

CHAPTER 22

PUBLIC FINANCE

This chapter deals with the financial activities of the organisations which make up the three levels of government in the Australian political system—Commonwealth, State and Local—and which collectively constitute the public sector. An account is given of the activities of each level of government, with particular emphasis being given to Commonwealth authorities. Tables are then presented which bring together the transactions of all public authorities to highlight the role in the Australian economy of the public sector as a whole. Then follows a section on government borrowing activities at all levels.

COMMONWEALTH GOVERNMENT FINANCE

Financial provisions of the Constitution

The main provisions of the Constitution relating to the initiation and development of the financial system of the Commonwealth of Australia are contained in Sections 81 to 105A of the Commonwealth Constitution (*see* pages 16–19).

Two other sections which have a most important bearing on questions of Commonwealth finance are Sections 69 and 51. Section 69 provides for the transfer from the States to the Commonwealth of certain specified departments, and Section 51, in outlining the powers of the Commonwealth Parliament, implies the transfer or creation of other departments.

Sections 87 and 96 of the Constitution deal with the financial relations between the Commonwealth and the States. The full text of the Financial Agreement of 1927 was given in Year Book No. 31, page 21; accounts of this Agreement as affected by subsequent Agreements were included in later issues of the Year Book up to No. 37 (*see* pages 685–90); details of the main provisions appeared in further issues of the Year Book up to No. 50 (*see* pages 952–3); and details of current provisions for financial assistance to the States are given on pages 526–532 of this Year Book.

The *Audit Act* 1901 lays down the procedure which must be followed in accounting for the receipt and disbursement of public funds. The general administration of Commonwealth Government finances is the responsibility of the Commonwealth Minister for Finance.

Commonwealth Government Budget

The Commonwealth Government Budget records the transactions of those authorities of the Commonwealth Government whose receipts and payments are summarised in the statements of Public Account balances. In 1982–83 the change in cash balances was represented by the following—

	\$'000
Cash receipts of the Consolidated Revenue Fund	44,476,421
<i>plus</i> cash receipts of Loan Fund	32,818,459
<i>plus</i> cash receipts of Trust Fund	16,995,765
<i>Total</i>	94,290,645
<i>less</i> cash payments from Consolidated Revenue Fund	44,476,421
<i>less</i> cash payments from Loan Fund	32,846,505
<i>less</i> cash payments from Trust Fund (including decrease in investments of the Trust Fund)	16,615,161
<i>Total</i>	93,938,087
<i>equals</i> increase in cash balances	352,558

Revenues from taxation and other sources are paid into the Consolidated Revenue Fund, from which the main expenditures are for defence, social services, payments to the States and general administration. The Trust Fund covers special transactions outside the ordinary operations of departmental expenditures, such as pension funds and moneys held for expenditure by the Commonwealth Government at some future time. The Loan Fund receives its funds from the sale of Commonwealth Government securities, and the expenditures from the Fund are made in accordance with the purpose of issue

of each loan. The main disbursements from the Loan Fund are to the States by way of distribution of the proceeds of loans raised by the Commonwealth Government on their behalf and by capital assistance grants, the remaining disbursements being mainly for Commonwealth Government purposes.

The estimated receipts and outlay of the Budget for 1983-84 are set out in the table which follows, together with figures for the years 1978-79 to 1982-83. The national accounting presentation of the Budget is shown in order to be consistent with other transactions figures given in this chapter.

OUTLAYS AND RECEIPTS OF THE COMMONWEALTH BUDGET

(\$ million)

(Source: Budget Paper No. 1 *Budget Statements 1983-84*)

	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84 Budget Estimates
Outlay--						
Net expenditure on goods and services--						
Current	5,560	6,134	7,265	8,527	9,836	11,346
Capital(a)	298	290	438	432	605	677
Total	5,857	6,423	7,703	8,959	10,441	12,023
Transfer payments --						
Personal benefit payments	9,096	9,898	11,213	13,067	15,910	19,046
Unfunded employee retirement benefits	162	181	207	252	292	320
Grants to States and local government authorities	9,349	10,302	11,514	12,642	14,726	16,929
Grants to the Northern Territory	290	361	469	539	635	753
Interest paid	1,971	2,223	2,561	2,881	3,378	4,133
Transfers overseas	477	520	575	667	735	797
Subsidies	445	595	756	866	917	950
Grants for private capital purposes	116	165	137	204	244	233
Purchase of existing assets	22	20	16	25	45	35
Total	21,928	24,264	27,449	31,144	36,881	43,198
Total expenditure	27,785	30,687	35,152	40,103	47,322	55,221
Net advances--						
States	1,129	817	853	782	969	940
Northern Territory	-2	79	83	80	83	88
Commonwealth authorities	66	110	179	344	611	338
Other sectors	37	-32	22	28	-3	118
Total	1,230	974	1,138	1,235	1,660	1,483
Total outlay	29,015	31,661	36,290	41,338	48,982	56,704
Receipts--						
Taxation--						
Indirect taxes	7,072	8,459	9,820	11,004	12,398	14,006
Income tax on companies	3,151	3,547	4,856	5,258	5,108	4,827
Income tax on persons	12,804	15,040	17,543	21,224	22,967	24,773
Estate and gift duties	83	49	17	4	2	4
Tax on Certain Bank Transactions	-	-	-	-	30	200
Other taxes, fees, fines, etc.	74	92	99	137	150	171
Unfunded employee retirement contributions	63	67	73	86	90	101
A.C.T. Taxes and charges	50	53	61	72	91	99
Less remissions	8	1	1	2	1	..
Total	23,288	27,305	32,467	37,784	40,835	44,181
Other receipts--						
Interest, rent and dividends	1,946	2,033	2,280	2,585	2,922	3,347
Gross income of public enterprises	300	265	240	385	700	701
Net sales of existing assets(b)	24	24	195	36	54	113
Total	2,270	2,322	2,715	3,006	3,676	4,161
Total receipts	25,558	29,627	35,182	40,790	44,509	48,342
Deficit	3,457	2,034	1,109	548	4,473	8,361

(a) Expenditure on new fixed assets plus increase in stocks less sales of previously rented houses.

(b) Excludes sales of previously

It should be noted that some transactions undertaken by authorities covered by the Budget are not reflected in the change in cash balances, usually because they are not cash transactions or because a receipt and a payment are offset against each other so that only a net amount is included in published totals. The national accounting presentation of the Budget includes these additional transactions, further details of which may be found in Budget Paper No. 1, *Budget Statements 1983–84*.

Financing of the Commonwealth Government deficit

The deficit shown in the last line of the preceding table represents the net excess of Budget outlay over receipts. In other words, the estimated deficit shown for 1983–84 represents the Commonwealth Government budget sector's 'financing requirements'. Most such transactions involve the issue, repurchase, redemption or acquisition of Commonwealth Government securities, but some involve or are represented by changes in other assets or liabilities of the Commonwealth Government.

Specifically the deficit is financed as follows:

Net sales of Commonwealth Government securities (new issues *less* redemptions *less* net purchases from Commonwealth Government balances in the Trust Fund);

less net purchases of other investments from Commonwealth Government balances in the Trust Fund

plus minor items of indebtedness (such as borrowing by Australian Capital Territory housing trust account)

less net additions to cash balances, and funds provided for the International Monetary Fund and the Australian Wheat Board.

A table summarising the financial transactions of the Commonwealth Government budget sector for recent years is given on page 353, Table 1 in 1983–84 *Budget paper* No. 1.

COMMONWEALTH AUTHORITIES

In addition to the group of authorities of the Commonwealth Government whose transactions are covered by the Budget (i.e. itemised in the Consolidated Revenue Fund, the Loan Fund, or recorded in a Trust Fund), there are a number of organisations owned or controlled by the Commonwealth Government whose transactions do not, for the most part, pass through the Public Account. This category includes public enterprises such as the Australian Postal Commission, Australian Telecommunications Commission, Overseas Telecommunications Commission, Qantas, Trans-Australia Airlines, the Australian Shipping Commission, the Snowy Mountains Hydro-electric Authority, the Reserve Bank and the Commonwealth Banking Corporation. Public enterprises, it should be noted, are bodies which aim at covering the bulk of their expenses by revenue either from sales of goods and services (trading enterprises), or by charges for services and net interest receipts (financial enterprises). As well as these enterprises, there are other public authorities which record most of their transactions outside the Public Account but have only minor independent sources of revenue and are financed almost entirely from funds voted to them each year from the Consolidated Revenue Fund. In order that the national accounting presentation may indicate as completely as possible the direct effect of the budget on demand, appropriations to this last group of authorities are treated as final expenditure in the Budget. Authorities in this category include the Australian Broadcasting Commission, Australian National University, National Capital Development Commission, and the Australian Atomic Energy Commission.

The transactions of Commonwealth Government bodies not covered by the Budget may be brought together and consolidated with the transactions recorded in the Budget to yield figures of the transactions of all Commonwealth Federal authorities. The remaining tables in this section have been prepared on that basis.

Public financial enterprises have been omitted from the consolidated accounts presented here largely on the ground that combining the income and outlay and capital financing transactions of the Reserve Bank, the publicly owned trading and savings banks, government insurance offices and other public financial institutions with the equivalent transactions of public trading enterprises and general government seems to provide a less meaningful account of public sector activity. For example, omission of the borrowing and lending activities of the government banks and the Reserve Bank allows attention to be centred on the borrowing and lending activities of general government and public trading enterprises, which are quite different in nature and economic effect from the financing activities of the banking system.

Coverage—Northern Territory government authorities

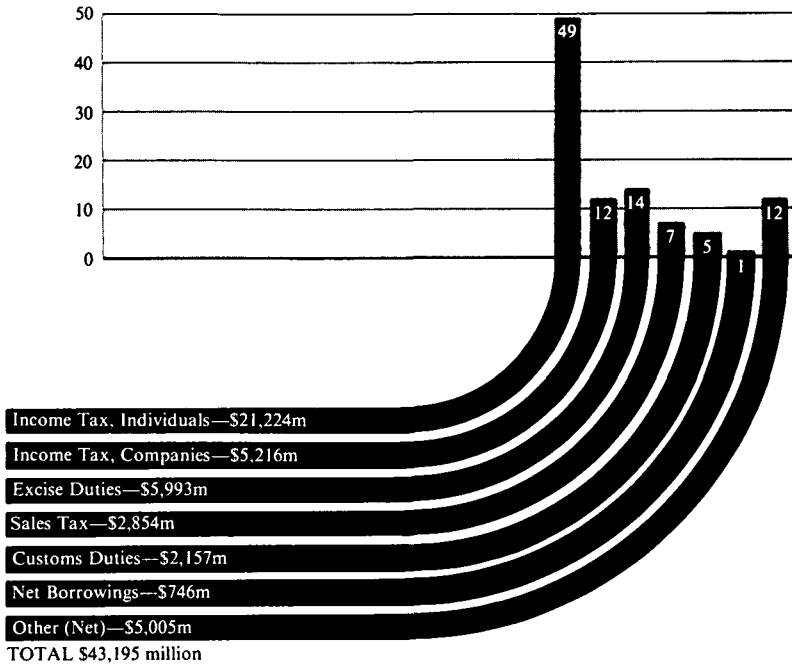
On 1 July 1978 the Northern Territory became self-governing with expenditure responsibilities and revenue raising powers broadly approximating those of a State. In public authority finance statistics

Northern Territory government authorities are grouped with State and local authorities from 1978–79 onwards. This results in a discontinuity in time series for the financial transactions of Commonwealth Government authorities because:

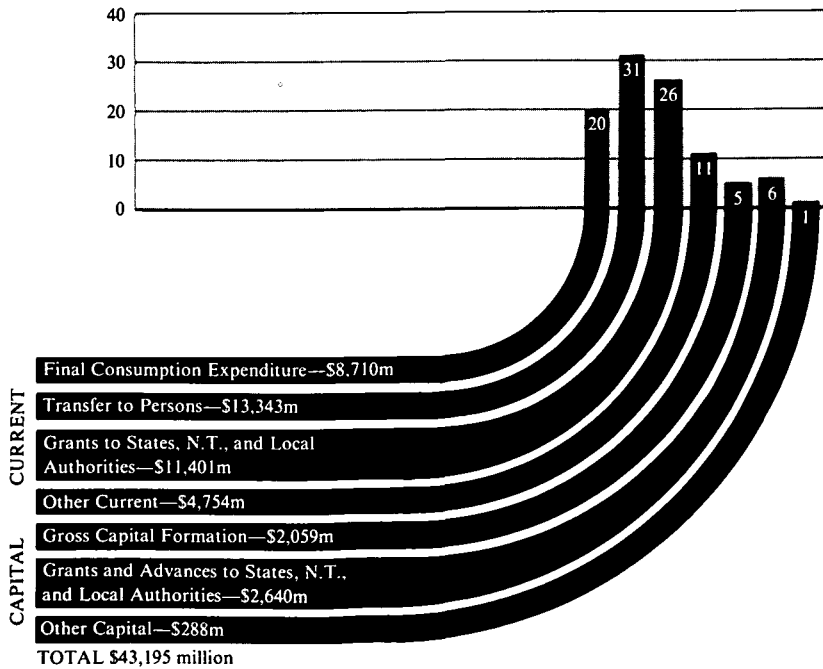
- In the period up to and including 1977–78 Commonwealth spending on State-type services in the Northern Territory is included under the various Commonwealth outlay categories such as final consumption expenditure and gross capital formation. Similarly, State-type taxation and income from N.T. public enterprises is included in the respective Commonwealth receipt categories.
- From 1978–79 onwards Commonwealth spending in respect of the Northern Territory consists to a large extent of grants and advances to Northern Territory government authorities while State-type taxation and income from N.T. public enterprises are no longer part of Commonwealth receipts.
- Not all State-type functions were fully transferred to the Northern Territory Government from 1 July 1978. Responsibility for health services was transferred on 1 January 1979 and responsibility for education services was transferred from 1 July 1979. The Commonwealth retains responsibility for certain State-type matters such as uranium mining and Aboriginal affairs (other than provision of services to Aboriginal communities).

COMMONWEALTH AUTHORITIES, 1981-82**RECEIPTS AND FINANCING ITEMS**

Per cent

**OUTLAY**

Per cent

**PLATE 43**

Summary of outlay and receipts

The outlay and receipts, and outlay classified by purpose, of all Commonwealth authorities for the latest six-year period are given in the following tables.

COMMONWEALTH AUTHORITIES(a): OUTLAY AND RECEIPTS

(\$ million)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
OUTLAY						
Current outlay						
Final consumption expenditure	4,728	5,239	5,657	6,318	7,425	8,710
Interest, etc., paid	1,446	1,738	2,074	2,363	2,753	3,138
Transfers to persons—						
Personal benefit payments	7,392	8,285	9,110	9,904	11,235	13,091
Unfunded employee retirement benefits	121	139	162	181	207	252
Subsidies	252	424	526	690	856	948
Transfers overseas	388	417	475	520	575	668
Grants to States, Northern Territory and local government authorities	6,115	7,222	8,147	9,092	10,307	11,401
Total current outlay	20,442	23,464	26,151	29,068	33,358	38,208
Capital outlay—						
Expenditure on new fixed assets	1,667	1,772	1,512	1,606	1,965	2,158
Expenditure on existing assets	4	-14	-93	-28	-419	-264
Increase in stocks	-50	-121	-206	-67	75	165
Grants for private capital purposes	110	130	132	167	138	228
Grants to States, Northern Territory and local government authorities	1,546	1,516	1,492	1,570	1,676	1,778
Advances to States, Northern Territory and local government authorities	1,278	1,261	1,127	896	936	862
Advances to other sectors	110	53	18	6	77	59
Total capital outlay	4,665	4,597	3,982	4,150	4,448	4,986
Total outlay	25,107	28,062	30,133	33,219	37,807	43,195
RECEIPTS AND FINANCING ITEMS						
Receipts—						
Taxes, fees, fines, etc.	19,765	21,494	23,466	27,548	32,714	37,991
Income from public enterprises	657	819	1,010	992	992	1,319
Interest received from the States and the Northern Territory	1,032	1,174	1,278	1,376	1,569	1,738
Other interest, etc., received	161	207	185	239	290	339
Total receipts	21,616	23,695	25,939	30,155	35,565	41,387
Financing items—						
Depreciation allowances	442	494	550	596	694	754
Funds provided for (-), or received from (+), International Monetary Fund	-	-	28	61	-107	-
Net sale of securities—						
Treasury bills and notes	363	194	1,547	705	1,312	-347
Commonwealth Government securities	2,098	2,979	2,470	893	-187	693
Public corporations securities	446	331	193	442	205	400
Net receipts of private trust funds	60	152	161	181	301	386
Reduction in cash and bank balances	-297	214	-480	525	-334	-83
Reduction in securities holdings	166	-232	-344	-590	192	114
Other funds available (including errors and omissions)—						
Other reserves and provisions	15	9	33	38	15	-109
Capital transfers	151	167	41	59	43	
Change in creditors/debtors	25	-4	-59	82	43	
Other	22	64	54	72	64	
Total financing items	3,492	4,368	4,194	3,064	2,241	1,808
Total funds available	25,107	28,062	30,133	33,219	37,807	43,195

(a) Excludes financial enterprises.

COMMONWEALTH AUTHORITIES: OUTLAY, CLASSIFIED BY PURPOSE

(\$ million)

Purpose	1979-80	1980-81	1981-82
General public services—			
General administration, n.e.c.	1,008.8	1,190.7	1,376.3
External affairs	669.2	752.2	866.6
Law, order and public safety	198.6	217.7	253.0
General research	272.3	317.9	382.8
<i>Total general public services</i>	<i>2,148.9</i>	<i>2,478.6</i>	<i>2,878.7</i>
Defence	3,007.7	3,536.5	4,135.4
Education—			
General administration, regulation and research	31.9	28.4	29.6
Transportation of students	2.1	2.6	3.6
Primary and secondary education	817.6	947.0	1,160.3
Vocational training	199.7	239.0	260.9
University education	875.0	950.2	1,091.6
Other higher education	583.2	651.8	679.9
Other education programs	98.6	109.9	122.0
<i>Total education</i>	<i>2,608.1</i>	<i>2,928.9</i>	<i>3,347.9</i>
Health—			
General administration, regulation and research	92.5	103.1	114.8
Hospital and clinical services	1,972.2	2,306.2	2,609.9
Other health services	1,097.8	1,231.5	1,346.9
<i>Total health</i>	<i>3,162.4</i>	<i>3,640.8</i>	<i>4,071.6</i>
Social security and welfare—			
General administration, regulation and research	184.1	213.5	267.3
Care of and assistance to—			
Aged persons	3,639.2	4,072.2	4,663.6
Incapacitated and handicapped persons	901.0	1,006.6	1,125.0
Unemployed and sick persons	1,104.7	1,240.5	1,523.8
Ex-servicemen	1,005.8	1,238.6	1,387.9
Widowed and deserted spouses	845.9	1,068.6	1,323.3
Families and children	1,055.5	1,000.9	1,100.1
Other social security and welfare services	58.4	83.6	117.3
<i>Total social security, etc.</i>	<i>8,794.7</i>	<i>9,924.5</i>	<i>11,508.3</i>
Housing and community amenities—			
Housing	252.6	286.4	361.6
Community and regional development	100.8	101.4	65.0
Protection of the environment	14.5	11.4	14.3
Community amenities, n.e.c.	1.2	1.2	1.4
<i>Total housing, etc.</i>	<i>369.2</i>	<i>400.5</i>	<i>442.3</i>
Recreation and culture—			
General administration, regulation and research	0.3	0.4	0.1
Cultural facilities	42.6	55.3	60.2
Support of the creative and performing arts	25.2	26.9	30.4
Broadcasting services and film production	200.5	261.8	315.0
Recreational facilities and services	32.3	34.9	34.0
Other programs	11.0	13.9	23.3
<i>Total recreation, etc.</i>	<i>311.9</i>	<i>393.2</i>	<i>463.1</i>
Economic services—			
General administration, regulation and research	449.6	557.7	648.5
Agriculture, forestry and fishing	381.4	389.7	578.8
Mining, manufacturing and construction	366.7	259.6	459.8
Electricity and water supply	34.7	70.5	79.5
Transport and communication	2,030.1	2,345.9	2,497.9
Other economic services	90.8	157.4	203.1
<i>Total economic services</i>	<i>3,353.2</i>	<i>3,780.9</i>	<i>4,467.6</i>
Other purposes—			
General purpose inter-authority transfers	7,089.6	7,899.7	8,721.4
Natural disaster relief	10.3	70.6	20.8
Interest	2,362.9	2,752.5	3,137.6
<i>Total other purposes</i>	<i>9,462.8</i>	<i>10,722.8</i>	<i>11,879.8</i>
Total outlay, all purposes	33,218.9	37,806.6	43,194.7
Of which—			
Current outlay	29,067.2	33,359.1	38,208.4
Capital outlay	4,151.0	4,447.6	4,986.3

Main components of outlay

The following tables give details of the main components of the outlay of Commonwealth authorities, i.e. final consumption expenditure, expenditure on new fixed assets, personal benefits payments, subsidies and payments to the States and the Northern Territory. More detailed information relating to outlay classified by economic type and purpose, and outlay under specific purpose headings such as education, social security and welfare, is given in *Commonwealth Government Finance* (\$502.0). Additional details of public authorities' transactions engaged in particular fields of activity, e.g. health, may be found in the relevant chapters of this Year Book.

Final consumption expenditure and expenditure on new fixed assets

Final consumption expenditure consists of current expenditure on goods and services by public authorities other than those classified as enterprises, *less* any charges made for goods and services which they themselves provide. Expenditure on new fixed assets consists of purchases of new durable assets *less* sales of previously rented dwellings. Purchases of defence equipment are treated as current expenditure and expenditure on new construction and maintenance of roads is treated as capital. The following tables show dissections by purpose of final consumption expenditure and expenditure on new fixed assets for the six years ended 1981-82.

COMMONWEALTH AUTHORITIES: FINAL CONSUMPTION EXPENDITURE CLASSIFIED BY PURPOSE

	(\$ million)					
Purpose	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
General public services—						
General administration	728	843	866	955	1,105	1,272
External affairs	102	111	122	141	163	182
Law, order and public safety	112	138	150	168	204	245
General research	152	170	183	210	257	313
<i>Total general public services</i>	<i>1,095</i>	<i>1,262</i>	<i>1,320</i>	<i>1,474</i>	<i>1,729</i>	<i>2,012</i>
Defence	1,999	2,184	2,401	2,786	3,291	3,832
Education	235	256	287	250	280	326
Health	466	504	504	538	621	731
Social security and welfare	210	246	279	317	374	463
Housing and community amenities	53	49	47	41	40	34
Recreation and culture	208	223	243	271	319	394
Economic services—						
General administration, regulation and research	199	232	271	316	386	449
Agriculture, forestry, fishing	125	135	144	157	178	208
Mining, manufacturing and construction	21	28	28	34	36	30
Transport and communication	95	96	109	103	139	194
Other	21	23	24	30	33	37
<i>Total economic services</i>	<i>462</i>	<i>514</i>	<i>576</i>	<i>640</i>	<i>772</i>	<i>918</i>
Other purposes	—	—	—	—	—	—
<i>Grand total</i>	<i>4,728</i>	<i>5,239</i>	<i>5,657</i>	<i>6,318</i>	<i>7,425</i>	<i>8,710</i>

COMMONWEALTH AUTHORITIES: EXPENDITURE ON NEW FIXED ASSETS, CLASSIFIED BY PURPOSE

I. GENERAL GOVERNMENT

(\$ million)

Purpose	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
General public services—						
General administration	60.0	49.7	39.9	60.4	83.2	103.6
External affairs	25.5	24.4	12.0	9.1	13.9	15.5
Law, order and public safety	10.9	15.3	22.1	30.0	13.2	7.2
General research	23.6	18.0	29.6	49.3	61.3	67.0
<i>Total general public services</i>	<i>120.1</i>	<i>107.4</i>	<i>103.7</i>	<i>148.7</i>	<i>171.5</i>	<i>193.3</i>
Education	62.2	54.2	50.7	33.2	33.5	23.7
Health	58.3	53.5	36.5	31.4	22.4	17.4
Social security and welfare	8.5	6.7	5.6	2.9	4.0	4.0
Housing and community amenities	112.1	61.3	15.5	6.2	6.2	5.1
Recreation and culture	29.8	25.2	27.7	34.2	62.7	46.9
Economic services—						
General administration, regulation and research	8.8	6.1	7.6	11.6	8.8	7.9
Agriculture, forestry, fishing	8.1	16.0	6.1	7.4	6.3	5.1
Mining, manufacturing and construction	1.0	1.2	0.6	0.7	1.2	3.7
Transport and communication	46.0	73.6	49.0	50.0	69.9	83.5
Other economic services		0.5	0.1	0.1	0.3	0.8
<i>Total economic services</i>	<i>63.8</i>	<i>97.4</i>	<i>63.4</i>	<i>69.8</i>	<i>86.5</i>	<i>101.0</i>
Other purposes	-	-	-	-	-	-
<i>Total general government</i>	<i>454.7</i>	<i>405.8</i>	<i>303.1</i>	<i>326.5</i>	<i>386.8</i>	<i>391.4</i>

II. PUBLIC ENTERPRISES

(\$ million)

Purpose	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Public trading enterprises—						
General public services	0.9	0.5	0.3	0.7	1.4	0.9
Housing and community amenities	23.5	17.9	2.4	2.6	2.2	2.4
Sewerage and drainage	28.8	14.8	5.1	3.6	1.1	0.8
Economic services—						
Technical services, n.e.c.	0.2	0.5	0.1	0.1	-	0.4
Mining activities	-	-	16.5	57.8	22.9	-
Manufacturing activities	5.8	5.5	3.8	4.6	8.0	4.3
Electricity, water supply	48.5	52.0	17.9	7.7	12.2	10.6
Transport and communication—						
Air transport	41.0	145.8	136.9	160.5	282.7	394.9
Rail transport	35.9	40.2	46.3	49.8	40.0	64.6
Sea transport	136.9	138.3	50.6	-3.9	11.1	6.5
Urban transit systems	1.6	7.2	6.7	0.6	1.2	2.5
Pipelines	18.2	2.1	7.7	2.4	18.0	8.9
Communications services	855.1	913.4	904.8	976.6	1,170.6	1,265.7
<i>Total</i>	<i>1,088.9</i>	<i>1,247.0</i>	<i>1,153.0</i>	<i>1,186.0</i>	<i>1,523.0</i>	<i>1,743.1</i>
Other economic services	15.3	27.6	10.2	16.3	6.6	4.4
<i>Total public trading enterprises</i>	<i>1,212.0</i>	<i>1,365.7</i>	<i>1,209.3</i>	<i>1,279.6</i>	<i>1,577.9</i>	<i>1,766.9</i>

Personal benefit payments

Total personal benefit payments during the latest six years are shown in the next table. Further information relating to items in this table is given in the appropriate chapters of this Year Book.

