

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 600–605 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 1981–82 the change in cash balances was represented by the following—

	\$'000
Cash receipts of the Consolidated Revenue Fund	40,592,799
<i>plus</i> cash receipts of Loan Fund	34,169,535
<i>plus</i> cash receipts of Trust Fund	14,131,068
<i>Total</i>	88,893,402
<i>less</i> cash payments from Consolidated Revenue Fund	40,592,799
<i>less</i> cash payments from Loan Fund	33,990,678
<i>less</i> cash payments from Trust Fund (including increase in investments of the Trust Fund)	14,460,497
<i>Total</i>	89,043,974
<i>equals</i> decrease in cash balances	150,573

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 1982-83 are set out in the table which follows, together with figures for the years 1977-78 to 1981-82. The national accounting presentation of the Budget is shown in order to be consistent with other transactions figures given in this chapter.

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 1982-83*.

OUTLAYS AND RECEIPTS OF THE COMMONWEALTH BUDGET

(\$ million)

(Source: Budget Paper No. 1 Budget Statements 1982-83)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83 Budget Estimates
Outlay—						
Net expenditure on goods and services—						
Current	5,125	5,546	6,128	7,253	8,509	9,524
Capital (a)	388	298	290	442	421	568
Total	5,512	5,844	6,417	7,696	8,930	10,092
Transfer payments—						
Personal benefit payments	8,280	9,108	9,910	11,232	13,089	15,149
Unfunded employee retirement benefits	139	162	181	207	252	298
Grants to States and local government authorities	8,738	9,349	10,302	11,514	12,642	14,404
Grants to the Northern Territory	53	290	361	469	539	648
Interest paid	1,649	1,971	2,223	2,561	2,881	3,243
Transfers overseas	417	477	520	576	667	728
Subsidies	372	445	589	746	859	961
Grants for private capital purposes	124	116	165	137	204	267
Purchase of existing assets	15	22	20	16	25	36
Total	19,788	21,940	24,269	27,457	31,159	35,735
Total expenditure	25,300	27,783	30,686	35,153	40,089	45,827
Net advances—						
States	1,261	1,129	817	853	782	864
Northern Territory	-	-2	79	83	80	83
Commonwealth authorities	101	66	110	179	344	285
Other sectors	76	37	-32	22	43	9
Total	1,438	1,230	974	1,138	1,250	1,241
Total outlay	26,737	29,014	31,660	36,291	41,339	47,067
Receipts—						
Taxation—						
Indirect taxes	5,834	7,178	8,584	9,958	11,182	12,868
Income tax on companies	3,213	3,151	3,547	4,856	5,258	5,486
Income tax on persons	12,129	12,804	15,040	17,543	21,224	23,346
Estate and gift duties	103	83	49	17	4	1
Tax on Certain Bank Transactions	-	-	-	-	-	80
Other direct taxes, fees, fines, etc.	15	18	19	21	28	35
Unfunded employee retirement contributions	61	63	67	73	86	97
Less remissions	8	8	1	1	2	1
Total	21,346	23,288	27,305	32,467	37,784	41,834
Other receipts—						
Interest, rent and dividends	1,834	1,946	2,033	2,280	2,585	2,939
Gross income of public enterprises	225	300	265	240	385	475
Net sales of existing assets (b)	22	24	24	195	36	146
Total	2,081	2,270	2,322	2,715	3,006	3,560
Total receipts	23,427	25,558	29,627	35,181	40,790	45,393
Deficit	3,310	3,455	2,033	1,110	549	1,674

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

(b) Excludes sales of previously rented houses.

