government Loans—					
Loan Council—Housing Nomination	127 626	135 923	131 166	100 943	51 779
Housing for Servicemen	9	..	..	10	18
Public Housing *(b)*	18 865	..	..	..	..
Urban Water Supply and Treatment	..	..	3 920	4 200	3 850
Rural Adjustment Scheme	3 696	2 257	1 360	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	220	..	80
Natural Disaster Relief	6 902	..	..	..	1 814
Total Commonwealth Loans	157 098	138 180	136 666	105 153	57 541
TOTAL ADVANCES	157 098	138 180	136 666	105 153	57 541
REPAYMENT OF ADVANCES					
Payment to National Debt Sinking Fund (c)	29 233	28 859	22 791	22 865	147 719
Repayments of Commonwealth Government Loans—					
Loan Council—Housing Nomination	121	743	1 434	2 133	3 190
Housing for Servicemen	24	25	26	28	30
Public Housing	5 923	6 057	6 311	6 575	6 840
Land Acquisition	5 500	..	..	..	..
Sewerage	52	86	75	69	89
Urban Water Supply and Treatment	743	65	169	212	103
Softwood Forestry	67	77	90	127	110
Log Salvage Loan	..	..	11 000	..	..
Dairy Adjustment Program	67	57	31	15	13
Rural Adjustment Scheme	435	501	602	679	954
Beef Industry Assistance	20	8	..	..	..
Rural Reconstruction	849	901	956	1 014	1 076
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	11
Dartmouth Dam	45	108	275	462	587
Natural Disaster Relief	2 036	4 633	5 037	5 037	3 560
Total Repayments of Commonwealth Government Loans	15 880	13 261	26 005	16 350	16 563
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	45 114	42 120	48 797	39 214	164 282
NET ADVANCES *(d)* (Advances *Less* Repayments)					
Loan Council Borrowings	−29 233	−28 859	−22 791	−22 865	−147 719
Commonwealth Government Loans	141 218	124 918	110 661	88 803	40 978
TOTAL NET ADVANCES	111 984	96 059	87 869	65 939	−106 741

Table 117—South Australia—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (a)	212 664	218 918	219 493	219 864	225 000
Interest on Commonwealth Government Loans—					
Housing Nominations	3 721	9 939	15 930	21 049	29 464
Housing for Servicemen	621	621	616	607	620
Housing	29 042	27 389	27 136	26 872	26 596
Sewerage	963	1 201	953	897	1 067
Urban Water Supply and Treatment	2 249	1 107	2 567	3 051	1 573
Softwood Forestry	173	194	217	251	265
Dairy Adjustment Program	14	13	10	12	11
Rural Adjustment Scheme	1 446	1 558	1 732	1 799	1 740
Rural Reconstruction	787	735	680	622	560
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	11
Dartmouth Dam	842	838	825	797	750
Total Interest on Commonwealth Government Loans	39 859	43 594	50 666	55 957	62 657
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	252 524	262 512	270 159	275 821	287 657

(*a*), (*b*), (*c*), (*d*) and (*e*)—See corresponding footnotes to Table 112.

Table 118—Tasmania—Advances, Debt Charges on Advances and Net Advances, 1983-84 to 1987-88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES *(a)*					
Loan Council Borrowings	50 637	54 849	49 379	21 714	..
Commonwealth Government Loans—					
Loan Council—Housing Nomination	18 000	18 250	21 162	32 572	36 877
Housing for Servicemen	..	..	..	..	105
Public Housing *(b)*	7 835	..	..	..	..
Rural Adjustment Scheme	249	380	115	..	..
Natural Disaster Relief	274	149	4	..	20
Total Commonwealth Loans	26 358	18 779	21 281	32 572	37 002
TOTAL ADVANCES	76 995	73 628	70 660	54 286	37 002
REPAYMENT OF ADVANCES					
Payment to National Debt Sinking Fund (c)	14 305	14 901	13 741	14 312	14 451
Repayments of Commonwealth Government Loans—					
Loan Council—Housing Nomination	49	138	232	345	515
Housing for Servicemen	4	4	4	4	5
Public Housing	2 184	2 240	2 335	2 435	2 534
Legana Industrial Estate	20	20	20	20	20
Sewerage	39	43	47	52	69
King Island Harbour Works	45	45	45	45	45
King Island Shipping Service	87	480	..	..	..
Softwood Forestry	130	157	189	224	281
Dairy Adjustment Program	190	191	174	41	30
Rural Adjustment Scheme	57	49	62	39	107
Beef Industry Assistance	72	..	..	..	..
Rural Reconstruction	178	189	200	212	226
Launceston Precision Tool Annexe	143	32	..	..	..
Natural Disaster Relief	303	321	357	64	60
Total Repayments of Commonwealth Government Loans	3 501	3 909	3 666	3 480	3 892
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	17 807	18 810	17 407	17 792	18 343
NET ADVANCES *(d)* (Advances *Less* Repayments)					
Loan Council Borrowings	36 332	39 948	35 638	7 402	−14 451
Commonwealth Government Loans	22 856	14 870	17 615	29 092	33 110

Table 118—Tasmania—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
TOTAL NET ADVANCES	59 188	54 818	53 253	36 494	18 659
INTEREST ON ADVANCES					
Interest on Loan Council Borrowings (e)	123 925	137 966	136 248	142 313	146 000
Interest on Commonwealth Government Loans—					
Housing Nominations	848	1 572	2 397	3 457	4 839
Housing for Servicemen	66	66	66	65	65
Housing	11 689	10 901	10 805	10 706	10 603
Legana Industrial Estate	20	17	15	12	12
Sewerage	325	321	317	298	359
King Island Harbour Works	18	15	11	8	5
King Island Shipping Service	52	12	..	..	..
Softwood Forestry	157	206	259	357	459
Dairy Adjustment Program	18	17	16	16	15
Rural Adjustment Scheme	99	183	236	215	208
Rural Reconstruction	155	144	132	120	107
Launceston Precision Tools Annexe	18	3	..	..	..
Total Interest on Commonwealth Government Loans	13 465	13 456	14 254	15 255	16 672
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	137 390	151 422	150 502	157 568	162 672

(*a*), (*b*), (*c*), (*d*) and (*e*)—See corresponding footnotes to Table 112.

Table 119—Northern Territory—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES (*a*)					
Northern Territory Government Loans	86 042	91 635	77 211	33 954	28 399
Commonwealth Government Loans—					
Loan Council—Housing Nominations	..	..	33 090	50 931	28 399
Public Housing (*b*)	7 300	..	..	..	..
Rural Adjustment Scheme	984	649	76	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	867	441	250
Total Commonwealth Loans	8 284	649	34 033	51 372	28 648
TOTAL ADVANCES	94 326	92 283	111 244	85 326	57 047
REPAYMENT OF ADVANCES					
Payments to Northern Territory Debt Sinking Fund (*c*)	3 706	4 773	5 430	6 300	6 638
Repayments of Commonwealth Government Loans—					
Loan Council—Housing Nomination	..	..	..	160	240
Public Housing	958	1 038	1 087	1 141	1 250
NTEC Assistance	1 607	1 762	1 933	2 121	2 334
Rural Adjustment Scheme	13	28	36	93	85
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	75
Water and Sewerage Assistance	136	136	136	136	136
Total Repayments of Commonwealth Government Loans	2 714	2 965	3 192	3 651	4 120
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	6 420	7 738	8 622	9 951	10 758
NET ADVANCES (*d*) (Advances *Less* Repayments)					
Northern Territory Government Borrowings	82 336	86 861	71 781	27 654	21 761
Commonwealth Government Loans	5 570	−2 316	30 841	47 722	24 528
TOTAL NET ADVANCES	87 906	84 545	102 622	75 375	46 289
INTEREST ON ADVANCES					
Interest on Northern Territory Government Borrowings	45 065	54 342	65 667	73 963	79 000
Interest on Commonwealth Government Loans—					
Loan Council—Housing Nominations	..	..	473	2 175	3 044
Housing	5 283	5 246	5 207	7 494	7 196
Public Housing	1 625	1 771	1 762	1 752	1 742
Sewerage	766	759	752	746	738
Northern Territory Electricity	4 835	4 679	4 508	4 321	4 108
Rural Adjustment Scheme	120	190	227	500	245
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	45
Total Interest on Commonwealth Government Loans	12 630	12 645	12 929	16 987	17 118
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	57 694	66 987	78 597	90 950	96 118

(*a*), (*b*), (*c*), (*d*) and (*e*)—See corresponding footnotes to Table 112.

Table 120—Six States and the Northern Territory—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
ADVANCES					
Loan Council and Northern Territory Government Borrowings—					
Loan Council	752 219	637 236	580 145	240 787	..
Northern Territory Government Borrowings	86 042	91 635	77 211	33 954	28 399
Total	838 261	728 871	657 356	274 741	28 399
Commonwealth Government Loans—					
Loan Council—Housing Nomination	227 114	405 764	459 445	584 725	385 607
Housing for Servicemen	5 299	5 959	4 258	2 437	1 993
Public Housing (b)	146 000	..	..	..	..
Growth Centres	37 360	9 832	6 046	..	..
Land Acquisition	8 677	..	..	..	..
Captains Flat Project	..	24	35	36	..
Railway Projects	..	42	..	38	..
Railway Mainline Upgrading	4 150	..	..	..	..
Urban Water Supply and Treatment	..	..	4 664	4 200	3 850
Rural Adjustment Scheme	38 457	25 443	9 478	..	..
Sugar Industry	3 907	8 436	..	..	..
Canned Fruit Industry	4 100	..	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	1 698	464	1 063
Other Mining Assistance	..	2 048	..	..	..
Natural Disaster Relief	68 830	2 335	12 318	24 144	13 298
Total Commonwealth Loans	543 894	459 883	497 942	616 044	405 810
TOTAL ADVANCES	1 382 155	1 188 754	1 155 298	890 785	434 209
REPAYMENT OF ADVANCES					
Payments to National and Northern Territory Debt Sinking Funds (c)	236 455	246 070	223 412	211 140	337 763
Repayments of Commonwealth Government Loans—					
Loan Council—Housing Nomination	705	1 835	3 879	6 275	9 385
Housing For Servicemen	1 096	1 159	1 222	1 289	1 360
Unemployment Relief Works	4	4	10	3	3
Aboriginal Advancement	29	31	33	17	..
Public Housing	43 102	45 537	47 374	49 290	51 337
Growth Centres	83	85	76	103	1 594
Land Acquisition	9 500	31 950	10 000	4 700	1 500
Urban Rehabilitation	511	205	285	270	425
Captains Flat Project	10	12	13	14	16
Legana Industrial Estate (Tasmania)	20	20	20	20	20
Sewerage	1 112	1 253	1 361	1 477	1 942
Community Facilities—Townsville	7	8	9	9	9
Exmouth Township Electricity Services	10	5	10	15	10
Perth Entertainment Centre	..	..	200	200	200
Railway Projects	6 470	4 509	3 425	3 291	3 740
Railway Mainline Upgrading	784	3 298	2 948	3 268	3 432
King Island Harbour Works	45	45	45	45	45
King Island Shipping Service	87	480	..	..	..
Weipa Development	111	117	123	129	136
Urban Water Supply and Treatment	1 845	65	1 169	231	125
Gladstone Power Station	2 677	3 044	3 160	3 352	3 556
NTEC Assistance	1 607	1 762	1 933	2 121	2 334
Softwood Forestry	1 083	1 278	1 563	1 894	2 194
Log Salvage Loan (South Australia)	..	..	11 000	..	..
Dairy Adjustment Program	2 321	2 189	1 813	813	701
Rural Adjustment Scheme	3 971	4 629	5 575	6 160	7 131
Beef Industry Assistance	868	900	354	96	..
Rural Reconstruction	7 638	8 219	8 719	9 254	9 814
Sugar Industry	37 181	..	..	..	..
Canned Fruit Industry	..	..	..	383	383