COMMONWEALTH AUTHORITIES: PERSONAL BENEFIT PAYMENTS
 (\$'000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
General public services						
General research						
Queen Elizabeth fellowships	528	567	531	748	-	-
Marine Science grants and fellowships	-	-	-	-	-	-
Assistance to inventors	32	33	34	76	76	-
Education	193,970	212,647	224,928	225,232	244,448	261,322
Health	1,140,399	1,010,432	1,197,982	1,341,824	1,583,252	1,947,660
Social security and welfare	6,033,849	7,033,812	7,656,473	8,311,428	9,372,948	10,843,855
Recreation—						
Overseas study fellowships	190	102	38	1	5	-
Economic services—						
General administration, regulation and research—						
Hostel tariffs of unemployed migrants	195	728	1,892	2,560	3,570	3,981
Maintenance of migrant families	6,035	5,510	6,766	7,629	8,990	11,658
Stevedoring industry - attendance money, etc.	2,305	988	-	-	-	-
Widows' training scheme	21	-	-	-	-	-
National employment training scheme	12,809	16,163	16,931	10,511	-	-
Apprenticeship training	1,738	2,966	3,116	3,246	4,231	4,769
Skills training—individuals	-	-	-	-	3,728	3,078
Youth training						
School to work transition	-	-	-	-	4,703	8,423
Pre-apprenticeship allowances	-	-	-	-	1,587	1,146
Special training—						
Aboriginals	-	-	-	-	3,564	2,721
Disabled persons	-	-	-	-	866	615
Other work and training assistance	-	709	1,264	1,270	2,700	1,795
Other	-	-	-	-	-	-
Total	23,102	27,064	29,969	25,216	33,939	38,186
Agriculture, forestry, fishing						
War service land settlement - rent remissions, etc.	6	1	-	-	-	-
Allowances to agricultural trainees	-	-	-	-	-	-
Total	6	1	-	-	-	-
Mining, manufacturing and construction—						
Joint Coal Board - Welfare fund	3	3	7	14	44	-
Total economic services	23,108	27,067	29,976	25,230	33,983	38,186
Other purposes	201	2	-	-	-	-
Total	7,392,277	8,284,662	9,109,962	9,904,539	11,234,712	13,091,023

Subsidies

The following table shows details of Commonwealth Government outlay on subsidies and bounties. Other assistance to primary producers is included in, for example, tables relating to personal benefit payments and payments to the States, and additional information is given in Chapter 13, Agricultural Industries.

COMMONWEALTH AUTHORITIES: SUBSIDIES

(\$'000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
General public services—						
Departmental cafeteria compensation	—	10	—	—	—	—
General Services	—	—	—	25	36	50
Health—						
Serum laboratories	250	1,200	2,100	2,938	3,653	4,255
Health insurance organisations subsidy	1,748	9,064	6,588	2,638	488	143
<i>Total</i>	<i>1,998</i>	<i>10,264</i>	<i>8,688</i>	<i>5,576</i>	<i>4,141</i>	<i>4,398</i>
Housing and community amenities—						
N.T. Housing Commission assistance	96	429	—	—	—	—
Recreation and related cultural services—						
Canberra Theatre Trust subsidy	167	199	191	376	271	—
Economic services—						
Assistance to employers—						
Stevedoring industry assistance	27,066	21,953	16,598	15,797	19,006	17,700
Apprenticeship training	44,350	74,712	108,574	61,784	94,954	121,302
Technical Services	—	—	—	-110	-13	—
<i>Total</i>	<i>71,416</i>	<i>96,665</i>	<i>125,172</i>	<i>77,471</i>	<i>113,947</i>	<i>139,002</i>
Assistance to agricultural and pastoral enterprises—						
Dairy products subsidy	—	5,250	12,387	17,664	1,600	1,307
Dairy industry stabilisation	—	52,399	80,723	91,230	84,704	79,730
Wheat Industry Stabilisation (Reimbursement of borrowing costs)	—	—	—	7,712	23,198	22,192
Reimbursement by Wheat Board	810	—	—	—	—	—
Phosphate fertilisers bounty	38,733	42,057	46,202	51,425	46,763	43,396
Nitrogenous fertilisers bounty	15,180	13,329	10,413	7,300	4,605	5,265
Processed milk products bounty	—	—	—	—	—	—
Poultry industry assistance	11,128	10,625	9,772	18,275	20,467	21,689
Dried vine fruits stabilisation payments	658	768	216	—	2	2,052
Apple and pear stabilisation payments	4,168	595	463	2,891	815	—
Beef industry assistance	—	84,953	32,543	—	2	—
Meat exports to U.S.S.R.	—	—	—	—	—	—
Beef cattle freight subsidy	296	807	—	—	—	—
N.T. transport of stud stock	—	—	—	—	—	—
Sanctions against USSR and Iran—compensation paid	—	—	—	—	5,256	3,263
Other	—	—	—	21	9	—
<i>Total</i>	<i>70,973</i>	<i>210,783</i>	<i>192,719</i>	<i>196,518</i>	<i>187,420</i>	<i>178,894</i>
Assistance to mining enterprises—						
Oil search subsidy	—	—	—	—	—	—
Mary Kathleen Uranium Ltd—Costs concerning borrowing of uranium	168	102	—	—	—	—
<i>Total</i>	<i>168</i>	<i>102</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>

COMMONWEALTH AUTHORITIES: SUBSIDIES—*continued*
(\$'000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Assistance to manufacturing enterprises—						
Agricultural tractor bounty	4,880	5,700	5,490	8,263	6,979	6,857
Book bounty	8,034	9,538	12,463	13,662	15,005	15,704
Printed sheeting subsidy	300	451	500	737	555	596
Industrial research and development grants	15,400	13,649	22,750	30,599	46,413	21,753
Ship construction subsidy	21,301	7,605	3,559	833	-164	-31
Shipbuilding bounty	7,674	7,800	8,326	13,530	13,720	3,060
Export incentive grants	973	1,303	20,012	170,000	200,000	197,000
Export market development grants	24,079	30,000	38,001	45,000	60,000	84,000
Metal-working machine tools bounty	2,350	3,977	7,048	12,700	13,583	14,471
Structural adjustment assistance	637	—	—	—	—	—
Electronic components assistance	776	293	—	—	—	—
ADP equipment bounty	—	600	654	733	890	1,304
Commercial motor vehicles bounty	—	—	2,384	6,177	6,333	6,368
Textile yarns bounty	—	—	—	—	—	22,962
Injection moulding equipment bounty	—	—	—	2,010	2,000	1,102
Paper bounty	—	—	—	2,060	1,176	1,607
Penicillin bounty	—	—	—	—	634	688
Refined tin bounty	—	—	—	—	65	103
Non-adjustable wrenches bounty	—	—	—	—	367	361
Ship bounty	—	—	—	—	4,991	23,739
Other	—	149	730	606	869	201
<i>Total</i>	<i>86,404</i>	<i>81,065</i>	<i>121,917</i>	<i>306,910</i>	<i>373,416</i>	<i>401,845</i>
Assistance to air transport services—						
Air services subsidy	675	842	753	491	739	5,599
Assistance to sea transport services—						
Tasmania shipping service subsidy	4,109	2,000	2,000	2,000	2,300	2,300
Darwin shipping subsidy	—	—	—	—	1,500	1,500
Tasmanian freight equalisation scheme	16,409	20,927	24,700	27,561	29,473	29,421
Other	48	50	—	—	—	—
<i>Total</i>	<i>20,566</i>	<i>22,977</i>	<i>26,700</i>	<i>29,561</i>	<i>33,273</i>	<i>33,221</i>
Assistance to communications services—						
Other assistance to enterprises—						
Petroleum products prices scheme	—	—	42,929	63,429	108,552	133,426
N.T. petrol prices equalisation	—	72	5,124	7,348	11,775	14,102
Export finance insurance subsidy	298	354	1,496	2,600	4,683	6,357
Liquified petroleum gas subsidy scheme	—	—	—	—	20,288	30,731
<i>Total</i>	<i>298</i>	<i>426</i>	<i>49,549</i>	<i>73,377</i>	<i>145,298</i>	<i>184,616</i>
Natural disaster relief—						
N.T. freight subsidies	15	—	—	—	—	—
<i>Total</i>	<i>252,776</i>	<i>423,762</i>	<i>525,689</i>	<i>690,305</i>	<i>858,541</i>	<i>947,625</i>

Grants and advances to the States and the Northern Territory

Commonwealth Government financial assistance to the States and the Northern Territory takes two main forms: (i) grants for general and specific purposes, and (ii) assistance for developmental and other specific purposes in the form of repayable advances. Some information about these forms of financial assistance is given below, but for more complete information reference should be made to the Commonwealth Government Budget Paper No. 7 *Payments to or for the States, the Northern Territory and Local Government Authorities*. Further information also appears in chapters of this Year Book dealing with the specific function which the payments are designed to serve.

Grants to the States and the Northern Territory

The following tables show details of grants to the States and the Northern Territory for general and specific purposes. More detailed figures appear in *Commonwealth Government Finance* (5502.0).

**COMMONWEALTH AUTHORITIES: GRANTS TO THE STATES AND THE NORTHERN TERRITORY,
1981-82
(\$'000)**

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>Total</i>
FOR CURRENT PURPOSES								
General public services	161	231	61	61	25	11	3	553
Defence	574	471	553	65	200	109	-	1,972
Education	805,138	707,094	342,414	219,607	218,752	64,226	11,378	2,368,609
Health	5,367	8,745	5,323	125,179	10,354	42,787	1,760	199,516
Social security and welfare	10,997	9,691	3,114	5,169	4,047	2,062	452	35,532
Housing and community amenities	1,848	1,347	2,898	1,013	868	314	200	8,488
Recreation and culture	-	-	-	-	-	-	140	140
Economic services	12,328	3,823	9,911	2,326	2,119	780	48,792	80,079
Other purposes								
States' Personal Income Tax sharing entitlements	2,010,075	1,487,472	1,230,187	761,027	809,909	322,031	315,100	6,935,801
Additional assistance grant	-	-	-	-	-	-	20,000	20,000
Special grants	24,500	15,000	88,000	-	-	-	-	127,500
Financial assistance identified for health	477,736	325,936	165,155	8,606	155,039	4,747	26,093	1,163,312
Interest on State debt	5,835	4,254	2,192	1,408	947	534	-	15,170
Sinking fund on State debt	13,767	10,586	5,517	5,259	3,913	2,816	-	41,858
Natural disaster relief	6,576	7	2,328	-	347	89	-	9,347
Debt charge assistance	-	-	-	-	-	-	21,805	21,805
Local government assistance	128,058	89,300	59,158	30,178	32,945	11,227	1,680	352,546
Recreation leave and furlough entitlements	-	-	-	-	-	-	1,475	1,475
<i>Total other purposes</i>	<i>2,666,547</i>	<i>1,932,555</i>	<i>1,552,537</i>	<i>806,478</i>	<i>1,003,100</i>	<i>341,444</i>	<i>386,153</i>	<i>8,688,814</i>
Total grants for current purposes	3,502,960	2,663,954	1,916,811	1,159,894	1,239,464	451,733	448,878	11,383,694
FOR CAPITAL PURPOSES								
Education	124,107	99,896	56,700	33,332	36,567	10,537	7,833	368,970
Health	299	890	210	115	199	2,451	6	4,170
Social security and welfare	13,809	8,143	5,772	3,545	3,085	1,527	-	35,881
Housing and community amenities	25,593	15,934	13,010	13,535	12,034	3,669	18,950	102,725
Recreation and culture	523	3,060	3,090	330	386	1,543	165	9,096
Economic services								
General administration, regulation and research	-	-	-	-	-	-	-	-
Employment of Aborigines	-	-	-	-	5	-	-	5
Soil and water resources management	4,689	2,915	6,456	2,647	3,507	235	1,991	22,441
Assistance to agricultural and pastoral industries	630	608	432	432	494	54	33	2,684
Electricity, gas, water supply	-	1,700	-	2,600	916	-	-	5,216
Rail transport	-	-	-	-	-	-	-	-
Sea transport	-	-	-	-	-	-	-	-
Road systems and regulation	214,336	137,828	139,361	56,302	83,895	46,684	23,035	701,441
Urban transit systems	-	35,000	-	192	1,321	-	-	36,514
<i>Total economic services</i>	<i>219,655</i>	<i>178,051</i>	<i>146,249</i>	<i>62,173</i>	<i>90,138</i>	<i>46,973</i>	<i>25,059</i>	<i>768,301</i>
Other purposes								
Capital assistance	140,854	109,473	57,777	56,787	40,320	30,539	38,284	474,034
Natural disaster relief	145	1,081	4,082	-	1,012	314	-	6,634
Total grants for capital purposes	524,984	416,526	286,890	169,817	183,741	97,553	90,297	1,769,810
TOTAL GRANTS								
Total grants to the States	4,027,944	3,080,480	2,203,701	1,329,711	1,423,205	549,286	539,175	13,153,502

COMMONWEALTH AUTHORITIES: GRANTS TO THE STATES AND THE NORTHERN TERRITORY
(S'000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
FOR CURRENT PURPOSES						
General public services	13,140	11,450	11,905	12,641	424	553
Defence	1,199	1,362	1,744	1,794	1,751	1,972
Education	1,390,758	1,517,840	1,595,323	1,774,739	2,050,811	2,368,604
Health	720,325	1,038,323	1,114,339	1,227,257	1,398,971	199,516
Social security and welfare	24,844	36,500	46,177	49,647	44,468	35,532
Housing and community amenities	7,425	5,834	5,540	6,114	6,817	8,488
Recreation and culture	600	489	282	416	828	140
Economic services	40,539	45,548	48,609	71,532	81,119	80,076
Other purposes—						
States' Personal Income Tax sharing entitlements(a)	3,695,594	4,316,641	5,058,669	5,624,767	6,285,494	6,935,800
Financial assistance identified for health (b)	—	—	—	—	—	1,163,312
Additional grants	—	—	—	—	—	69,000
Special grants	27,000	24,800	21,700	12,400	6,700	58,500
Special revenue assistance	—	—	—	20,000	20,000	20,000
Interest on State debt	15,170	15,170	15,170	15,170	15,170	15,170
Sinking fund on State debt	31,635	33,747	35,959	38,148	39,937	41,857
Debt charges assistance	—	—	—	1,573	12,369	21,805
Natural disaster payments	1,925	2,311	2,679	1,641	24,713	9,347
Local government assistance	140,000	165,328	179,427	222,801	302,226	352,545
Establishment grants	—	—	330	7	—	—
Other	—	—	—	—	—	1,475
<i>Total other purposes</i>	<i>3,911,324</i>	<i>4,557,997</i>	<i>5,313,934</i>	<i>5,936,507</i>	<i>6,706,609</i>	<i>8,688,811</i>
Total grants for current purposes	6,110,154	7,215,343	8,137,852	9,080,646	10,291,796	11,383,692
FOR CAPITAL PURPOSES						
Education	327,763	343,108	363,718	325,110	321,472	368,970
Health	132,455	68,902	17,784	12,735	8,165	4,170
Social security and welfare	15,233	16,266	19,088	35,020	35,791	35,881
Housing and community amenities	37,171	12,310	13,752	90,953	102,087	102,725
Recreation and culture	8,976	5,540	5,767	5,405	5,837	9,096
Economic services—						
General administration, regulation and research	—	—	—	—	—	—
Employment of Aborigines	—	68	28	17	9	5
Soil and water resources management	11,636	10,833	10,804	17,009	21,806	22,441
Assistance to agricultural and pastoral industries	8,550	7,413	7,167	2,720	2,758	2,684
Electricity, gas, water supply	3,910	1,800	2,403	3,745	3,127	5,216
Rail transport	490	14	—	—	863	—
Sea transport	15	-305	-178	—	—	—
Road systems and regulation	456,215	493,224	513,728	572,914	640,663	701,441
Urban transit systems	58,403	51,000	41,869	42,084	44,057	36,514
Other	832	—	—	—	—	—
<i>Total economic services</i>	<i>540,051</i>	<i>564,047</i>	<i>575,821</i>	<i>638,489</i>	<i>713,283</i>	<i>768,301</i>
Other purposes—						
Natural disaster relief	23,697	20,820	9,844	6,870	8,230	6,633
Capital assistance	452,000	477,930	477,936	450,803	474,034	474,034
Total grants for capital purposes	1,537,346	1,508,923	1,483,710	1,565,384	1,668,898	1,769,810
TOTAL GRANTS						
Total grants to the States and the Northern Territory	7,647,500	8,724,266	9,621,562	10,646,030	11,960,694	13,153,502

(a) Prior to 1976, 77 'Financial assistance grants'. (b) From 1981-82 onwards part of Commonwealth Government specific purpose grants to the States for health has been replaced by additional General Revenue Grants and is shown in this table in the category 'Other purposes, Financial assistance identified for health'.

General purpose grants

Financial Assistance Grants. Details of the financial assistance grants arrangements existing in 1972-73 and previous years are given in earlier issues of the Year Book (see No. 60, page 578.)

Arrangements for the years 1973-74 to 1975-76 are embodied in the *States Grants Act 1973*. Under these arrangements the financial assistance grants increase each year in proportion to the increase in average wages in Australia as a whole in the year ending 31 March in the year of payment and to the increase in each State's population in the year ending 31 December in the year of payment, and by a betterment factor of 1.8 per cent. Adjustments were made to these arrangements to reduce the grants when the Commonwealth assumed full responsibility for financing tertiary education from 1 January 1974 and on account of transfers of railways from South Australia and Tasmania to the Commonwealth. Financial assistance grants additional to the grants determined by the formula were paid to Western Australia in 1973-74 and 1974-75, and to Tasmania in 1974-75. In 1975-76, \$220 million was paid to the States in addition to the amounts otherwise payable in that year and in the same proportion.

These arrangements were replaced by the *Personal Income Tax Sharing Entitlements* between the Commonwealth and the State and local governments which came into operation in 1976-77. A comprehensive description of this scheme is given in the Commonwealth Budget Paper *Payments to or for the States, the Northern Territory and Local Government Authorities*.

The following table shows the calculations underlying the States' tax sharing entitlements in 1980-81:

DISTRIBUTION OF STATES' PERSONAL INCOME TAX SHARING ENTITLEMENTS IN 1980-81

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	Total
(1) Population at 31 December 1980(a)	5,183,259	3,907,934	2,275,707	1,302,404	1,276,696	424,617	14,370,617
(2) Per capita relativities(b)	1.02740	1.00000	1.39085	1.52676	1.66516	2.00188	
(3) Row (1) weighted by Row (2)	5,325,280	3,907,934	3,165,167	1,988,458	2,125,903	850,032	17,362,774
(4) Percentage distribution of Row (3) between States (per cent)	30.67067	22.50754	18.22962	11.45242	12.24403	4.89572	100.00000
(5) Share of 39.87 per cent of \$12,670.8 million(c)—Distributed according to Row (4) \$'000	1,839,065	1,349,590	1,093,078	686,706	734,172	293,556	5,996,167
(6) Amount guaranteed under Section 8 of the Act (Financial Assistance Grants formula) (d) \$'000	1,833,139	1,354,860	1,044,929	691,540	723,874	298,602	5,946,944
(7) States' entitlements under the Act (\$'000) (e)	1,839,065	1,354,860	1,093,078	691,540	734,172	298,602	6,011,318

(a) Determined in accordance with section 9 of the *States (Personal Income Tax Sharing) Act 1976*. (b) Relativities specified in section 4 (1) of the Act. (c) Net personal income tax collections (excluding receipts from the Health Insurance levy) in 1979-80 as determined by the Commissioner of Taxation in accordance with section 6 of the Act. (d) The guarantee arrangements for 1980-81 were adopted at the 7 December 1979 Premiers' Conference. The guarantee ensures that each State will receive no less in real terms than the amount it received in 1979-80 as measured by the Consumer Price Index for the four quarters to March 1981 compared with the four quarters to March 1980 in the capital city of the State. (New South Wales 10.20 per cent, Victoria 9.80 per cent, Queensland 9.70 per cent, South Australia 9.70 per cent, Western Australia 9.20 per cent and Tasmania 9.50 per cent). (e) For New South Wales, Queensland and Western Australia, amounts in Row (5); for Victoria, South Australia and Tasmania amounts in Row (6).

Special Grants. These grants are paid to the financially weaker States as supplements to the financial assistance grants. They are paid on the recommendation of the Commonwealth Grants Commission. The recommendation by the Commission for payment of a special grant consists of two parts: one part is based on an estimate of the claimant State's financial need in the current financial year, and is treated as an advance payment subject to adjustment two years later when the Commission has compared in detail the audited budget results and standards of effort and of services provided in that year for both the claimant State and the States which the Commission takes as 'standard' (New South Wales and Victoria at present); and the other part represents the final adjustment to the advance payment made two years earlier and is known as the completion payment. Queensland has been the only applicant State in the period 1976-77 to 1980-81. (Tasmania, which had withdrawn from claimancy in 1974-75, applied on 30 June 1978 for a special grant in respect of 1977-78 but subsequently withdrew its application.) A condition of the agreement reached at the June 1981 Premiers' Conference for provision of additional assistance to New South Wales, Victoria and

Queensland for the year 1981-82 was that none of these States would seek a special grant in respect of that year. Queensland, which had already sought a special grant in respect of 1981-82, subsequently withdrew its application. The following table shows special grants paid in recent years.

COMMONWEALTH GRANTS COMMISSION: SPECIAL GRANTS (a)
(\$'000)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Queensland	24,800	21,700	12,400	6,700	58,500	-19,650

(a) Amounts actually paid each year.

Capital assistance grants. Since 1970-71 the Commonwealth Government has provided a portion of the State's Loan Council programs in the form of interest-free capital grants. The grants replace State borrowings and thereby relieve them of debt charges they would otherwise have had to pay. These grants, which were authorised by the *States Grants (Capital Assistance) Acts*, totalled \$477.9 million in 1977-78 and 1978-79, \$415.0 million in 1979-80, \$435.8 million in 1980-81 and 1981-82, and \$457.7 million in 1982-83.

Specific purpose grants

The Commonwealth Government has provided financial assistance for certain specific types of expenditure by the States for many years. Unlike the general purpose grants, these current and capital grants are 'tied', that is, they are subject to conditions as to the purposes for which they may be spent. Purposes for which such grants have been made include educational programs, hospital development programs, welfare services for the aged, road construction, natural disaster relief and, since 1974-75, assistance to local government authorities. Specific purpose grants amounted to \$3,904.9 million in 1977-78, \$4,053.4 million in 1978-79, \$4,538.1 million in 1979-80, \$4,173.7 million in 1980-81 and \$4,430.2 million in 1981-82 and \$5,581.7 million in 1982-83. From 1979-80 onwards the figures include specific purpose grants made to the Northern Territory.

For details of the various specific purpose programs reference should be made to the Commonwealth Budget Paper *Payments to or for the States, the Northern Territory and Local Government Authorities*.

Advances to the States

The Commonwealth is also providing financial assistance for State projects by way of repayable advances. Borrowings of the Loan Council which are advanced to the States for their work programs and advances for State housing projects represent the largest proportion of the total funds advanced. Full descriptions of the various programs for which funds have been advanced in recent years are given in *Payments to or for the States, the Northern Territory and Local Government Authorities*.

The following table shows figures of advances to the States and repayments of advances. More detailed figures appear in *Commonwealth Government Finance* (5502.0).

COMMONWEALTH AUTHORITIES: NET ADVANCES TO THE STATES AND THE NORTHERN TERRITORY 1981-82

(\$'000)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>Total</i>
Defence	785	-286	1,251	249	-58	72	-	2,014
Social security and welfare	-	-2	-	-	-	-	-	-2
Housing and community amenities	55,203	30,765	10,569	-9,376	13,086	7,047	6,546	113,841
Economic services—								
Soil and water resources management	-2,381	-211	-719	-	72	-	-	-3,239
Forest resources management	1,499	255	636	122	768	473	-	3,753
Assistance to manufacturing	-	-	-	-	-	-13	-	-13
Assistance to agricultural and pastoral industries	-1,204	-871	-1,860	770	847	-165	188	-2,294
Mining	-	-	-	-	-	-	-	-
Electricity, gas and water supply	-	-	-2,496	-99	-745	-2,989	-1,335	-7,664
Rail transport	11,304	2,164	6,094	-	-503	-	-	19,059
Sea transport	-	-	-100	-	-	-132	-	-232
Other transport and communication	-	-	-570	-	-	-	-	-570
<i>Total economic services</i>	<i>9,218</i>	<i>1,337</i>	<i>985</i>	<i>793</i>	<i>439</i>	<i>-2,826</i>	<i>-1,147</i>	<i>8,799</i>
Other purposes—								
State works programs	209,775	166,069	87,175	86,787	59,927	48,180	74,790	732,703
Special resource assistance	-	-	-	-	-	-	-	-
Natural disaster relief	6,985	-321	2,388	-2,036	-1,949	-253	-	4,814
<i>Total other purposes</i>	<i>216,760</i>	<i>165,748</i>	<i>89,563</i>	<i>84,751</i>	<i>57,978</i>	<i>47,927</i>	<i>74,790</i>	<i>737,517</i>
<i>Total net advances</i>	<i>281,969</i>	<i>197,564</i>	<i>102,366</i>	<i>76,417</i>	<i>71,446</i>	<i>52,220</i>	<i>80,188</i>	<i>862,171</i>

Minus sign (-) denotes excess of repayments.

COMMONWEALTH AUTHORITIES: ADVANCES TO THE STATES AND THE NORTHERN TERRITORY
(S'000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
GROSS						
Defence	35,114	22,519	11,600	1,455	1,320	3,004
Social security and welfare	-	-	-	-	-	-
Housing and community amenities	474,741	441,646	355,424	211,497	222,003	184,724
Economic services—						
Assistance to agricultural and pastoral industries	31,981	37,489	39,812	40,739	14,274	13,701
Other	48,900	8,174	10,770	11,733	20,852	28,880
Other purposes—						
State works programs	904,000	955,867	955,867	901,606	948,068	948,068
Other	4,828	34,369	14,444	7,308	47,381	13,801
Total gross advances	1,499,564	1,500,065	1,387,917	1,174,339	1,253,896	1,192,179
REPAYMENTS						
Defence	734	789	840	894	941	991
Social security and welfare	-	-	2	2	2	2
Housing and community amenities	25,191	28,332	32,500	35,346	42,635	70,884
Economic services—						
Assistance to agricultural and pastoral industries	8,548	11,074	13,368	19,581	41,662	15,995
Other	13,116	13,352	15,375	19,333	17,510	17,785
Other purposes—						
State works programs	159,323	171,032	185,269	195,210	204,295	215,365
Other	14,589	14,343	13,396	7,972	10,386	8,987
Total repayments	221,501	238,922	260,750	278,337	317,428	330,008
NET						
Defence	34,380	21,730	10,760	561	379	2,014
Social security and welfare	-	-	-2	-2	-2	-2
Housing and community amenities	449,550	413,314	322,924	176,152	179,368	113,841
Economic services—						
Assistance to agricultural and pastoral industries	23,433	26,415	26,444	21,158	-27,388	-2,294
Other	35,784	-5,178	-4,605	-7,600	3,342	11,095
Other purposes—						
State works programs	744,677	784,835	770,598	706,396	743,773	732,703
Other	-9,761	20,026	1,048	-664	36,995	4,814
Total net advances	1,278,063	1,261,142	1,127,167	896,001	936,468	862,172

Minus sign (—) denotes excess of repayments.