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 1982-83 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 343, Statement No. 6 in 1982-83 *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

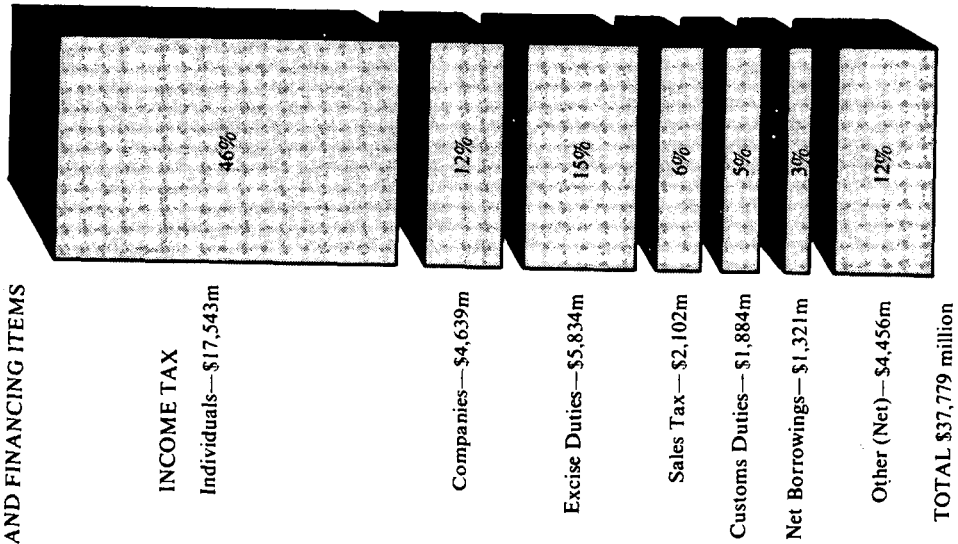
On 1 July 1978 the Northern Territory became self-governing with expenditure responsibilities and revenue raising powers broadly approximating those of a State. In public authority finance statistics Northern Territory government authorities are grouped with State and local authorities from 1978-79 onwards. 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.

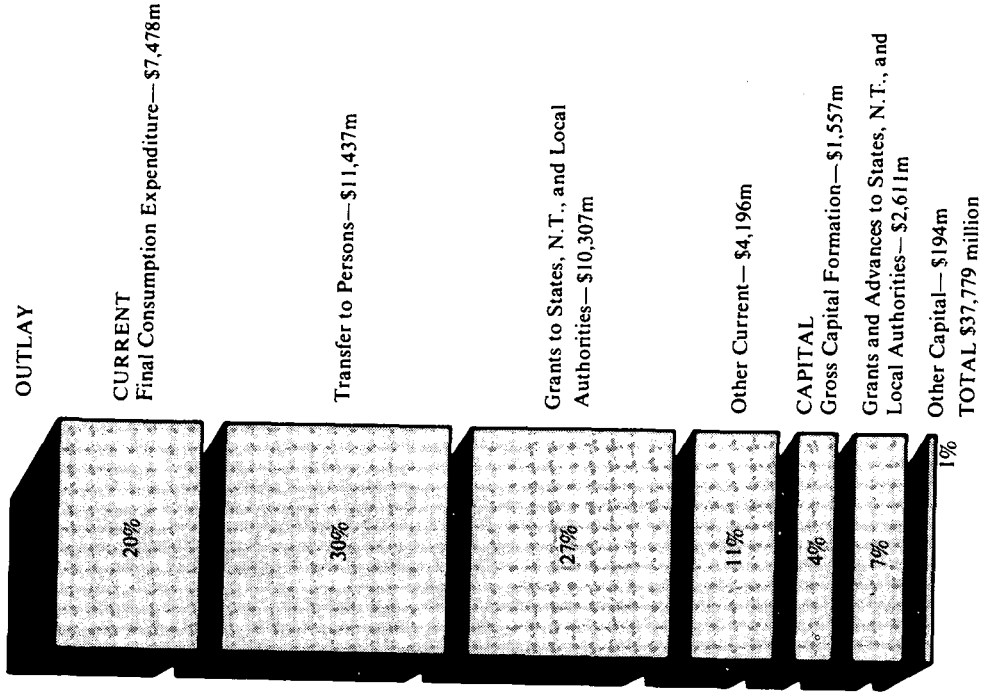
- From 1978–79 onwards Commonwealth spending in respect of the Northern Territory consists to a large extent of grants and advances to Northern Territory government authorities while State-type taxation and income from N.T. public enterprises are no longer part of Commonwealth receipts.
- Not all State-type 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, 1980-81