Table 120—Six States and the N.T.—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	105
Chowilla Reservoir	143	130	99	49	11
Dartmouth Dam	135	325	825	1 385	1 760
Blowering Reservior	1 993	1 776	1 323	732	230
Water and Sewerage Assistance	136	136	136	136	136
Irrigation and Other Water Projects	977	998	999	1 001	1 003
Launceston Precision Tool Annex	143	32	..	..	..
Other Mining Assistance	..	..	1 586	393	70
War Service Land Settlement	440	456	473	491	509
Brigalow Lands Development Scheme	693	693	693	693	693
Natural Disaster Relief	16 311	26 539	34 196	33 677	30 600
Total Repayments of Commonwealth Government Loans	143 848	143 725	145 648	133 274	136 508
TOTAL SINKING FUND PAYMENTS AND TOTAL OF LOAN REPAYMENTS	380 303	389 794	369 060	344 414	474 271
NET ADVANCES (*d*) (Advances *Less* Repayments)					
Loan Council and Northern Territory Government Borrowings	601 806	482 801	433 944	63 601	−309 364
Commonwealth Government Loans	400 046	316 159	352 294	482 770	269 302
TOTAL NET ADVANCES	1 001 852	798 960	786 238	546 372	−40 062
INTEREST ON ADVANCES					
Interest on Loan Council and Northern Territory Government Borrowings (e)	1 735 916	1 903 782	1 990 543	2 072 811	2 115 000
Interest on Commonwealth Government Loans—					
Loan Council—					
Housing Nominations	11 254	24 868	43 656	64 854	90 779
Housing for Servicemen	19 388	20 034	20 896	21 259	21 565
Aboriginal Advancement—Bamaga	6	4	2	..	..
Housing	184 981	186 106	184 280	184 705	182 469
Public Housing	1 625	1 771	1 762	1 752	1 742
Growth Centres	37 871	10 361	6 566	510	4 322
Urban Rehabilitation	354	336	319	301	280
Land Acquisition	8 677	..	..	..	..
Legana Industrial Estate (Tasmania)	20	17	15	12	12
Community Facilities—Townsville	39	38	37	37	37
Exmouth Township	12	7	11	13	8
Captains Flat Project	37	36	36	39	35
Sewerage	22 054	22 177	22 290	21 035	24 601
Leisure Facilities	234	269	127	104	85
Railway Projects	11 121	13 786	13 414	12 530	12 096
Railway Mainline Upgrading	4 150	..	..	..	..
King Island Works	18	15	11	8	5
King Island Shipping Service	52	12	..	..	..
Weipa Development	115	109	103	96	90
Urban Water Supply	2 354	1 107	2 567	3 149	1 668
Northern Territory Electricity	4 835	4 679	4 508	4 321	4 108
Blowering Reservoir	292	189	100	38	8
Gladstone Power Station	9 957	10 609	10 089	9 897	9 693
Softwood Forestry	2 938	3 299	3 919	4 587	5 173
Dairy Adjustment Program	736	710	630	638	599
Rural Adjustment Scheme	10 341	11 882	14 220	14 857	13 620
Rural Reconstruction	6 977	6 393	5 893	5 362	4 798
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	..	71
Canned Fruit Industry	..	..	..	40	41
Sugar Industry	1 451	..	..	..	..
Irrigation and Other Water Projects	730	668	604	540	476

Table 120—Six States and the Northern Territory—Advances, Debt Charges on Advances and Net Advances, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Dartmouth Dam	2 526	2 513	2 476	2 390	2 250
Chowilla Reservoir	21	13	7	2	..
Chrysotile Corporation	25	..	..	..	..
Launceston Precision Tools Annexe	18	3	..	..	..
War Service Land Settlement	782	765	748	730	712
Brigalow Lands Development Scheme	750	704	658	611	565
Total Interest on Commonwealth Government Loans	346 741	323 482	339 945	354 418	381 908
TOTAL INTEREST ON LOAN COUNCIL BORROWINGS AND TOTAL INTEREST ON COMMONWEALTH GOVERNMENT LOANS	2 082 657	2 227 265	2 330 489	2 427 229	2 496 908

(*a*), (*b*), (*c*), (*d*) and (*e*)—See corresponding footnotes to Table 112.

APPENDIX V—TABLES OF ASSISTANCE TO OR FOR LOCAL GOVERNMENT AUTHORITIES 1983-84 TO 1987-88

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Table 121—Summary of Commonwealth Government Payments to or for Local Government Authorities in New South Wales 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Local Government General Purpose Financial Assistance (*a*)	167 647	177 574	195 615	211 754	229 137
Direct Payments—Recurrent Grants					
Nursing Homes	836	854	1 178	1 445	30
Home and Community Care	..	..	1 520	1 385	(*b*)
Home Nursing	696	700	2 121	(*c*)	..
Delivered Meals Subsidy	385	376	..	..	..
Aged and Disabled Persons Homes	208	124	272	366	448
Handicapped Persons Assistance	88	94	103	40	55
Children's Services	7 220	11 897	19 496	23 655	25 483
Homeless Persons Assistance	6	57	..	..	..
Subsidy for Migrant Aid	30	24	35	28	40
Aboriginal Advancement	..	28	50	57	184
Local Government Improvement Program	850	..	..	..	..
Local Government Development Program	..	1 937	1 785	812	812
Aerodrome Local Ownership Plan	1 158	1 345	1 363	1 865	2 235
TOTAL RECURRENT	11 479	17 436	27 922	29 651	29 287
Direct Payments—Capital					
Aged and Disabled Persons Homes and Hostels	1 026	2 157	1 417	1 229	1 654
Handicapped Persons Assistance	6	..	3	..	30
Children's Services	207	340	331	841	1 955
Homeless Persons Assistance	1	1	..	..	..
Aerodrome Local Ownership Plan	3 542	6 514	7 626	3 185	3 184
Total Capital	4 782	9 011	9 377	5 255	6 823
Total Direct Payments	16 262	26 447	37 299	34 907	36 110
Total Direct *plus* General Assistance	183 909	204 021	232 914	246 660	265 247

(*a*) The local government general purpose financial assistance grant is paid in the first instance to the State government.

(*b*) From 1987–88 all Home and Community Care payments for local government will be made in the first instance to the State government.

(*c*) From 1986-87 included in Home and Community Care.

Table 122—Summary of Commonwealth Government Payments to or for Local Government Authorities in Victoria 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Local Government General Purpose Financial Assistance (*a*)	116 907	123 829	136 410	147 664	166 007
Direct Payments—Recurrent Grants					
Nursing Homes	..	70	675	1 236	120
Home and Community Care	..	..	2 398	2 170	(*b*)
Home Nursing	..	..	5 770	(*c*)	..
Delivered Meals Subsidy	1 659	1 438	..	..	..
Aged and Disabled Persons Homes	667	939	1 101	1 267	1 919
Handicapped Persons Assistance	..	..	22	..	55
Children's Services	7 999	13 519	20 936	25 120	17 516
Aboriginal Advancement	..	277	5	7	26
Local Government Improvement Program	602	..	..	..	..
Local Government Development Program	..	1 395	1 430	343	343
Aerodrome Local Ownership Plan	508	442	466	576	704
Total Recurrent	11 436	18 081	32 803	30 718	20 683
Direct Payments—Capital					
Aged and Disabled Persons Homes and Hostels	1 074	1 442	2 233	1 645	2 214
Handicapped Persons Assistance	..	..	28	..	30
Children's Services	328	328	222	789	2 428
Aerodrome Local Ownership Plan	187	522	143	183	31
Total Capital	1 588	2 292	2 626	2 617	4 703
Total Direct Payments	13 024	20 373	35 428	33 336	25 386
Total Direct Plus General Assistance	129 931	144 202	171 839	181 000	191 393

(*a*) The local government general purpose financial assistance grant is paid in the first instance to the State government.

(*b*) From 1987–88 all Home and Community Care payments for local government will be made in the first instance to the State government.

(*c*) From 1986–87 included in Home and Community Care.

Table 123—Summary of Commonwealth Government Payments to or for Local Government Authorities in Queensland 1983–84 to 1987–88

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Local Government General Purpose Financial Assistance (*a*)	77 447	82 033	90 367	97 823	106 992
Direct Payments—Recurrent Grants					
Home and Community Care	..	..	2	..	(*b*)
Home Nursing	..	7	2 642	(*c*)	..
Delivered Meals Subsidy	2	2	..	..	..
Aged and Disabled Persons Homes	10	42	103	68	116
Children's Services	1 562	2 864	3 728	3 564	13 367
Aboriginal Advancement	..	3 538	4 049	3 958	4 737
Local Government Development Program	..	489	742	308	308
Bid Assistance 1992 Olympics	..	..	300	300	..
Aerodrome Local Ownership Plan	884	1 582	1 088	1 624	1 421
Total Recurrent	2 459	8 524	12 654	9 822	19 950
Direct Payments—Capital					
Aged and Disabled Persons Homes and Hostels	1 013	383	49	48	65
Children's Services	366	400	282	21	2 022
Aboriginal Advancement	..	650	737	745	778
Aerodrome Local Ownership Plan	2 062	1 610	1 225	839	1 433
Total Capital	3 441	3 043	2 293	1 652	4 298
Total Direct Payments	5 899	11 567	14 948	11 474	24 247
Total Direct *plus* General Assistance	83 346	93 599	105 315	109 297	131 239

(*a*) The local government general purpose financial assistance grant is paid in the first instance to the State government.

(*b*) From 1987–88 all Home and Community Care payments for local government will be made in the first instance to the State government.

(*c*) From 1986–87 included in Home and Community Care.

Table 124—Summary of Commonwealth Government Payments to or for Local Government Authorities in Western Australia 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Local Government General Purpose Financial Assistance (*a*)	43 130	45 684	50 326	54 477	59 372
Direct Payments—Recurrent Grants					
Nursing Homes	546	606	888	1 324	25
Home and Community Care	..	..	284	62	(*b*)
Home Nursing	..	..	2 392	(*c*)	..
Delivered Meals Subsidy	153	112	..	..	..
Aged and Disabled Persons Homes	123	179	234	175	285
Handicapped Persons Assistance	26	..	..	..	..
Children's Services	2 111	3 089	5 156	5 893	7 322
Homeless Persons Assistance	14	10	..	..	..
Aboriginal Advancement	..	116	95	56	60
Local Government Development Program	..	380	407	231	231
Aerodrome Local Ownership Plan	380	469	552	638	792
Total Recurrent	3 354	4 961	10 009	8 379	8 715
Direct Payments—Capital					
Aged and Disabled Persons Homes and Hostels	1 058	796	..	464	625
Handicapped Persons Assistance	4	..	..	..	..
Children's Services	265	470	424	1 452	416
Homeless Persons Assistance	2	..	..	..	..
Aerodrome Local Ownership Plan	7 156	1 649	548	120	400
Total Capital	8 486	2 915	972	2 036	1 441
Total Direct Payments	11 840	7 876	10 981	10 415	10 156
Total Direct *Plus* General Assistance	54 970	53 560	61 306	64 892	69 528

(*a*) The local government general purpose financial assistance grant is paid in the first instance to the State government

(*b*) From 1987–88 all Home and Community Care payments for local government will be made in the first instance to the State government.

(*c*) From 1986–87 included in Home and Community Care.

Table 125—Summary of Commonwealth Government Payments to or for Local Government Authorities in South Australia 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Local Government General Purpose Financial Assistance (*a*)	39 507	41 847	46 098	49 901	55 601
Direct Payments—Recurrent Grants					
Nursing Homes	1 037	1 481	2 523	2 975	425
Home Nursing (*b*)	..	..	1 171	..	..
Aged and Disabled Persons Homes	242	503	503	480	476
Handicapped Persons Assistance	..	..	13	7	..
Children's Services	502	784	1 017	1 096	4 864
Aboriginal Advancement	..	..	22	30	110
Local Government Development Program	..	311	396	207	207
Aerodrome Local Ownership Plan	134	166	158	134	203
Total Recurrent	1 915	3 245	5 803	4 929	6 285
Direct Payments—Capital					
Aged and Disabled Persons Homes and Hostels	1 685	636	614	1 361	1 832
Children's Services	8	1	129	35	980
Aerodrome Local Ownership Plan	337	1 153	1 305	172	1 923
Total Capital	2 030	1 789	2 047	1 568	4 735
Total Direct Payments	3 944	5 035	7 850	6 497	11 020
Total Direct Plus General Assistance	43 452	46 881	53 948	56 398	66 621

(*a*) The local government general purpose financial assistance grant is paid in the first instance to the State government.
(*b*) From 1986–87 included in Home and Community Care.

Table 126—Summary of Commonwealth Government Payments to or for Local Government Authorities in Tasmania 1983-84 to 1987-88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Local Government General Purpose Financial Assistance (*a*)	14 697	15 568	17 149	18 564	19 314
Direct Payments—Recurrent Grants					
Home Nursing (*b*)	..	..	503	..	..
Handicapped Persons Assistance	..	..	..	10	..
Aboriginal Advancement	..	..	..	..	5
Children's Services	1 132	2 186	2 537	2 888	3 519
Local Government Development Program	..	142	190	99	99
Aerodrome Local Ownership Plan	6	9	27	24	21
Total Recurrent	1 138	2 337	3 257	3 021	3 644
Direct Payments—Capital					
Aged and Disabled Persons Homes and Hostels	424	18	..	8	10
Children's Services	79	28	110	152	207
Aerodrome Local Ownership Plan	41	..	3	..	2
Total Capital	544	46	113	160	219
Total Direct Payments	1 682	2 383	3 370	3 181	3 863
Total Direct *Plus* General Assistance	16 379	17 951	20 519	21 745	23 177

(*a*) The local government general purpose financial assistance grant is paid in the first instance to the State government.
(*b*) From 1986–87 included in Home and Community Care.