Main components of receipts

The main components of the receipts of Commonwealth authorities are taxation, income of public enterprises and other factor income transfers, and borrowing and financing transactions. Taxation constitutes by far the major source of receipts. In recent years, however, borrowing has become an increasingly significant source of funds for Commonwealth authorities.

In what follows, an account is given of the system of Commonwealth Government taxation, and some details are given of the current operations of Commonwealth public enterprises. Borrowings and other financing activities of Commonwealth authorities are dealt with for convenience in a later section relating to the debt of all public authorities.

Commonwealth Government taxation—summary

The following tables show Commonwealth Government taxation receipts classified by type of tax for the past six years, and the proportion of each type to total collections.

COMMONWEALTH AUTHORITIES: TAXATION BY TYPE OF TAX(a)

(\$'000)

Type of tax	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Taxes—						
Income taxes—						
Individuals(b)	11,046,664	12,122,158	12,797,174	15,032,479	17,532,123	21,204,499
Superannuation Funds	—	—	—	7,618	11,129	19,816
Companies(c)	2,803,079	3,072,372	3,002,052	3,360,357	4,638,923	5,009,596
Dividend (withholding)	71,969	87,700	88,094	99,912	114,108	125,610
Interest (withholding)	24,408	30,153	25,975	41,018	46,596	78,957
Mining (withholding)	—	—	—	200	261	530
<i>Total income taxes</i>	<i>13,946,120</i>	<i>15,312,383</i>	<i>15,913,295</i>	<i>18,541,584</i>	<i>22,343,140</i>	<i>26,439,008</i>
Estate duty	76,189	95,823	82,061	48,398	17,123	4,167
Gift duty	11,486	6,574	1,445	529	-82	224
Rates on land	15,503	17,010	15,011	16,540	19,249	20,910
Customs duty on coal exports	121,329	100,165	93,524	90,716	84,947	96,943
Customs duties on imports	1,152,016	1,131,817	1,363,041	1,538,064	1,799,488	2,059,706
Excise duties—						
Crude oil and LPG	340,000	469,000	1,227,000	2,270,200	3,107,900	3,163,300
Other	2,145,420	2,264,490	2,617,686	2,695,138	2,726,125	2,830,493
Sales tax	1,650,256	1,757,702	1,769,840	1,864,813	2,102,254	2,854,266
Primary production taxes	189,006	172,397	215,690	273,880	292,217	234,109
Broadcast station licences	1,200	1,508	1,843	2,184	2,484	2,913
Television station licences	6,028	10,469	12,724	15,946	19,005	28,020
Stevedoring industry charge	46,884	28,955	19,004	20,137	19,483	18,232
Payroll tax	18,644	19,583	13,142	12,373	13,184	15,986
Departure tax	—	—	11,966	18,384	18,720	36,090
Other taxes	15,496	19,107	18,487	18,765	19,619	26,460
<i>Total taxes</i>	<i>19,735,577</i>	<i>21,406,983</i>	<i>23,375,759</i>	<i>27,427,651</i>	<i>32,584,856</i>	<i>37,830,827</i>
Fees from regulatory services	15,264	21,526	22,730	48,658	51,795	65,294
Fines	3,121	3,838	4,229	4,228	4,207	7,296
Unfunded employee retirement contribution	51,680	61,087	63,129	67,124	72,922	86,346
Other current transfers n.e.c.	678	554	403	569	663	928
<i>Total taxation</i>	<i>19,806,320</i>	<i>21,493,988</i>	<i>23,466,250</i>	<i>27,548,230</i>	<i>32,714,443</i>	<i>37,990,691</i>

(a) From 1978-79 excludes taxes collected by Northern Territory Government authorities. (b) Includes Medibank levy payable from 1 October 1976 to 31 October 1978. (c) Excludes income tax paid by public enterprises: 1976-77, \$21.4m; 1977-78, \$23.1m; 1978-79, \$34.6m; 1979-80, \$46.5m; 1980-81, \$55.8m; 1981-82, \$43.1m.

Taxes on income

A description of the development of income taxes in Australia appeared in Year Book No. 35, page 926. Since July 1942 the Commonwealth Government, under the uniform tax arrangement, has been the only authority imposing taxes on income.

The laws dealing with the assessment and imposition of income tax at 31 October 1982 were—*Income Tax Assessment Act 1936* (later referred to as 'the Assessment Act'); Acts declaring rates of tax—*Income Tax (Rates) Act 1982*, *Income Tax (Individuals) Act 1982*, *Income Tax (Companies, Corporate Unit Trusts and Superannuation Funds) Act 1982*, *Income Tax (Non-resident Companies Act) 1978*, *Income Tax (Dividends and Interest Withholding Tax) Act 1974*, *Income Tax (Drought Bonds) Act 1969*, *Income Tax (Withholding Tax Recoupment) Act 1971*, *Income Tax (Bearer Debentures) Act 1971*, *Income Tax (Mining Withholding Tax) Act 1979*, *Income Tax (Film Royalties) Act 1977*, *Income Tax (Diverted Income) Act 1981*, *Income Tax Regulations* and *Income Tax (Indexation) Regulations*.

Both individuals and companies are liable for income tax. Private companies are subject to tax on certain undistributed income in addition to the primary income tax levied on all companies.

The operation of the *Assessment Act* is affected by other Acts, the more important of which are:

- (a) *Taxation Administration Act* 1953, which provides for the administration of certain Acts relating to taxation and the screening for taxation purposes of applications for exchange control approval.
- (b) *Income Tax (International Agreements) Act* 1953, which gives the force of law to agreements with other countries for the avoidance of double taxation. Australia has concluded comprehensive agreements for the avoidance of double taxation with the United Kingdom, the United States of America, Canada, New Zealand, Singapore, Japan, the Federal Republic of Germany, the Netherlands, France, Belgium, the Philippines, Switzerland, Malaysia, Sweden and Denmark. Agreements with Norway and the Republic of Korea and a revised agreement with the United States have been signed but have not yet entered into force. Also, limited agreements dealing with airline profits have been concluded with France, Italy and Greece.
- (c) *The States (Personal Income Tax Sharing) Act* 1976, which provides for the States to receive a specified proportion of net personal income tax collections to 30 June 1981.
- (d) *The States (Tax Sharing and Health Grants) Act* 1981, operative as from 1 July 1981, under which the States are to receive a proportion of total Commonwealth tax collections.
- (e) *Income Tax (Arrangements with the States) Act* 1978, which enables each State to increase or reduce personal income tax levied on residents of the State.
- (f) *International Organizations (Privileges and Immunities) Act* 1963, and Regulations made under that Act, which provide for the exemption from income tax of certain income of international organizations and their officials.
- (g) *Diplomatic Privileges and Immunities Act* 1967, which provides for the exemption from income tax of certain income of diplomatic representatives, their staff and families.
- (h) *The Loan (Income Equalization Deposits) Act* 1976, which provides for the making of interest bearing income equalization deposits by primary producers with the Commissioner of Taxation.
- (i) *Consular Privileges and Immunities Act* 1972, which provides for the exemption from income tax of certain income of consular representatives, their staff and families.
- (j) *Loan (Drought Bonds) Act* 1969, which authorizes the issue of drought bonds and empowers the Commissioner of Taxation to declare when drought bonds have become redeemable.
- (k) *Taxation Debts (Abolition of Crown Priority) Act* 1980, which abolishes priority accorded to certain Crown Debts.
- (l) *The Crimes (Taxation Offences) Act* 1980, which established a number of criminal offences relating to the fraudulent evasion of income tax (and sales tax) by stripping companies or trusts of their capacity to pay.

A resident individual is required to lodge a return of income when his total income from all sources in Australia is in excess of \$4,462 in 1982–83. However, in the case of a resident minor i.e., a person under the age of 18 years at the end of the year of income, a return is to be lodged where income exceeds \$1,040. Except in the case of a non-resident in receipt of a taxable Australian social security or repatriation pension, allowance or benefit (in which case the position is the same as for a resident), a non-resident individual is required to lodge a return of income where his total income (other than dividends or interest on which withholding tax has been paid) from all sources in Australia exceeds \$585. In the case of a non-resident minor, a return is to be lodged where income exceeds \$136 in 1982–83. (see page 614).

Non-profit companies with total incomes in excess of \$416 and all other companies, partnerships and trusts deriving income are required to lodge returns of income each year.

Where applicable, income tax payable is assessed and assessment notices showing the amounts payable are issued during the year following the year of income. For individuals the approximate amount payable, however, has already been collected during the income year (from employees by deductions from salary or wages and from non-employees by a provisional tax). The amount shown on the assessment notice is therefore adjusted against the amount already paid, and any difference is either collected or refunded.

Taxes on income—individuals

Pay-as-you-earn-system

Salary and wage earners are subject to tax instalment deductions by employers according to

prescribed scales which show the amount to be deducted according to income. Under the group employer scheme, the amount deducted is required to be regularly remitted to the Australian Taxation Office.

Not later than 14 July each year, employers are required to supply each employee with a group certificate showing the amount earned and deductions made during the year ended 30 June.

Under the tax stamp scheme for employers other than group employers, a tax deduction sheet in two parts is used. Every four weeks the employer purchases tax stamps for the amount of deductions made each pay day and attaches the tax stamps to the tax stamps sheet in the space provided and the tax checks (attached to the stamps) in the space provided on the tax check sheet. At the end of the year the employer gives the employee the tax stamp sheet and sends the tax check sheet to the Taxation Office. The tax stamp sheet is then used in the same way as a group certificate.

Individuals with taxable income other than salary or wages of \$1,000 or more in 1982-83 may be required to pay provisional tax in respect of that income. Provisional tax is not generally charged, however, where tax instalment (PAYE) deductions made in the previous income year exceeded 95 per cent of the net tax payable for that year and provisional tax was not imposed previously. The provisional amount is intended as an approximation to the tax which will be assessed after the return of income for the current year has been lodged. In order to account for an expected rise in provisional incomes in 1982-83, provisional tax is calculated using 1982-83 rates of tax applied to 1981-82 income increased by 10 per cent. The provisional amount is intended as an approximation to the tax which will be assessed after the return of income for the current year has been lodged. The assessment notice shows the tax assessed on income from the previous year less any provisional tax already paid for that year and provisional tax payable for the current year. Taxpayers may apply to vary the amount of provisional tax imposed if his or her circumstances change during the year.

Assessable income—individuals

Assessable income (from which deductions are made to arrive at taxable income) basically includes all receipts within the ordinary meaning of the word 'income', but excludes items of income that are specified as exempt. Assessable income specifically includes certain receipts such as casual profits arising from the sale of property held less than one year and profits arising from the sale of property acquired for the purpose of profit-making by sale regardless of the period the property is held before sale. The value to employees of allowances and benefits given by employers for services rendered is also specifically included in the assessable income of the employees. Receipts such as gifts (other than gratuities received by an employee in the course of employment), legacies, lottery wins and other receipts of capital generally do not form part of the assessable income.

Exemption from tax is provided by the Assessment Act in respect of a number of specified classes of income—for example, certain war pensions; invalid pensions; family allowances; income received from a scholarship, bursary or other educational allowance; the income of charitable institutions and public hospitals, certain foreign income where it has been taxed overseas, and income of certain Australian residents derived from personal services performed overseas.

Deductions

The taxable income to which the rates of tax are applied is arrived at by deducting from the assessable income any allowable deductions.

Deductions from assessable income are authorised for losses and outgoings incurred in gaining or producing assessable income or necessarily incurred in carrying on a business for that purpose except to the extent that they are of a capital, private or domestic nature, are incurred in gaining or producing exempt income, or are of the kinds that are specifically declared to be not deductible by provisions of the Assessment Act. In addition, certain other deductions are specifically authorised by the Assessment Act.

Deductions allowable include trading losses incurred in previous years, bad debts, certain home insulation expenditure, depreciation, gifts to various institutions and, in certain circumstances, rates and land taxes paid. Expenditure of a capital nature incurred under a contract entered into after 19 July 1982 in relation to mining operations, is eligible for deduction on a straight line basis by reference to the lesser of 10 years or the estimated life of the mine or oil field. Expenditure on mining plant may also be written off on that basis or, if the taxpayer chooses, by depreciation allowances. Exploration or prospecting expenses incurred by general (non-petroleum) mining companies are allowable as deductions against net assessable income from mining activities in the year in which the expenditure is incurred. Expenditure on exploration or prospecting for petroleum is immediately deductible against income from any source. Deductions are also available for the cost of converting certain oil fired industrial equipment to use other energy sources. The deduction, which replaces annual depreciation

allowances, is an amount equal to the cost of the conversion. The deduction is allowable in equal instalments over 2 years, where costs were incurred after 30 April 1981. A special allowance of 40 per cent of the cost of certain capital expenditure incurred on the purchase or construction of certain non-oil fired plant to replace oil fired plant is also available. Normal depreciation allowances apply to the plant and the 40 per cent allowance takes the place of any investment allowance that otherwise might have applied. A special loading applies to increase the depreciation rates on eligible plant. For plant contracted for on or after 1 May 1981 the loading is set at 18 per cent. New and second hand plant (excluding structural improvements and motor vehicles of a kind previously excluded from the 18 per cent loading) acquired under a contract entered into, or the construction of which by the taxpayer commenced, after 19 July 1982 is to be depreciated on a prime cost basis at a rate of either 20 per cent or 33½ per cent. The 20 per cent rate applies to eligible plant of a kind that under the previous system qualified for depreciation at a prime cost rate (including the 18 per cent loading) of 20 per cent or less, and the 33½ per cent applies where the previous prime cost rate was greater than 20 per cent. Where applicable, the investment allowance continues to be available and, in cases where the previous depreciation arrangements confer greater benefits than under the present scheme, a taxpayer is entitled to retain the previous arrangements.

Certain expenditure of a capital nature incurred by primary producers in carrying out improvements to their land is deductible over 10 years. Capital expenditure on certain soil conservation operations is allowable in full in the income year in which the expenditure is incurred. Certain expenditure in connection with conserving or conveying water for use in a business of primary production is deductible in the year of expenditure. Expenditure incurred by a primary producer before 1 July 1984 in constructing stockyard or subdivisional fences where their construction is certified as being desirable for the eradication or control of bovine brucellosis or tuberculosis is also deductible in the year of expenditure. Certain new items of plant and machinery acquired for use in a business of primary production are depreciable in equal instalments over 5 years, as are certain structural improvements for the storage of hay, grain or fodder. New primary production plant of a kind that previously qualified for the special 20 per cent prime cost depreciation rate is eligible for a 33½ per cent prime cost rate if acquired under a contract entered into, or where construction by the taxpayer commenced, after 19 July 1982. Deductions are allowable in respect of cash deposits made by primary producers (income equalisation deposits), which fall for inclusion in assessable income on withdrawal.

Deductions may also be allowed in respect of expenditure on certain plant and machinery by way of an investment allowance. The rate of the allowance is 18 per cent of qualifying expenditure for plant contracted for after 30 April 1981.

Deductions are also allowable for the capital cost of connecting mains electricity to a property on which a business is carried on. A 100 per cent depreciation allowance is available for the cost of certain plant used in Australia exclusively to store fuel held for use in a business as fuel or as trading stock for disposal. Special concessions involving a deduction loading and income exemption are available for capital investment in the production of certain new Australian films. Special rates of depreciation on a prime cost basis are available for new and second-hand plant used in the production of basic iron and steel products. The new rate will be 20 per cent except where, under existing law, eligible plant would attract a rate of more than 20 per cent. In those cases, a 33½ per cent rate will apply. Depreciation allowances in respect of new non-residential income-producing buildings are available at the rate of 2½ per cent per annum in respect of the construction cost of eligible buildings where construction of the buildings commenced after 19 July 1982.

Living-away-from-home allowance. Where an allowance is paid to an employee under any award, industrial agreement, etc.—

- (a) if it is received in cash and does not exceed \$7 per week, a deduction is allowable of the amount of the allowance, up to \$5 per week;
- (b) if it is received otherwise than in cash and exceeds a value of \$2 per week but does not exceed a value of \$5 per week, a deduction is allowable of the excess of that value over \$2 per week.

In any other case the deduction allowable is the amount which the Commissioner deems reasonable but may not exceed the total amount received less \$2 per week.

Subscriptions. When they are paid in respect of membership of any trade, business or professional association or union.

Gifts. Those of \$2 and upwards made to specified funds, authorities and institutions including public benevolent institutions, approved research institutions for scientific research, building funds for schools conducted by non-profit organisations, certain approved voluntary overseas aid organisations, etc.

Superannuation contributions of eligible self-employed persons and employees not covered by funds to which any other person contributes for their benefit that are paid after 19 August 1980 to ap-

proved funds are deductible to a maximum \$1,200 in any one year of income. Any excess of contributions over \$1,200 falls for consideration under the superannuation provisions subject to concessional rebate (see page 572).

Rebates of Tax

From the gross amount of tax calculated by applying the relevant rate to the taxpayer's taxable income, a deduction is made for any rebates allowable to the taxpayer.

Dependant, housekeeper and sole parent rebates. A concessional rebate of the relevant amount specified below for each *dependant* is allowable to a resident taxpayer if, during the whole of the year of income, the taxpayer is the sole contributor to the dependant's maintenance and that dependant does not have a separate net income in excess of \$282.

<i>Dependant</i>	<i>Maximum rebate 1982-83</i>
	\$
Spouse or daughter-housekeeper—where there is a dependent child or student child	963
Spouse or daughter-housekeeper—where there is not a dependent child or student child	830
Parent or parent-in-law	749
Invalid relative	376

If a person in one or other of these dependant categories is a dependant during part only of the year of income (such a person residing with the taxpayer is ordinarily regarded as a dependant throughout the period of residence), the maximum rebate is proportionately reduced. Rebates for a parent, parent-in-law or invalid relative are allowable only in respect of residents of Australia.

Where a person has a separate net income in excess of \$282 while a dependant of a taxpayer, the rebate otherwise allowable is reduced by \$1 for every complete \$4 by which the separate net income exceeds \$282, irrespective of the period over which the person has derived the income. When two or more people contribute to the maintenance of a person who is a dependant of both of them, the rebate allowable is apportioned between the contributing taxpayers.

A concessional rebate is allowable to a resident taxpayer in respect of a *housekeeper* who, during the whole of the year of income, is wholly engaged in keeping house in Australia for the taxpayer and has the care of (a) a child or step-child of the taxpayer, less than 16 years of age; (b) an invalid relative in respect of whom the taxpayer is entitled to a rebate or any child under 16 years classed as a dependant for this purpose; or (c) the taxpayer's spouse if in receipt of an invalid pension under the *Social Security Act*. Where there is a dependent child or student, the maximum rebate for 1982-83, is \$963, otherwise it is a maximum of \$830. A child under 16 years referred to in (b) will be classed as a dependant where the taxpayer contributes to that child's maintenance and the child's separate net income is less than \$1,786.

If these conditions apply for only part of the year, a proportionate rebate may be allowed. Where the taxpayer is married, a rebate may be allowable for a housekeeper if the housekeeper is engaged in caring for an invalid spouse (*see* (c) above) or the Commissioner is of the opinion that, because of special circumstances, it is just to allow a rebate. The rebate is not allowable in respect of any period during which the taxpayer is entitled to a deduction for a daughter-housekeeper.

A concessional rebate of \$580 is allowable to a *sole parent* i.e., a resident single, widowed or divorced person who has the sole care of a child under sixteen years of age or a student (up to 25 years of age, receiving full-time education at a school, college or university), whose separate net income is ordinarily less than \$1,786. The sole parent rebate is not allowable where the taxpayer is entitled to a rebate for a housekeeper or daughter-housekeeper or is living in a de-facto relationship.

Concessional rebates

Resident taxpayers may be allowed a concessional rebate in respect of certain expenses listed below amounting in total to more than \$1,590. The amount of the rebate for 1982-83 is 30.67 per cent of the excess of the total expenditure over \$1,590, but the rebate cannot exceed the tax otherwise payable.

Medical, dental, optical, etc. expenses. Rebates are allowable in respect of medical, dental, optical and therapeutic treatment expenses paid by the taxpayer, less any amounts in respect of those expenses which are received or receivable by the taxpayer or any other person from a Government or friendly society or medical benefit fund. Included are amounts paid in respect of artificial limbs and eyes, hearing aids and medical and surgical appliances and the remuneration of an attendant of a person who is

blind or permanently confined to a bed or invalid chair. Domiciliary nursing care benefits are to be disregarded in calculating the rebatable amount in respect of medical expenses.

Rebates in respect of the above medical, etc. expenses are allowable only for expenditure in respect of a resident taxpayer, spouse, children under 21 years of age or any other 'dependant' resident in Australia, but not a 'housekeeper'.

Funeral, burial or cremation expenses. Rebates are allowable only in respect of the taxpayer's spouse, children under 21 years of age or any other 'dependant', but not a 'housekeeper', provided the dependant was a resident of Australia at the time of death. The amount of expenses allowable in respect of any one dependant is limited to \$100.

Adopted children. Legal expenses and court costs of the kind normally incurred by a taxpayer in adopting a child.

Payments of life, sickness and accident insurance premiums and payments to a Friendly Society, Superannuation, Sustentation or similar Fund. Amounts subject to rebate are limited to a total of \$1,200 in respect of such payments made on behalf of the taxpayer, his spouse or children. In the case of self-employed and "unsupported" employees contributions that are deductible, the excess over \$1,200 not allowed as a deduction may be allowed as a rebate within the \$1,200 limit on such rebatable expenditure. Where policies are taken out on or after 1 January 1973 or where the first premium of a policy was paid on or after that date, rebates for premiums of such policies are *not* allowable if the benefits, other than death benefits, are payable within a period of 10 years of commencement of risk.

Education expenses. An amount not exceeding \$250 is allowed in respect of each child of the taxpayer or 'dependant' under 25 years of age receiving full-time education. Education expenses include expenditure for recognised school uniforms, on school fees, board and accommodation, text books, stationery, equipment and fares.

Self-education expenses. These are allowable where they are paid by the taxpayer for or in connection with a course of education undertaken by him for the purpose of gaining qualifications for use in carrying on a profession, business or trade or in the course of employment. The maximum amount subject to rebate is \$250.

Calls. One-third of the amount of calls paid by the taxpayer in the year of income on shares owned by him in a company carrying on as its principal business afforestation in Australia.

Rates and land taxes. These are allowable when they are paid by a taxpayer who is personally liable. The maximum amount rebatable is \$300 and must be in respect of a sole or principal place of residence.

Other rebates

Zone allowance rebate. A separate rebate is allowable to resident taxpayers who have resided in Zone A or B (prescribed isolated areas) for more than one half of the income year. The rebates are as follows:

- (a) Ordinary Zone A: A rebate equal to the sum of \$216 and 50 per cent of rebates for dependants, as a sole parent or for a housekeeper;
- (b) Ordinary Zone B: A rebate equal to the sum of \$36 and 20 per cent of relevant rebates;
- (c) Special Zone A: A rebate equal to the sum of \$750 and 50 per cent of relevant rebates; and
- (d) Special Zone B: A rebate equal to the sum of \$750 and 20 per cent of relevant rebates.

The special basic rebate is available to a taxpayer residing or spending the required period in a zone area but at a place in excess of 250 kilometres by the shortest practicable surface route from the centre of a population centre of 2,500 or more (based on 1976 census data).

The rebates for dependants, as a sole parent or for a housekeeper that may be the subject of a percentage increment to the basic zone allowance are:

	1982-83	
		\$
Sole parent	(a)	713
Housekeeper	(a)	830
Spouse, daughter-housekeeper	(a)	830
Parent or parent-in-law		749
One child under 16 years, not being a student		376
Each other child under 16 years, not being a student		282
Student		376
Invalid relative		376

(a) Where there is a dependent child under 16 or a student child under 25, the maximum rebate will be \$963.

(b) Where one of these persons has a separate net income in excess of \$282 while a dependant of a taxpayer, the amount to be taken into account is reduced by \$1 for every complete \$4 by which that income exceeds \$282, irrespective of the period over which it was derived. Where two or more people contribute to the maintenance of a person who is a dependant of both of them, the amount to be taken into account is apportioned between the contributing taxpayers.

Amounts for a parent, parent-in-law or invalid relative are allowable only in respect of resident dependants.

'Child' or 'children' includes a legally adopted child, a step-child or ex-nuptial child of the taxpayer. 'Student' means a person less than 25 years of age who is receiving full-time education at a school, college or university.

Overseas service rebate. Separate rebates are also allowable to certain members of the Defence Force serving in prescribed overseas localities. Where the period of service is more than one-half of the year of income, the rebate is equal to the ordinary Zone A rebate. Where the period is less than one-half of the year of income, a proportionate part of the ordinary Zone A rebate is allowable.

Unused leave rebate. Where a taxpayer's taxable income exceeds \$17,894 and includes lump sum payments in consequence of termination of employment or retirement for unused annual leave or unused long service leave attributable to service after 15 August 1978 or both, a rebate is allowable to limit the marginal rate on such payments to the standard rate of 30.67 per cent.

Rebate for government and other loan interest. A rebate of tax may be allowed in respect of certain Government and other loan interest included in an individual's taxable income. Particulars are given on page 567.

Capital subscription rebate. Section 160ACA of the Income Tax Assessment Act provides for a rebate of tax to shareholders in respect of capital subscribed to certain petroleum exploration and mining companies. The rebate allowable is 27 cents for each \$1 of amounts paid on shares after 30 April 1981 by way of application and allotment moneys and calls which are applied by a company towards the paid-up value of its shares. (Prior to 1 May 1981 the allowable rebate was 30 cents for each \$1 subscribed after 24 August 1977). The allowance of the rebate is conditional upon the company lodging a declaration satisfying the Commissioner that the share moneys will be, or have been, spent on outgoings for exploration for petroleum and the development of petroleum fields. It is also conditional upon the company forgoing any right to a deduction under Division 10AA for the expenditure.

Health Insurance Rebate. Contributions made on or after 1 July 1981 in respect of a period of cover after that date to a registered health fund for basic hospital and/or medical insurance are rebatable at the standard rate (30.67 per cent for 1982-83).

Pensioner Rebate. A limited rebate is allowable for taxpayers in receipt of an Australian social security or repatriation pension on which Australian income tax is payable. The maximum rebate of \$167 for 1982-83 means that no tax will be payable on taxable income up to \$5,007. The rebate is gradually reduced where taxable income exceeds \$5,007 until it fully shades out at a taxable income of \$6,343 for 1982-83.

Dividend Rebate. Generally a rebate of 30.67 per cent is allowable to resident individual shareholders on up to \$1,000 of dividends included in taxable income and received from resident public or private companies and non-resident companies the shares in which are listed on an Australian stock exchange.