RECEIPTS AND FINANCING ITEMS



OUTLAY



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)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
OUTLAY						
Current outlay—						
Final consumption expenditure	4,155	4,737	5,293	5,742	6,340	7,478
Interest, etc., paid	972	1,440	1,733	2,070	2,355	2,734
Transfers to persons—						
Personal benefit payments	6,091	7,390	8,281	9,105	9,899	11,230
Unfunded employee retirement benefits	106	121	139	162	181	207
Subsidies	271	287	380	513	674	887
Transfers overseas	370	388	417	475	520	575
Grants to States, Northern Territory and local government authorities	5,524	6,115	7,222	8,147	9,092	10,307
<i>Total current outlay</i>	<i>17,489</i>	<i>20,478</i>	<i>23,465</i>	<i>26,214</i>	<i>29,061</i>	<i>33,418</i>
Capital outlay—						
Expenditure on new fixed assets	1,578	1,667	1,772	1,498	1,603	1,744
Expenditure on existing assets	8	4	-14	-79	-38	-254
Increase in stocks	-75	-50	-121	-206	-67	67
Grants for private capital purposes	179	110	130	132	171	141
Grants to States, Northern Territory and local government authorities	1,567	1,546	1,516	1,492	1,570	1,676
Advances to States, Northern Territory and local government authorities	1,372	1,278	1,261	1,127	896	936
Advances to other sectors	178	110	52	18	6	53
<i>Total capital outlay</i>	<i>4,808</i>	<i>4,665</i>	<i>4,596</i>	<i>3,982</i>	<i>4,141</i>	<i>4,363</i>
Total outlay	22,297	25,143	28,064	30,197	33,201	37,779
RECEIPTS AND FINANCING ITEMS						
Receipts—						
Taxes, fees, fines, etc.	16,938	19,806	21,501	23,534	27,552	32,775
Income from public enterprises	434	657	819	1,011	993	1,014
Interest received from the States and the Northern Territory	855	1,032	1,174	1,278	1,376	1,569
Other interest, etc., received	119	156	202	179	233	269
<i>Total receipts</i>	<i>18,346</i>	<i>21,651</i>	<i>23,696</i>	<i>26,002</i>	<i>30,154</i>	<i>35,627</i>
Financing items—						
Depreciation allowances	406	442	494	550	596	679
Funds provided for (-), or received from (+), International Monetary Fund	-	-	-	28	61	-107
Net sale of securities—						
Treasury bills and notes	-770	363	194	1,547	705	1,312
Commonwealth Government securities	3,166	2,098	2,979	2,470	893	-187
Public corporations securities	18	446	331	193	442	196
Net receipts of private trust funds	217	60	152	155	175	293
Reduction in cash and bank balances	264	-297	214	-480	524	-433
Reduction in securities holdings	568	166	-232	-344	-589	206
Other funds available (including errors and omissions)—						
Other reserves and provisions	19	15	9	39	17	} 192
Capital transfers	146	151	167	41	59	
Change in creditors/debtors	-70	25	-4	-59	93	
Other	-12	22	63	54	72	
<i>Total financing items</i>	<i>3,951</i>	<i>3,492</i>	<i>4,368</i>	<i>4,194</i>	<i>3,047</i>	<i>2,152</i>
Total funds available	22,297	25,143	28,064	30,197	33,201	37,779

(a) Excludes financial enterprises.

COMMONWEALTH AUTHORITIES: OUTLAY, CLASSIFIED BY PURPOSE

(\$ million)