Table 127—Summary of Commonwealth Government Payments to or for Local Government Authorities in the Northern Territory 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Local Government General Purpose Financial Assistance (*a*)	2 199	2 330	2 566	5 430	6 054
Direct Payments—Recurrent Grants					
Home and Community Care	..	..	..	2	(*b*)
Delivered Meals Subsidy	3	4	..	..	..
Children's Services	501	461	620	904	1 738
Aboriginal Advancement	..	..	829	179	120
Local Government Development Program	..	..	50	..	..
Aerodrome Local Ownership Plan	106	32	107	..	..
Total Recurrent	609	497	1 606	1 085	1 858
Direct Payments—Capital					
Aged and Disabled Persons' Homes and Hostels	..	..	..	604	40
Children's Services	2	363	33	13	166
Total Capital	2	363	33	617	206
Total Direct Payments	611	860	1 638	1 702	2 064
Total Direct *Plus* General Assistance	2 810	3 189	4 205	7 132	8 118

(*a*) The local government general purpose financial assistance grant is paid in the first instance to the State Government.
(*b*) From 1986-87 all Home and Community Care payments for local government will be made in the first instance to the Northern Territory Government.

Table 128—Summary of Commonwealth Government Payments to or for Local Government Authorities in the States and the Northern Territory 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Local Government General Purpose Financial Assistance (*a*)	461 535	488 864	538 532	585 613	642 477
Direct Payments—Recurrent Grants					
Nursing Homes	2 420	3 012	5 265	6 980	600
Home and Community Care	..	..	4 204	3 619	(*b*)
Home Nursing	696	707	14 598	(*c*)	..
Delivered Meals Subsidy	2 203	1 931	..	..	..
Aged and Disabled Persons Homes	1 251	1 786	2 213	2 355	3 244
Handicapped Persons Assistance	114	94	137	57	110
Children's Services	21 027	34 800	53 492	63 120	73 809
Homeless Persons Assistance	21	67	..	..	..
Subsidy for Migrant Aid	30	24	35	28	40
Aboriginal Advancement	..	3 959	5 049	4 287	5 242
Local Government Improvement Program	1 452	..	..	..	..
Local Government Development Program	..	4 655	5 000	2 000	2 000
Bid Assistance 1992 Olympics	..	..	300	300	..
Aerodrome Local Ownership Plan	3 176	4 045	3 760	4 860	5 376
Total Recurrent	32 389	55 080	94 054	87 605	90 421
Direct Payments—Capital					
Aged and Disabled Persons Homes and Hostels	6 280	5 432	4 313	5 359	6 440
Handicapped Persons Assistance	10	..	31	..	60
Children's Services	1 254	1 930	1 530	3 303	8 174
Homeless Persons Assistance	3	1	..	..	..
Aboriginal Advancement	..	650	737	745	778
Aerodrome Local Ownership Plan	13 325	11 448	10 849	4 500	6 973
Total Capital	20 872	19 460	17 460	13 906	22 425
Total Direct Payments	53 262	74 540	111 514	101 511	112 846
Total Direct Plus General Assistance	514 797	563 403	650 046	687 124	755 323

(*a*) The local government general purpose financial assistance grant is paid in the first instance to the State government

(*b*) From 1987–88 all Home and Community Care payments for local government will be made in the first instance to State governments.

(*c*) From 1986–87 included in Home and Community Care.

APPENDIX V—TABLES OF ASSISTANCE TO OR FOR THE STATES AND THE NORTHERN TERRITORY 1983-84 TO 1987-88

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134	South Australia	205
135	Tasmania	208
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Table 129—Six States Total—Commonwealth Payments and Loan Council Borrowings (*a*) 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	8 538 032	9 058 429	..	..	..
Financial Assistance Grants	..	..	9 781 693	10 889 647	11 756 085
Special Revenue Assistance	183 500	51 300	87 177	45 625	30 958
Health Grants	1 168 864	1 373 626	1 483 302	1 651 313	1 782 701
Total	9 890 395	10 483 355	11 352 173	12 586 586	13 569 743
GENERAL PURPOSE CAPITAL FUNDS					
Loan Council Borrowings—					
Loan Portion	752 219	637 236	580 145	240 787	..
Housing Nomination	227 114	405 764	426 355	533 794	357 208
Capital Grants	489 667	521 500	558 000	429 426	176 104
Total	1 469 000	1 564 500	1 564 500	1 204 007	533 312
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	15 249	15 170	..	..	..
Sinking Fund on State Debt	45 490	47 099	48 598	49 867	50 084
Emergency Services	2 073	2 502	2 570	2 918	2 965
Universities	969 344	1 041 430	1 147 573	1 167 948	1 207 148
Colleges of Advanced Education	663 398	714 915	799 441	820 751	857 147
State Contribution to Higher Education Superannuation	..	..	..	..	−11 000
Technical and Further Education	116 042	126 078	132 796	147 297	124 713
Schools	1 080 800	1 157 086	1 282 048	1 379 968	1 448 224
Education—Cost Escalation Allowance	..	..	..	..	148 978
Pre-School Education	32 750	32 750	16 375	..	..
School-to-Work Transition	24 472	..	..	..	..
Participation and Equity Program	26 985	88 020	63 181	40 582	26 608
Public Hospitals—Running Costs	127 296	..	..	119	..
Community Health Program	92	..	..	..	..
Medicare	272 395	912 896	983 106	1 005 503	1 070 623
Hospital Waiting List Reduction	..	..	..	..	24 490
Nurse Education	..	..	..	7 125	9 279
School Dental Scheme	..	762	..	..	..
Drug Education Campaigns	1 721	1 809	13 625	14 516	15 485
Blood Transfusion Services	10 830	11 322	14 000	13 915	14 935
Transfer of Pathology Laboratory	..	..	670	1 725	1 903
National Diseases Control	395	449	598	499	372
Funds to Combat AIDS	..	3 697	5 457	5 580	8 959
Home Care Services	24 882	34 890	..	..	..
Senior Citizens' Centres	2 657	2 588	..	..	..
Paramedical Services	1 412	1 517	..	..	..
Home and Community Care	..	..	51 471	98 542	166 075
Geriatric Assessment	..	..	3 901	6 110	7 239
Supported Accommodation Assistance	..	17 025	30 859	43 731	38 731
Women's Emergency Services	3 842	1 899	..	..	..
Children's Services	14 840	12 017	11 926	11 839	14 369
Family Support Scheme	..	2 769	3 409	5 732	9 229
International Year of Homeless	..	..	122	147	..
Rehabilitation Centres	1 509	1 843	1 990	4 686	438
Rainforest Conservation	..	..	..	1 021	13 197
Mortgage and Rent Relief	17 905	21 390	22 492	23 873	24 763
Translating and Interpreting Services	550	766	749	842	1 211
Supervision of Refugee Minors	..	..	235	348	370
Aboriginal Advancement	30 266	31 013	31 094	29 846	29 331
Assistance for Housing	5 500	5 500	5 500	5 500	5 500
Urban Flood Mitigation	..	..	715	375	72
EXPO 88 Participation	..	..	..	..	500
America's Cup Defence	..	4 223	1 773	5 957	..
Nature Conservation	200	..	..	..	..

Table 129—Six States Total—Commonwealth Payments and Loan Council Borrowings (a) 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
South West Tasmania—Heritage Area	..	498	2 000	2 000	2 200
International Youth Year	..	515	..	..	..
Aerodrome Local Ownership Plan	537	212	951	327	621
Interstate Road Transport	..	..	..	1 358	4 862
Urban Water Supply and Treatment	..	..	553	849	830
Rural Adjustment Scheme	5 761	5 679	7 320	33 478	41 160
Fertiliser Assistance	..	..	17 300	42 600	18 500
Sugar Industry	..	..	1 728	23 522	15 000
Canned Fruit Industry	279	..	..	..	..
Dried Vine Fruits Assistance	..	..	19	1 405	22
Wine Industry Adjustment	..	..	1 300	3 543	5
Apple and Pear Export Assistance	507	169	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	25 295	28 372	26 766	29 536	21 702
Exotic Diseases Eradication	..	120	1 221	119	138
Destruction of Organochlorines	..	..	..	..	857
Agricultural Research	299	389	468	792	1 354
River Murray Waters Agreement	9	..	..	..	..
Irrigation and Other Water Projects	..	..	8 403	3 347	2 065
National Industry Extension Service	..	..	..	6 776	7 329
Assistance to Tin Mining	..	..	..	948	..
Other Mining Assistance	..	..	..	..	300
Soil Conservation	572	3 102	3 555	4 122	4 493
Coal Mining Industry—Long Service Leave	18 266	19 114	17 857	19 769	22 684
Special Employment Programs	97 640	..	..	−3 920	−225
Community Employment Program	243 810	351 216	254 501	179 290	94 487
Employment Training—Aboriginal	..	..	7 978	7 546	7 352
Company Fees—Revenue Sharing	..	..	..	413	594
Regional Economic Studies Centre	40	40	40	..	..
Legal Aid	34 940	38 269	43 904	52 919	76 810
Human Rights	..	837	983	1 385	1 100
Reimbursement of Costs—Law Library	235	320	367	330	585
Road Safety Practices	150	150	..	..	..
Financial Assistance—Local Government	459 335	486 534	535 966	580 183	636 423
Drought—Fodder Subsidy	18 362	−452	..	..	..
Natural Disaster Relief	28 596	1 668	6 284	9 464	5 674
Assistance for South West Tasmania	20 333	21 493	25 290	26 529	28 298
Total Specific Purpose Payments—Recurrent	4 447 863	5 251 670	5 641 026	5 925 489	6 307 158
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	5 299	5 959	4 258	2 437	1 993
Universities	66 686	70 264	79 140	102 978	115 911
Colleges of Advanced Education	46 171	51 334	64 227	86 702	101 370
Technical and Further Education	114 619	158 336	139 518	163 657	165 352
Schools	190 207	208 571	218 157	197 193	211 990
Video Facilities	830	842	1 032	981	453
Education—Cost Escalation Allowance	..	..	..	..	4 850
Launceston General Hospital	194	157	766	5 707	11 204
Albury RALA Sub-Centre	..	..	..	..	85
Teaching Hospitals	..	..	47 040	47 040	47 040
School Dental Scheme	165	..	..	..	..
Blood Tranfusion Services	653	1 838	1 301	2 082	2 249
Women's Health Screening	..	..	..	..	831
High Security Quarantine Unit	..	283	30	..	..
Senior Citizens' Centres	3 876	5 222	..	..	..
Home and Community Care	..	..	5 975	12 288	8 280
Crisis Accommodation Program	3 700	12 451	13 043	13 843	15 300
Supported Accommodation Assistance	..	..	..	..	1 000
Children's Services	2 483	10 592	1 402	6 237	18 438
Rehabilitation Centres	18	..	..	..	..
Aboriginal Advancement	6 220	7 777	5 233	8 316	6 803
Pensioner Housing Grants	31 500	34 500	36 077	36 477	36 977
Housing Assistance for Aborigines	42 416	42 416	44 716	46 209	47 503
Local Government and Community Housing Grants	..	6 937	9 908	10 896	11 800

Table 129—Six States Total—Commonwealth Payments and Loan Council Borrowings (a) 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Other Housing Assistance	397 405	474 717	498 194	530 989	533 239
Growth Centres	37 360	9 832	6 046	..	..
Urban Flood Mitigation	5 642	4 785	5 229	4 843	4 910
Land Acquisition	8 677	..	..	..	..
Urban Rehabilitation	512	634	4 000	3 000	..
Captains Flat Project	..	120	174	182	20
Special Sewerage Assistance	7 900	..	..	..	..
Bicentennial Programs Assistance	..	5 151	13 014	19 706	22 674
America's Cup Defence	..	277	14 977	9	..
National Maritime Museum	..	..	2 000	18 000	10 000
Sesquicentenary Grants	3 275	2 457	988	..	..
Nature Conservation	..	..	..	12	..
National Estate	2 500	2 625	2 750	2 940	3 050
Port Arthur Conservation Program	1 200	600	500	..	..
National Standard Sports Facilities	7 335	10 834	7 000	6 064	5 200
Aerodrome Local Ownership Plan	16 775	1 364	215	5	27
Roads	751 822	797 240	..	..	..
Australian Land Transport Program	..	..	775 747	776 450	733 200
Australian Bicentennial Roads Development	410 588	403 185	428 850	428 800	471 000
Burbong Bridge Construction	1 000	1 000	100	294	..
Second Hobart Bridge	4 898	926	3 923	61	..
Railway Projects	..	42	..	38	..
Railway Mainline Upgrading	4 150	..	..	..	..
Bass Strait Passenger Service	958	25 042	..	..	..
Transport Improvement Grant	..	19 000	9 700	..	..
Urban Water Supply and Treatment	15 490	13 089	8 100	9 146	10 874
Special Assistance for Water	..	20 250	..	17 000	..
Rural Adjustment Scheme	37 473	24 794	9 402	..	..
Sugar Industry	3 907	8 436	..	..	..
Support for Steel Regions	9 803	17 348	15 625	36 610	12 460
Canned Fruit Industry	4 100	..	..	..	..
Bovine, Brucellosis and Tuberculosis Eradication	..	..	831	23	813
Plant Genetic Resources Program	..	357	348	485	111
Fisheries Management	..	..	1 088	1	3 113
Assistance for Grand Prix Racing	..	5 000	..	..	..
Burdekin Dam Construction	13 000	20 000	26 000	30 007	29 000
Salinity Reduction Control	6 154	6 673	3 618	4 301	4 735
Irrigation and Other Water Projects	13 456	12 826	4 213	4 050	4 000
Portland Aluminium Smelter	..	..	..	1 500	..
Other Mining Assistance	..	2 048	..	..	..
Western Australian Pastoral Industry Assistance	..	6 000	..	..	..
Special Employment—Public Housing	44 538	..	..	..	..
Natural Disaster Relief	108 036	9 613	19 913	26 867	19 226
Assistance for South West Tasmania	42 573	12 378	8 281	3 347	1 402
Total Specific Purpose Payments—Capital	2 475 566	2 536 125	2 542 649	2 667 773	2 678 483
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	11 359 395	12 047 855	12 916 673	13 790 593	14 103 055
For Specific Purposes	6 923 429	7 787 794	8 183 675	8 593 262	8 985 641
TOTAL	18 282 824	19 835 649	21 100 348	22 383 855	23 088 697