Home Loan Interest Rebate. Home loan interest payments made on or after 1 July 1982 in connection with the purchase or construction by a resident of a sole or principal residence in Australia are rebatable at the standard rate. There are two schemes available:

- (i) A rebate will apply to interest attributable to such part of the interest rate as exceeds 10 per cent per annum calculated on a reducing balance basis, in respect of the first \$60,000 of a loan.
- (ii) The second scheme is unlike (i) in that it is limited to first home buyers during their first 5 years of home ownership and the amount of the rebate is subject to specified ceilings.

For primary producers, whose taxable income exceeds the average of the current and preceding four years taxable incomes, a rebate is allowable in respect of taxable income derived from primary production and in respect of other taxable income where it does not exceed \$5,000. Where non-primary production income exceeds \$5,000, the amount deemed to be derived from primary production is the amount, if any, that remains after deducting from \$5,000 the excess of that income over \$5,000. In determining the rebate, an averaging benefit is calculated by subtracting from the tax on the taxable income, the tax that would be payable if an average rate appropriate to the average on the taxable incomes of the current and four previous years had applied. The rebate is that proportion of the averaging benefit that the deemed primary production taxable income bears to the total taxable income.

Effective exemption from tax

For the income years 1972-73 to 1974-75 inclusive the income of a taxpayer without dependants was exempt from income tax if it did not exceed \$1,040. In 1975-76 and 1976-77 after the application of the general concessional rebate of \$540 and \$610 respectively to resident taxpayers, the corresponding figures were \$2,518 and \$2,845. In 1977-78, with the composite tax scale applying, the figure was \$3,402. For 1978-79 and 1979-80 no tax was payable unless taxable income exceeded \$3,893 and for 1980-81 no tax was payable unless taxable income exceed \$4,041 (except in the case of certain minors). For 1981-82 no tax was payable unless taxable income exceeded \$4,195 (except in the case of certain minors). In 1982-83 (except for certain minors) no tax is payable unless taxable income exceeds \$4,462 in the case of a resident taxpayer or \$585 in the case of most non-resident taxpayers. Special rates of tax apply where the trustee of a trust estate is liable to be assessed and to pay tax in respect of income where a presently entitled beneficiary is under a legal disability and to certain other income of a trust estate. The effect of deductions or rebates for dependants was to exempt resident taxpayers up to the incomes shown in the samples hereunder.

RESIDENT TAXPAYERS: EFFECTIVE EXEMPTIONS FROM INCOME TAX

(\$)

Income years ended June—	Taxpayer with—			
	No dependants	Wife	Wife and one child	Sole parent
1978	3,402	5,335	5,335	4,761
1979	3,893	5,675	5,675	5,137
1980	3,893	5,698	5,698	5,153
1981	4,041	6,541	6,541	5,787
1982	4,195	6,788	6,788	6,007
1983	4,462	7,168	7,602	6,787

Rates of income tax on individuals

The table below shows the rates of income tax for the income year 1982-83. Rates for income years 1954-55 to 1973-74 were published in Year Book No. 60, page 590, for income years 1974-75 and 1975-76 they were published in Year Book No. 61, page 586, for income years 1976-77 and 1977-78 they were published in Year Book No. 62, pages 593 and 594, for income year 1978-79 they were published in Year Book No. 63, page 529, for income year 1979-80 they were published in Year Book No. 64, page 604 and for income year 1980-81 they were published in Year Book No. 65, page 567. For the income year 1981-82 they were published in Year Book No. 66, page 575.

The taxable income, including abnormal receipts, of actors, artists, inventors, etc. is taxed at the rate appropriate to the normal taxable income plus one-third of the abnormal receipts.

Interest derived from bonds, etc.

Interest derived from bonds, etc., issued between 1 January 1940 and 31 October 1968 by the Commonwealth Government, or on certain State semi-government loans issued free of State income tax, is subject to a rebate of income tax of 10 cents for each \$1 of interest received. The rebate does not apply to interest received from bonds, etc., issued on or after 1 November 1968.

Rates of tax—individuals

The rates of tax on taxable incomes derived by both resident and non-resident individuals during the year ending 30 June 1983 (or substituted accounting period) are set out below. As from 17 August 1982 the tax-free threshold was withdrawn from non-resident taxpayers, other than those in receipt of taxable Australian social security and repatriation pensions and those who came to Australia on or before that date for a short working visit or who had made arrangements for such a visit by that date. A proportionate threshold of \$585 applies to non-resident taxpayers for the 1982-83 income year.

GENERAL RATES OF TAX—RESIDENT INDIVIDUALS
1982-83 FINANCIAL YEAR, 1982-83 INCOME YEAR

<i>Total taxable income</i>			
<i>Not less than—</i>	<i>Not more than—</i>	<i>Tax at general rates on total taxable income</i>	
\$	\$	\$	\$
0	4,462	Nil	
4,462	17,894	Nil	+ 30.67c for each \$1 in excess of 4,462
17,894	19,500	4,119.5944	+ 35.33c for each \$1 in excess of 17,894
19,500	35,788	4,686.9942	+ 46.00c for each \$1 in excess of 19,500
35,788	..	12,179.4742	+ 60.00c for each \$1 in excess of 35,788

GENERAL RATES OF TAX—NON-RESIDENT INDIVIDUALS
1982-83 FINANCIAL YEAR, 1982-83 INCOME YEAR

<i>Total taxable income</i>			
<i>Not less than—</i>	<i>Not more than—</i>	<i>Tax at general rates on total taxable income</i>	
\$	\$	\$	\$
0	585	Nil	
585	17,894	Nil	+ 30.67c for each \$1 in excess of 585
17,894	19,500	5,308.6703	+ 35.33c for each \$1 in excess of 17,894
19,500	35,788	5,876.0701	+ 46.00c for each \$1 in excess of 19,500
35,788	..	13,368.5501	+ 60.00c for each \$1 in excess of 35,788

Income of Certain Minors

Special provisions in Division 6AA of the Assessment Act may apply to income, whether derived directly or through a trust, of a minor—a person who is under the age of 18 years at the end of the year of income. A minimum rate of tax equal to 46 per cent in 1982-83 is imposed on the eligible income of resident minors (subject to shading-in arrangements) where the income exceeds \$1040. Consistent with the withdrawal of the tax-free threshold from resident individuals, the minimum income level of \$1040 is not available to non-resident minors. For the 1982-83 year, tax is payable by a non-resident minor on eligible taxable income exceeding \$136. Subject to shading-in arrangements, where eligible income exceeds \$136 but does not exceed \$1040, it is taxed at the rate of 30.67 per cent, except where the ordinary rate applicable to the eligible taxable income is greater. Where the eligible taxable income of a non-resident minor exceeds \$1040, it is taxed on the same basis as that of a resident minor.

Income tax payable on specified incomes at general rates

The following table shows, for the income years 1977-78 to 1982-83, the actual income tax payable by resident taxpayers with various incomes and numbers of dependants. For 1977-78 the composite rate scale has been used, which incorporates the general concessional rebate.

**COMMONWEALTH INCOME TAX PAYABLE ON SPECIFIED RESIDENT INDIVIDUAL INCOMES
1977-78 TO 1982-83 INCOME YEARS
(\$)**

<i>Net Income(a)</i>	<i>1977-78(b)</i>	<i>1978-79(b)</i>	<i>1979-80(b)</i>	<i>1980-81(b)</i>	<i>1981-82(b)</i>	<i>1982-83(b)</i>
TAXPAYER WITH NO DEPENDANTS						
\$						
3,000						
5,000	457.52	370.84	366.08	306.88	257.60	165.00
7,000	1,073.45	1,040.84	1,027.48	946.88	897.60	778.40
10,000	2,085.92	2,045.84	2,019.58	1,906.88	1,857.60	1,698.50
15,000	3,917.26	3,720.84	3,673.08	3,506.88	3,457.60	3,232.00
20,000	6,199.80	5,870.72	5,801.46	5,493.42	5,352.44	4,916.99
TAXPAYER WITH DEPENDANT WIFE						
3,000						
5,000						
7,000	518.45	443.84	430.48	146.88	67.60	
10,000	1,530.92	1,448.84	1,422.58	1,106.88	1,027.60	868.50
15,000	3,362.26	3,123.84	3,076.08	2,706.88	2,627.60	2,402.00
20,000	5,644.80	5,273.72	5,204.46	4,693.42	4,522.44	4,086.99

(a) Income remaining after allowing all deductions other than concessional deductions.
children and students were replaced by family allowances (formerly child endowment).

(b) In 1976-77 previously allowable rebates for

Income tax assessments—Individuals

The following tables show for the 1980-81 income year the number of taxpayers, taxable income, and net income tax assessed for individuals.

**COMMONWEALTH INCOME TAX ASSESSMENTS(a): TAXABLE INDIVIDUALS BY GRADE OF
TAXABLE INCOME
(Income derived in the year 1980-81)**

<i>Grade of taxable income</i>		<i>Number of Taxpayers</i>			<i>Net</i>	<i>Taxable</i>	<i>Net</i>
		<i>Males</i>	<i>Females</i>	<i>Total</i>	<i>income(b)</i>	<i>income(c)</i>	<i>tax</i>
\$	\$				\$'000	\$'000	\$'000
Under 5,000		167,325	254,521	421,846	1,921,230	1,888,807	63,010
5,000-5,999		162,717	216,577	379,294	2,122,561	2,082,277	167,868
		330,042	471,098	801,140	4,043,791	3,971,085	230,878
6,000-6,999		162,948	200,643	363,591	2,410,691	2,363,447	265,381
		492,990	671,741	1,164,731	6,454,482	6,334,532	496,260
7,000-7,999		168,438	185,693	354,131	2,709,961	2,655,278	360,438
		661,428	857,434	1,518,862	9,164,443	8,989,810	856,697
8,000-8,999		172,031	190,003	362,034	3,143,516	3,078,525	481,504
		833,459	1,047,437	1,880,896	12,307,959	12,068,335	1,338,202
9,000-9,999		195,623	200,638	396,261	3,849,951	3,770,255	649,779
		1,029,082	1,248,075	2,277,157	16,157,910	15,838,590	1,987,981
10,000-10,999		243,581	214,651	458,232	4,913,653	4,815,262	887,754
		1,272,663	1,462,726	2,735,389	21,071,563	20,653,851	2,875,735
11,000-11,999		273,341	184,952	458,293	5,378,893	5,267,724	1,019,128
		1,546,004	1,647,678	3,193,682	26,450,456	25,921,576	3,894,863
12,000-12,999		287,193	138,956	426,149	5,443,381	5,322,702	1,070,181
		1,833,197	1,786,634	3,619,831	31,893,837	31,244,278	4,965,044
13,000-13,999		274,069	101,891	375,960	5,189,311	5,070,253	1,053,652

**COMMONWEALTH INCOME TAX ASSESSMENTS(a): TAXABLE INDIVIDUALS BY GRADE OF
TAXABLE INCOME—continued**
(Income derived in the year 1980-81)

Grade of taxable income	Number of Taxpayers			Net income(b)	Taxable income(c)	Net tax
	Males	Females	Total			
14,000-14,999	2,107,266 243,003	1,888,525 76,466	3,995,791 319,469	37,083,148 4,737,556	36,314,531 4,627,149	6,018,696 989,957
15,000-15,999	2,350,269 217,605	1,964,991 59,192	4,315,260 276,797	41,820,704 4,388,303	40,941,680 4,286,507	7,008,653 939,846
16,000-16,999	2,567,874 190,882	2,024,183 48,433	4,592,057 239,315	46,209,006 4,039,213	45,228,187 3,946,449	7,948,499 884,922
17,000-17,999	2,758,756 168,627	2,072,616 42,533	4,831,372 211,160	50,248,219 3,775,416	49,174,636 3,689,594	8,833,421 850,739
18,000-18,999	2,927,383 135,774	2,115,149 26,309	5,042,532 162,083	54,023,635 3,067,239	52,864,230 2,995,375	9,684,160 719,895
19,000-19,999	3,063,157 112,329	2,141,458 19,818	5,204,615 132,147	57,090,874 2,637,680	55,859,605 2,574,665	10,404,054 644,133
20,000-21,999	3,175,486 168,526	2,161,276 26,676	5,336,762 195,202	59,728,554 4,185,866	58,434,270 4,085,093	11,048,187 1,074,231
22,000-23,999	3,344,012 110,612	2,187,952 15,139	5,531,964 125,751	63,914,420 2,957,127	62,519,363 2,884,045	12,122,418 802,253
24,000-25,999	3,454,624 74,383	2,203,091 10,076	5,657,715 84,459	66,871,547 2,159,428	65,403,408 2,105,054	12,924,672 613,153
26,000-27,999	3,529,007 49,780	2,213,167 7,086	5,742,174 56,866	69,030,975 1,574,347	67,508,462 1,531,909	13,537,825 463,739
28,000-29,999	3,578,787 34,178	2,220,253 5,277	5,799,040 39,455	70,605,322 1,173,270	69,040,371 1,141,843	14,001,564 357,489
30,000-34,999	3,612,965 51,935	2,225,530 11,663	5,838,495 63,598	71,778,591 2,110,241	70,182,214 2,057,604	14,359,052 675,887
35,000-39,999	3,664,900 23,840	2,237,193 4,740	5,902,093 28,580	73,888,832 1,091,523	72,239,819 1,062,521	15,034,940 374,319
40,000-49,999	3,688,740 18,638	2,241,933 3,781	5,930,673 22,419	74,980,356 1,016,900	73,302,339 989,345	15,409,259 384,113
50,000-99,999	3,707,378 14,777	2,245,714 2,935	5,953,092 17,712	75,997,255 1,161,539	74,291,684 1,133,870	15,793,371 510,732
100,000 and over	3,722,155 2,091	2,248,649 478	5,970,804 2,569	77,158,795 424,076	75,425,554 413,149	16,304,103 223,082
Total	3,724,246	2,249,127	5,973,373	77,582,871	75,838,703	16,527,185

(a) Assessments in respect of 1980-81 income year issued during the period 1 July 1981 to 30 June 1982. (b) Net income is total assessable income less total deductions for expenses incurred in gaining assessable income. (c) Taxable income is the income remaining after deducting from assessable income all allowable deductions.

The above table excludes details of assessments raised to trustees. However, the following table includes all 1980-81 income year assessments issued during the period 1 July 1981 to 30 June 1982.

COMMONWEALTH INCOME TAX ASSESSMENTS: TAXABLE INDIVIDUALS BY STATE OR TERRITORY OF RESIDENCE

(Income derived in the year 1980-81)

<i>State or Territory of Residence</i>	<i>Number of taxpayers</i>	<i>Taxable income(a)</i>	<i>Net tax</i>
		\$'000	\$'000
New South Wales	2,111,301	27,303,234	6,085,507
Victoria	1,655,809	20,859,160	4,572,015
Queensland	854,745	10,589,320	2,250,809
South Australia	537,048	6,497,520	1,358,805
Western Australia	532,694	6,702,045	1,444,290
Tasmania	166,912	2,066,602	439,586
Northern Territory(b)	41,707	601,760	131,471
Australian Capital Territory	99,034	1,471,390	356,096
Australia	5,999,250	76,091,034	16,638,580

(a) Taxable income is the income remaining after deducting from assessable income all allowable deductions. (b) Assessments issued from South Australian Office.

Partnerships and trusts

Income tax returns are required to be lodged on behalf of partnerships and trusts which, as partnerships and trusts, are not required to pay tax except in certain specified circumstances when they may be assessed as individuals. In general, the net income remaining after allowing all deductions including expenditure incurred in gaining the income is distributed to the partners or beneficiaries concerned and is assessable for tax in the respective individual returns.

The following tables show for the 1979-80 and 1980-81 income years numbers, total business income and net income of partnerships and trusts. Greater detail is published in the statistical supplement to the annual report of the Commissioner of Taxation and in the report itself.

PARTNERSHIPS AND TRUSTS—INCOME YEAR 1979-80 (a)

<i>Item</i>		<i>Partnerships</i>	<i>Trusts</i>	<i>Total</i>
Number		550,781	218,021	768,802
Total business income	\$'000	21,528,476	6,412,029	27,940,505
Net income (b)	\$'000	6,614,342	2,009,659	8,624,001

(a) Assessments issued during the period 1 July 1980 to 30 June 1982. (b) Total net income adjusted by subtraction of loss.

PARTNERSHIPS AND TRUSTS—INCOME YEAR 1980-81 (a)

<i>Item</i>		<i>Partnerships</i>	<i>Trusts</i>	<i>Total</i>
Number		517,766	219,429	737,195
Total business income	\$'000	21,242,985	7,523,546	28,766,531
Net income(b)	\$'000	6,128,248	2,237,391	8,365,639

(a) Assessments issued during the period 1 July 1981 to 30 September 1982. (b) Total net income adjusted by subtraction of loss.

Taxes on income—companies

For taxation purposes companies are divided into two main groups—public and private. A company is regarded as a public company if, broadly, its shares are on the official list of a stock exchange—in Australia or elsewhere and it is not capable of being controlled by relatively few individuals—or it is a co-operative, non-profit or mutual life insurance company or a Government body established for public purposes. A subsidiary of a public company is itself classed as a public company, subject to its meeting certain tests specified in the Income Tax Assessment Act. A company that is not a 'public' company is classified as a 'private' company. Both public and private companies pay primary tax assessed on a taxable income ascertained on the same principles as for individuals.

Rates of tax. The rates of primary income tax for all companies and additional tax for private companies applicable to income years 1970-71 to 1981-82 are shown in the following table.

RATES OF INCOME TAX: COMPANIES, 1970-71 TO 1981-82 INCOME YEARS
(Cents per \$)

<i>Income years ended 30 June</i>	<i>Resident private company</i>			<i>Resident public company(a)</i>		<i>Non resident company</i>			
	<i>On taxable income</i>		<i>Additional tax on un- distributed income</i>	<i>On taxable income</i>		<i>On dividends income</i>		<i>On other income</i>	
	<i>Up to \$10,000</i>	<i>On re- mainder</i>		<i>Up to \$10,000</i>	<i>On re- mainder</i>	<i>Up to \$10,000</i>	<i>On re- mainder</i>	<i>Up to \$10,000</i>	<i>On re- mainder</i>
1971 and 1972 . . .	37.5	42.5	50	47.5	47.5	42.5	47.5	47.5	47.5
1973	45.0	45.0	50	47.5	47.5	47.5	47.5	47.5	47.5
1974	45.0	45.0	50	45.0	45.0	45.0	45.0	45.0	45.0
1975 and 1976 . . .	42.5	42.5	50	42.5	42.5	42.5	42.5	42.5	42.5
1977-1981	46.0	46.0	50	46.0	46.0	46.0	46.0	46.0	46.0

(a) Excludes co-operative, non-profit and life insurance companies.

For the income year ended 30 June 1974 the rate for companies other than friendly society dispensaries was 45 per cent, except that for the first \$10,000 of taxable income of co-operative and non-profit companies (other than friendly society dispensaries) the rate was 42.5 per cent. The rate for friendly society dispensaries was 37.5 per cent.

For the income years ended 30 June 1975 and 1976 the rate for companies other than friendly society dispensaries was 42.5 per cent and for friendly society dispensaries it was 37.5 per cent.

For the income years ended 30 June 1977 to 1982 the rates were 46 per cent and 41 per cent respectively. Tax exemption levels for these years are set out below.

A non-profit company is not liable to income tax unless the taxable income exceeds \$416. Where the non-profit company is a friendly society dispensary and the taxable income does not exceed \$2,311 the maximum amount payable is 50 per cent of the excess over \$416 less any rebate or credit to which the company is entitled. Where the taxable income of a non-profit company other than a friendly society dispensary does not exceed \$2,542, the tax payable by the company is limited to 55 per cent of the amount by which the taxable income exceeds \$416 less any rebate or credit to which the company is entitled. Other companies are assessed for income tax if the taxable income is \$1 or more.

Non-resident companies are also liable to additional tax at the rate of 5 per cent of the company's reduced taxable income. Reduced taxable income means the amount remaining after deducting from taxable income net dividends included in assessable income and certain amounts relating to overseas ships, film royalties, insurance premiums and reinsurance income.

Details in respect of company income tax assessments for the 1979-80 income year are shown in the following table.

**COMMONWEALTH INCOME TAX ASSESSMENTS: RESIDENT AND NON-RESIDENT COMPANIES BY
GRADE OF INCOME AND OFFICE OF ASSESSMENT**
(Income derived in the year 1979-80)

Grades of taxable income(a) (\$) and office of assessment	Taxable (b)			Non-taxable		
	Companies	Taxable income (a)	Net income tax assessed(c)	Companies	Taxable income (a) (d)	Loss(e)
	No.	\$'000	\$'000	No.	\$'000	\$'000
Loss for year	-	-	-	73,726	-	1,168,674
Nil	-	-	-	55,211	-	-
1- 1,999	29,622	14,921	6,392	3,924	2,886	-
2,000- 9,999	17,418	89,746	36,814	4,463	23,142	-
10,000- 19,999	8,121	116,330	47,222	1,777	25,280	-
20,000- 39,999	6,967	199,218	80,874	1,201	33,728	-
40,000- 99,999	6,335	398,395	164,071	800	48,184	-
100,000- 199,999	2,938	411,484	169,031	246	33,881	-
200,000- 399,999	1,868	522,996	213,813	155	43,536	-
400,000- 999,999	1,437	897,128	354,176	96	53,569	-
1,000,000-1,999,999	684	955,388	358,431	41	58,662	-
2,000,000 and over	843	9,208,378	3,170,906	43	386,563	-
Total	76,233	12,813,984	4,601,729	141,683	709,431	1,168,674
New South Wales	38,488	4,509,626	1,495,275	66,046	297,381	524,308
Victoria	18,757	6,038,894	2,268,854	33,609	293,783	383,808
Queensland	7,605	1,450,920	539,916	12,122	42,540	79,656
South Australia	5,318	294,386	114,357	13,991	32,824	70,314
Western Australia	3,114	377,819	132,606	10,068	24,902	74,958
Tasmania	1,347	91,799	35,407	2,676	5,398	23,837
Northern Territory	275	10,031	4,040	686	521	3,636
Australian Capital Territory	1,329	40,510	11,274	2,485	12,082	8,156

(a) Taxable income is the income remaining after deducting from assessable income all allowable deductions. (b) The figures are deficient in that detailed statistics of approximately 3700 assessments of taxable private companies with net tax of approximately \$42 million were not available for inclusion in the table. (c) Excludes additional tax on the undistributed income of private companies. (d) Net tax assessed is nil because of rebates. (e) Not included in the figures shown for taxable income.

Yield of income taxes

Income taxes collected. The following table shows the net amounts of taxes collected and the proportions of the several components over recent years.

COMMONWEALTH INCOME TAXES COLLECTED: COLLECTION YEARS 1976-77 TO 1981-82

Source of income tax	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
NET AMOUNTS COLLECTED (\$'000)						
Individuals—						
Instalments—salaries and wages	8,528,863	9,638,786	10,397,606	12,160,308	14,120,691	17,417,317
Other payments	2,524,781	2,490,216	2,406,212	2,879,787	3,422,561	3,806,998
Companies	2,824,459	3,095,321	3,036,520	3,406,479	4,694,691	5,052,697
Withholding tax	96,377	117,852	114,069	141,130	160,965	205,098
Total	13,974,480	15,342,175	15,954,407	18,587,704	22,398,908	26,482,110
PERCENTAGES						
Individuals—						
Instalments—salaries and wages	61.03	62.83	65.17	65.42	63.04	65.77
Other payments	18.07	16.23	15.08	15.49	15.28	14.38
Companies	20.21	20.18	19.03	18.33	20.96	19.08
Withholding tax	0.69	0.76	0.72	0.76	0.72	0.77
Total	100.00	100.00	100.00	100.00	100.00	100.00

Refunds of revenue. Income tax collections, as previously shown are net amounts after refunds of revenue made in the course of the year. Refunds are of two types: those charged to special appropriations under authority of the Income Tax Assessment Act and those charged to special appropriations under authority of the Audit Act. Income tax instalment refunds, by far the greatest part of income tax refunds, are made when the instalments deducted during the year exceed the tax assessed on incomes for that year. Refunds made from special appropriations under section 37A of the Audit Act include refunds of moneys paid to the revenue in error, refunds of tax overpaid, refunds due to the amendment of assessments, etc. Refunds of income tax to individuals and superannuation funds during the collection years 1976-77 to 1981-82 were: 1976-77, \$1,501,555,000; 1977-78, \$1,218,225,000; 1978-79, \$1,407,257,000; 1979-80, \$1,478,387,000; 1980-81, \$1,560,519,000; and 1981-82, \$1,850,765,000.

Estate duty

Prior to 1 July 1979 estate duty was levied under the *Estate Duty Assessment Act* 1914 and was assessed on the net value of the estate less a statutory exemption. In respect of estates of persons who died after 21 November 1977 no duty was payable on that part of the estate which passed to or for the benefit of the deceased persons' widow or widower, children, grandchildren, parents or grandparents. Duty is not payable on estates of any person dying on or after 1 July 1979. For estates of persons who died before 1 July 1979, where no part of the estate passed to the relatives mentioned above, duty was payable on the net value less statutory exemption as follows:

—for qualifying estates of deceased primary producers—\$24,000

—for other estates—\$20,000

decreasing by \$2 for every \$8 by which the value of the estate exceeds \$24,000 or \$20,000 as the case may be.

Additional information concerning a rural property rebate and higher exemption levels for primary producers, special exemptions for defence personnel and a quick succession rebate is given in Year Book No. 63, page 534.

The rates of duty remained unchanged from 1941 and increased as the value of the estate for duty increased, as follows: did not exceed \$20,000, 3 per cent; \$20,001 to \$40,000, 3 per cent to 6 per cent; \$40,001 to \$240,000, 6 per cent to 26 per cent; \$240,001 to \$1,000,000, 26 per cent to 27.9 per cent; \$1,000,000 or more, 27.9 per cent.

Particulars of the number and value of dutiable estates and duty assessed for recent assessment years are given in the following table.

COMMONWEALTH ESTATE DUTY ASSESSMENTS

		1977-78	1978-79	1979-80	1980-81	1981-82
Estates	No.	15,154	9,828	6,449	1,767	218
Gross value as assessed	\$'000	1,443,967	980,304	n.a.	n.a.	n.a.
Deductions(a)	"	356,792	268,164	n.a.	n.a.	n.a.
Statutory exemptions	"	344,482	175,141	n.a.	n.a.	n.a.
Dutiable value	"	742,693	536,999	n.a.	n.a.	n.a.
Net duty assessed	"	99,050	76,301	41,434	10,434	1,984
Average dutiable value	\$	49,010	54,640	n.a.	n.a.	n.a.
Average duty assessed per estate	\$	6,536	7,764	6,425	5,905	9,100

(a) Debts, Exempt Estate and State Probate Succession Duties.