Purpose	1978-79	1979-80	1980-81
General public services—			
General administration, n.e.c.	910.3	1,005.9	1,191.1
External affairs	600.2	664.1	746.3
Law, order and public safety	172.8	198.6	215.2
General research	224.1	272.3	314.2
<i>Total general public services</i>	<i>1,907.3</i>	<i>2,140.9</i>	<i>2,466.8</i>
Defence	2,605.9	3,007.8	3,536.8
Education—			
General administration, regulation and research	32.6	31.9	28.4
Transportation of students	3.4	2.1	2.6
Primary and secondary education	829.5	817.7	947.3
Vocational training	173.7	199.7	241.0
University education	810.2	875.0	952.6
Other higher education	562.3	583.2	650.1
Other education programs	111.0	98.6	109.7
<i>Total education</i>	<i>2,522.7</i>	<i>2,608.1</i>	<i>2,931.7</i>
Health—			
General administration, regulation and research	109.0	92.5	99.4
Hospital and clinical services	1,802.3	1,972.2	2,313.5
Other health services	986.0	1,097.8	1,229.6
<i>Total health</i>	<i>2,897.3</i>	<i>3,162.4</i>	<i>3,642.5</i>
Social security and welfare—			
General administration, regulation and research	157.4	184.1	213.5
Care of and assistance to—			
Aged persons	3,343.5	3,643.5	4,076.8
Incapacitated and handicapped persons	794.9	901.0	1,006.6
Unemployed and sick persons	1,061.0	1,104.7	1,240.5
Ex-servicemen	895.7	1,005.8	1,238.6
Widowed and deserted spouses	752.1	845.9	1,068.5
Families and children	1,038.0	1,055.5	1,000.8
Other social security and welfare services	49.8	54.2	63.3
<i>Total social security, etc.</i>	<i>8,092.4</i>	<i>8,794.7</i>	<i>9,908.6</i>
Housing and community amenities—			
Housing	315.0	253.6	264.1
Community and regional development	111.7	99.9	94.8
Protection of the environment	14.3	14.5	11.4
Community amenities, n.e.c.	0.5	1.2	1.2
<i>Total housing, etc.</i>	<i>441.6</i>	<i>369.2</i>	<i>371.6</i>
Recreation and culture—			
General administration, regulation and research	0.1	0.3	0.4
Cultural facilities	37.0	42.6	57.1
Support of the creative and performing arts	24.6	25.2	28.1
Broadcasting services and film production	186.2	206.2	264.3
Recreational facilities and services	23.6	33.0	37.9
Other programs	7.9	11.0	12.5
<i>Total recreation, etc.</i>	<i>279.2</i>	<i>318.3</i>	<i>400.4</i>
Economic services—			
General administration, regulation and research	453.9	449.6	557.0
Agriculture, forestry and fishing	308.1	385.8	489.4
Mining, manufacturing and construction	137.7	369.3	220.0
Electricity and water supply	17.2	34.7	70.6
Transport and communication	1,801.0	2,029.9	2,324.5
Other economic services	89.8	75.7	155.1
<i>Total economic services</i>	<i>2,807.7</i>	<i>3,344.9</i>	<i>3,816.6</i>
Other purposes—			
General purpose inter-authority transfers	6,549.5	7,089.6	7,899.7
Natural disaster relief	23.6	10.3	70.6
Interest	2,069.6	2,354.7	2,734.1
<i>Total other purposes</i>	<i>8,642.7</i>	<i>9,454.6</i>	<i>10,704.4</i>
Total outlay, all purposes	30,196.8	33,200.9	37,779.3
<i>Of which—</i>			
Current outlay	26,214.2	29,059.8	33,417.6
Capital outlay	3,982.6	4,141.1	4,361.7

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* (5502.0). 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 1980-81.

COMMONWEALTH AUTHORITIES: FINAL CONSUMPTION EXPENDITURE CLASSIFIED BY PURPOSE (\$ million)

Purpose	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
General public services—						
General administration	665	728	843	866	953	1103
External affairs	92	98	106	116	136	157
Law, order and public safety	98	112	138	150	168	203
General research	131	152	170	183	210	251
<i>Total general public services</i>	<i>986</i>	<i>1,090</i>	<i>1,257</i>	<i>1,315</i>	<i>1,467</i>	<i>1,714</i>
Defence	1,680	1,999	2,184	2,401	2,786	3,291
Education	195	235	256	287	250	284
Health	416	466	504	504	534	616
Social security and welfare	194	212	249	283	321	380
Housing and community amenities	67	52	49	47	41	41
Recreation and culture	203	213	228	248	278	342
Economic services—						
General administration, regulation and research	167	206	284	353	338	420
Agriculture, forestry, fishing	114	125	135	144	157	178
Mining, manufacturing and construction	17	21	29	28	34	36
Transport and communication	93	95	96	109	103	142
Other	19	21	22	24	31	35
<i>Total economic services</i>	<i>410</i>	<i>469</i>	<i>566</i>	<i>657</i>	<i>662</i>	<i>811</i>
Other purposes	5	—	—	—	—	—
Grand total	4,155	4,737	5,293	5,742	6,340	7,478