Table 130—New South Wales—Commonwealth Payments and Loan Council Borrowings (*a*), 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	2 576 810	2 693 115	..	..	..
Financial Assistance Grants	..	..	3 012 615	3 350 031	3 613 865
Special Revenue Assistance	47 100	..	..	2 063	7 871
Health Grants	489 116	521 442	563 000	626 560	676 386
Total	3 113 026	3 214 557	3 575 615	3 978 654	4 298 122
GENERAL PURPOSE CAPITAL FUNDS					
Loan Council Borrowings—					
Loan Portion	296 563	257 143	260 344	100 152	..
Housing Nomination	20 000	80 000	65 000	150 227	114 447
Capital Grants	158 282	168 572	180 371	138 809	58 224
Total	474 845	505 715	505 715	389 188	172 671
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	5 835	5 835	..	..	..
Sinking Fund on State Debt	15 010	15 680	16 258	16 775	16 902
Emergency Services	593	716	680	721	770
Universities	368 063	398 558	438 264	443 918	461 876
Colleges of Advanced Education	174 046	180 481	202 336	207 688	218 985
State Contribution to Higher Education Superannuation	..	..	..	..	−4 700
Technical and Further Education	45 489	48 240	51 529	55 641	47 952
Schools	382 973	409 726	455 835	491 185	513 504
Education—Cost Escalation Allowance	..	..	..	..	51 322
Pre-school Education	7 130	7 130	3 565	..	..
School-to-Work Transition	8 485	..	..	..	..
Participation and Equity Program	7 972	31 825	22 070	11 881	11 763
Community Health Program	92	..	..	..	..
Medicare	104 096	351 903	420 755	414 988	440 186
Hospital Waiting List Reduction	..	..	..	..	9 570
Nurse Education	..	..	..	..	1 353
School Dental Scheme	..	301	..	..	..
Drug Education Campaigns	502	547	4 724	5 045	5 384
Blood Transfusion Services	2 992	3 228	3 719	3 782	4 060
National Diseases Control	55	103	103	82	90
Funds to Combat AIDS	..	1 529	2 397	2 325	4 613
Home Care Services	11 850	15 736	..	..	..
Senior Citizens' Centres	901	723	..	..	..
Home and Community Care	..	..	21 587	37 287	60 738
Geriatric Assessment	..	..	1 305	2 071	1 983
Supported Accommodation Assistance	..	6 287	10 994	14 063	12 505
Women's Emergency Services	1 345	670	..	..	..
Children's Services	4 032	1 902	1 556	2 012	2 261
Family Support Scheme	..	569	773	1 525	2 574
International Year of Homeless	..	..	32	38	..
Rehabilitation Centres	286	326	378	977	438
Rainforest Conservation	..	..	..	881	2 958
Mortgage and Rent Relief	6 980	7 658	8 020	8 508	8 817
Translating and Interpreting Services	255	217	182	255	230
Unattached Refugee Children	..	..	88	221	147
Aboriginal Advancement	4 061	4 505	4 068	3 357	3 048
Assistance for Housing	1 848	1 848	1 848	1 848	1 848
Urban Flood Mitigation	..	..	..	207	35
Expo 88 Participation	..	..	..	..	100
International Youth Year	..	139	..	..	..
Aerodrome Local Ownership Plan	18	35	10	39	66
Interstate Road Transport	..	..	..	570	2 041
Urban Water Supply and Treatment	..	..	..	105	130
Rural Adjustment Scheme	916	1 261	1 019	8 285	13 440

Table 130—New South Wales—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Fertiliser Assistance	..	..	1 584	7 271	3 136
Sugar Industry	..	..	..	762	2 000
Bovine Brucellosis and Tuberculosis Eradication	6 169	6 433	5 106	3 137	1 766
Exotic Diseases Eradication	..	72	84	64	23
Destruction of Organochlorines	..	..	..	..	143
Agricultural Research	91	161	150	224	458
Irrigation and Other Water Projects	..	..	1 446	311	155
National Industry Extension Service	..	..	..	2 319	2 499
Assistance to Tin Mining	..	..	..	112	..
Other Mining Assistance	..	..	..	..	300
Soil Conservation	173	825	973	1 157	1 267
Coal Mining Industry—Long Service Leave	13 956	15 034	13 968	13 866	16 894
Special Employment Programs	34 962	..	..	−1 807	..
Community Employment Program	86 297	125 316	90 750	63 903	35 573
Employment Training—Aboriginal	..	..	3 076	2 909	2 834
Company Fees—Revenue Sharing	..	..	..	179	235
Legal Aid	219	562	434	6 032	25 046
Human Rights	..	314	333	500	415
Reimbursement of Costs—Law Library	235	320	367	330	585
Road Safety Practices	37	37	..	..	..
Financial Assistance—Local Government	167 647	177 574	195 615	211 754	229 137
Drought—Fodder Subsidy	7 500	−62	..	..	..
Natural Disaster Relief	7 370	381	..	2 993	2 060
Total Specific Purpose Payments—Recurrent	1 480 483	1 824 644	1 987 977	2 052 296	2 221 514
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	2 597	4 685	3 891	1 634	1 476
Universities	26 068	25 908	32 319	38 519	45 204
Colleges of Advanced Education	18 023	15 754	18 097	27 380	31 617
Technical and Further Education	41 062	50 739	44 332	56 786	61 625
Schools	63 733	71 152	74 245	68 192	72 172
Video Facilities	190	223	206	202	93
Education—Cost Escalation Allowance	..	..	..	..	1 645
Albury RALA Sub-Centre	..	..	..	..	85
Teaching Hospitals	..	..	16 811	16 811	16 811
Blood Transfusion Services	110	336	276	401	470
Women's Health Screening	..	..	..	..	241
Senior Citizens Centres	779	1 954	..	..	..
Home and Community Care	..	..	1 185	994	1 380
Crisis Accommodation Program	1 323	4 443	4 651	4 933	5 447
Supported Accommodation Assistance	..	..	..	..	1 000
Children's Services	2 000	3 634	..	26	4 753
Aboriginal Advancement	503	2 021	100	..	63
Pensioner Housing Grants	11 897	13 376	13 913	14 282	14 517
Housing Assistance for Aborigines	12 345	12 345	12 771	12 345	12 345
Local Government and Community Housing Grants	..	2 475	3 533	3 883	4 201
Public Housing	133 148	160 461	169 739	182 340	184 439
Growth Centres	23 892	9 832	6 046	..	..
Urban Flood Mitigation	2 270	1 783	2 656	2 442	2 575
Land Acquisition	3 971	..	..	..	..
Urban Rehabilitation	512	630	4 000	3 000	..
Captains Flat Project	..	120	174	182	20
Bicentennial Programs	..	3 915	1 986	8 949	3 928
National Maritime Museum	..	..	2 000	18 000	10 000
National Estate	417	438	458	490	508
National Standard Sports Facilities	4 871	5 194	4 698	485	..
Aerodrome Local Ownership Plan	..	17	..	..	10
Roads	243 444	258 148	..	..	..
Australian Land Transport Program	..	..	253 300	255 050	238 400
Australian Bicentennial Roads Development	151 753	134 200	141 194	140 000	156 200
Burbong Bridge Construction	1 000	1 000	100	294	..
Urban Water Supply and Treatment	1 000	..	575	632	1 645

Table 130—New South Wales—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Rural Adjustment Scheme	5 644	6 423	2 520	..	..
Support for Steel Regions	9 803	16 150	14 791	32 695	9 079
Canned Fruit Industry	4 100	..	..	..	..
Plant Genetic Resource Program	..	177	..	..	6
Salinity Reduction Control	1 850	2 000	2 100	2 266	1 576
Irrigation and Other Water Projects	1 480	1 307	13	50	..
Other Mining Assistance	..	2 048	..	..	..
Special Employment—Public Housing	17 492	..	..	..	..
Natural Disaster Relief	11 227	..	418	..	3 726
Total Specific Purpose Payments—Capital	798 505	812 886	833 097	893 263	887 257
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	3 587 871	3 720 272	4 081 330	4 367 842	4 470 793
For Specific Purposes	2 278 988	2 637 530	2 821 075	2 945 559	3 108 771
Total	5 866 859	6 357 802	6 902 405	7 313 401	7 579 564

Table 131—Victoria—Commonwealth Payments and Loan Council Borrowings (*a*), 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	1 926 238	2 019 927	..	..	..
Financial Assistance Grants	..	..	2 248 332	2 493 990	2 685 033
Special Revenue Assistance	62 800	31 000	..	435	3 604
Health Grants	323 248	344 218	371 037	411 908	443 776
Total	2 312 287	2 395 145	2 619 369	2 906 333	3 132 414
GENERAL PURPOSE CAPITAL FUNDS					
Loan Council Borrowings—					
Loan Portion	201 548	216 949	177 003	77 839	..
Housing Nomination	44 488	45 082	75 858	116 758	94 636
Capital Grants	123 019	131 016	140 186	107 884	48 318
Total	369 055	393 047	393 047	302 481	142 954
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments under Financial Agreement—					
Interest on State Debt	4 254	4 254	..	..	..
Sinking Fund on State Debt	11 398	11 844	12 278	12 728	12 830
Emergency Services	431	512	485	495	490
Universities	256 957	274 555	302 729	308 165	315 977
Colleges of Advanced Education	234 310	257 331	284 566	291 563	303 715
State Contribution to Higher Education Superannuation	..	..	..	..	−4 760
Technical and Further Education	32 569	35 514	33 778	37 293	30 537
Schools	330 391	349 687	380 186	407 894	428 231
Education—Cost Escalation Allowance	..	..	..	..	43 833
Pre-school Education	9 015	9 015	4 508	..	..
School-to-Work Transition	5 795	..	..	..	..
Participation and Equity Program	7 771	23 006	15 560	10 996	5 976
Medicare	80 045	249 187	256 040	266 839	283 635
Hospital Waiting List Reduction	..	..	..	..	7 000
Nurse Education	..	..	..	4 256	4 091
Drug Education Campaigns	378	397	3 472	3 803	4 059
Blood Transfusion Services	3 749	3 608	4 854	4 519	4 850
National Diseases Control	103	104	220	180	107
Funds to Combat AIDS	..	876	1 493	1 469	1 724
Home Care Services	8 024	10 213	..	..	..
Senior Citizens' Centres	1 208	1 268	..	..	..
Paramedical Services	492	552	..	..	..
Home and Community Care	..	..	15 054	29 732	50 859
Geriatric Assessment	..	..	1 598	2 464	3 292
Supported Accommodation Assistance	..	2 786	5 818	11 125	9 650
Women's Emergency Services	820	410	..	..	..
Children's Services	4 044	2 990	1 903	1 514	1 838
Family Support Services	..	903	993	1 715	2 952
International Year of Homeless	..	..	61	78	..
Rainforest Conservation	..	..	..	69	561
Mortgage and Rent Relief	5 250	5 771	6 043	6 400	6 623
Translating and Interpreting Services	117	317	410	482	471
Unattached Refugee Children	..	..	54	75	114
Aboriginal Advancement	1 864	1 700	1 882	2 087	2 109
Assistance for Housing	1 347	1 347	1 347	1 347	1 347
Urban Flood Mitigation	..	..	359	85	37
Expo 88 Participation	..	..	..	..	100
International Youth Year	..	117	..	..	..
Interstate Road Transport	..	..	..	339	1 215
Urban Water Supply and Treatment	..	..	540	664	600
Rural Adjustment Scheme	1 261	1 180	2 990	9 608	9 240
Fertiliser Assistance	..	..	2 973	8 105	2 930
Canned Fruit Industry	279	..	..	..	..
Dried Vine Fruits Assistance	..	..	19	1 021	15