Gift duty

Prior to 1 July 1979 the *Gift Duty Act* 1941 and the *Gift Duty Assessment Act* 1941 imposed a gift duty on gifts which were defined as dispositions of property made otherwise than by will, without adequate consideration in money or money's worth. Both the donor and the donee were liable to furnish a return, and both were jointly and severally liable for payment of the duty. However, if a return was furnished by the donor, the donee is relieved of this obligation. Under the *Gift Duty Assessment Act* 1978, gifts to the donor's spouse, children, grandchildren, parents or grandparents made after 21 November 1977 were not subject to duty. Gift duty is not levied on any gifts made after 1 July 1979.

Certain exemptions from duty were provided, the more important being: payments to an employees' superannuation or like fund; retiring allowances or gratuities granted to employees; gifts to organisations not carried on for the profit of any individual; gifts to the Commonwealth Government or a State; and small gifts not exceeding \$100.

The rate of gift duty applicable to any particular gifts was fixed by reference to the total value of all gifts made by the same donor within the period of eighteen months before and eighteen months after the time of making that gift. Where the total value of all gifts as defined did not exceed \$10,000 no duty was payable. The rates of duty that applied to 30 June 1979 were (a) \$10,001 to \$20,000, 3 per cent provided that the gift duty payable did not exceed one half of the amount by which the gift exceeded \$10,000 or a proportionate amount where more than one gift is involved; (b) \$20,001 to \$40,000, 3 per cent to 6 per cent; (c) \$40,001 to \$240,000, 6 per cent to 26 per cent; (d) \$240,001 to \$1,000,000 and over, 26 per cent to 27.9 per cent.

Particulars of the number of gift duty assessments, value of gifts as assessed and duty assessed for recent assessment years are given in the following table.

COMMONWEALTH GIFT DUTY ASSESSMENTS

		1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Assessments	No.	7,480	4,352	995	875	233	27
Value as assessed	\$'000	187,085	103,058	95,738	n.a.	n.a.	n.a.
Duty assessed	"	11,711	5,934	22,032	4,985	311	150

Customs duties

A description of the Australian Customs Tariff System is given in Chapter 24, Overseas Transactions. Details of duties collected on the import of commodities classified in accordance with the 'Brussels Nomenclature' are given in the following table.

GROSS CUSTOMS DUTIES ON IMPORTS ACCORDING TO BRUSSELS TARIFF DIVISIONS
(\$'000)

<i>Brussels Tariff Division</i>	<i>Source of receipts</i>	<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>
1	Live animals; animal products	966	1,379	1,408
2	Vegetable products	2,920	3,938	3,069
3	Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes	1,799	2,790	3,228
4	Prepared foodstuffs; beverages, spirits and vinegar; tobacco	248,845	271,806	287,468
5	Mineral products	4,694	4,207	5,743
6	Products of the chemical industry and allied industries	50,111	59,301	59,550
7	Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubbers, factice and articles thereof	100,547	118,672	110,872
8	Raw hides and skins, leather, furskins and articles thereof; saddlery and harness; travel goods, handbags and similar containers; articles of gut (other than silkworm gut)	12,716	17,474	14,783
9	Wood and articles of wood; wood charcoal; cork and articles of cork; manufactures of straw, of esparto and of other plaiting materials; basketware and wickerwork	23,157	23,853	20,447
10	Paper-making material; paper and paperboard and articles thereof	36,225	46,671	48,640
11	Textiles and textile articles	214,848	248,012	236,273
12	Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts thereof; prepared feathers and articles made therewith; artificial flowers; articles of human hair; fans	48,292	53,876	60,261
13	Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware	37,994	45,206	40,323
14	Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin	10,268	11,977	10,682
15	Base metals and articles of base metal	100,382	128,529	119,206
16	Machinery and mechanical appliances; electrical equipment; parts thereof	391,660	472,496	438,673
17	Vehicles, aircraft, and parts thereof; vessels and certain associated transport equipment	424,209	467,781	465,454

GROSS CUSTOMS DUTIES ON IMPORTS ACCORDING TO BRUSSELS TARIFF DIVISIONS—continued
(*\$'000*)

<i>Brussels Tariff Division</i>	<i>Source of receipts</i>	<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>
18	Optical, photographic, cinematographic measuring, checking, precision, medical and surgical instruments and apparatus; clocks and watches, musical instruments; sound recorders and reproducers; television image and sound recorders and reproducers, magnetic; parts therefor	37,755	46,777	62,509
19	Arms and ammunition; parts therefor	605	859	668
20	Miscellaneous manufactured articles	59,395	73,029	72,293
21	Works of art, collectors' pieces and antiques	19,642	3,751	2,043
22	Primage	5,681	2,336	90
Total customs duties and primage		1,832,712	2,104,720	2,063,685

The *net* receipts of custom duties into consolidated revenue fund for these years are 1980-81, \$1,827,031,000; 1981-82, \$2,102,501,000; and 1982-83, \$2,066,023,000.

Customs duties on imports as recorded in the Financial Statements prepared by the Minister for Finance for these years are: 1980-81, \$1,799,507,666; 1981-82, \$2,059,706,249; and 1982-83, \$2,035,662,743.

Excise duties

Details of duties collected in relation to the production of specific commodities are given in the following table:

COMMONWEALTH EXCISE REVENUE: CLASSIFICATION OF GROSS REVENUE
(*\$'000*)

<i>Source of revenue</i>	<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>
Beer	994,994	1,005,866	1,090,761
Spirits, including liqueurs, etc.	111,768	119,606	112,649
Tobacco (manufactured), snuff	21,203	19,737	22,328
Cigars and cigarettes	687,084	706,883	773,711
Aviation gasoline—for use in aircraft	4,589	5,236	4,683
Aviation gasoline—other	1	—	873
Other gasoline	760,297	776,914	897,421
Aviation turbine kerosene	48,138	50,088	48,016
Kerosene, n.e.i.	1	84	52
Diesel fuel	116,819	130,747	412,510
Gasoline—commercial motor spirit/ethanol blends	6	21	1
Playing cards	57	86	n.p.
Cigarette tubes, paper and papers	590	695	n.p.
Matches	1,342	1,365	n.p.
Wine—other than table wine (excise item 16)	1	—	—
Petroleum and liquid petroleum gas (excise item 17)	3,059,822	3,274,043	3,518,000
Coal	11,663	13,012	23,599
Other and undistributed excise revenue	—	85	2,001
Total Gross Excise Duties	5,818,374	6,104,467	6,906,605
Total Gross Customs, Primage and Excise Duties	7,651,086	8,209,187	8,970,289
Total Customs, Primage and Excise Refunds and Drawbacks	82,776	82,820	100,391

Statistics of the value of duty included in the price of petroleum products purchased by Commonwealth Government departments and subsequently credited to those departments by the Department of Finance are not available. The *net* receipts into consolidated revenue fund for these years is: 1980-81, \$5,818,374,000; 1981-82, \$6,104,467,000; and 1982-83, \$6,906,605,000. The quantities of commodities on which excise duty was paid are given in chapter 24, Overseas Transactions, page 620. Commonwealth excise received, as recorded in the Financial Statement prepared by the Minister for Finance during these years are: 1980-81, \$5,833,168,483; 1981-82 \$5,993,155,448; and 1982-83, \$6,806,654,140.

Primary production taxes and charges

The following section shows rates of charges and levies on primary production as at 1 September 1983. Further information is given in Chapter 13, Agricultural Industries. Expenditure on research funded from industry levies is usually matched dollar for dollar by the Commonwealth Government.

Export Inspection Charges. A charge is imposed on products exported from Australia, or in certain cases for which an export permit has been issued. The Live-stock Slaughter—Export Inspection Charge is imposed on live-stock slaughtered at export works. The aim of imposing these charges is to recoup about half of the cost of providing export inspection services. The charges imposed are as follows:

Animal Export Inspection Charges. Export inspection charges for animals were introduced on 1 July 1983. Charges are made under the *Quarantine Act 1908* to recover a proportion of the cost to the Commonwealth of inspection of animals for export for which a certificate of health is issued. Charges, which vary according to the type of animal exported, are incorporated in Schedules to the Quarantine (Animals) Regulations, copies of which are available from branches of the A.G.P.S.

Dairy Products—Export Inspection Charge. Under the *Dairy Products (Export Inspection Charge) Act 1982*. The rates are:

Category	Rate per tonne
	\$
Butter packed in bulk or pat form	2.50
Butter packed otherwise than in bulk or pat form	1.00
Butterfat products other than butter	1.00
Cheese packed in bulk	2.50
Cheese packed otherwise than in bulk	1.00
Concentrated, condensed and dried milk	0.50
All other dairy products	1.00

Dried Fruit—Export Inspection Charge. Under the *Dried Fruit (Export Inspection Charge) Act 1981*, a charge is imposed on all dried fruit exported from Australia to recoup about half the cost of export inspection incurred by the Commonwealth Government. The operative charge is \$5.50 per tonne.

Edible Oils—Export Inspection Charge. Imposed under the *Edible Oils (Export Inspection Charge) Act 1982*. The rates are: \$1.00 per tonne of margarine and \$1.00 per tonne of edible oils other than margarine.

Eggs—Export Inspection Charge. Imposed under the *Eggs (Export Inspection Charge) Act 1982*. The rates are \$11.00 per 1,000 dozen eggs in shell and \$8.00 per tonne of eggs other than in shell.

Fish—Export Inspection Charge. Under the *Fish (Export Inspection Charge) Act 1981*, a charge is imposed on fish for which an export permit has been issued. The charges are:

- Rock lobster—3.9 cents per kilogram
- All other shellfish except oysters, squid, cuttlefish and octopus—2.5 cents per kilogram
- All other fish except oysters in the shell or half shell—0.34 cents per kilogram
- Oysters in the shell or half shell—1.0 cents per dozen.

Grain Export Inspection Charge. Under the *Grain (Export Inspection Charge) Act 1979* imposed on exports of wheat, oats, barley and sorghum. The charge is 9.6c per tonne on bulk grain, 40c per tonne bagged grain and grain in containers.

Live-stock Slaughter—Export Inspection Charge. Charge for the inspection of live animals for export. Imposed by the Quarantine (Animals) Regulations under the *Quarantine Act 1968*. Overall responsibility for the administration of this legislation lies with the Commonwealth Department of Health.

Other charges

Export Inspection—Overtime Recoveries—Meat. Under the *Customs Act 1901* and the *Commerce (Trade Descriptions) Act 1905*, a charge at the rate prescribed in the Export Meat Regulations is imposed on export meat-works to recover fully the cost of providing export meat inspection services outside normal hours.

Export Inspection Charge—Overtime Recoveries—Products Other than Meat. Fees are levied to recover the cost of providing export inspection, outside normal hours, for a number of products including field and horticultural crops, fish and dairy products. The fees are prescribed by the *Export Regulations to the Commerce (Trade Descriptions) Act, 1905* and *Customs Act 1901*.

Fishing Licences and Charges. Under the *Fisheries Act* 1952 and the *Continental Shelf (Living Natural Resources) Act* 1968, domestic and foreign boats and crews may be licensed to fish in the Australian Fishing Zone. Other charges such as access fees for foreign countries are also levied under the Fisheries Act. The rate of licence fees is set out in the Fisheries Regulations and Continental Shelf (Living Natural Resources) Regulations.

Export Inspection Charges—Miscellaneous. By arrangement, Commonwealth inspectors are provided to (i) abattoirs that are not registered export establishments to inspect meat for domestic consumption, (ii) State Dried Fruit Boards to inspect dried fruit for domestic use, and to (iii) Australian Wheat Board for the issue of quality certificates.

The inspection charge in those cases is arrived at by agreement between the parties concerned.

Wool Inspection Fees. Under the *Wool Industry Act* 1972, fees are imposed on the inspection of wool to recoup about half the cost of operating the Australian Wool Measurement Standards Authority. A fee for registering a wool sampling site is set at \$100 and is payable once only. The fee for providing pre-sale test certificates in respect of samples drawn at registered sites is currently 62 cents per certificate.

Research, Promotion, Stabilisation and Equalisation Levies and Charges

Apple and Pear Levy. The *Apple and Pear Levy Act* 1976 imposes a levy on the production and sale of apples and pears in Australia excluding fruit sent for export and pears delivered for the manufacture of canned fruit. The rates of the levy are: fresh market 9 cents per box; juicing 90 cents per tonne; processing \$1.80 per tonne.

The *Apple and Pear Export Charge Act* 1976 provides for the imposition of a charge on apples and pears exported from Australia. The rate of charge is 9 cents per box.

Monies collected from both the levy and the export charge are used to fund the operations of the Australian Apple and Pear Corporation.

Barley Research Levy. The *Barley Research Levy Act* 1980 imposes a levy on barley delivered for sale. The levy is disbursed for research by State barley research committees. The operative rate of levy is 30 cents per tonne.

Canned Fruits Levy. The *Canned Fruits Levy Act* 1979 imposes a levy on the production of canned fruits in Australia.

The operative rates are:

Containers not exceeding 150 grams—1.375 cents/doz. containers.

Containers exceeding 150 grams but not exceeding 320 grams—2.75 cents/doz. containers.

Containers exceeding 320 grams but not exceeding 490 grams—5.5 cents/doz. containers.

Containers exceeding 490 grams but not exceeding 680 grams—8.25 cents/doz. containers.

Containers exceeding 680 grams—11.4 cents/doz. containers plus 6.6 cents/doz. containers for each 450 grams by which the gross weight of the container exceeds 900 grams.

The funds raised are to be used to finance the operation of the Australian Canned Fruits Corporation.

Cotton Research Levy. Under the *Cotton Levy Act* 1982 a levy is imposed on the production of cotton. The levy will be used to fund research programs. The operative rate of levy is to be \$1 per 225 kg of raw cotton.

Wool Tax. The *Wool Tax Acts* 1964 (Nos 1 to 5). As amended, impose a levy of 8 per cent on the gross value of shorn wool sold of which 5 per cent is levied for the market support activities of the Australian Wool Corporation and 3 per cent to provide the growers' contribution towards wool research (0.5 per cent) and promotion (2.5 per cent).

Dairy Industry Stabilisation Levy. The *Dairy Industry Stabilisation Levy Act* imposes a levy on the production of butter, butteroil, ghee, various milk powders, casein, caseinates and certain varieties of cheese. The levy is collected on products sold on the domestic market or used in the manufacture of other products. Basically the rate of levy is fixed at the difference between the domestic market return and the assessed average export return.

The purpose of the levy is to protect the domestic market through the equalisation of returns to manufacturers.

Dairying Research and Promotion Levy. The *Dairying Industry Research and Promotion Levy Act* 1972 provides for the imposition of a levy on all milk produced and sold in Australia. The Act provides for the levy to be payable by dairy farmers either on a whole milk or butterfat basis. Moneys collected from the levy finance the administration and promotional activities of the Australian Dairy Corporation and the industry contribution to the research programme recommended by the Australian Dairying Research Committee. The *Dairying Industry Research and Promotion Levy Regulations* prescribe levies of either 17.0 cents per 100 litres of whole milk or 425 cents per 100 kilograms of butterfat.

Dried Fruits Levy. The *Dried Fruits Act 1971* imposes a levy on dried fruits of a season received for packing in order to fund industry research programmes. The operative rates of levy are for dried vine fruits \$1.00 per tonne, dried tree fruits \$5.00 per tonne and dried plums \$2.50 per tonne.

Dried Fruits Export Charges. The *Dried Fruits Export Charges Act 1924* imposes a levy of \$7.00 per tonne on the export of dried currants, sultanas and raisins. The funds are used to finance the Australian Dried Fruits Corporation.

Dried Vine Fruits Equalisation Levy. The *Dried Vine Fruits Equalisation Levy Act 1978* imposes a levy on domestic sales of dried vine fruit which is equal to the difference between the assessed returns per tonne from the domestic market and the assessed average returns per tonne from export. The purpose of the levy is to facilitate the equalisation of returns to producers from all markets. Because of the buoyant nature of the export market for dried vine fruit, no levies applied in either the 1979, 1980 or 1981 seasons. However, these levies applied for the 1982 and 1983 seasons. In 1982 the rates were \$492/tonne for sultanas, \$432/tonne for currants and \$520/tonne for raisins. 1983 season figures, \$650/tonne for sultanas, \$570/tonne for currants, no levy applied to raisins.

Honey Export Charge. The *Honey Export Charge Act 1973* imposes a charge of 0.75 cents per kilogram on honey exports.

The funds are used to finance the operations of the Australian Honey Board and provide the industry's contribution to research.

Honey Levy. The *Honey Levy Acts (Nos 1 & 2) 1962* impose a levy of 2.05 cents per kilogram on honey sold for domestic consumption.

Livestock Export Charge. The *Livestock Export Charge Act 1977* imposes charges which apply to all cattle, buffaloes, sheep, lambs and goats exported live from Australia. The funds are allocated to the Australian Meat and Livestock Corporation (AMLC), the Australian Meat Research Committee (AMRC) and for disease eradication.

The charges are:

	Cents/Head			
	AMLC	AMRC	Disease eradication	Total
Cattle, buffaloes	120	35	400	555
Sheep, lambs, goats	12	3.33	—	15.33

Livestock Slaughter Levy. The *Livestock Slaughter Levy Act 1961* imposes a levy which is payable on all cattle, calves, bobby calves, sheep, lambs, goats and buffaloes slaughtered for human consumption. The funds are used by the Australian Meat and Livestock Corporation (AMLC) for marketing and promotion, by the Australian Meat Research Committee (AMRC) for production and economic research and by the CSIRO for meat processing research. The Slaughter Levy also provides the funds for the eradication of brucellosis and tuberculosis in cattle and buffaloes.

The levies are:

	<i>Cents/Head</i>				
	<i>AMLC</i>	<i>AMRC</i>	<i>CSIRO processing research</i>	<i>Disease eradication</i>	<i>Total</i>
Cattle, buffaloes	120	35	3	400	558
Calves	43.2	9	1.4	133	186.6
Bobby calves	12	2.5	0.3	40	54.8
Sheep, lambs	14	3.33	0.3	—	17.63
Goats	14	3.33	0.3	—	15.63

COMMONWEALTH PRIMARY PRODUCTION TAXES
(S'000)

	1979-80	1980-81	1981-82	1982-83
Apple and pear export charge	197	216	183	182
Apple and pear export duty	11	444	—	—
Apple and pear levy	627	604	716	978
Barley research levy	—	314	429	289
Butterfat levy	—	—	—	—
Canned fruit export charge (replaced by canned fruit levy 1.1.80)	133	718	863	1,122
Canning fruit charge	99	58	52	—
Cotton Research Levy	—	—	—	120
Dairy industry stabilization levy	93,549	82,339	79,711	93,924
Dairying research and promotion levy	5,689	6,119	7,218	9,372
Dried fruits export charge	189	236	193	403
Dried fruits levy	90	119	87	120
Dried vine fruits levy	—	1,187	—	—
Dried vine fruit equalisation levy	—	—	688	10,432
Honey export charge	56	51	93	115
Honey levy	200	233	241	263
Livestock slaughter levy—				
Research marketing component—				
Cattle, calves, bobby calves	7,539	7,172	7,155	9,939
Buffaloes	—	18	23	42
Sheep, lambs	3,165	3,261	2,843	4,246
Goats	47	40	40	47
Disease eradication component	20,453	21,066	21,038	27,427
Livestock export charges—				
Research marketing component—				
Cattle	46	118	110	115
Buffaloes	—	—	—	5
Sheep, lambs	645	572	654	900
Goats	—	—	—	10
Disease eradication component	128	346	332	342
Pig slaughter levy	769	1,086	2,043	2,821
Oil seeds research levy	409	277	276	230
Meat chicken levy	234	235	211	233
Poultry industry levy	17,834	20,939	20,805	20,194
Tobacco charge	504	519	539	624
Wheat export charge	—	30,000	—	—
Wheat tax	3,085	2,012	3,108	1,967
Wheat levy	—	38,318	25,147	38,866
Refunds of wheat export charge and wheat levy	-4,390	-60,536	-38,733	-61,074
Wine grapes charges (replaced by wine grapes levy 1.7.79)	1,174	65	11	1
Wine grapes levy	—	1,224	1,065	1,225
Wool tax	121,400	132,864	138,492	142,080
Refunds of 5% additional wool tax	—	—	-41,524	-44,090
Total	273,880	292,217	234,109	263,471

Pay-roll tax

Commonwealth pay-roll tax came into operation on 2 May 1941 and provided for the imposition of a tax on wages paid or payable in respect of any period of time occurring after 30 June 1941. The tax was payable by employers on all wages and salaries paid or payable in excess of a general exemption. The rate of tax, 2.5 per cent, was not changed after its inception, but the general exemption was increased over the years from \$173.33 to \$1,733.33 per month (\$2,080 per annum to \$20,800 per annum).

From 1 September 1971, in accordance with an agreement between the Commonwealth Government and the States following the June 1971 Premiers' Conference, the Commonwealth Government vacated the pay-roll tax field in favour of the States. It continued, however, to impose pay-roll tax in the Australian Capital Territory and the Northern Territory. The laws relating to pay-roll tax in the Territories are the *Pay-roll Tax (Territories) Assessment Act 1971* and the *Pay-roll Tax (Territories) Act 1971*.

From 1 December 1974 the rate of tax payable in the Territories has been 5 per cent with a statutory exemption of wages up to \$1,733.33 per month (\$20,800 per annum) or a proportion of that amount in the case of an employer who is an employer also in a State.

The *Pay-roll Tax (Territories) Assessment Act 1976* raised the level of the general exemption from pay-roll tax in the Territories from \$20,800 to \$48,000 per annum with effect from 1 January 1977. However the exemption was reduced by \$2 for every \$3 by which the annual pay-roll exceeded \$48,000. The maximum general exemption was increased to \$60,000 from 1 July 1978 under the *Pay-roll (Territories) Assessment Amendment Act 1978*. Commonwealth pay-roll tax in the Northern Territory was terminated from 1 July 1978 by the *Pay-roll Tax (Territories) Assessment Amendment Act (No. 2) 1978* giving the Territory the right to levy its own pay-roll tax.

The *Pay-roll Tax (Territories) Assessment Amendment Act 1979* increased the maximum exemption level in the Australian Capital Territory to \$66,000 with effect from 1 January 1979. The exemption level was further increased to \$72,000 with effect from 1 January 1980 under the *Pay-roll Tax (Territories) Assessment Amendment Act 1980*. Phasing out remains at \$2 for each \$3 by which the annual wages payable exceed the maximum exemption level.

Gross collections of pay-roll tax in 1980-81 and 1981-82 amounted to \$17,007,851 and \$19,319,922 respectively.

Gross operating surplus of public enterprises

The *gross operating surplus* of public *trading* enterprises is the excess over working expenses of total revenue from charges before providing for capital consumption and other costs of capital (i.e. interest, debt redemption). *Financial* enterprises do not charge directly, at least not in full, for the services they render; that expenditure is largely financed by net receipts of interest and other transfer income. By convention, the output of these enterprises is valued at cost, so that no operating surplus is recorded in their production accounts. The profits of these enterprises are attributable to their property income. *Income* (including depreciation) of public financial enterprises is therefore arrived at after deducting interest paid and working expenses (i.e. net current expenditure on goods and services) from total receipts of interest and non-dwelling rent.

In the following table the revenue, working expenses and gross operating surplus of public trading enterprises are shown; public financial enterprises are reflected simply on the basis of their income (including depreciation). Further information relating to the more important of these enterprises may be found in the chapters dealing with banking, housing, railways, electric power generation, etc.

**COMMONWEALTH AUTHORITIES: PUBLIC TRADING ENTERPRISES(a): REVENUE, WORKING
EXPENSES AND GROSS OPERATING SURPLUS, CLASSIFIED BY INDUSTRY**

(\$ million)

<i>Industry</i>	<i>1976-77</i>	<i>1977-78</i>	<i>1978-79</i>	<i>1979-80</i>	<i>1980-81</i>	<i>1981-82</i>
REVENUE						
Manufacturing	54.7	58.5	74.3	65.2	68.5	
Electricity	96.2	105.1	100.6	105.6	129.7	
Water supply, sewerage and drainage	9.6	12.5	12.9	14.2	16.0	
Transport and communication—						
Air transport	808.7	929.7	1,074.3	1,336.4	1,467.5	
Rail transport	122.9	121.7	131.4	157.6	180.7	
Sea transport	282.6	319.4	372.7	422.9	464.2	
Urban transit systems	16.8	15.8	10.2	10.7	18.6	
Pipelines	2.8	11.7	18.1	23.4	23.3	n.y.a.
Communication	2,314.7	2,521.3	2,811.9	3,121.1	3,564.1	
<i>Total transport, etc.</i>	<i>3,548.4</i>	<i>3,919.5</i>	<i>4,418.7</i>	<i>5,072.4</i>	<i>5,718.5</i>	
Commerce	149.6	249.8	360.4	199.1	149.1	
Property and business services—						
Housing	22.6	27.6	25.6	27.9	31.3	
Other	25.7	36.5	38.7	43.5	45.8	
<i>Total property, etc.</i>	<i>48.3</i>	<i>64.1</i>	<i>64.3</i>	<i>71.4</i>	<i>77.1</i>	
Community, social and personal services	22.7	28.1	41.1	52.7	61.5	
Total revenue	3,929.5	4,437.6	5,072.3	5,580.6	6,220.3	7,457.2
WORKING EXPENSES(b)						
Manufacturing	52.4	55.6	68.6	60.1	63.0	
Electricity	48.3	56.9	39.7	48.4	68.5	
Water supply, sewerage and drainage	6.1	7.3	5.8	6.8	9.2	
Transport and communication—						
Air transport	722.7	833.8	969.2	1,267.5	1,402.5	
Rail transport	170.1	184.9	187.0	205.2	225.7	
Sea transport	231.2	260.4	312.8	377.7	410.5	
Urban transit systems	19.1	20.0	16.0	19.2	26.9	
Pipelines	1.4	3.4	3.1	3.7	4.7	n.y.a.
Communication	1,456.4	1,600.6	1,769.8	1,989.2	2,311.0	
<i>Total transport, etc.</i>	<i>2,601.0</i>	<i>2,903.0</i>	<i>3,258.0</i>	<i>3,862.6</i>	<i>4,381.4</i>	
Commerce	160.7	255.0	348.6	189.3	148.4	
Property and business services—						
Housing	24.4	28.8	30.1	33.4	38.7	
Other	23.8	35.0	37.0	42.3	44.5	
<i>Total property, etc.</i>	<i>48.2</i>	<i>63.8</i>	<i>67.1</i>	<i>75.6</i>	<i>83.2</i>	
Community, social and personal services	19.1	24.0	33.5	42.9	52.1	
Total working expenses	2,935.8	3,365.6	3,821.4	4,285.7	4,805.8	5,807.3
GROSS OPERATING SURPLUS						
Manufacturing	2.3	2.9	5.6	5.0	5.5	4.6
Electricity	47.9	48.2	60.9	57.3	61.2	74.5
Water supply, sewerage and drainage	3.5	5.2	7.0	7.4	6.8	9.8
Transport and communication—						
Air transport	86.0	95.9	105.1	68.9	65.0	76.6
Rail transport	-47.2	-63.2	-55.5	-47.6	-45.0	-56.3
Sea transport	51.4	59.0	60.0	45.2	53.7	45.1
Urban transit systems	-2.4	-4.1	-5.8	-8.5	-8.3	-8.8
Pipelines	1.4	8.3	15.0	19.7	18.6	25.3
Communication	858.2	920.7	1,042.1	1,131.9	1,253.1	1,442.4
<i>Total transport, etc.</i>	<i>947.5</i>	<i>1,016.5</i>	<i>1,160.7</i>	<i>1,209.8</i>	<i>1,337.1</i>	<i>1,524.3</i>
Commerce	-11.1	-5.3	11.8	9.8	0.8	35.4
Property and business services—						
Housing	-1.8	-1.2	-4.5	-5.5	-7.4	-8.2
Other	1.8	1.6	1.7	1.2	1.3	1.4
<i>Total property, etc.</i>	<i>—</i>	<i>0.4</i>	<i>-2.9</i>	<i>-4.3</i>	<i>-6.1</i>	<i>-6.8</i>
Community, social and personal services	3.6	4.0	7.6	9.8	9.3	8.1
Total gross operating surplus	993.8	1,072.0	1,250.9	1,294.9	1,414.6	1,649.9

(a) Excludes Northern Territory public trading enterprises from 1978-79.