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

I. GENERAL GOVERNMENT

(\$ million)

Purpose	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
General public services—						
General administration	62.2	60.0	49.7	39.9	60.9	86.0
External affairs	20.3	25.5	24.4	12.0	9.1	14.4
Law, order and public safety	9.4	10.9	15.3	22.1	30.0	11.5
General research	32.1	23.6	18.0	29.6	49.3	61.1
<i>Total general public services</i>	<i>124.0</i>	<i>120.1</i>	<i>107.4</i>	<i>103.7</i>	<i>149.3</i>	<i>173.0</i>
Education	73.4	62.2	54.2	50.7	33.2	31.6
Health	57.7	58.3	53.5	36.5	31.4	22.8
Social security and welfare	12.9	8.5	6.7	5.6	2.9	3.7
Housing and community amenities	131.1	112.1	61.3	15.5	6.2	3.1
Recreation and culture	32.1	29.8	25.2	27.7	34.2	51.0
Economic services—						
General administration, regulation and research	6.4	8.8	6.1	7.6	11.6	8.8
Agriculture, forestry, fishing	10.6	8.1	16.0	6.1	7.4	6.3
Mining, manufacturing and construction	1.8	1.0	1.2	0.6	0.7	0.7
Transport and communication	57.5	46.0	73.6	49.0	50.0	71.5
Other economic services	-	-	0.5	0.1	0.1	0.3
<i>Total economic services</i>	<i>76.3</i>	<i>63.8</i>	<i>97.4</i>	<i>63.4</i>	<i>69.8</i>	<i>87.7</i>
Other purposes	5.1	-	-	-	-	-
<i>Total general government</i>	<i>512.6</i>	<i>454.7</i>	<i>405.8</i>	<i>303.1</i>	<i>327.0</i>	<i>372.9</i>

II. PUBLIC ENTERPRISES

(\$ million)

Purpose	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Public trading enterprises—						
General public services	1.5	0.9	0.5	0.3	-1.4	1.4
Housing and community amenities—Housing	18.7	23.5	17.9	2.3	2.6	1.4
Sewerage and drainage	24.8	28.8	14.8	5.0	3.6	1.7
Economic services—						
Technical services, n.e.c.	0.2	0.2	0.5	0.1	0.1	0.1
Mining activities	-	-	-	16.5	60.4	-
Manufacturing activities	11.6	5.8	5.5	3.8	4.6	8.0
Electricity, water supply	31.6	48.5	52.0	17.9	7.7	12.7
Transport and communication—						
Air transport	67.5	41.0	145.8	136.9	160.5	115.7
Rail transport	45.5	35.9	40.2	46.3	49.8	40.6
Sea transport	46.6	136.9	138.3	36.6	7.1	10.0
Urban transit systems	5.7	1.6	7.2	6.7	0.6	1.2
Pipelines	51.3	18.2	2.1	7.7	2.4	17.7
Communications services	756.3	855.1	913.4	904.8	976.6	1,158.0
<i>Total</i>	<i>973.0</i>	<i>1,088.9</i>	<i>1,247.0</i>	<i>1,139.1</i>	<i>1,197.1</i>	<i>1,343.2</i>
Other economic services	4.5	15.3	27.6	10.2	0.8	2.6
<i>Total public trading enterprises</i>	<i>1,065.8</i>	<i>1,212.0</i>	<i>1,365.7</i>	<i>1,195.3</i>	<i>1,275.6</i>	<i>1,371.0</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)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
General public services—						
General research—						
Queen Elizabeth fellowships	584	528	567	531	748	—
Marine Science grants and fellowships	—	—	—	—	—	2,265
Assistance to inventors	20	32	33	34	76	76
Education	162,455	193,970	212,647	224,928	225,232	244,341
Health	1,369,405	1,140,399	1,010,432	1,198,068	1,341,824	1,583,252
Social security and welfare	4,506,592	6,031,946	7,031,002	7,652,463	8,307,069	9,367,708
Recreation—						
Overseas study fellowships	193	190	102	38	1	5
Economic services—						
General administration, regulation and research—						
Hostel tariffs of unemployed migrants	148	195	728	1,892	2,560	3,570
Maintenance of migrant families	6,498	6,035	5,510	6,766	7,629	8,990
Stevedoring industry—attendance money, etc.	2,692	2,305	988	—	—	—
Widows' training scheme	47	21	—	—	—	—
National employment training scheme	31,056	12,809	16,163	16,931	10,511	—
Apprenticeship training	8,662	1,738	2,966	3,116	3,246	4,231
Skills training—individuals	—	—	—	—	—	3,728
Youth training—						
School to work transition	—	—	—	—	—	4,703
Pre-apprenticeship allowances	—	—	—	—	—	1,587
Special training—						
Aboriginals	—	—	—	—	—	3,564
Disabled persons	—	—	—	—	—	866
Other work and training assistance	—	—	—	—	—	1,148
Other	—	—	—	—	—	—
Total	49,103	23,103	26,355	28,705	23,946	32,387
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	4	4	3	7	14	43
Total economic services	49,113	23,108	26,358	28,712	23,960	32,430
Other purposes	2,882	201	2	—	—	—
Total	6,091,244	7,390,374	8,281,143	9,104,774	9,898,910	11,230,077