Table 131—Victoria—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Wine Industry Adjustment	..	..	..	692	..
Apple and Pear Export Assistance	56	2	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	4 504	4 281	4 042	3 266	2 053
Exotic Diseases Eradication	..	..	1 132	12	35
Destruction of Organochlorines	..	..	..	..	143
Agricultural Research	67	90	154	206	326
River Murray Waters Agreement	9	..	..	..	..
Irrigation and Other Water Projects	..	..	2 532	2 280	1 768
National Industry Extension Service	..	..	..	2 043	2 227
Soil Conservation	128	499	533	578	624
Special Employment Programs	26 331	..	..	−2 060	..
Community Employment Program	64 012	94 428	68 434	48 061	24 377
Employment Training—Aboriginal	..	..	258	244	238
Company Fees—Revenue Sharing	..	..	..	65	95
Legal Aid	15 337	15 065	17 827	19 279	21 419
Human Rights	..	274	254	320	277
Road Safety Practices	30	30	..	..	..
Financial Assistance—Local Government	116 907	123 829	136 410	147 664	166 007
Drought—Fodder Subsidy	6 274	−28	..	..	..
Natural Disaster Relief	4 556	..	..	..	770
Total Specific Purpose Payments—Recurrent	1 240 080	1 487 912	1 573 788	1 649 763	1 756 607
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	..	1 226	279	415	174
Universities	14 557	20 692	21 334	23 126	26 497
Colleges of Advanced Education	15 675	21 068	23 934	26 571	27 416
Technical and Further Education	29 945	49 700	40 800	44 777	46 402
Schools	53 229	55 004	54 404	52 586	59 735
Video Facilities	23	12	32	20	9
Education—Cost Escalation Allowance	..	..	..	..	1 344
Teaching Hospitals	..	..	12 652	12 652	12 652
Blood Transfusion Services	105	..	300	745	1 028
Women's Health Screening	..	..	..	..	184
High Security Quarantine Unit	..	283	30	..	..
Senior Citizens' Centres	888	1 600	..	..	..
Home and Community Care	..	..	3 052	5 195	3 187
Crisis Accommodation Program	996	3 348	3 504	3 711	4 092
Children's Services	..	2 225	..	2 322	5 847
Aboriginal Advancement	..	80	..	..	..
Pensioner Housing Grants	7 793	8 421	8 646	8 509	8 560
Housing Assistance for Aborigines	3 417	3 417	3 417	3 417	3 417
Local Government and Community Housing Grants	..	1 865	2 662	2 921	3 156
Public Housing	104 443	125 147	131 575	140 377	141 004
Growth Centres	13 468	..	..	..	..
Urban Flood Mitigation	1 047	1 267	795	1 409	1 603
Urban Rehabilitation	..	4	..	..	..
Bicentennial Programs Assistance	..	500	5 025	3 000	6 550
Sesquicentenary Grants	2 400	1 932	568	..	..
Nature Conservation	..	..	..	12	..
National Estate	417	438	458	490	508
National Standard Sports Facilities	258	3 136	..	2 281	1 229
Roads	156 523	165 979	..	..	..
Australian Land Transport Program	..	..	159 700	160 200	154 000
Australian Bicentennial Roads Development	72 604	82 487	94 200	93 500	99 500
Railway Mainline Upgrading	1 785	..	..	..	..
Transport Improvement Grant	..	19 000	..	..	..
Urban Water Supply and Treatment	2 018	755	291	761	1 204
Rural Adjustment Scheme	5 577	4 118	2 087	..	..
Plant Genetic Resource Program	..	..	300	..	75
Salinity Reduction Control	1 304	2 595	885	875	832
Irrigation and Other Water Projects	1 296	1 629	..	..	..
Portland Aluminium Smelter	..	..	..	1 500	..

Table 131—Victoria—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Special Employment—Public Housing	15 371	..	..	..	..
Natural Disaster Relief	12 763	−540	−316	−278	1 866
Total Specific Purpose Payments—Capital	517 902	577 387	570 614	591 093	612 071
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	2 681 342	2 788 192	3 012 416	3 208 814	3 275 368
For Specific Purposes	1 757 982	2 065 300	2 144 403	2 240 856	2 368 678
Total	4 439 324	4 853 492	5 156 819	5 449 670	5 644 046

Table 132—Queensland—Commonwealth Payments and Loan Council Borrowings (*a*), 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	1 684 834	1 885 612	..	..	..
Financial Assistance Grants	..	..	1 973 578	2 205 989	2 390 389
Special Revenue Assistance	31 000	..	10 000	3 193	8 657
Health Grants	99 992	104 684	113 515	126 984	137 697
Total	1 815 825	1 990 296	2 097 093	2 336 166	2 536 743
GENERAL PURPOSE CAPITAL FUNDS					
Loan Council Borrowings—					
Loan Portion	119 853	108 295	93 419	41 082	..
Housing Nomination	10 000	30 000	40 037	61 622	24 966
Capital Grants	64 926	69 147	73 986	56 939	12 483
Total	194 779	207 442	207 442	159 643	37 449
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	2 192	2 192	..	..	..
Sinking Fund on State Debt	6 013	6 277	6 653	6 879	6 930
Emergency Services	587	600	555	690	642
Universities	138 705	149 006	164 896	168 747	175 566
Colleges of Advanced Education	100 021	107 942	124 822	130 099	134 724
Technical and Further Education	12 119	14 161	16 423	21 400	17 785
Schools	166 839	181 590	204 456	220 760	233 055
Education—Cost Escalation Allowance	..	..	..	..	22 724
Pre-School Education	6 605	6 605	3 303	..	..
School-to-Work Transition	4 329	..	..	..	..
Participation and Equity Program	5 297	13 626	10 966	7 876	3 674
Public Hospitals—Running Costs	6 770	..	..	..	..
Medicare	29 075	75 573	72 083	78 560	83 230
Hospital Waiting List Reduction	..	..	..	..	3 250
Nurse Education	..	..	..	..	1 269
Drug Education Campaigns	291	306	2 254	2 420	2 582
Blood Transfusion Services	1 373	1 599	1 927	2 130	2 286
National Diseases Control	164	153	160	120	80
Funds to Combat AIDS	..	441	497	519	995
Home Care Services	1 918	3 261	..	..	..
Senior Citizens' Centres	109	145	..	..	..
Home and Community Care	..	..	5 165	9 015	15 814
Geriatric Assessment	..	..	157	213	663
Supported Accommodation Assistance	..	2 608	4 819	7 149	6 557
Women's Emergency Services	691	346	..	..	..
Children's Services	1 378	692	500	481	597
Family Support Services	..	306	336	671	1 157
International Year of Homeless	..	..	5	20	..
Rainforest Conservation	..	..	..	..	9 264
Mortgage and Rent Relief	1 600	3 469	3 724	3 968	4 132
Translating and Interpreting Services	59	68	52	..	220
Supervision of Refugee Minors	..	..	20	2	31
Aboriginal Advancement	5 967	5 632	5 575	5 668	6 080
Assistance for Housing	423	423	423	423	423
Nature Conservation	200	..	..	..	..
International Youth Year	..	88	..	..	..
Aerodrome Local Ownership Plan	404	..	669	24	259
Interstate Road Transport	..	..	..	185	662
Rural Adjustment Scheme	1 091	1 739	1 028	4 347	6 720
Fertiliser Assistance	..	..	3 143	6 626	3 657
Sugar Industry	..	..	1 728	22 760	13 000
Wine Industry Adjustment	..	..	..	211	4
Apple and Pear Export Assistance	4	..	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	9 990	12 752	14 092	19 950	14 468
Exotic Diseases Eradication	..	48	..	43	9

Table 132—Queensland—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Destruction of Organochlorines	..	..	..	..	143
Agricultural Research	55	77	103	144	365
Irrigation and Other Water Projects	..	..	900	..	..
National Industry Extension Service	..	..	..	866	951
Assistance to Tin Mining	..	..	..	757	..
Soil Conservation	113	611	738	886	970
Coal Mining Industry—Long Service Leave	3 246	3 109	3 092	5 123	5 000
Special Employment Programs	15 950	..	..	−21	..
Community Employment Program	41 268	57 960	42 073	29 790	14 771
Employment Training—Aboriginal	..	..	2 462	2 329	2 269
Company Fees--Revenue Sharing	..	..	..	59	86
Legal Aid	8 429	10 096	11 307	11 871	12 955
Road Safety Practices	28	28	..	..	..
Financial Assistance—Local Government	77 447	82 033	90 367	97 823	106 992
Drought—Fodder Subsidy	800	−194	..	..	..
Natural Disaster Relief	13 742	1 183	6 214	6 471	2 403
Total Specific Purpose Payments—Recurrent	665 291	746 550	807 686	878 053	919 413
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	2 559	48	27	257	202
Universities	12 782	10 573	9 658	15 400	19 875
Colleges of Advanced Education	4 589	6 439	10 734	11 002	19 634
Technical and Further Education	18 784	23 732	28 589	26 338	25 475
Schools	32 179	35 175	43 736	31 719	37 256
Video Facilities	439	409	552	527	243
Education—Cost Escalation Allowance	..	..	..	..	768
Teaching Hospitals	..	..	7 713	7 713	7 713
Blood Transfusion Services	205	1 371	213	100	147
Women's Health Screening	..	..	..	..	141
Senior Citizens' Centres	839	293	..	..	..
Home and Community Care	..	..	979	4 449	2 308
Crisis Accommodation Program	608	2 054	2 160	2 301	2 553
Children's Services	..	1 900	574	1 859	3 064
Aboriginal Advancement	1 410	989	1 048	100	225
Pensioner Housing Grants	5 598	6 327	6 842	7 096	7 396
Housing Assistance for Aborigines	10 346	10 346	12 220	14 109	15 186
Local Government and Community Housing Grants	..	1 145	1 640	1 811	1 969
Public Housing	46 237	58 720	65 189	73 328	77 545
Urban Flood Mitigation	1 017	856	1 027	243	..
Bicentennial Programs Assistance	..	736	3 306	5 656	621
National Estate	417	438	458	490	508
National Standard Sports Facilities	13	..	..	..	2 400
Aerodrome Local Ownership Plan	15 550	..	68	..	..
Roads	158 301	167 865	..	..	..
Australian Land Transport Program	..	..	163 000	162 600	161 100
Australian Bicentennial Roads Development	96 200	91 000	94 600	94 700	96 000
Railway Mainline Upgrading	1 984	..	..	..	..
Urban Water Supply and Treatment	..	..	416	1 145	1 144
Rural Adjustment Scheme	14 487	7 747	1 600	..	..
Sugar Industry	3 907	8 436	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	611	..	683
Plant Genetic Resource Program	..	..	..	485	..
Fisheries Management	..	..	1 088	1	3 113
Burdekin Dam Construction	13 000	20 000	26 000	30 007	29 000
Irrigation and Other Water Projects	8 430	7 500	4 200	4 000	4 000
Special Employment—Public Housing	4 002	..	..	..	..
Natural Disaster Relief	66 861	9 933	18 723	26 951	8 728
Total Specific Purpose Payments—Capital	520 746	474 031	506 970	524 387	528 997

Table 132—Queensland—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	2 010 604	2 197 738	2 304 535	2 495 809	2 574 192
For Specific Purposes	1 186 036	1 220 582	1 314 656	1 402 440	1 448 410
TOTAL	3 196 641	3 418 320	3 619 191	3 898 249	4 022 602