(b) Excludes depreciation and interest charges.

STATE AUTHORITIES

The State authorities dealt with in this section include the central government of each State, statutory bodies created by or under State legislation to carry out activities on behalf of the central government, and incorporated organisations in which individual State governments have a controlling interest.

The transactions of many of the State authorities are itemised in State Consolidated Revenue Funds or in Trust Funds, so that a satisfactory coverage of their transactions can be obtained from a detailed analysis and reclassification of the published accounts whose receipts and payments are summarised in the statement of Treasury balances for each State. The remaining statutory bodies and other publicly owned or controlled organisations maintain accounts entirely, or largely, separate from the public accounts, although there may be transactions between them and State governments (such as advances and capital contributions, interest and dividends, and votes for running expenses and capital works) which would affect the public accounts. The accounting reports of this group of organisations have to be collected and analysed in order to present a complete statement of the transactions of State authorities—or at least methods of analysis need to be adopted which adequately reflect their transactions so that they are, in principle, covered by the statistics.

In the figures which follow in this section, all expenditure by State central government authorities on certain institutions, whether direct (e.g. new building charged to Loan Fund) or indirect by way of current or capital grants to the bodies administering them, has been treated as final expenditure on goods and services by State authorities; fees and gifts from persons or private businesses to these institutions are not included, nor is the expenditure of the institutions from their own resources. Universities and hospitals are particular examples of organisations for which this practice has been adopted.

Many of these State authorities have been granted autonomy by State legislatures to the extent that they are largely financially independent. Some of these are funded from earmarked tax revenues and are vested with independent borrowing powers. A considerable number of others belong to the category of public enterprises, since they are able to charge for their services so as to cover their costs of operation. These bodies have usually been created to control a specific activity or provide a specific service within a State. It is often the case that in other States similar activities are carried out, or services are provided, by central government or local authorities. Details of the activities of autonomous or semi-autonomous State authorities engaged in such fields as construction and maintenance of roads and bridges, provision of water supply and sewerage services, harbour facilities, transport, electricity and gas, housing and banking may be found in chapters relevant to those subjects and in State Year Books.

Details of the transactions of State authorities are given in the tables which follow. Reference should be made to the introduction of *State and Local Government Finance, Australia* (5504.0) for definitions and descriptions of items appearing in these tables, and also for further details of the organisations covered by the figures. Additional information relating to the activities of the State authorities may also be found in the Year Books of the individual States.

Coverage—Northern Territory government authorities

On 1 July 1978 the Northern Territory became self-governing with expenditure responsibilities and revenue raising powers broadly approximating those of a State. In the period up to and including 1977–78 receipts and outlays relating to the Northern Territory are included with Commonwealth receipts and outlays but from 1978–79 onwards they have been grouped with the receipts and outlays of State authorities.

Outlay and receipts

The outlay and receipts of State authorities for the six year period ended 1981–82 are given in the following table.

STATE AUTHORITIES(a): OUTLAY AND RECEIPTS
(\\$ million)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
OUTLAY						
Final consumption expenditure	8,145.1	9,250.2	10,232.0	11,629.4	13,552.3	15,435.1
Gross capital formation—						
Increase in stocks	25.5	62.7	36.5	64.3	110.0	131.4
Expenditure on new fixed assets	4,172.0	4,753.5	5,184.1	5,580.2	6,403.5	7,761.3
Expenditure on existing assets (net)	148.2	100.3	79.2	14.5	7.2	-968.6
<i>Total gross capital formation</i>	<i>4,345.8</i>	<i>4,916.6</i>	<i>5,299.8</i>	<i>5,659.0</i>	<i>6,520.7</i>	<i>6,924.2</i>
Transfer payments—						
Interest	1,476.6	1,714.3	1,966.4	2,221.4	2,663.9	3,191.9
Personal benefit payments	247.3	280.3	283.5	308.1	296.3	322.8
Subsidies	61.9	92.7	106.3	124.3	137.7	147.6
Transfers overseas	0.1	0.1	0.1	0.1	0.2	0.1
Grants for private capital purposes	49.8	64.3	73.1	65.1	67.6	91.0
Grants to local authorities	414.1	479.0	512.9	588.0	684.1	747.6
<i>Total transfer payments</i>	<i>2,249.9</i>	<i>2,630.8</i>	<i>2,942.3</i>	<i>3,307.1</i>	<i>3,849.6</i>	<i>4,500.9</i>
Net advances—						
To the private sector	189.4	214.0	114.9	97.2	91.0	74.7
To public financial enterprises	83.4	109.0	91.0	53.3	98.5	59.8
To local authorities	18.0	11.5	15.0	12.7	16.6	21.1
<i>Total net advances</i>	<i>290.8</i>	<i>334.5</i>	<i>220.9</i>	<i>163.2</i>	<i>206.1</i>	<i>155.7</i>
Total outlay	15,031.6	17,132.0	18,695.1	20,758.8	24,128.7	27,015.8
of which—						
current outlay	10,133.2	11,584.3	12,858.1	14,602.5	17,059.4	19,557.7
capital outlay	4,898.3	5,547.7	5,837.0	6,156.2	7,069.4	7,458.1
RECEIPTS AND FINANCING ITEMS						
Receipts—						
Taxes, fees, fines, etc.	3,973.5	4,300.8	4,667.3	5,264.4	6,045.1	7,104.2
Income from public enterprises	353.5	380.0	471.6	650.7	704.5	757.9
Property income	621.6	740.9	789.0	975.7	1,173.0	1,328.6
Grants from the Commonwealth						
Government—						
for current purposes	6,110.2	7,215.3	8,137.9	9,079.6	10,290.4	11,382.0
for capital purposes	1,537.3	1,508.9	1,483.8	1,565.4	1,668.9	1,769.8
Grants from local authorities	32.1	36.0	35.5	44.7	51.8	56.5
<i>Total receipts</i>	<i>12,628.2</i>	<i>14,181.8</i>	<i>15,585.0</i>	<i>17,580.5</i>	<i>19,933.7</i>	<i>22,399.0</i>
Financing items—						
Net borrowing—						
Public trading enterprises	668.6	893.5	1,188.8	1,445.2	1,761.8	2,365.7
General government	124.8	118.0	204.2	274.5	311.2	408.1
Advances from the Commonwealth Government (net)—						
For loan works purposes	744.7	784.8	770.6	704.5	741.7	730.4
Other	533.4	476.3	356.6	191.5	194.8	131.7
Net receipts of private trust funds	213.1	171.3	163.6	164.8	189.8	262.6
Reduction in cash and bank balances	-396.2	-43.7	-246.5	-142.2	-102.1	-474.9
Reduction in security holdings—						
Investment of private trust funds	-39.8	-42.2	-69.2	-82.3	-27.7	-114.9
Investment of governmental trust funds and public corporations	-58.5	-121.7	-54.9	-66.2	59.4	80.2
Other funds available (including errors and omissions)—						
Depreciation allowances	356.2	412.5	467.8	489.7	561.5	631.1
Other	257.1	301.3	329.2	198.9	504.8	196.7
<i>Total financing items</i>	<i>2,403.4</i>	<i>2,950.2</i>	<i>3,110.1</i>	<i>3,178.3</i>	<i>4,195.0</i>	<i>4,216.8</i>
Total funds available	15,031.6	17,132.0	18,695.1	20,758.8	24,128.7	27,015.8

(a) Excludes financial enterprises. Includes Northern Territory authorities from 1978-79.

The following table provides details of the outlay and receipts of State authorities in each of the six States and the Northern Territory.

STATE AUTHORITIES(a): OUTLAY AND RECEIPTS BY STATE, 1981-82

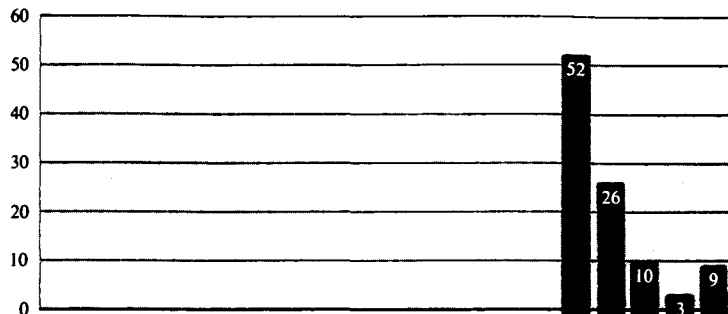
(\$ million)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>Total</i>
OUTLAY								
Final consumption expenditure	5,280.3	3,987.3	2,204.2	1,441.8	1,532.1	567.7	421.7	15,435.1
Gross capital formation—								
Increase in stocks	115.8	-12.1	5.2	7.4	11.1	2.2	1.8	131.4
Expenditure on new fixed assets	2,472.7	2,249.7	1,473.6	503.3	656.4	233.5	172.1	7,761.3
Expenditure on existing assets (net)	-896.6	-75.1	-12.7	-11.9	17.7	-0.2	10.1	-968.6
<i>Total gross capital formation</i>	<i>1,692.0</i>	<i>2,162.5</i>	<i>1,466.1</i>	<i>498.9</i>	<i>685.2</i>	<i>235.5</i>	<i>184.0</i>	<i>6,924.2</i>
Transfer payments—								
Interest	972.9	1,066.6	437.3	295.3	241.3	144.6	33.8	3,191.9
Personal benefit payments	171.1	61.8	38.3	21.2	18.0	11.5	0.8	322.8
Subsidies	40.3	56.1	15.4	13.9	11.5	8.4	2.0	147.6
Transfers overseas	0.1	-	-	-	-	-	-	0.1
Grants for private capital purposes	33.6	15.3	22.6	12.7	5.9	0.2	0.6	91.0
Grants to local authorities	246.6	197.2	148.8	46.9	77.0	24.7	6.5	747.6
<i>Total transfer payments</i>	<i>1,464.4</i>	<i>1,397.0</i>	<i>662.5</i>	<i>390.1</i>	<i>353.8</i>	<i>189.5</i>	<i>43.7</i>	<i>4,500.9</i>
Net advances—								
To the private sector	-13.1	2.5	50.4	-17.0	-1.2	3.1	50.1	74.7
To public financial enterprises	17.1	3.8	-	32.2	-0.1	6.8	-	59.8
To local authorities	5.8	-0.4	13.8	-0.1	-2.3	3.1	1.3	21.1
<i>Total net advances</i>	<i>9.8</i>	<i>6.0</i>	<i>64.1</i>	<i>15.1</i>	<i>-3.6</i>	<i>13.0</i>	<i>51.4</i>	<i>155.7</i>
Total outlay	8,446.5	7,552.7	4,396.9	2,345.8	2,567.5	1,005.7	700.7	27,015.8
<i>of which—</i>								
current outlay	6,620.5	5,312.5	2,767.7	1,805.5	1,838.3	750.3	462.9	19,557.7
capital outlay	1,826.0	2,240.3	1,629.1	540.4	729.1	255.4	237.7	7,458.1
RECEIPTS AND FINANCING ITEMS								
Receipts—								
Taxes, fees, fines, etc.	2,807.7	2,123.4	921.1	491.0	561.9	161.2	37.8	7,104.2
Income from public enterprises	9.3	366.1	174.5	112.1	62.3	78.5	-44.9	757.9
Property income	322.3	281.3	370.6	113.3	182.9	31.4	26.9	1,328.6
Grants from the Commonwealth Government								
for current purposes	3,503.0	2,664.0	1,916.8	1,159.9	1,239.5	451.7	447.2	11,382.0
for capital purposes	525.0	416.5	286.9	169.8	183.7	97.6	90.3	1,769.8
Grants from local authorities	19.5	13.8	10.1	3.9	2.9	6.4	-	56.5
<i>Total receipts</i>	<i>7,186.6</i>	<i>5,865.0</i>	<i>3,679.9</i>	<i>2,050.2</i>	<i>2,233.3</i>	<i>826.8</i>	<i>557.3</i>	<i>22,399.0</i>
Financing items								
Net borrowing								
Public trading enterprises	673.2	1,049.8	222.8	113.7	218.9	87.8	-0.5	2,365.7
General government	94.9	13.5	228.5	6.9	28.3	1.8	34.0	408.1
Advances from the Commonwealth Government (net)—								
For loan works purposes	209.8	166.1	87.2	86.8	59.9	48.2	72.5	730.4
Other	72.2	31.5	15.2	-10.4	11.5	4.0	7.7	131.7
Net receipts of private trust funds	54.8	35.4	161.3	15.7	47.2	19.2	-0.2	262.6
Reduction in cash and bank balances	24.3	20.2	-343.0	30.8	-140.8	-14.0	-3.8	-474.9
Reduction in security holdings								
Investments of private trust funds	49.4	-3.4	-	-17.2	-32.0	-12.9	-	-114.9
Investments of governmental trust funds and public corporations	51.9	58.2	-15.5	-12.7	0.1	-1.9	-	80.2
Other funds available (including errors and omissions)								
Depreciation allowances	195.3	198.7	92.3	48.3	72.8	15.9	7.7	631.1
Other	18.5	188.5	268.2	33.8	68.2	30.7	26.0	596.7
<i>Total financing items</i>	<i>1,259.9</i>	<i>1,687.7</i>	<i>717.0</i>	<i>295.7</i>	<i>334.2</i>	<i>178.9</i>	<i>143.4</i>	<i>4,616.8</i>
Total funds available	8,446.5	7,552.7	4,396.9	2,345.8	2,567.5	1,005.7	700.7	27,015.8

(a) Excludes financial enterprises.

STATE AUTHORITIES, 1981-82**RECEIPTS AND FINANCING ITEMS**

Per cent

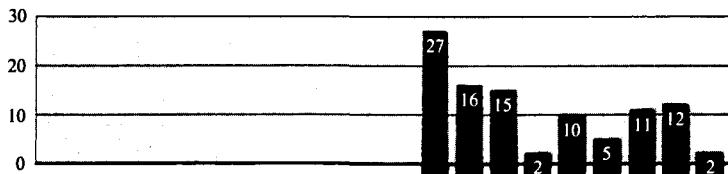


Commonwealth Government
 Grants and Advances—\$14,014m
 Taxation—\$7,104m
 Net Borrowing—\$2,774m
 Income from Public Enterprise—\$758m
 Other—\$2,366m

TOTAL \$27,016 million

OUTLAY

Per cent



Education—\$7,196m
 Health and Welfare—\$4,305m
 Other Final Consumption Expenditure—\$3,934m
 Expenditure on New Fixed Assets—Education—\$625m
 Electricity, Gas and Water Supply—\$2,799m
 Road System and Regulation—\$1,247m
 Other Expenditure on New Fixed Assets—\$3,090m
 Interest—\$3,192m
 Other Outlay—\$628m

TOTAL \$27,016 million

Main components of outlay

The main component of the outlay of State authorities is expenditure on goods and services. As in the case of authorities of the Commonwealth Government, this expenditure consists mainly of final consumption expenditure and expenditure on new fixed assets. The following tables show final consumption expenditure and expenditure on new fixed assets classified by purpose for State authorities.

STATE AUTHORITIES(a): FINAL CONSUMPTION EXPENDITURE CLASSIFIED BY PURPOSE

(\$ million)

Purpose	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
General public services—						
Law, order and public safety	770.1	881.0	992.6	1,171.6	1,374.0	1,588.9
General administration, n.e.c.	506.5	587.5	662.4	778.8	913.6	1,037.9
Education	3,872.0	4,387.8	4,765.6	5,411.9	6,258.4	7,196.3
Health	2,209.5	2,485.4	2,759.9	3,074.2	3,590.5	4,004.9
Social security and welfare	124.1	147.1	181.2	214.0	282.1	300.2
Housing and community amenities—						
Housing	5.4	3.9	4.4	4.0	1.2	3.4
Community and regional development	24.1	26.3	35.6	35.6	37.8	40.0
Protection of the environment, and community amenities	22.0	24.8	27.6	31.7	38.3	39.6
Recreation and culture	97.6	120.5	146.8	167.3	192.8	227.5
Economic services—						
Agriculture, forestry, fishing	302.8	348.3	383.5	439.7	474.4	538.1
Mining, manufacturing and construction	48.3	54.0	61.3	69.9	81.8	81.5
Electricity, gas and water supply	6.1	8.1	9.7	9.8	14.1	14.9
Rail transport (b)	1.0	1.2	0.7	1.0	0.8	-1.0
Sea transport	4.6	5.3	2.5	1.9	2.4	2.0
Road systems and regulation	13.8	13.7	17.2	18.8	23.5	45.4
Other transport services, n.e.c.	4.2	4.0	7.6	9.6	15.3	26.8
Other economic services(c)	131.9	149.3	171.3	187.6	224.2	269.9
Other purposes	1.3	2.0	1.9	2.2	26.9	18.7
Total	8,145.1	9,250.2	10,232.0	11,629.4	13,552.3	15,435.1

(a) Excludes financial enterprises. Includes Northern Territory authorities from 1978-79. (b) Includes suburban rail transport systems.
(c) Includes general administration, regulation and research.

STATE AUTHORITIES(a): FINAL CONSUMPTION EXPENDITURE CLASSIFIED BY PURPOSE 1981-82

(\$ million)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Total
General public services								
Law, order and public safety	566.4	356.5	248.2	150.3	161.9	58.1	47.4	1,588.9
General administration, n.e.c.	387.7	235.5	155.3	54.7	93.4	49.2	62.0	1,037.9
Education	2,487.8	2,042.3	968.7	698.7	655.8	242.3	100.7	7,196.3
Health	1,427.2	999.1	565.3	373.0	432.6	131.6	76.2	4,004.9
Social security and welfare	69.9	72.0	58.4	28.2	34.2	9.5	28.0	300.2
Housing and community amenities								
Housing	0.4	2.0	-4.0	0.5	0.6	1.0	2.9	3.4
Community and regional development	10.0	22.7	0.3	3.0	-3.9	0.7	7.2	40.0
Protection of the environment, and community amenities	8.6	14.4	2.7	7.2	3.2	0.8	2.8	39.6
Recreation and culture	57.6	49.9	29.3	31.1	22.6	15.7	21.4	227.5
Economic services								
Agriculture, forestry, fishing	137.8	105.8	138.3	41.2	64.1	37.0	13.9	538.1
Mining, manufacturing and construction	16.4	10.1	11.9	10.5	17.9	5.5	9.2	81.5
Electricity, gas and water supply	5.2	-3.4	6.6	-0.2	5.5	1.1	..	14.9
Rail transport (b) . . . . .	..	0.5	-2.2	..	0.7	..	..	-1.0
Sea transport	2.9	0.1	-3.0	2.1	..	0.1	..	2.0
Road systems and regulation	5.1	18.3	3.7	3.4	0.6	1.4	12.8	45.4
Other transport services, n.e.c.	5.0	0.5	..	0.3	0.9	0.4	19.7	26.8
Other economic services(c)	77.5	58.6	24.7	37.8	40.4	13.7	17.2	269.9
Other purposes	14.8	2.3	..	..	1.6	-0.4	0.3	18.7
Total	5,280.3	3,987.3	2,204.2	1,441.8	1,532.1	567.7	421.7	15,435.1

(a) Excludes financial enterprises. Includes Northern Territory authorities. (b) Includes suburban rail transport systems.
(c) Includes general administration, regulation and research.

STATE AUTHORITIES(a): EXPENDITURE ON NEW FIXED ASSETS CLASSIFIED BY PURPOSE
(\$ million)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
General public services—						
Law, order and public safety	73.3	91.7	100.3	114.0	132.7	130.7
General administration, n.e.c.	87.6	112.1	116.1	108.2	107.4	108.1
Education	574.2	659.9	677.8	623.8	615.5	624.9
Health	334.0	322.8	332.2	285.9	258.3	234.5
Social security and welfare	12.1	10.7	13.4	13.6	12.6	15.0
Housing and community amenities—						
Housing	248.0	307.1	271.7	273.9	347.4	336.1
Community and regional development	42.5	38.2	33.9	47.1	67.3	97.3
Protection of the environment, and community amenities	343.8	352.5	344.6	351.2	358.1	401.9
Recreation and culture	33.5	51.9	70.5	76.9	96.9	102.5
Economic services—						
Agriculture, forestry, fishing	195.2	206.8	202.2	207.5	240.6	257.8
Mining, manufacturing and construction	61.8	68.0	55.9	96.1	134.3	161.1
Electricity and gas	650.1	834.5	1,092.6	1,336.9	1,708.4	2,450.1
Water supply	260.2	278.3	274.8	265.8	281.7	348.8
Rail transport(b)	312.4	386.0	439.8	456.0	509.5	687.8
Sea transport	94.8	116.6	147.4	160.5	257.2	356.4
Road systems and regulation	772.1	830.1	912.8	1,028.0	1,138.0	1,247.1
Other transport services, n.e.c.	30.2	39.3	42.9	56.1	59.2	93.2
Other economic services(c)	45.7	46.1	54.3	79.0	78.0	106.6
Other purposes	0.5	0.8	1.3	-0.1	0.5	1.4
Total	4,172.0	4,753.5	5,184.1	5,580.2	6,403.5	7,761.3

(a) Excludes financial enterprises. Includes Northern Territory authorities from 1978-79. (b) Includes suburban rail transport systems. (c) Includes general administration, regulation and research.

STATE AUTHORITIES(a): EXPENDITURE ON NEW FIXED ASSETS CLASSIFIED BY PURPOSE
1981-82
(\$ million)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Total
General public services—								
Law, order and public safety	43.3	22.9	26.4	13.1	19.9	2.4	2.7	130.7
General administration, n.e.c.	25.7	15.1	32.5	2.4	8.5	13.4	10.5	108.1
Education	224.2	164.0	96.3	53.6	53.7	15.0	17.8	624.9
Health	49.4	56.1	49.2	25.9	41.4	9.4	3.0	234.5
Social security and welfare	5.7	2.1	3.2	2.7	1.0	0.1	0.1	15.0
Housing and community amenities—								
Housing	108.6	73.0	26.5	85.3	30.9	27.0	21.3	336.1
Community and regional development	58.5	10.9	..		3.4		24.1	97.3
Protection of the environment, and community amenities	192.4	132.6	0.8		50.5		3.5	401.9
Recreation and culture	19.8	43.8	17.3	50.5		5.0	2.3	102.5
Economic services—								
Agriculture, forestry, fishing	85.1	65.0	60.5	20.1	14.3	10.3	2.5	257.8
Mining, manufacturing and construction	40.8	91.8	16.3	175.1	5.3	95.4	2.2	161.1
Electricity and gas	674.5	922.0	436.0		167.6		13.1	2,450.1
Water supply	93.3	158.0	33.0		25.0		10.5	348.8
Rail transport(b)	287.4	150.9	211.2	..	38.3	..	..	687.8
Sea transport	106.3	25.3	199.9	8.0	11.4	1.2	4.4	356.4
Road systems and regulation	419.5	240.2	257.5	112.7	126.6	57.8	48.5	1,247.1
Other transport services, n.e.c.	10.3	19.7	..		43.8		3.6	93.2
Other economic services(c)	27.8	56.0	6.8		8.6		1.9	106.6
Other purposes	..	0.2	..	..	1.2	..	..	1.4
Total	2,472.7	2,249.7	1,473.6	503.3	656.4	233.5	172.1	7,761.3

(a) Excludes financial enterprises. Includes Northern Territory authorities. (b) Includes suburban rail transport systems. (c) Includes general administration, regulation and research.

Main components of receipts

The major source of funds available to State authorities is in the form of financial assistance by way of grants and advances from the Commonwealth Government. Taxation is also an important source of revenue, and central government borrowing by way of Commonwealth Government securities issued on behalf of the States, as well as borrowing by statutory bodies, accounted for a significant proportion of the total funds available.

Details of Commonwealth Government financial assistance to the States and the Northern Territory have already been given in the section dealing with Commonwealth Government authorities, and government borrowing activities are dealt with later in this chapter.

The following tables provide details of the taxes collected by State authorities classified by type of tax. Further information relating to State taxes may be found in *Taxation Revenue, Australia* (5506.0).

STATE AUTHORITIES(a): TAXATION BY TYPE OF TAX
(*\$ million*)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Estate, gift, probate and succession duties	251.5	241.1	205.4	171.4	157.9	134.2
Property taxes —						
Land tax	218.1	236.7	258.0	290.8	324.3	340.0
Metropolitan improvement rates	15.8	16.2	18.1	19.2	19.7	28.4
Other	1.6	1.4	1.1	0.9	1.0	1.4
<i>Total property</i>	<i>235.5</i>	<i>254.3</i>	<i>277.2</i>	<i>310.9</i>	<i>345.0</i>	<i>369.8</i>
Liquor taxes	120.9	140.6	155.2	174.7	202.5	231.3
Taxes on gambling —						
Lotteries	109.6	129.2	149.0	195.8	229.4	291.1
Poker machines	92.0	98.2	108.0	120.7	139.0	153.1
Racing	180.5	194.1	205.4	227.4	245.5	267.5
Other	12.0	12.5	17.3	21.8	18.6	15.2
<i>Total gambling</i>	<i>394.1</i>	<i>434.0</i>	<i>479.7</i>	<i>565.7</i>	<i>632.4</i>	<i>726.9</i>
Taxes on ownership and operation of motor vehicles —						
Vehicle registration fees and taxes	397.0	461.3	499.5	497.8	544.5	685.5
Drivers', etc., licences and fees	59.9	60.4	74.4	75.3	82.7	97.7
Stamp duty on vehicle registration	116.5	126.0	141.0	151.1	173.9	205.4
Road transport taxes	15.9	14.5	13.8	14.7	16.5	6.3
Road maintenance contributions	44.7	44.5	45.3	6.4	0.6	0.5
Motor car third party insurance surcharge and duties	12.9	13.4	13.7	18.7	23.1	24.4
<i>Total motor vehicles</i>	<i>646.8</i>	<i>720.1</i>	<i>787.7</i>	<i>764.0</i>	<i>841.3</i>	<i>1,019.8</i>
Pay-roll tax	1,305.9	1,418.5	1,525.9	1,694.4	1,922.4	2,394.8
Fire brigades contributions from insurance companies, etc.	99.0	113.0	120.8	137.9	157.0	185.4
Stamp duties, n.e.i.	666.7	702.6	800.2	993.4	1,241.4	1,344.6
Fees from regulatory services, n.e.i.	44.9	49.0	55.4	61.8	71.6	89.3
Other taxes, fees, fines, etc.	208.6	227.6	259.8	390.3	473.6	608.1
<i>Total taxation</i>	<i>3,973.9</i>	<i>4,300.7</i>	<i>4,667.3</i>	<i>5,264.4</i>	<i>6,045.1</i>	<i>7,104.2</i>

(a) Includes Northern Territory authorities from 1978-79.