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**)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
General public services—						
Departmental cafeteria compensation	125	—	10	—	—	—
General Services	—	—	—	—	25	36
Health—						
Serum laboratories	1,242	250	1,200	2,100	2,938	3,653
Health insurance organisations subsidy	—	1,748	9,064	6,588	2,638	488
<i>Total</i>	<i>1,242</i>	<i>1,998</i>	<i>10,264</i>	<i>8,688</i>	<i>5,576</i>	<i>4,141</i>
Housing and community amenities—						
N.T. Housing Commission assistance	50	96	429	—	—	—
Recreation and related cultural services—						
Canberra Theatre Trust subsidy	143	167	199	191	376	—
Economic services—						
Assistance to employers—						
Stevedoring industry assistance	28,571	27,066	21,953	16,598	15,797	16,700
Apprenticeship training	26,215	37,750	24,312	28,774	40,784	64,387
Technical Services	—	—	—	—	-110	-13
<i>Total</i>	<i>54,786</i>	<i>64,816</i>	<i>46,265</i>	<i>45,372</i>	<i>56,471</i>	<i>81,074</i>
Assistance to agricultural and pastoral enterprises—						
Dairy products subsidy	1,275	—	5,250	12,387	17,664	1,600
Dairy industry stabilisation	—	—	52,399	80,723	91,230	84,704
Wheat prices stabilisation payments	—	41,103	6,971	67,402	4,390	60,537
Wheat Industry Stabilisation (Reimbursement of borrowing costs)	—	—	—	—	7,712	23,198
Reimbursement by Wheat Board	—	810	—	—	—	—
Phosphate fertilisers bounty	20,133	38,733	42,057	46,202	51,425	46,763
Nitrogenous fertilisers bounty	13,044	15,180	13,329	10,413	7,300	4,605
Processed milk products bounty	167	—	—	—	—	—
Poultry industry assistance	11,401	11,128	10,625	9,772	18,275	20,467
Dried vine fruits stabilisation payments	—	658	768	216	—	—
Wool marketing assistance	—	—	—	—	—	—
Apple and pear stabilisation payments	2,705	4,168	595	463	2,891	815
Apple, pear and canning fruit emergency assistance	—	—	—	—	—	—
Beef industry assistance	—	—	84,953	32,543	—	2
Meat exports to U.S.S.R.	1,240	—	—	—	—	—
Beef cattle freight subsidy	—	296	807	—	—	—
N.T. transport of stud stock	7	—	—	—	—	—
Sanctions against USSR and Iran—compensation paid	—	—	—	—	—	5,906
Other	1	—	—	—	21	9
<i>Total</i>	<i>49,973</i>	<i>112,076</i>	<i>217,754</i>	<i>260,121</i>	<i>200,908</i>	<i>248,606</i>
Assistance to mining enterprises—						
Oil search subsidy	186	—	—	—	—	—
Revaluation adjustment assistance, etc.	—	—	—	—	—	—
Mary Kathleen Uranium Ltd—Costs concerning borrowing of uranium	—	168	102	—	—	—
<i>Total</i>	<i>186</i>	<i>168</i>	<i>102</i>	—	—	—