Table 133—Western Australia—Commonwealth Payments and Loan Council Borrowings (*a*), 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	999 277	1 042 348	..	..	..
Financial Assistance Grants	..	..	1 122 961	1 263 833	1 375 223
Special Revenue Assistance	18 200	20 300	..	2 528	6 479
Health Grants	150 663	161 985	176 307	198 584	216 240
Total	1 168 140	1 224 633	1 299 268	1 464 945	1 597 943
GENERAL PURPOSE CAPITAL FUNDS					
Loan Council Borrowings—					
Loan Portion	83 618	..	..	..	..
Housing Nomination	7 000	96 509	93 132	71 672	34 503
Capital Grants	45 309	48 255	51 632	39 735	11 251
Total	135 927	144 764	144 764	111 407	45 754
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments under Financial Agreement—					
Interest on State Debt	1 026	947	..	..	..
Sinking Fund on State Debt	4 264	4 453	4 474	4 452	4 411
Emergency Services	251	345	401	453	496
Universities	79 172	85 199	93 936	96 815	100 245
Colleges of Advanced Education	78 064	85 273	95 118	98 376	102 715
State Contribution to Higher Education Superannuation	..	..	..	..	−300
Technical and Further Education	11 805	12 804	13 474	14 867	12 538
Schools	90 749	98 497	110 292	119 790	125 456
Education—Cost Escalation Allowance	..	..	..	..	13 904
Pre-school Education	4 860	4 860	2 430	..	..
School-to-Work Transition	2 253	..	..	..	..
Participation and Equity Program	2 152	8 140	6 260	4 287	2 275
Public Hospitals—Running Costs	..	..	..	119	..
Medicare	27 277	85 195	89 086	92 754	98 743
Hospital Waiting List Reduction	..	..	..	..	1 810
Nurse Education	..	..	..	1 826	1 373
Drug Education Campaigns	211	232	1 297	1 386	1 478
Blood Transfusion Services	1 153	1 274	1 524	1 590	1 706
National Diseases Control	54	53	79	76	53
Funds to Combat AIDS	..	343	564	645	921
Home Care Services	1 230	2 680	..	..	..
Senior Citizen's Centres	175	288	..	..	..
Home and Community Care	..	..	3 621	10 007	17 401
Geriatric Assessment	..	..	90	362	507
Supported Accommodation Assistance	..	2 212	3 574	4 741	4 198
Women's Emergency Services	466	214	..	..	..
Children's Services	1 377	699	614	415	474
Family Support Services	..	341	622	908	1 277
International Year of Homeless	..	..	9	11	..
Rehabilitation Centres	..	..	..	2 000	..
Rainforest Conservation	..	..	..	71	415
Mortgage and Rent Relief	1 770	1 956	2 055	2 197	2 299
Translating and Interpreting Services	..	..	..	..	150
Unattached Refugee Children	..	..	30	..	33
Aboriginal Advancement	12 329	12 999	13 454	12 188	11 406
Assistance for Housing	627	627	627	627	627
Urban Flood Mitigation	..	..	45	77	..
Expo 88 Participation	..	..	..	..	100
America's Cup Defence	..	4 223	1 773	5 957	..
International Youth Year	..	64	..	..	..
Aerodrome Local Ownership Plan	..	..	7	..	3
Interstate Road Transport	..	..	..	76	273
Urban Water Supply and Treatment	..	..	13	80	80
Rural Adjustment Scheme	1 422	788	1 114	4 980	5 460

Table 133—Western Australia—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Fertiliser Assistance	..	..	6 629	10 782	4 601
Dried Vine Fruits Assistance	..	..	..	..	7
Wine Industry Adjustment	..	..	..	..	1
Apple and Pear Export Assistance	175	23	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	1 955	2 346	1 892	1 882	2 408
Exotic Diseases Eradication	..	..	..	..	38
Destruction of Organochlorines	..	..	..	..	143
Agricultural Research	38	16	20	148	121
Irrigation and Other Water Projects	..	..	1 890	..	..
National Industry Extension Service	..	..	..	569	620
Soil Conservation	67	611	703	846	926
Coal Mining Industry—Long Service Leave	1 020	938	727	684	700
Special Employment Programs	8 790	..	..	..	−225
Community Employment Program	22 986	32 004	23 203	16 505	7 912
Employment Training—Aboriginal	..	..	1 561	1 477	1 440
Company Fees—Revenue Sharing	..	..	..	44	65
Legal Aid	6 249	7 054	8 004	8 782	8 884
Human Rights	..	..	150	265	193
Road Safety Practices	25	25	..	..	..
Financial Assistance—Local Government	43 130	45 684	50 326	54 477	59 372
Drought—Fodder Subsidy	1 048	−6	..	..	..
Natural Disaster Relief	1 013	..	70	..	199
Total Specific Purpose Payments—Recurrent	409 182	503 399	541 756	578 592	599 933
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	134	..	61	121	18
Universities	5 812	5 440	6 472	11 447	10 484
Colleges of Advanced Education	3 494	3 618	5 809	13 475	11 641
Technical and Further Education	8 065	15 725	16 138	14 385	14 117
Schools	18 366	22 061	22 156	21 804	21 179
Video Facilities	108	99	149	135	63
Education—Cost Escalation Allowance	..	..	..	..	558
Teaching Hospitals	..	..	4 258	4 258	4 258
Blood Transfusion Services	115	83	341	475	324
Women's Health Screening	..	..	..	..	101
Senior Citizen's Centre	708	929	..	..	..
Home and Community Care	..	..	397	1 254	880
Crisis Accommodation Program	335	1 135	1 191	1 274	1 420
Children's Services	443	1 563	828	1 230	1 979
Aboriginal Advancement	3 413	3 866	4 002	7 046	5 597
Pensioner Housing Grants	2 684	2 850	3 101	3 095	3 051
Housing Assistance for Aborigines	10 017	10 017	10 017	10 047	10 264
Local Goverment and Community Housing Grants	..	632	905	1 003	1 095
Public Housing	37 077	44 192	46 205	49 239	49 561
Urban Flood Mitigation	100	100	11	228	404
Land Acquisition	4 706	..	..	..	..
Special Sewerage Assistance	7 900	..	..	..	..
Bicentennial Programs Assistance	..	..	1 417	1 360	4 165
America's Cup Defence	..	277	14 977	9	..
National Estate	417	438	458	490	508
National Standard Sports Facilities	20	313	1 946	1 366	..
Aerodrome Local Ownership Plan	..	..	83	..	..
Roads	95 262	101 017	..	..	..
Australian Land Transport Program	..	..	102 339	99 200	91 400
Australian Bicentennial Roads Development	47 677	52 996	55 800	55 100	62 800
Railway Projects	..	42	..	38	..
Railway Mainline Upgrading	381	..	..	..	..
Transport Improvement Grant	..	..	9 700	..	..
Urban Water Supply and Treatment	4 752	6 650	1 044	384	528
Rural Adjustment Scheme	7 820	3 870	1 720	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	..	23	50
Plant Genetic Resource Program	..	109	33	..	..

Table 133—Western Australia—Commonwealth Payments and Loan Borrowings (a) 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Salinity Reduction Control	2 000	1 378	633	1 160	1 900
Irrigation and Other Water Projects	1 530	1 610	..	..	..
Western Australian Pastoral Industry Assistance	..	6 000	..	..	..
Special Employment—Public Housing	884	..	..	..	..
Natural Disaster Relief	7 458	..	1 047	194	2 990
Total Specific Purpose Payments—Capital	271 677	287 010	313 238	299 842	301 335
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	1 304 067	1 369 397	1 444 032	1 576 352	1 643 697
For Specific Purposes	680 858	790 408	854 994	878 434	901 268
Total	1 984 925	2 159 805	2 299 026	2 454 786	2 544 965

Table 134—South Australia—Commonwealth Payments and Loan Council Borrowings (*a*), 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	953 830	1 000 280	..	..	..
Financial Assistance Grants	..	..	1 037 171	1 147 046	1 231 288
Special Revenue Assistance	17 200	..	34 200	17 996	2 954
Health Grants	78 609	182 326	195 890	216 817	232 906
Total	1 049 639	1 182 606	1 267 262	1 381 859	1 467 148
GENERAL PURPOSES CAPITAL FUNDS					
Loan Council Borrowings—					
Housing Nomination	127 626	135 923	131 166	100 943	51 779
Capital Grants	63 813	67 961	72 718	55 962	27 390
Total	191 439	203 884	203 884	156 905	79 169
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	1 408	1 408	..	..	..
Sinking Fund on State Debt	5 722	5 651	5 573	5 547	5 497
Emergency Services	78	166	282	366	363
Universities	91 428	96 873	107 273	109 037	110 812
Colleges of Advanced Education	66 590	72 763	80 346	80 574	83 634
State Contribution to Higher Education Superannuation	..	..	..	..	−1 200
Technical and Further Education	10 509	11 481	12 809	13 663	12 050
Schools	83 558	88 863	99 404	106 181	111 742
Education—Cost Escalation Allowance	..	..	..	..	13 172
Pre-school Education	3 730	3 730	1 865	..	..
School-to-Work Transition	2 591	..	..	..	..
Participation and Equity Program	3 041	8 196	6 131	3 970	2 166
Public Hospitals—Running Costs	93 529	..	..	..	..
Medicare	21 227	118 353	111 891	117 342	125 511
Hospital Waiting List Reduction	..	..	..	..	2 300
Nurse Education	..	..	..	937	980
Drug Education Campaigns	207	218	1 372	1 346	1 435
Blood Transfusion Services	1 292	1 387	1 657	1 561	1 676
Transfer Pathology Laboratory	..	..	..	426	505
National Diseases Control	19	36	36	40	42
Funds to Combat AIDS	..	408	421	551	536
Home Care Services	1 230	1 785	..	..	..
Senior Citizen's Centres	265	164	..	..	..
Paramedical Services	887	945	..	..	..
Home and Community Care	..	..	4 315	10 172	17 281
Geriatric Assessment	..	..	515	726	531
Supported Accommodation Assistance	..	2 022	3 627	4 436	3 881
Women's Emergency Services	352	176	..	..	..
Children's Services	3 510	5 564	7 216	7 279	9 023
Family Support Services	..	504	559	713	965
International Year of Homeless	..	..	15	..	..
Rehabilitation Centres	..	..	..	19	..
Mortgage and Rent Relief	1 750	1 918	2 002	2 114	2 182
Translating and Interpreting Services	119	164	105	104	140
Supervision of Refugee Minors	..	..	43	49	45
Aboriginal Advancement	5 877	5 999	5 937	6 376	6 495
Assistance for Housing	941	941	941	941	941
Urban Flood Mitigation	..	..	300	..	..
Expo 88 Participation	..	..	..	..	100
International Youth Year	..	62	..	..	..
Aerodrome Local Ownership Plan	28	29	33	23	27
Interstate Road Transport	..	..	..	180	646
Urban Water Supply and Treatment	..	..	..	..	20
Rural Adjustment Scheme	1 027	634	1 046	5 439	5 460
Fertiliser Assistance	..	..	2 972	9 816	4 175

Table 134—South Australia—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Dried Vine Fruits Assistance	..	..	..	384	..
Wine Industry Adjustment	..	..	1 300	2 640	..
Bovine Brucellosis and Tuberculosis Eradication	2 624	2 496	1 579	1 206	912
Exotic Diseases Eradication	..	..	..	..	29
Destruction of Organochlorines	..	..	..	..	143
Agricultural Research	38	19	29	42	30
Irrigation and other Water Projects	..	..	1 435	756	142
National Industry Extension Service	..	..	..	613	664
Soil Conservation	64	396	422	458	466
Special Employment Programs	8 773	..	..	..	..
Community Employment Program	21 739	31 392	22 707	15 879	9 375
Employment Training—Aboriginal	..	..	556	526	512
Company Fees—Revenue Sharing	..	..	..	41	61
Legal Aid	4 697	5 463	6 284	6 879	8 425
Human Rights	..	249	248	300	215
Road Safety Practices	19	19	..	..	..
Financial Assistance—Local Government	39 507	41 847	46 098	49 901	55 601
Drought—Fodder Subsidy	2 285	−162	..	..	..
Natural Disaster Relief	1 862	44	..	..	234
Total Specific Purpose Payments—Recurrent	482 524	512 203	539 344	569 556	599 941
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	9	..	..	10	18
Universities	5 795	5 597	5 946	8 128	7 934
Colleges of Advanced Education	3 949	4 001	4 940	7 604	5 269
Technical and Further Education	13 986	16 106	8 921	16 554	10 586
Schools	16 706	19 156	17 552	17 497	16 246
Video Facilities	63	93	87	90	42
Education—Cost Escalation Allowance	..	..	..	..	409
Teaching Hospitals	..	..	4 206	4 206	4 206
School Dental Scheme	165	..	..	..	..
Blood Transfusion Services	47	43	107	256	256
Women's Health Screening	..	..	..	..	100
Senior Citizen's Centres	437	418	..	..	..
Home and Community Care	..	..	357	43	275
Crisis Accommodation Program	331	1 112	1 161	1 226	1 349
Children's Services	40	1 270	..	401	2 182
Aboriginal Advancement	895	822	83	1 170	917
Pensioner Housing Grants	2 662	2 622	2 662	2 640	2 614
Housing Assistance For Aborigines	5 595	5 595	5 595	5 595	5 595
Local Government and Community Housing Grants	..	620	882	965	1 040
Public Housing	54 051	61 284	60 794	61 004	57 468
Urban Flood Mitigation	1 100	722	700	464	248
Bicentennial Programs	..	..	1 081	227	5 325
Sesquicentenary Grants	875	525	420	..	..
National Estate	417	438	458	490	508
National Standard Sports Facilities	875	2 191	357	501	1 372
Roads	63 943	67 807	..	..	..
Australian Land Transport Program	..	..	66 192	66 600	59 200
Australian Bicentennial Roads Development	29 837	27 603	31 100	30 300	37 600
Urban Water Supply and Treatment	7 700	5 685	5 666	6 224	6 034
Special Assistance for Water	..	20 250	..	17 000	..
Rural Adjustment Scheme	3 696	2 257	1 360	..	..
Support for Steel Regions	..	1 198	834	3 915	3 381
Bovine Brucellosis and Tuberculosis Eradication	..	..	220	..	80
Plant Genetic Resources Program	..	71	15	..	30
Assist Grand Prix Racing	..	5 000	..	..	..
Salinity Reduction Control	1 000	700	..	..	427
Irrigation and Other Water Projects	555	600	..	..	..
Special Employment—Public Housing	5 130	..	..	..	..
Natural Disaster Relief	9 445	..	37	..	1 880
Total Specific Purpose Payments—Capital	229 303	253 783	221 732	253 110	232 591