STATE AUTHORITIES: TAXATION BY TYPE OF TAX, 1981-82
(\$ million)

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>N.T.</i>	<i>Total</i>
Estate, gift, probate and succession duties	72.7	56.2	0.5	0.2	1.3	3.3	-	134.2
Property taxes—								
Land tax	143.8	115.9	25.3	19.3	29.4	6.4	-	340.0
Metropolitan improvement rates	-	23.2	-	-	5.2	-	-	28.4
Other	0.5	-	-	0.7	0.2	-	-	1.4
<i>Total property</i>	<i>144.3</i>	<i>139.1</i>	<i>25.3</i>	<i>20.0</i>	<i>34.8</i>	<i>6.4</i>	-	<i>369.8</i>
Liquor taxes	98.4	52.2	37.4	15.9	19.4	5.8	2.3	231.3
Taxes on gambling—								
Lotteries	93.8	128.4	27.9	19.5	11.9	8.7	0.9	291.1
Poker machines	153.1	-	-	-	-	-	-	153.1
Racing	116.9	84.9	30.6	11.1	19.3	4.2	0.4	267.5
Other	3.3	2.9	3.0	1.0	-	3.4	1.6	15.2
<i>Total gambling</i>	<i>367.1</i>	<i>216.2</i>	<i>61.5</i>	<i>31.6</i>	<i>31.2</i>	<i>16.3</i>	<i>2.9</i>	<i>726.9</i>
Taxes on ownership and operation of motor vehicles—								
Vehicle registration fees and taxes	274.8	152.3	131.8	44.4	56.1	22.3	3.8	685.5
Drivers', etc., licences and fees	36.8	28.0	15.3	5.3	9.5	2.8	-	97.7
Stamp duty on vehicle registration	69.9	74.9	19.1	21.8	11.9	7.8	-	205.4
Road transport taxes	2.0	-2.7	3.0	0.1	3.7	0.3	-	6.3
Road maintenance contributions	-	-	0.1	-	-	0.4	-	0.5
Motor car third party insurance surcharge and duties	-	18.0	-	2.0	3.8	0.6	-	24.4
<i>Total motor vehicles</i>	<i>383.5</i>	<i>270.5</i>	<i>169.3</i>	<i>73.6</i>	<i>85.0</i>	<i>34.2</i>	<i>3.8</i>	<i>1,019.8</i>
Pay-roll tax	1,009.9	665.5	289.4	167.7	191.0	53.0	18.3	2,394.8
Fire brigades contributions from insurance companies, etc.	62.4	56.8	34.4	14.4	16.9	0.6	-	185.4
Stamp duties, n.e.i.	512.5	364.8	247.5	85.0	104.5	24.1	6.2	1,344.6
Fees from regulatory services, n.e.i.	34.0	20.9	17.8	6.7	7.2	1.2	1.5	89.3
Other taxes, fees, fines, etc.	122.9	281.2	38.0	75.9	70.6	16.3	2.8	608.1
<i>Total taxation</i>	<i>2,807.7</i>	<i>2,123.4</i>	<i>921.1</i>	<i>491.0</i>	<i>561.9</i>	<i>161.2</i>	<i>37.8</i>	<i>7,104.2</i>

LOCAL AUTHORITIES

In each State of Australia and in the Northern Territory there exists a system of local government whose powers and responsibilities are generally similar and cover such matters as the construction and maintenance of roads, streets and bridges; water, sewerage and drainage systems; health and sanitary services; the supervision of building; and the administration of regulations relating to items such as weights and measures, slaughtering, the registration of dogs, etc. In addition to these obligatory functions, there are also many which may be performed by a local authority either with or without the consent of the ratepayers or the Governor-in-Council. These include transport facilities, electricity, gas and other business undertakings, hospitals, charitable institutions, recreation grounds, parks, swimming pools, libraries, museums, etc.

The system is based on the principle of a grant of specific powers by the State legislatures to the local authorities, their autonomy, however, being more or less limited by the provision for general supervision by a department of the central government or by the Governor-in-Council. Otherwise, within the scope of the Acts under which they are constituted or which they have to administer, they are responsible only to the ratepayers. While the broad pattern of local government throughout the States of Australia is similar, the range of activities, election of officers, methods of valuation and rating powers, etc. vary considerably from State to State, and even within States.

The areas over which local government bodies, numbering almost 900, exercise general control, are known in New South Wales as cities, municipalities and shires; in Victoria as cities, towns, boroughs and shires; in Queensland as cities, towns and shires; in South Australia as cities, corporate towns and district council areas; in Western Australia as cities, towns and shires; and in Tasmania and the Northern Territory as cities and municipalities. In New South Wales some local authorities in an area have combined to form County Councils which provide services such as electricity and water supply. Within shires there are also some municipal units known as urban areas. Apart from the Australian Capital Territory and the more sparsely populated parts of New South Wales, South Australia and the Northern Territory, practically the whole of Australia comes within local government jurisdiction. For further details *see* State Year Books.

Coverage—Northern Territory local authorities

On 1 July 1978, the Northern Territory became self-governing with expenditure responsibilities and revenue raising powers broadly approximating those of a State. In the period up to and including

1977-78 receipts and outlays relating to the Northern Territory are included with Commonwealth Government receipts and outlays but from 1978-79 onwards they have been grouped with the receipts and outlays of State and local authorities.

Area, population, dwellings, and rates and penalties for ordinary services

The area, population, dwellings, and the amount of rates and penalties collected for ordinary services in the incorporated areas of each State are shown in the following table. Particulars of dwellings are in accordance with the definition used in the Census, and are compiled from information collected on the Census Schedules. In the table, where the boundary of a capital city statistical division cuts across a local government area, the area of that capital city statistical division has been estimated. Particulars of population for capital city statistical divisions take account of those local government areas which overlap with capital city statistical division boundaries.

The item 'Rates and Penalties for Ordinary Services' relates to general and other special or local rates (excluding water and sewerage rates) levied or declared or, where the cash accounting system operates, the rates collected.

LOCAL GOVERNMENT AUTHORITIES: AREA, POPULATION, DWELLINGS, AND RATES AND PENALTIES FOR ORDINARY SERVICES—30 JUNE 1980

<i>Location (a)</i>	<i>No. of local authorities</i>	<i>Area</i>	<i>Population</i>	<i>Dwellings (b)</i>	<i>Rates and penalties— ordinary services</i>
		square kilometres	'000	'000	\$'000
New South Wales—					
Sydney Statistical Division	45	12,407	3,232	1,116	312,697
Other	157	693,253	1,907	634	187,732
<i>Total New South Wales</i>	202	705,660	5,139	1,750	500,429
Victoria—					
Melbourne Statistical Division	56	6,110	2,760	na	279,872
Other	155	221,017	1,127	na	108,868
<i>Total Victoria</i>	211	227,127	3,887	na	388,740
Queensland—					
Brisbane Statistical Division	10	3,080	1,029	na	82,948
Other	124	1,723,920	1,219	na	108,113
<i>Total Queensland</i>	134	1,727,000	2,248	na	191,061
South Australia—					
Adelaide Statistical Division	33	1,842	934	338	85,519
Other	95	151,834	351	130	19,372
<i>Total South Australia</i>	128	153,676	1,285	468	104,891
Western Australia—					
Perth Statistical Division	26	5,363	902	316	68,210
Other	112	2,522,676	363	121	31,864
<i>Total Western Australia</i>	138	2,528,039	1,265	437	100,074
Tasmania—					
Hobart Statistical Division	7	940	169	59	15,486
Other	42	67,391	254	90	21,833
<i>Total Tasmania</i>	49	68,331	423	149	37,319

(a) Unincorporated areas are excluded in all States. (b) Dwelling figures are intercensal estimates of stocks of dwellings. (c) Based on year ended 31 December 1978. (d) Based on year ended 30 September 1979.

Outlay and receipts

The following tables show details of the outlay and receipts of all local authorities for the years 1976-77 to 1981-82, and of local authorities in each of the six States and the Northern Territory in 1980-81. Figures shown for 1981-82 are based on limited data and may be subject to significant revision as more complete accounting information is collected.

LOCAL AUTHORITIES(a): OUTLAY AND RECEIPTS

(\$ million)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
OUTLAY						
Final consumption expenditure—						
General public services	228.4	269.6	302.5	336.5	381.5	442.4
Education	8.5	8.5	9.5	10.6	12.4	14.3
Health	41.6	45.5	52.8	50.7	59.6	68.4
Social security and welfare	17.8	26.4	34.4	37.7	53.0	62.4
Housing and community amenities—						
Community and regional development	13.5	12.6	16.4	25.0	33.0	40.2
Protection of the environment	65.1	70.5	82.5	111.2	127.7	143.3
Other	10.6	12.9	15.3	25.5	30.2	35.9
Recreation and culture	167.4	192.0	215.6	231.8	273.6	326.0
Economic services	63.2	75.4	87.7	95.2	107.1	114.5
Other purposes	4.4	10.7	11.5	14.5	4.8	7.0
Total	620.2	724.3	828.1	938.8	1,083.0	1,254.5
Gross capital formation						
Expenditure on new fixed assets—						
General public services	102.7	131.2	155.7	158.4	170.1	188.8
Education	4.2	2.8	2.8	2.4	2.0	1.7
Health	2.4	1.8	3.0	3.2	3.4	4.0
Social security and welfare	6.5	7.9	10.7	12.7	13.5	15.1
Housing and community amenities—						
Community and regional development	4.4	9.4	11.8	4.1	6.4	7.6
Protection of the environment	126.7	135.0	134.4	160.1	175.5	201.8
Other	9.1	10.4	7.9	15.9	26.6	31.3
Recreation and culture	75.5	90.4	114.9	136.6	161.8	161.5
Economic services—						
Mining, manufacturing and construction	8.6	9.1	9.6	5.5	6.4	2.6
Electricity and gas	131.4	121.7	122.0	145.1	155.4	203.1
Water supply	60.9	75.3	85.0	94.9	116.6	134.9
Road systems and regulation	607.0	650.7	708.3	733.0	820.8	877.7
Other transport services, n.e.c.	6.4	6.3	2.8	5.5	6.6	6.8
Other economic services (b)	6.5	7.1	7.9	18.2	22.1	30.4
Other purposes	2.3	7.9	2.7	24.2	28.1	34.0
Total	1,154.5	1,267.0	1,379.5	1,519.5	1,715.2	1,901.4
Expenditure on existing assets and stocks (net)	23.5	27.9	2.0	1.3	-22.0	16.0
Interest paid	215.4	252.9	289.7	325.4	369.3	435.2
Grants to State authorities	32.1	36.0	35.5	44.7	51.8	56.5
Net advances to the private sector	6.1	4.5	12.8	7.5	2.3	3.7
Total outlay	2,051.7	2,312.7	2,547.6	2,837.2	3,199.5	3,667.2
of which						
current outlay	857.8	1,001.5	1,144.1	1,295.2	1,492.4	1,733.5
capital outlay	1,193.9	1,311.2	1,403.5	1,542.0	1,707.1	1,933.7
RECEIPTS AND FINANCING ITEMS						
Receipts—						
Taxes, fees, fines, etc.—						
Rates on land	1,033.7	1,120.9	1,214.8	1,339.0	1,518.3	1,732.6
Licences, etc.	38.7	43.3	49.0	60.9	77.1	88.4
Total	1,072.4	1,164.2	1,263.8	1,399.9	1,595.4	1,821.0
Income from public enterprises	181.6	188.9	186.0	195.4	208.0	243.5
Property income	55.9	82.2	93.8	102.7	135.0	194.2
Grants from State and Commonwealth authorities	427.6	493.1	530.3	605.3	707.4	776.7
Total receipts	1,737.3	1,928.4	2,074.1	2,303.4	2,645.8	3,035.4
Financing items—						
Net borrowing	332.0	309.4	333.3	361.0	312.0	290.2
Advances from State and Commonwealth authorities	18.0	11.5	15.0	12.7	16.6	21.1
Net receipts of private trust funds	3.3	3.3	1.7	11.7	-28.7	-19.4
Reduction in cash and bank balances	148.8	-48.5	7.6	11.9	-16.4	-70.3
Reduction in security holdings—						
Investments of governmental funds and trading enterprises	-12.6	-69.4	-57.9	-59.7	-12.8	-1.1
Other funds available (including errors and omissions)—						
Depreciation allowances	52.8	58.5	73.3	74.7	85.6	102.4
Other	69.5	119.5	100.6	121.6	197.4	308.9
Total financing items	314.3	384.3	473.5	533.9	553.7	631.8
Total funds available	2,051.7	2,312.7	2,547.6	2,837.2	3,199.5	3,667.2

(a) Includes Northern Territory authorities from 1978-79.

(b) Includes general administration, regulation and research.

LOCAL AUTHORITIES: OUTLAY AND RECEIPTS, 1981-82

(\$ million)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Total
OUTLAY								
Final consumption expenditure —								
General public services	166.4	138.2	59.6	31.0	30.1	13.9	3.3	442.4
Education	0.9	13.1	0.1	—	0.1	—	—	14.3
Health	23.1	26.0	10.0	3.0	5.2	1.0	—	68.4
Social security and welfare	11.0	45.3	1.3	1.8	2.5	0.4	0.1	62.4
Housing and community amenities —								
Community and regional development	20.0	6.7	6.3	3.7	3.1	0.4	—	40.2
Protection of the environment	58.2	45.0	12.0	16.7	7.3	3.8	0.3	143.3
Other	22.5	3.4	5.3	1.7	2.9	—	0.4	35.9
Recreation and culture	110.2	105.7	36.9	25.2	36.2	7.6	4.3	326.0
Economic services	22.2	62.9	15.5	9.4	5.6	-2.0	1.1	114.5
Other purposes	0.1	-0.1	-1.0	4.0	2.8	1.3	—	7.0
Total	434.8	445.9	146.0	96.3	95.7	26.5	9.4	1,254.5
Gross capital formation —								
Expenditure on new fixed assets —								
General public services	73.3	92.9	7.3	7.7	5.1	1.6	0.8	188.8
Education	0.3	1.4	—	—	—	—	—	1.7
Health	1.9	0.7	0.1	0.5	0.8	—	—	4.0
Social security and welfare	7.4	3.6	0.9	2.0	1.1	0.1	—	15.1
Housing and community amenities —								
Community and regional development	2.7	—	3.6	0.4	0.9	—	—	7.6
Protection of the environment	80.4	12.8	85.8	8.3	5.6	8.8	—	201.8
Other	19.4	3.6	4.0	0.7	2.8	0.8	—	31.3
Recreation and culture	53.5	29.7	40.3	10.6	22.1	3.5	1.8	161.5
Economic services —								
Mining, manufacturing and construction	0.7	1.9	—	—	—	—	—	2.6
Electricity and gas	196.2	5.8	0.2	0.4	0.5	—	—	203.1
Water supply	68.3	—	63.1	—	—	3.6	—	134.9
Road systems and regulation	351.6	144.2	187.1	61.1	97.4	29.8	6.6	877.7
Other transport services, n.e.c.	1.0	1.7	2.8	0.6	0.6	—	—	6.8
Other economic services(a)	13.1	9.2	2.8	1.5	3.1	0.2	0.6	30.4
Other purposes	—	—	18.6	9.5	3.0	2.5	0.6	34.0
Total	869.8	307.5	416.6	103.0	143.1	51.1	10.4	1,901.4
Expenditure on existing assets and stocks (net)	14.9	12.2	-1.9	3.6	-12.8	—	—	16.0
Interest paid	181.8	72.0	124.5	17.3	22.4	16.1	1.1	435.2
Grants to State authorities	19.5	13.8	10.1	3.9	2.9	6.4	—	56.5
Net advances to the private sector	4.4	-0.4	—	—	—	-0.3	—	3.7
Total outlay	1,525.1	851.0	695.3	224.2	251.2	99.8	20.8	3,667.2
of which —								
current outlay	563.4	441.4	239.1	97.5	104.3	46.5	10.1	1,502.1
capital outlay	720.9	360.7	282.1	94.1	118.0	47.0	7.1	1,630.0
RECEIPTS AND FINANCING ITEMS								
Receipts								
Taxes, fees, fines, etc.								
Rates on land	638.2	511.0	262.5	132.9	133.5	46.5	7.9	1,732.6
Licences, etc.	28.0	26.8	20.7	6.6	4.0	2.2	0.2	88.4
Total	666.2	537.8	283.2	139.5	137.5	48.7	8.1	1,821.0
Income from public enterprises	117.3	35.9	74.5	0.4	—	15.4	—	243.5
Property income	94.7	32.6	32.0	10.3	16.9	6.4	1.2	194.2
Grants from State and Commonwealth authorities	255.3	205.2	153.1	48.2	79.7	26.7	8.5	776.7
Total receipts	1,133.4	811.6	542.8	198.4	234.1	97.2	17.7	3,035.4
Financing items								
Net borrowing	89.0	46.0	118.6	11.1	18.7	5.2	1.6	290.2
Advances from State and Commonwealth authorities	5.8	-0.4	13.8	-0.1	-2.3	3.1	1.3	21.1
Net receipts of private trust funds	-19.4	—	—	—	—	—	—	-19.4
Reduction in cash and bank balances	57.4	-4.4	-0.1	11.1	-13.6	-5.8	—	-70.3
Reduction in security holdings	—	—	—	—	—	—	—	—
Investments of governmental funds and trading enterprises	14.6	-20.0	—	—	—	4.4	—	-1.1
Other funds available (including errors and omissions)								
Depreciation allowances	101.9	—	—	0.4	—	—	—	102.4
Other	257.1	18.2	20.2	3.3	14.3	-4.3	0.2	308.9
Total financing items	391.6	39.3	152.5	25.7	17.0	2.5	3.1	631.8
Total funds available	1,525.1	851.0	695.3	224.2	251.2	99.8	20.8	3,667.2

(a) Includes general administration, regulation and research.

ALL PUBLIC AUTHORITIES

In the following tables the transactions of the Commonwealth Government, State and local authorities have been brought together and consolidated to provide details of the outlay and receipts of the public authority sector as a whole.

Summary of outlay and receipts

The outlay and receipts of all public authorities for the years 1976-77 to 1981-82 are set out in the following table.

ALL PUBLIC AUTHORITIES(a): OUTLAY AND RECEIPTS

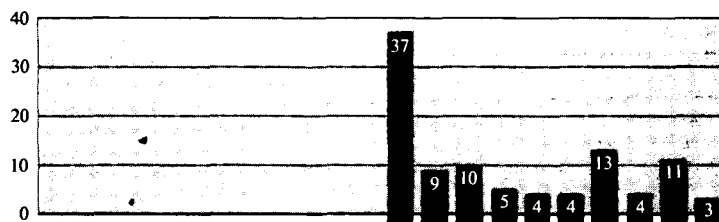
(\$ million)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
OUTLAY						
Final consumption expenditure	13,502.1	15,213.7	16,716.8	18,885.8	22,060.0	25,398.9
Gross capital formation—						
Increase in stocks	-23.0	-47.5	-162.1	8.0	203.3	316.5
Expenditure on new fixed assets	6,993.2	7,792.0	8,076.0	8,705.9	10,083.5	11,821.0
Expenditure on existing assets (net)	174.0	103.9	-18.8	-22.6	-452.3	-1,237.3
<i>Total gross capital formation</i>	<i>7,144.2</i>	<i>7,848.4</i>	<i>7,895.0</i>	<i>8,691.2</i>	<i>9,834.5</i>	<i>10,900.2</i>
Transfer payments—						
Interest	2,096.0	2,515.3	3,045.5	3,527.3	4,209.8	5,020.3
Transfers to persons	7,760.0	8,704.4	9,555.6	10,393.3	11,738.2	13,666.1
Subsidies	314.0	516.4	632.0	815.3	997.1	1,095.5
Transfers overseas	388.0	417.3	474.9	520.0	574.8	668.3
Grants for private capital purposes	160.0	194.5	204.9	231.9	205.2	319.4
<i>Total transfer payments</i>	<i>10,718.0</i>	<i>12,348.1</i>	<i>13,913.0</i>	<i>15,487.9</i>	<i>17,725.0</i>	<i>20,769.5</i>
Net advances—						
To the private sector	255.3	281.6	138.0	93.3	130.8	160.9
To public financial enterprises	90.8	98.5	80.8	-7.9	84.3	44.9
To overseas	42.7	0.3	18.4	79.1	54.0	-8.9
<i>Total net advances</i>	<i>388.8</i>	<i>380.4</i>	<i>237.2</i>	<i>164.5</i>	<i>269.1</i>	<i>196.9</i>
<i>Total outlay</i>	<i>31,753.1</i>	<i>35,790.5</i>	<i>38,761.8</i>	<i>43,229.4</i>	<i>49,888.3</i>	<i>57,265.4</i>
of which—						
current outlay	24,063.2	27,367.2	30,424.8	34,141.6	39,579.8	45,848.8
capital outlay	7,689.9	8,423.3	8,327.1	9,087.9	10,308.6	11,416.6
RECEIPTS AND FINANCING ITEMS						
Receipts—						
Taxes, fees, fines, etc.	24,811.1	26,958.9	29,397.4	34,212.5	40,354.9	46,915.8
Income from public enterprises	1,192.1	1,388.1	1,668.0	1,838.6	1,904.2	2,320.3
Interest, etc., received	826.9	1,014.3	1,061.1	1,310.4	1,591.3	1,855.9
<i>Total receipts</i>	<i>26,830.1</i>	<i>29,361.3</i>	<i>32,126.5</i>	<i>37,361.5</i>	<i>43,850.4</i>	<i>51,092.0</i>
Financing items—						
Net borrowing—						
Treasury notes	363.2	193.5	1,546.8	705.3	1,312.2	-347.4
Commonwealth Government securities	2,097.5	2,979.2	2,469.6	893.4	-187.4	693.2
Local authority and public corporation securities	1,445.4	1,534.4	1,715.3	2,248.3	2,364.1	3,142.4
Other general Government securities	126.4	118.0	204.2	274.5	311.2	408.1
<i>Total net borrowing</i>	<i>4,032.4</i>	<i>4,825.0</i>	<i>5,935.9</i>	<i>4,121.4</i>	<i>3,800.1</i>	<i>3,896.3</i>
Funds provided for, or received from I.M.F.	—	—	27.9	60.6	-106.7	0.3
Net receipts of private trust funds	308.3	326.6	326.4	357.1	462.0	628.8
Reduction in cash and bank balances	-854.2	121.6	-718.5	394.5	-452.1	-628.6
Reduction in security holdings	33.2	-464.9	-526.3	-798.6	210.4	78.2
Other funds available (including errors and omissions)—						
Depreciation allowances	851.5	965.0	1,091.5	1,160.7	1,341.1	1,487.5
Other	552.0	656.0	498.5	572.4	783.3	710.6
<i>Total financing items</i>	<i>4,923.1</i>	<i>6,429.3</i>	<i>6,635.3</i>	<i>5,868.0</i>	<i>6,037.9</i>	<i>6,173.4</i>
<i>Total funds available</i>	<i>31,753.1</i>	<i>35,790.5</i>	<i>38,761.8</i>	<i>43,229.4</i>	<i>49,888.3</i>	<i>57,265.4</i>

(a) Excludes financial enterprises.

ALL PUBLIC AUTHORITIES, 1981-82**RECEIPTS AND FINANCING ITEMS**

Per cent



Income Tax, Individuals—\$21,224m

Income Tax, Companies—\$5,215m

Excise Duties—\$5,994m

Sales Tax—\$2,854m

Property Tax—\$2,123m

Customs Duties—\$2,157m

Other Taxes—\$7,349m

Income from Public Enterprises—\$2,320m

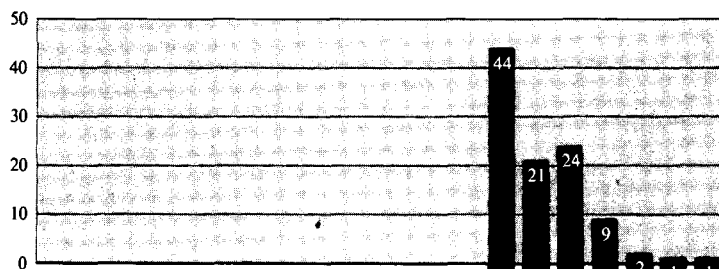
Financing Items—\$6,173m

Other (Net)—\$1,856m

TOTAL \$57,265 million

OUTLAY

Per cent



Final Consumption Expenditure—\$25,399m

Expenditure on new Fixed Assets—\$11,821m

Transfers to Persons—\$13,666

Interest—\$5,020m

Subsidies—\$1,096m

Transfers Overseas—\$668m

Other—(-)\$405m

TOTAL \$57,265 million

Main components of outlay

The following tables show final consumption expenditure and expenditure on new fixed assets of all public authorities classified by purpose for the years 1976-77 to 1981-82.

ALL PUBLIC AUTHORITIES(a): FINAL CONSUMPTION EXPENDITURE CLASSIFIED BY PURPOSE
(£ million)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
General public services—						
General administration, n.e.c.	1,459.0	1,691.2	1,819.8	2,051.8	2,376.2	2,724.5
External affairs	98.2	110.5	121.6	140.7	163.3	182.1
Law, order and public safety	886.0	1,028.8	1,153.9	1,358.7	1,601.9	1,861.2
General research	152.0	170.1	182.6	209.6	256.7	313.2
Defence	1,998.6	2,184.5	2,401.3	2,786.2	3,290.5	3,832.2
Education	4,115.1	4,652.6	5,062.1	5,672.7	6,550.4	7,536.7
Health	2,717.2	3,034.7	3,317.0	3,663.2	4,270.9	4,804.1
Social security and welfare	353.7	419.3	494.3	568.7	709.5	825.6
Housing and community amenities—						
Housing	6.7	3.6	7.1	13.3	14.0	16.9
Community and regional development	85.8	86.5	93.1	91.5	100.0	109.0
Protection of the environment	90.8	98.2	114.9	150.6	172.9	189.9
Community amenities	10.1	11.7	13.4	18.8	20.9	21.3
Recreation and culture	477.6	535.9	605.3	670.5	785.4	947.7
Economic services—						
Agriculture, forestry, fishing	432.9	487.4	532.3	602.1	658.2	753.1
Mining, manufacturing and construction	78.6	93.4	100.4	118.1	136.9	134.9
Electricity, gas and water supply	6.1	8.4	9.8	10.2	15.0	15.0
Transport and communication	153.1	157.6	180.6	193.3	242.1	330.3
Other economic services(b)	374.3	427.1	494.0	549.2	663.4	776.5
Other purposes	6.0	12.7	13.5	16.7	31.7	25.7
Total	13,502.1	15,213.7	16,716.8	18,885.8	22,060.0	25,399.9

(a) Excludes financial enterprises.