Table 134—South Australia—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	1 241 078	1 386 490	1 471 146	1 538 764	1 546 317
For Specific Purposes	711 827	765 986	761 075	822 666	832 533
Total	1 952 905	2 152 476	2 232 221	2 361 430	2 378 849

Table 135—Tasmania—Commonwealth Payments and Loan Council Borrowings (*a*) 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	397 042	417 147	..	..	..
Financial Assistance Grants	..	..	387 036	428 759	460 287
Special Revenue Assistance	7 200	..	42 978	19 410	1 392
Health Grants	27 236	58 970	63 553	70 461	75 696
Total	431 479	476 117	493 567	518 630	537 375
GENERAL PURPOSE CAPITAL FUNDS					
Loan Council Borrowings—					
Loan Portion	50 637	54 849	49 379	21 714	..
Housing Nomination	18 000	18 250	21 162	32 572	36 877
Capital Grants	34 318	36 549	39 107	30 097	18 438
Total	102 955	109 648	109 648	84 383	55 315
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments Under Financial Agreement—					
Interest on State Debt	534	534	..	..	..
Sinking Fund on State Debt	3 082	3 194	3 361	3 486	3 514
Emergency Services	134	163	167	193	204
Universities	35 020	37 240	40 476	41 267	42 672
Colleges of Advanced Education	10 367	11 125	12 254	12 452	13 374
State Contribution to Higher Education Superannuation	..	..	..	..	−40
Technical and Further Education	3 552	3 878	4 784	4 433	3 851
Schools	26 290	28 722	31 875	34 157	36 235
Education—Cost Escalation Allowance	..	..	..	..	4 023
Pre-school Education	1 410	1 410	705	..	..
School-to-Work Transition	1 019	..	..	..	..
Participation and Equity Program	753	3 226	2 194	1 571	754
Public Hospitals—Running Costs	26 997	..	..	..	..
Medicare	10 675	32 685	33 251	35 020	39 318
Hospital Waiting List Reduction	..	..	..	..	560
Nurse Education	..	..	..	106	213
School Dental Scheme	..	460	..	..	..
Drug Education Campaigns	132	110	506	515	548
Blood Transfusion Services	271	226	319	333	357
Transfer of Pathology Laboratory	..	..	670	1 299	1 398
Funds to Combat AIDS	..	100	86	71	170
Home Care Services	630	1 216	..	..	..
Paramedical Services	33	20	..	..	..
Home and Community Care	..	..	1 729	2 328	3 983
Geriatric Assessment	..	..	236	273	263
Supported Accommodation Assistance	..	1 110	2 027	2 217	1 940
Women's Emergency Services	168	83	..	..	..
Children's Services	499	170	137	138	176
Family Support Services	..	146	125	200	304
Rehabilitation Centres	1 223	1 517	1 612	1 690	..
Mortgage and Rent Relief	555	618	648	686	710
Aboriginal Advancement	168	179	179	170	193
Assistance for Housing	314	314	314	314	314
Urban Flood Mitigation	..	..	11	6	..
Assistance for Expo 88 Participation	..	..	..	..	100
South West Tasmania—Heritage Area	..	498	2 000	2 000	2 200
International Youth Year	..	45	..	..	..
Aerodrome Local Ownership Plan	87	148	232	242	266
Interstate Road Transport	..	..	..	7	25
Rural Adjustment Scheme	44	77	123	819	840
Apple and Pear Export Assistance	272	145	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	53	64	55	95	95
Exotic Diseases Eradication	..	..	5	..	4
Destruction of Organochlorines	..	..	..	..	143
Agricultural Research	10	26	11	29	54
Irrigation and Other Water Projects	..	..	200	..	..

Table 135—Tasmania—Commonwealth Payments and Loan Council Borrowings (a), 1983–84 to 1987–88—($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
National Industry Extension Service	..	..	..	366	367
Assistance to Tin Mining	..	..	..	80	..
Soil Conservation	26	161	186	197	240
Coal Mining Industry—Long Service Leave	45	33	69	97	90
Special Employment Programs	2 834	..	..	−33	..
Community Employment Program	7 508	10 116	7 334	5 152	2 479
Employment Training—Aboriginal	..	..	65	61	59
Company Fees—Revenue Sharing	..	..	..	24	52
Regional Economic Studies Centre	40	40	40	..	..
Legal Aid	10	29	49	76	82
Road Safety Practices	11	11	..	..	..
Financial Assistance—Local Government	14 697	15 568	17 149	18 564	19 314
Drought—Fodder Subsidy	454	..	..	..	..
Natural Disaster Relief	53	61	..	..	8
Assistance for South West Tasmania	20 333	21 493	25 290	26 529	28 298
Total Specific Purpose Payments—Recurrent	170 304	176 961	190 475	197 230	209 750
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	..	..	..	..	105
Universities	1 672	2 055	3 410	6 357	5 917
Colleges of Advanced Education	441	454	713	670	5 793
Technical and Further Education	2 777	2 334	737	4 817	7 147
Schools	5 993	6 024	6 065	5 394	5 402
Video Facilities	7	6	7	6	3
Education—Cost Escalation Allowance	..	..	..	..	126
Launceston General Hospital	194	157	766	5 707	11 204
Teaching Hospitals	..	..	1 400	1 400	1 400
Blood Transfusion Services	71	5	64	106	24
Women's Health Screening	..	..	..	..	64
Senior Citizens' Centres	226	28	..	..	..
Home and Community Care	..	..	5	353	251
Crisis Accommodation Program	107	359	376	398	439
Children's Services	..	..	..	399	613
Rehabilitation Centres	18	..	..	..	..
Pensioner Housing Grants	866	904	913	855	839
Housing Assistance for Aborigines	696	696	696	696	696
Local Government and Community Housing Grants	..	200	286	313	339
Public Housing	22 449	24 913	24 692	24 701	23 222
Urban Flood Mitigation	108	57	40	56	80
Bicentennial Programs Assistance	..	..	200	515	2 085
National Estate	417	438	458	490	508
Port Arthur Conservation Program	1 200	600	500	..	..
National Standard Sports Facilities	1 297	..	..	1 430	200
Aerodrome Local Ownership Plan	1 225	1 347	65	5	17
Roads	34 349	36 424	..	..	..
Australian Land Transport Program	..	..	31 216	32 800	29 100
Australian Bicentennial Roads Development	12 517	14 900	11 957	15 200	18 900
Second Hobart Bridge	4 898	926	3 923	61	..
Bass Strait Passenger Service	958	25 042	..	..	..
Urban Water Supply and Treatment	20	..	109	..	319
Rural Adjustment Scheme	249	380	115	..	..
Irrigation and Other Water Projects	165	180	..	..	..
Special Employment—Public Housing	1 659	..	..	..	..
Natural Disaster Relief	282	220	4	..	36
Assistance for South West Tasmania	42 573	12 378	8 281	3 347	1 402
Total Specific Purpose Payments—Capital	137 434	131 027	96 998	106 077	116 231
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	534 434	585 765	603 215	603 013	592 690
For Specific Purposes	307 738	307 988	287 473	303 307	325 982
Total	842 171	893 753	890 688	906 320	918 671

Table 136—Commonwealth Payments to the Northern Territory, 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	424 655	471 292	..	..	..
Special Revenue Assistance	..	..	..	1 235	2 845
Health Grants	25 299	27 200	..	..	..
General Revenue Grants	..	..	561 317	628 132	689 980
Special Grants	16 900	−12 600	..	..	−14 381
Grant in Lieu of Royalties	4 405	4 116	4 449	4 471	4 700
Recreation Leave and Furlough Entitlements	485	500	2 000	6 677	..
Additional Assistance Grants	..	5 000	..	..	..
Total	471 744	495 508	567 765	640 515	683 144
GENERAL PURPOSE CAPITAL FUNDS					
General Purpose Loans to Northern Territory—					
Loan Portion	86 042	91 635	77 211	33 954	28 399
Housing Nomination	..	..	33 090	50 931	28 399
Capital Grants	43 021	45 817	61 151	47 060	30 899
Total	129 063	137 452	171 452	131 945	87 696
SPECIFIC PURPOSE PAYMENTS — RECURRENT PURPOSES					
Sinking Fund on State Debt	..	..	1 345	1 561	1 645
Debt Charges Assistance	48 771	59 115	..	..	..
Emergency Services	24	118	149	149	208
Colleges of Advanced Education	5 039	6 074	7 676	8 643	..
Technical and Further Education	1 312	1 430	1 898	2 238	1 895
Schools	8 837	10 248	12 360	12 656	13 157
Education—Cost Escalation Allowance	..	..	..	..	596
Pre-school Education	340	340	170	..	..
School-to-Work Transition	226	..	..	..	..
Participation and Equity Program	361	855	582	614	387
Medicare	2 372	11 578	13 163	12 400	13 286
Hospital Waiting List Reduction	..	..	..	..	190
Nurse Education	..	..	..	117	83
Drug Education Campaigns	72	73	203	212	225
Blood Transfusion Services	144	137	160	191	205
National Diseases Control	21	25	27	34	40
Funds to Combat AIDS	..	..	129	154	265
Home Care Services	83	243	..	..	..
Home and Community Care	..	..	311	475	757
Geriatric Assessment	..	..	57	139	98
Supported Accommodation Assistance	..	576	1 171	1 608	1 307
Women's Emergency Services	64	20	..	..	..
Children's Services	336	101	142	224	215
Family Support Services	..	138	168	194	247
Rehabilitation Centres	39	45	36	30	45
Environmental Restoration	5 340	7 690	4 444	510	231
Rainforest Conservation	..	..	..	44	203
Mortgage and Rent Relief	170	196	208	227	237
Translating and Interpreting Services	..	..	..	191	86
Unattached Refugee Children	..	..	2	..	3
Aboriginal Advancement	287	308	294	70	42
Urban Flood Mitigation	..	..	7	48	46
Expo 88 Participation	..	..	..	..	100
Aerodrome Local Ownership Plan	..	..	..	92	142
Interstate Road Transport	..	..	..	51	183
Urban Water Supply and Treatment	..	..	10	9	33
NTEC Assistance	63 122	72 862	39 568	29 456	47 535
Rural Adjustment Scheme	184	133	..	400	840
Bovine Brucellosis and Tuberculosis Eradication	9 955	13 219	9 624	9 087	11 138
Exotic Diseases Eradication	..	..	..	32	24
Destruction of Organchlorines	..	..	..	..	143
Irrigation and Other Water Projects	..	..	1 455	..	..

Table 136—Commonwealth Payments to the Northern Territory, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
National Industry Extension Service	..	..	..	128	86
Assistance to Tin Mining	..	..	..	32	..
Soil Conservation	28	165	230	278	307
Special Employment Programs	840	..	..	−31	..
Community Employment Program	2 822	3 168	2 323	1 711	804
Employment Training—Aboriginal	..	..	1 807	1 709	1 665
Company Fees—Revenue Sharing	..	..	..	7	31
Road Saftety Practices	3	3	..	..	..
Administrative Cost of Superannuation Scheme	95	..	..	..	..
Financial Assistance—Local Government	2 199	2 330	2 566	5 430	6 054
Total Specific Purpose Payments—Recurrent	153 087	191 190	102 285	91 121	104 784
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Colleges of Advanced Education	..	76	189	191	249
Technical and Further Education	3 609	4 507	7 525	1 764	4 988
Schools	3 436	4 229	4 601	5 324	5 936
Video Facilities	125	212	268	319	147
Education—Cost Escalation Allowance	..	..	..	..	145
Teaching Hospitals	..	..	500	500	500
Blood Transfusion Services	3	297	28	28	23
Women's Health Screening	..	..	..	..	39
Home and Community Care	..	..	9	..	10
Crisis Accommodation Program	100	150	157	157	200
Children's Services	..	172	..	168	193
Aboriginal Advancement	1 159	1 472	2 047	377	54
Pensioner Housing Grants	500	500	523	523	523
Housing Assistance for Aborigines	9 584	9 584	9 584	11 791	12 497
Local Government and Community Housing Grants	..	63	92	104	200
Public Housing	18 595	20 283	19 406	18 611	16 761
Urban Flood Mitigation	53	115	35	14	10
Bicentennial Programs Assistance	..	..	28	404	1 258
National Estate	200	210	220	235	243
National Standard Sports Facilities	665	..	..	475	..
Roads	26 178	30 460	..	..	..
Australian Land Transport Program	..	..	29 400	29 000	30 600
Australian Bicentennial Roads Development	6 610	13 815	11 150	10 800	9 200
Urban Water Supply and Treatment	..	..	46	87	126
NTEC Assistance	4 471	8 940	19 434	40 575	811
Rural Adjustment Scheme	989	649	76	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	867	441	250
Irrigation and other Water Projects	1 357	1 390	..	..	..
Jabiru Infrastructure Assistance	216	..	..	..	..
Special Employment Programs—Public Housing	491	..	..	..	..
Natural Disaster Relief	2 167	..	..	..	100
Total Specific Purpose Payments—Capital	80 509	97 123	106 184	121 889	85 063
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	600 807	632 960	739 217	772 460	770 840
For Specific Purposes	233 596	288 313	208 469	213 010	189 847
Total	834 403	921 273	947 686	985 470	960 687