(b) Includes general administration, regulation and research.

ALL PUBLIC AUTHORITIES(a): EXPENDITURE ON NEW FIXED ASSETS CLASSIFIED BY PURPOSE
(\$ million)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
General public services—						
General administration	250.2	291.7	309.7	320.9	354.1	392.0
External affairs	25.5	24.4	12.1	9.1	13.9	15.5
Law, order and public safety	85.2	108.8	124.6	150.8	153.8	147.3
General research	23.6	18.0	29.6	49.3	61.3	67.0
Education	640.6	717.0	731.2	659.4	651.0	650.3
Health	394.7	378.1	371.7	320.6	284.2	256.0
Social security and welfare	27.2	25.3	29.7	29.1	30.1	34.1
Housing and community amenities—						
Housing	338.8	347.0	274.4	280.3	359.8	357.6
Community and regional development	95.1	91.8	61.8	61.7	86.3	112.4
Protection of the environment	501.5	503.9	487.6	517.0	535.9	606.3
Community amenities	3.4	4.2	3.3	6.2	8.7	8.1
Recreation and culture	138.8	167.5	213.1	247.4	321.4	310.8
Economic services—						
Agriculture, forestry and fishing	203.4	223.0	208.7	217.0	248.7	264.8
Mining, manufacturing and construction	77.2	83.7	86.3	167.1	172.7	171.7
Electricity and gas	803.7	985.1	1,223.4	1,488.1	1,875.0	2,663.2
Water supply	347.4	376.6	368.8	362.3	399.3	484.3
Rail transport(b)	348.3	426.2	486.1	505.8	549.5	743.1
Sea transport	233.0	255.9	200.3	161.0	272.4	375.0
Road systems and regulation	1,411.3	1,536.4	1,653.0	1,786.9	1,974.7	2,138.8
Air transport	52.9	162.1	150.9	180.7	331.6	458.8
Pipelines	22.2	8.6	11.9	9.4	28.7	45.2
Other transport services, n.e.c.	34.7	46.9	48.6	54.4	56.6	66.7
Communications	855.4	913.6	905.0	976.9	1,171.3	1,268.2
Other economic services(c)	76.4	87.8	79.9	123.5	114.0	148.7
Other purposes	2.8	8.7	4.0	24.1	28.7	35.4
Total	6,993.2	7,792.0	8,076.0	8,705.9	10,083.5	11,821.0

(a) Excludes financial enterprises.
research.

(b) Includes suburban rail transport system.

(c) Includes general administration, regulation and

Main components of receipts

Taxes and net borrowing constitute the main sources of financing of the activities of the public authorities. Details of the debt of public authorities are given in the next section of this chapter. Taxation, by type of tax, for the years 1976-77 to 1981-82 was as follows.

ALL PUBLIC AUTHORITIES: TAXATION, BY TYPE OF TAX
(**\$ million**)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Income tax—						
Individuals	11,047	12,122	12,797	15,040	17,543	21,224
Companies (a)	2,899	3,190	3,116	3,501	4,800	5,215
Estate, gift, probate and succession duties	339	344	289	220	175	139
Customs duties	1,273	1,232	1,457	1,629	1,884	2,157
Excise duties	2,485	2,734	3,845	4,965	5,834	5,994
Sales tax	1,650	1,758	1,770	1,865	2,102	2,854
Primary production taxes	148	172	216	274	292	234
Payroll tax	1,325	1,438	1,540	1,707	1,937	2,411
Property taxes	1,285	1,392	1,507	1,667	1,881	2,123
Liquor taxes	123	143	158	177	206	235
Taxes on gambling	395	435	481	567	634	727
Taxes on ownership and operation of motor vehicles	653	729	796	772	849	1,031
Stamp duties, n.e.i.	672	708	806	1,000	1,250	1,355
Other taxes, fees, fines, etc.	518	563	622	829	968	1,218
Total	24,811	26,959	29,398	34,213	40,354	46,916

(a) Includes dividend and interest (withholding) taxes. Excludes income taxes paid by Commonwealth Government public enterprises.

Level of government

In the following tables details are given for 1981-82 of the outlay and receipts of all public authorities, broken down by level of government in order to show their relative contributions to various expenditure programs, and their roles in financing these programs through taxes and transfers.

ALL PUBLIC AUTHORITIES(a): OUTLAY AND RECEIPTS BY LEVEL OF GOVERNMENT, 1981-82
 (\$ million)

	<i>Commonwealth authorities</i>	<i>State authorities</i>	<i>Local authorities</i>	<i>All public authorities</i>
OUTLAY				
Expenditure on goods and services—				
General public services—				
General administration, n.e.c.	1,376.2	1,146.0	631.2	3,153.4
External affairs	197.6	—	—	197.6
Law, order and public safety	251.9	1,719.0	—	1,971.5
General research	380.2	—	—	380.2
Defence	3,832.2	—	—	3,832.2
Education	349.8	7,821.2	16.0	8,187.0
Health	748.3	4,239.4	72.4	5,060.1
Social security and welfare	467.0	315.2	77.5	859.7
Housing and community amenities—				
Housing	-5.2	339.5	40.1	374.4
Community and regional development	36.2	137.3	47.8	221.3
Protection of the environment	10.6	440.6	345.1	796.3
Community amenities	1.4	0.9	27.1	29.4
Recreation and culture	441.1	330.0	487.5	1,258.6
Economic services—				
Agriculture, forestry and fishing	213.7	795.9	7.3	1,016.9
Mining, manufacturing and construction	37.6	242.6	26.4	306.6
Electricity, gas and water supply	10.7	2,813.8	338.0	3,162.5
Transport and communication	2,021.2	2,457.7	947.1	5,426.0
Other economic services	498.4	376.5	51.2	926.1
Other purposes	—	20.1	41.0	61.1
Total expenditure on goods and services	10,868.7	23,196.4	3,155.9	37,221.0
of which—				
Final consumption expenditure	8,710.4	15,435.1	1,254.5	25,400.0
Expenditure on new fixed assets	2,158.3	7,761.3	1,901.4	11,821.0
Increase in stocks	164.7	131.4	20.4	316.5
Expenditure on existing assets (net)	-264.3	-968.6	-4.4	-1,237.3
Transfer payments—				
Interest	3,137.6	3,191.9	435.2	5,020.3
Transfers to persons	13,343.3	322.8	—	13,666.1
Subsidies	947.6	147.6	—	1,095.2
Transfers overseas	668.2	0.1	—	668.3
Grants for private capital purposes	228.3	91.0	—	319.3
Grants to the States—for current purposes	10,934.8	—	43.9	(b)
—for capital purposes	1,679.5	—	12.6	(b)
Grants to the Northern Territory				
—for current purposes	448.9	—	—	(b)
—for capital purposes	90.3	—	—	(b)
Grants to local authorities	26.2	747.6	—	(b)
Total transfer payments	31,504.7	4,500.9	491.7	20,769.5
Net advances to—				
The private sector	82.5	74.7	3.7	160.9
Public financial enterprises	-14.9	59.8	—	44.9
The States	782.0	—	—	(b)
The Northern Territory	80.2	—	—	(b)
Local authorities	—	21.1	—	(b)
Overseas	-8.9	—	—	-8.9
Total net advances	920.9	155.7	3.7	196.9
Total outlay	43,194.7	27,015.8	3,667.2	57,265.4
of which—				
current outlay	38,208.4	19,557.7	1,733.5	45,848.8
capital outlay	4,986.3	7,458.1	1,933.7	11,416.6

(a) Excludes financial enterprises.
 shown.

(b) In consolidated figures for all public authorities, inter-authority grants and advances are not

ALL PUBLIC AUTHORITIES(a): OUTLAY AND RECEIPTS
BY LEVEL OF GOVERNMENT, 1981-82—continued
(\$ million)

	<i>Commonwealth authorities</i>	<i>State authorities</i>	<i>Local authorities</i>	<i>All public authorities</i>
RECEIPTS AND FINANCING ITEMS				
Receipts—				
Taxes, fees, fines, etc.—				
Income tax—				
Individuals	21,224.3	—	—	21,224.3
Companies(b)	5,214.7	—	—	5,214.7
Estate, gift, probate and succession duties	4.4	134.2	—	138.6
Customs duties	2,156.6	—	—	2,156.6
Excise duties	5,993.8	—	—	5,993.8
Sales tax	2,854.3	—	—	2,854.3
Payroll tax	16.0	2,394.8	—	2,410.8
Primary production taxes and charges	234.1	—	—	234.1
Property taxes	20.9	369.8	1,732.6	2,123.3
Liquor taxes	3.5	231.3	—	234.8
Taxes on gambling	—	726.9	—	726.9
Taxes on ownership and operation of motor vehicles	10.6	1,019.8	0.1	1,030.5
Stamp duties, n.e.i.	10.8	1,344.6	—	1,355.4
Departure Tax	36.1	—	—	36.1
Fees from regulatory services	65.3	89.3	—	154.6
Other taxes, fees, fines, etc.	145.3	793.5	88.3	1,027.1
Total taxes, etc.	37,990.7	7,104.2	1,821.0	46,915.9
Income from public enterprises	1,318.9	757.9	243.5	2,320.3
Property Income—				
Interest received—				
From the States and the Northern Territory	1,738.6	—	—	(c)
Other	273.9	805.9	194.2	1,274.0
Land rent, royalties, dividends	64.9	517.0	—	581.9
Grants from the Commonwealth Government—				
For current purposes	—	11,382.0	—	(c)
For capital purposes	—	1,769.8	—	(c)
Direct grants from Commonwealth Government to local authorities	—	—	29.1	(c)
Grants from State authorities	—	—	747.6	(c)
Grants from local authorities	—	56.5	—	(c)
Total receipts	41,387.0	22,393.3	3,035.4	51,092.0
Financing items—				
Net borrowing—				
Treasury bills and notes	—347.4	—	—	—347.4
Commonwealth Government securities	693.2	—	—	693.2
Local authorities and public corporation securities	399.9	2,365.7	290.2	3,055.8
Other general government securities	—	408.1	—	408.1
Total net borrowing	745.7	2,773.8	290.2	3,809.7
Advances from the Commonwealth Government—				
For loan works purposes	—	730.4	—	(c)
Other	—	131.7	—	(c)
Advances from State authorities	—	—	21.1	(c)
Funds provided for or received from I.M.F.	0.3	—	—	0.3
Net receipts of private trust funds	385.6	262.6	—19.4	628.8
Reduction in cash and bank balances	—83.3	—474.9	—70.3	—628.5
Reduction in security holdings	113.9	—34.7	—1.1	78.1
Other funds available (including errors and omissions)—				
Depreciation allowances	754.1	631.1	102.4	1,487.6
Other	—108.6	596.7	308.9	797.0
Total financing items	1,807.7	4,616.8	631.8	6,173.0
Total funds available	43,194.7	27,010.1	3,667.2	57,265.4

(a) Excludes financial enterprises. (b) Includes dividend, interest and mining (withholding) taxes. Excludes income taxes paid by Commonwealth Government public enterprises. (c) In consolidated figures for all public authorities, inter-authority grants and advances are not shown.

PUBLIC SECTOR BORROWING

Figures given in this section do not purport to show either 'public debt' or 'net public debt', but are designed to provide details of securities issued on behalf of the Commonwealth Government and the States, together with some details of the amounts borrowed by State and local authorities with independent borrowing powers.

For a number of reasons, this information cannot be aggregated, without adjustment, to provide a measure of the 'debt' of public authorities. There are forms of debt not evidenced by the issue of securities, such as Commonwealth Government advances to the States for specific capital purposes. Governments themselves maintain significant holdings of their own securities; for example, the Commonwealth Government, in the National Debt Sinking Fund, the Loan Consolidation and Investment Reserve, and in other Trust Funds, holds large investments in securities issued either directly by itself or on behalf of the States. Some of the securities issued on behalf of the States and held by the Commonwealth Government represent the proceeds of overseas loans, securities for which were issued directly by the Commonwealth Government, the Australian currency counterpart proceeds of the loans being invested in special loans to finance State works programs. A number of State public corporations and local authorities also maintain significant investments in government securities (including their own securities). Aggregation of the figures for securities on issue which follow would clearly involve a substantial degree of duplication; the sum of securities on issue therefore cannot be regarded as representing 'net public debt'.

Commonwealth Government and States: Government securities on issue

Under the 1927 Financial Agreement between the Commonwealth Government and the States, the Commonwealth Government accepted responsibility for the securities of State governments then on issue and was empowered to arrange for all future borrowings on behalf of the Commonwealth and the States and to issue Commonwealth Government securities for all moneys borrowed.

A National Debt Sinking Fund, which is administered by the National Debt Commission, was established by the *National Debt Sinking Fund Act 1923* for the redemption of securities issued on behalf of the Commonwealth Government. Under the terms of the Financial Agreement, the sinking funds existing in respect of the States' debts were also placed under the control of the Commission. The Commonwealth Government is reimbursed by the States for interest, exchange, etc. paid on their behalf, and the securities are redeemed from the Fund to which both the Commonwealth and the State governments make pre-determined contributions. The amounts to be contributed were varied when the *National Debt Sinking Fund Act 1966* repealed all previous legislation on sinking funds relating to securities on issue on behalf of the Commonwealth Government, and again in 1976 when the Act was amended to reflect the amendments to the Financial Agreement. In 1976 the Commonwealth assumed the responsibility for over \$1,000 million of States' debt existing as at 30 June 1975. As a consequence, the separate States' Sinking Funds were absorbed into the National Debt Sinking Fund, with separate accounts being maintained for the Commonwealth and each State.

For further information relating to the recent operations of the National Debt Sinking Fund reference should be made to the fifty-seventh annual report of the National Debt Commission. Particulars of the creation and operation of sinking funds by the *National Debt Sinking Fund Act 1923* are included in issues of the Year Book prior to No. 23, and a general description of the provisions applying between 1966 and 1976 is given in issue No. 61.

In the tables which follow, details are given of transactions in Commonwealth Government securities issued on account of the Commonwealth Government and the States. Amounts relating to overseas loans are shown in Australian currency equivalent calculated on the basis of the rates of exchange ruling at 30 June in each year shown. All amounts shown are at face value.

For figures which permit accurate analysis of the structure and movement of securities issued on behalf of the Commonwealth and States, refer to the Commonwealth Budget Paper No. 8, *Government Securities on Issue*.

Net movement in securities on issue

Summary details of the net movement in securities issued for Commonwealth Government purposes and on account of the States during the period 1977-78 to 1982-83, are given in the following group of tables.

NET MOVEMENT IN GOVERNMENT SECURITIES ON ISSUE
(**\$ million**)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
NEW SECURITIES ISSUED						
Securities repayable in Australian currency						
Treasury bonds	965.7	1,018.5	1,485.7	2,774.7	3,385.8	6,253.8
Australian savings bonds	719.6	531.2	806.1	2,024.0	1,312.9	4,204.6
Special bonds	-	-	-	-	-	-
Income equalization deposits	-	33.1	73.5	72.0	57.6	55.6
Drought bonds	-	-	-	-	-	-
Advance loan subscriptions	(a)0.4	(a)-4.6	-	-	-	-
Overdue securities	-	-	-	-	-	-
Tax-free stock	-	-	-	-	-	-
Debentures	-	-	-	-	-	-
Stock issued to Government savings banks under special agreements(b)	57.9	35.8	36.5	54.6	53.3	61.9
Treasury notes	1,766.7	4,245.1	7,870.4	12,058.1	12,594.5	-
Treasury bills						
Internal	(a)365.2	(a)-187.7	141.8	2,234.2	1,718.0	-
Public	(a)200.0	(a)500.0	500.0	14,706.0	14,200.0	-
Total	4,075.5	6,171.3	10,913.9	33,923.6	33,322.1	10,575.9
Securities repayable in overseas currencies(c)	1,738.3	1,453.8	482.1	178.2	831.3	1,077.0
Total new securities issued	5,813.9	7,625.1	11,396.0	34,101.8	34,153.4	11,652.9

REDEMPTIONS, REPURCHASES, CANCELLATIONS(d)

Securities repayable in Australian currency						
Treasury bonds	114.6	222.6	1,035.6	2,587.1	2,317.0	3,117.0
Australian savings bonds	174.8	164.4	586.2	2,093.4	1,913.9	1,736.8
Special bonds	133.3	72.7	44.6	251.4	122.8	71.0
Income equalization deposits	-	20.4	16.4	45.1	55.2	65.8
Drought bonds	0.6	0.2	0.2	0.1	0.1	-
Advance loan subscriptions	-	-	-	-	-	-
Overdue securities	0.8	1.8	0.6	-1.5	-3.3	8.2
Tax-free stock	0.1	0.3	-	-	0.9	0.1
Debentures	3.7	3.8	4.0	4.2	4.4	3.3
Stock issued to Government savings banks under special agreements(b)	6.6	9.6	6.3	6.4	5.6	5.8
Treasury notes	1,773.3	3,198.3	7,665.2	10,145.9	12,441.9	44.2
Treasury bills						
Internal	-	-	-	2,888.3	1,509.7	152.2
Public	-	-	-	15,306.0	14,700.0	1,400.0
Total	2,207.8	3,694.2	9,359.1	33,326.4	33,068.1	6,604.5
Securities repayable in overseas currencies(c)	-26.3	-165.7	340.4	922.5	131.3	1,523.9
Total redemptions, etc.	2,181.4	3,528.5	9,699.5	34,248.9	33,199.4	8,128.4

NET MOVEMENT

Securities repayable in Australian currency						
Treasury bonds	851.1	795.9	450.1	187.6	1,068.8	3,136.8
Australian savings bonds	544.8	366.8	219.9	-69.4	-601.0	2,467.8
Special bonds	-133.3	-72.7	-44.6	-251.4	-122.8	-71.0
Income equalization deposit	-	12.7	57.1	26.9	2.4	-10.2
Drought bonds	-0.6	-0.2	-0.2	-0.1	-0.1	-
Advance loan subscriptions	0.4	-4.6	-	-	-	-
Overdue securities	-0.8	-1.8	-0.6	1.5	3.3	-8.2
Tax-free stock	-0.1	-0.3	-	-	-0.9	-0.1
Debentures	-3.7	-3.8	-4.0	-4.2	-4.4	-3.3
Stock issued to Government savings banks under special agreements(b)	51.3	26.2	30.2	48.2	47.7	56.1
Treasury notes	-6.5	1,046.8	205.2	1,912.2	152.6	-44.2
Treasury bills						
Internal	365.2	-187.7	141.8	-654.1	208.3	-152.2
Public	200.0	500.0	500.0	-600.0	-500.0	-1,400.0
Total	1,867.8	2,477.2	1,554.8	597.2	254.0	3,971.4
Securities repayable in overseas currencies(c)	1,764.7	1,619.5	141.7	-744.3	700.0	-446.9
Net movement in securities on issue	3,632.4	4,096.7	1,696.5	-147.1	954.0	3,524.5

(a) Net issue. (b) Recorded in Commonwealth Government Loan Fund as State domestic raisings. (c) Australian currency equivalent at rates of exchange ruling at 30 June in each of the years shown. (d) Includes conversions from one type of security to another, which affect the net movements of individual loan categories, but do not affect the overall net movement.

NOTE: For securities repayable in overseas currencies the amounts shown also include an element due to exchange rate variations in Securities on Issue.

Government securities on issue.

The following table provides details of government securities on issue on account of the Commonwealth Government and the States, repayable in Australian and in overseas currencies.

GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH GOVERNMENT AND STATES

(\$ million)

	30 June					
	1978	1979	1980	1981	1982	1983
For Commonwealth Government purposes—						
Repayable in Australian currency—						
Treasury bonds	4,949.3	5,269.8	5,523.6	5,037.4	5,570.0	8,307.7
Australian savings bonds	1,669.3	1,700.5	1,496.0	1,215.7	381.2	2,633.9
Special bonds	110.3	93.8	75.9	30.4	11.1	1.3
Income equalization deposit	—	79.4	136.4	163.3	165.7	155.5
Drought bonds	0.8	0.5	0.4	0.3	0.2	0.1
Advance loan subscriptions	4.6	—	—	—	—	—
Overdue securities	5.3	3.5	3.0	4.4	7.8	6.8
Treasury notes	363.1	1,409.9	1,615.2	3,527.4	3,680.0	3,635.8
Treasury bills						
Internal	1,856.2	1,668.5	1,810.3	1,156.2	1,364.5	1 212.3
Public	1,500.0	2,000.0	2,500.0	1,900.0	1,400.1	—
<i>Total</i>	<i>10,458.9</i>	<i>12,225.9</i>	<i>13,160.8</i>	<i>13,035.1</i>	<i>12,580.4</i>	<i>15,953.4</i>
Repayable in overseas currencies (a)	3,533.1	5,178.9	5,326.4	4,618.7	5,335.7	6,905.2
<i>Total Commonwealth Government</i>	<i>13,991.9</i>	<i>17,404.8</i>	<i>18,487.2</i>	<i>17,653.8</i>	<i>17,916.1</i>	<i>22,858.5</i>
On account of States—						
Repayable in Australian currency—						
Treasury bonds	11,185.3	11,660.6	11,856.8	12,530.7	13,067.0	13,464.2
Australian savings bonds	624.3	959.8	1,384.2	1,595.2	1,828.7	2,038.9
Special bonds	484.9	428.7	402.0	196.0	92.5	30.6
Tax-free stock	15.0	14.8	14.7	14.7	13.9	13.8
Stock issued to Government savings banks under special agreements	499.3	525.5	555.7	603.9	651.6	707.8
Debentures	19.8	15.9	11.9	7.7	3.3	—
Overdue securities	0.1	0.1	—	—	—	0.2
<i>Total</i>	<i>12,828.6</i>	<i>13,605.4</i>	<i>14,225.4</i>	<i>14,948.2</i>	<i>15,657.0</i>	<i>16 255.5</i>
Repayable in overseas currencies (a)	102.2	75.9	70.0	33.3	16.3	13.9
<i>Total States</i>	<i>12,930.8</i>	<i>13,681.3</i>	<i>14,295.3</i>	<i>14,981.5</i>	<i>15,673.3</i>	<i>16 269.4</i>
<i>of which—</i>						
New South Wales	4,222.6	4,466.3	4,666.8	4,885.4	5,108.1	5,327.9
Victoria	3,244.3	3,427.6	3,584.9	3,758.1	3,932.4	4,045.3
Queensland	1,753.9	1,856.0	1,931.8	2,022.4	2,113.0	2,198.7
South Australia	1,602.7	1,701.5	1,781.1	1,871.1	1,961.9	2,035.2
Western Australia	1,237.3	1,307.3	1,360.7	1,423.8	1,486.3	1,547.8
Tasmania	870.0	922.6	969.9	1,020.8	1,071.6	1,114.4
<i>Total Commonwealth Government and States</i>	<i>26,922.7</i>	<i>31,086.0</i>	<i>32,782.6</i>	<i>32,635.4</i>	<i>33,589.4</i>	<i>39,127.9</i>

(a) Australian currency equivalent.

State and local authorities' borrowings

The borrowings of Commonwealth, State and local authorities come within the purview of the Loan Council under a 'gentlemen's agreement' originating in 1936. The Loan Council determines maximum interest rates and other terms and conditions of loans raised by authorities and approves the aggregate annual borrowing program for authorities borrowing more than \$1.5 million in the financial year. The total program approved is distributed by the Council between the States, and each State determines the distribution between individual authorities of its share of the overall borrowing program approved for such authorities. Authorities which individually borrow less than \$1.5 million in the financial year are also subject to the terms and conditions applying under the 'gentlemen's agreement', and it is the responsibility of the States to ensure that these authorities conform with these terms and conditions. No aggregate annual limit on their borrowings is imposed by the Loan Council.

The following table shows the aggregate borrowings by the State and local authorities in each of the years 1976-77 to 1981-82. It will be seen that the amounts borrowed by local authorities vary between the States, reflecting a number of factors including, importantly, variations between the States in the range of services provided by local government authorities. For example, the high figures for Queensland reflect, in part, borrowings by the Brisbane City Council which carries out a number of functions (e.g. metropolitan bus services and sewerage services) which in other States are undertaken by State authorities.

For further information relating to the figures given in the table, reference should be made to the Commonwealth Budget Paper No. 7, *Payments to or for the States, the Northern Territory and Local Government Authorities*.

NEW MONEY BORROWINGS BY STATE AND LOCAL AUTHORITIES
((\$'000))

	New South Wales	Victoria	Queens- land	South Australia	Western Australia	Tasmania	Total
STATE AUTHORITIES(a)							
1976-77	253,883	326,717	127,517	50,100	54,019	21,432	833,668
1977-78	332,215	388,620	198,721	73,220	78,689	30,771	1,102,236
1978-79	371,800	412,756	194,726	83,953	111,081	34,139	1,208,455
1979-80	472,761	382,657	235,264	56,830	108,593	34,445	1,290,550
1980-81	472,761	382,657	223,264	56,812	117,358	44,445	1,297,252
1981-82	472,761	402,657	223,264	56,828	101,612	34,445	1,291,567
LOCAL AUTHORITIES(b)							
1976-77	191,932	65,893	116,118	21,674	32,380	17,053	445,050
1977-78	202,230	84,493	117,993	19,424	36,481	17,405	478,026
1978-79	215,641	81,795	126,709	24,621	39,286	17,841	505,893
1979-80	235,407	90,702	147,948	26,604	40,336	15,426	556,423
1980-81	251,261	95,769	154,245	25,087	42,354	15,120	583,836
1981-82	189,700	84,149	155,920	23,943	39,522	12,654	505,888

(a) New money borrowings by State-type authorities in the Northern Territory in 1981-82 were \$26,000,000. (b) New money borrowings by local authorities in the Northern Territory are not included in the table. These borrowings are as follows: 1976-77, \$1,194,000; 1977-78, \$1,697,000; 1978-79, \$631,000; 1979-80, \$1,240,000; 1980-81, \$842,000; 1981-82, \$1,318,000.

Additional details of the transactions of public authorities engaged in particular fields of activity, such as defence, transport and communication, health and welfare, education, etc., may be found in other chapters of this Year Book.

BIBLIOGRAPHY**ABS publications**

Monthly Summary of Statistics, Australia (1304.0);
Digest of Current Economic Statistics, Australia (1305.0);
Australian National Accounts, National Income and Expenditure (5204.0);
Quarterly Estimates of National Income and Expenditure, Australia (5206.0);
Government Financial Estimates, Australia (5501.0);
Commonwealth Government Finance (5502.0);
State and Local Government Finance, Australia (5504.0) and Taxation Revenue, Australia (5506.0).