Table 137—Commonwealth Payments and Loan Council Borrowings to the States and the Northern Territory 1983–84 to 1987–88 ($ thousands)

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
GENERAL REVENUE FUNDS					
Tax Sharing Grants	8 962 687	9 529 721	..	..	..
Financial Assistance Grants	..	..	9 781 693	10 889 647	11 756 085
Special Revenue Assistance	183 500	51 300	87 177	46 860	33 803
Health Grants	1 194 162	1 400 826	1 483 302	1 651 313	1 782 701
General Revenue Grants	..	..	561 317	628 132	689 980
Special Grants	16 900	−12 600	..	..	−14 381
Grant in Lieu of Royalties	4 405	4 116	4 449	4 471	4 700
Recreation Leave and Furlough Entitlements	485	500	2 000	6 677	..
Additional Assistance Grants	..	5 000	..	..	..
Total	10 362 139	10 978 862	11 919 938	13 227 101	14 252 887
GENERAL PURPOSE CAPITAL FUNDS					
Loan Council Borrowings—					
Loan Portion	752 219	637 236	580 145	240 787	..
Housing Nomination	227 114	405 764	426 355	533 794	357 208
General Purpose Loans to Northern Territory—					
Loan Portion	86 042	91 635	77 211	33 954	28 399
Housing Nomination	..	..	33 090	50 931	28 399
Capital Grants	532 688	567 317	619 151	476 486	207 003
Total	1 598 063	1 701 952	1 735 952	1 335 952	621 008
SPECIFIC PURPOSE PAYMENTS—RECURRENT PURPOSES					
Payments under Financial Agreement—					
Interest on State Debt	15 249	15 170	..	..	..
Sinking Fund on State Debt	45 490	47 099	49 943	51 428	51 729
Debt Charges Assistance	48 771	59 115	..	..	..
Emergency Services	2 098	2 620	2 720	3 067	3 173
Universities	969 344	1 041 430	1 147 573	1 167 948	1 207 148
Colleges of Advanced Education	668 437	720 989	807 117	829 394	857 597
State's Contribution to Higher Education Superannuation	..	..	..	..	−11 000
Technical and Further Education	117 355	127 509	134 693	149 536	126 608
Schools	1 089 637	1 167 334	1 294 407	1 392 624	1 461 381
Education—Cost Escalation Allowance	..	..	..	..	149 574
Pre-School Education	33 090	33 090	16 545	..	..
School-to-Work Transition	24 698	..	..	..	..
Participation and Equity Program	27 346	88 875	63 763	41 195	26 995
Public Hospitals—Running Costs	127 296	..	..	119	..
Community Health Program	92	..	..	..	..
Medicare	274 767	924 474	996 269	1 017 903	1 083 909
Hospital Waiting List Reduction	..	..	..	..	24 680
Nurse Education	..	..	..	7 242	9 362
School Dental Scheme	..	762	..	..	..
Drug Education Campaigns	1 793	1 882	13 828	14 727	15 710
Blood Transfusion Services	10 974	11 459	14 159	14 106	15 140
Transfer Pathology Laboratory	..	..	670	1 725	1 903
National Diseases Control	416	475	625	533	412
Funds to Combat AIDS	..	3 697	5 586	5 734	9 224
Home Care Services	24 965	35 133	..	..	..
Senior Citizen's Centres	2 657	2 588	..	..	..
Paramedical Services	1 412	1 517	..	..	..
Home and Community Care	..	..	51 782	99 017	166 832
Geriatric Assessment	..	..	3 958	6 249	7 337
Supported Accommodation Assistance	..	17 601	32 030	45 339	40 038
Women's Emergency Services	3 906	1 920	..	..	..
Children's Services	15 176	12 118	12 068	12 063	14 584
Family Support Services	..	2 907	3 576	5 926	9 476
International Year of Homeless	..	..	122	147	..
Rehabilitation Centres	1 548	1 888	2 026	4 716	483
Environmental Restoration	5 340	7 690	4 444	510	231
Rainforest Conservation	..	..	..	1 065	13 400

Table 137—Commonwealth Payments and Loan Council Borrowings to the States and the Northern Territory 1983–84 to 1987–88—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Mortgage and Rent Relief	18 075	21 586	22 700	24 100	25 000
Translating and Interpreting Services	550	766	749	1 033	1 297
Unattached Refugee Children	..	..	236	348	373
Aboriginal Advancement	30 553	31 321	31 388	29 915	29 373
Assistance for Housing	5 500	5 500	5 500	5 500	5 500
Urban Flood Mitigation	..	..	722	423	118
Expo 88 Participation	..	..	..	..	600
America's Cup Defence	..	4 223	1 773	5 957	..
Nature Conservation	200	..	..	..	..
South West Tasmania—Heritage Area	..	498	2 000	2 000	2 200
International Youth Year	..	515	..	..	..
Aerodrome Local Ownership Plan	537	212	951	419	763
Interstate Road Transport	..	..	..	1 409	5 045
Urban Water Supply and Treatment	..	..	563	858	863
NTEC Assistance	63 122	72 862	39 568	29 456	47 535
Rural Adjustment Scheme	5 944	5 811	7 320	33 878	42 000
Fertiliser Assistance	..	..	17 300	42 600	18 500
Sugar Industry	..	..	1 728	23 522	15 000
Canned Fruit Industry	279	..	..	..	..
Dried Vine Fruits Assistance	..	..	19	1 405	22
Wine Industry Adjustment	..	..	1 300	3 543	5
Apple and Pear Export Assistance	507	169	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	35 250	41 591	36 390	38 622	32 840
Exotic Diseases Eradication	..	120	1 221	151	162
Destruction of Organochlorines	..	..	..	..	1 000
Agricultural Research	299	389	468	792	1 354
River Murray Waters Agreement	9	..	..	..	..
Irrigation and Other Water Projects	..	..	9 858	3 347	2 065
National Industry Extension Service	..	..	..	6 904	7 415
Assistance to Tin Mining	..	..	..	980	..
Other Mining Assistance	..	..	..	..	300
Soil Conservation	600	3 267	3 785	4 400	4 800
Coal Mining Industry—Long Service Leave	18 266	19 114	17 857	19 769	22 684
Special Employment Programs	98 480	..	..	−3 950	−225
Community Employment Program	246 632	354 384	256 824	181 001	95 291
Employment Training—Aboriginal	..	..	9 785	9 255	9 017
Company Fees—Revenue Sharing	..	..	..	420	625
Regional Economic Studies Centre	40	40	40	..	..
Legal Aid	34 940	38 269	43 904	52 919	76 810
Human Rights	..	837	983	1 385	1 100
Reimbursement of Costs—Law Library	235	320	367	330	585
Road Safety Practices	153	153	..	..	..
Administrative Cost of Superannuation Scheme	95	..	..	..	..
Financial Assistance—Local Government	461 535	488 864	538 532	585 613	642 477
Drought—Fodder Subsidy	18 362	−452	..	..	..
Natural Disaster Relief	28 596	1 668	6 284	9 464	5 674
Assistance for South West Tasmania	20 333	21 493	25 290	26 529	28 298
Total Specific Purpose Payments—Recurrent	4 600 949	5 442 860	5 743 311	6 016 611	6 411 943
SPECIFIC PURPOSE PAYMENTS—CAPITAL PURPOSES					
Housing for Servicemen	5 299	5 959	4 258	2 437	1 993
Universities	66 686	70 264	79 140	102 978	115 911
Colleges of Advanced Education	46 171	51 410	64 416	86 893	101 619
Technical and Further Education	118 228	162 843	147 043	165 421	170 340
Schools	193 643	212 800	222 758	202 516	217 926
Video Facilities	955	1 055	1 300	1 300	600
Education—Cost Escalation Allowance	..	..	..	..	4 995
Launceston General Hospital	194	157	766	5 707	11 204
Albury RALA Sub-Centre	..	..	..	..	85
Teaching Hospitals	..	..	47 540	47 540	47 540
School Dental Scheme	165	..	..	..	..
Blood Transfusion Services	656	2 134	1 329	2 110	2 272
Women's Health Screening	..	..	..	..	870
High Security Quarantine Unit	..	283	30	..	..

Table 137—Commonwealth Payments and Loan Council Borrowings to the States and the Northern Territory, 1983–84 to 1987–88 ($ thousands)—continued

	1983–84	1984–85	1985–86	1986–87	1987–88 (estimate)
Senior Citizens Centres	3 876	5 222	..	..	..
Home and Community Care	..	..	5 984	12 288	8 290
Crisis Accommodation Program	3 800	12 601	13 200	14 000	15 500
Supported Accommodation Assistance	..	..	..	..	1 000
Children's Services	2 483	10 764	1 402	6 405	18 631
Rehabilitation Centres	18	..	..	..	..
Aboriginal Advancement	7 380	9 249	7 280	8 693	6 857
Pensioner Housing Grants	32 000	35 000	36 600	37 000	37 500
Housing Assistance for Aborigines	52 000	52 000	54 300	58 000	60 000
Local Government and Community Housing Grants	..	7 000	10 000	11 000	12 000
Public Housing	416 000	495 000	517 600	549 600	550 000
Growth Centres	37 360	9 832	6 046	..	..
Urban Flood Mitigation	5 695	4 900	5 264	4 857	4 920
Land Acquisition	8 677	..	..	..	..
Urban Rehabilitation	512	634	4 000	3 000	..
Captain's Flat Project	..	120	174	182	20
Special Sewerage Assistance	7 900	..	..	..	..
Bicentennial Programs	..	5 151	13 042	20 110	23 932
America's Cup Defence	..	277	14 977	9	..
National Maritime Museum	..	..	2 000	18 000	10 000
Sesquicentenary Grants	3 275	2 457	988	..	..
Nature Conservation	..	..	..	12	..
National Estate	2 700	2 835	2 970	3 175	3 293
Port Arthur Conservation Program	1 200	600	500	..	..
National Standard Sports Facilities	8 000	10 834	7 000	6 539	5 200
Aerodrome Local Ownership Plan	16 775	1 364	215	5	27
Roads	778 000	827 700	..	..	..
Australian Land Transport Program	..	..	805 147	805 450	763 800
Australian Bicentennial Roads Development	417 198	417 000	440 000	439 600	480 200
Burbong Bridge Construction	1 000	1 000	100	294	..
Second Hobart Bridge	4 898	926	3 923	61	..
Railway Projects	..	42	..	38	..
Railway Mainline Upgrading	4 150	..	..	..	..
Bass Strait Passenger Service	958	25 042	..	..	..
Transport Improvement Grant	..	19 000	9 700	..	..
Urban Water Supply and Treatment	15 490	13 089	8 146	9 234	11 000
Special Assistance for Water	..	20 250	..	17 000	..
NTEC Assistance	4 471	8 940	19 434	40 575	811
Rural Adjustment Scheme	38 463	25 443	9 478	..	..
Sugar Industry	3 907	8 436	..	..	..
Support for Steel Regions	9 803	17 348	15 625	36 610	12 460
Canned Fruit Industry	4 100	..	..	..	..
Bovine Brucellosis and Tuberculosis Eradication	..	..	1 698	464	1 063
Plant Genetic Resources Program	..	357	348	485	111
Fisheries Management	..	..	1 088	1	3 113
Assistance for Grand Prix Racing	..	5 000	..	..	..
Burdekin Dam Construction	13 000	20 000	26 000	30 007	29 000
Salinity Reduction Control	6 154	6 673	3 618	4 301	4 735
Irrigation and Other Water Projects	14 813	14 216	4 213	4 050	4 000
Jabiru Infrastructure Assistance	216	..	..	..	..
Portland Aluminium Smelter	..	..	..	1 500	..
Other Mining Assistance	..	2 048	..	..	..
Western Australia Pastoral Industry Assistance	..	6 000	..	..	..
Special Employment—Public Housing	45 029	..	..	..	..
Natural Disaster Relief	110 203	9 613	19 913	26 867	19 326
Assistance for South West Tasmania	42 573	12 378	8 281	3 347	1 402
Total Specific Purpose Payments—Capital	2 556 075	2 633 248	2 648 833	2 789 662	2 763 545
TOTAL PAYMENTS AND LOAN COUNCIL BORROWINGS					
For General Purposes	11 960 202	12 680 814	13 655 890	14 563 053	14 873 896
For Specific Purposes	7 157 025	8 076 107	8 392 144	8 806 272	9 175 488
Total	19 117 227	20 756 922	22 048 034	23 369 326	24 049 384

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