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

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Assistance to manufacturing enterprises—						
Agricultural tractor bounty	3,628	4,880	5,700	5,490	8,263	6,979
Cellulose acetate flake bounty	109	—	—	—	—	—
Book bounty	6,749	8,034	9,538	12,463	13,662	15,005
Printed sheeting subsidy	—	300	451	500	737	555
Industrial research and development grants	19,300	15,400	13,649	22,750	30,599	46,413
Ship construction subsidy	40,966	21,301	7,605	3,559	833	-164
Shipbuilding bounty	1,553	7,674	7,800	8,326	13,530	13,720
Export incentive grants	62,825	973	1,303	20,012	170,000	200,000
Export market development grants	17,076	24,079	30,000	38,001	45,000	60,000
Metal-working machine tools bounty	1,585	2,350	3,977	7,048	12,700	13,583
Structural adjustment assistance	1,120	637	—	—	—	—
Refrigeration compressors bounty	1,367	—	—	—	—	—
Electronic components assistance	973	776	293	—	—	—
ADP equipment bounty	—	—	600	654	733	890
Commercial motor vehicles bounty	—	—	—	2,384	6,177	6,333
Injection moulding equipment bounty	—	—	—	—	2,010	2,000
Paper bounty	—	—	—	—	2,060	1,176
Penicillin bounty	—	—	—	—	—	862
Refined tin bounty	—	—	—	—	—	65
Non-adjustable wrenches bounty	—	—	—	—	—	367
Ship bounty	—	—	—	—	—	4,991
Other	26	—	149	730	606	869
<i>Total</i>	<i>157,277</i>	<i>86,404</i>	<i>81,065</i>	<i>121,917</i>	<i>306,910</i>	<i>373,644</i>
Assistance to air transport services—						
Air services subsidy	768	675	842	753	491	739
Assistance to sea transport services—						
Tasmania shipping service subsidy	5,488	4,109	2,000	2,000	2,000	2,300
Darwin shipping subsidy	—	—	—	—	—	1,500
Tasmanian freight equalisation scheme	—	16,409	20,927	24,700	27,561	29,473
Other	48	48	50	—	—	—
<i>Total</i>	<i>5,536</i>	<i>20,566</i>	<i>22,977</i>	<i>26,700</i>	<i>29,561</i>	<i>33,273</i>
Assistance to communications services—						
Newspaper postage subsidy	1,000	—	—	—	—	—
Other assistance to enterprises—						
Petroleum products prices scheme	—	—	—	42,929	63,429	108,552
Petrol prices equalisation	—	—	—	—	—	—
N.T. petrol prices equalisation	—	—	72	5,124	7,348	11,775
Export finance insurance subsidy	70	298	354	1,496	2,600	4,683
Liquified petroleum gas subsidy scheme	—	—	—	—	—	20,288
<i>Total</i>	<i>70</i>	<i>298</i>	<i>426</i>	<i>49,549</i>	<i>73,377</i>	<i>145,298</i>
Natural disaster relief—						
N.T. freight subsidies	—	15	—	—	—	—
Total	271,156	287,279	380,333	513,291	673,695	886,811

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,
1980-81
(\$'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	131	178	39	37	25	11	3	424
Defence	509	382	552	82	138	88	-	1,751
Education	696,056	609,796	291,789	191,256	190,307	58,429	9,152	2,046,785
Health	499,931	331,377	194,975	135,812	164,886	47,626	24,364	1,398,971
Social security and welfare	14,549	9,851	6,383	6,095	4,572	2,390	628	44,468
Housing and community amenities	1,848	1,481	423	1,161	1,590	314	-	6,817
Recreation and culture	139	122	76	63	51	132	245	828
Economic services	16,554	6,522	8,832	3,966	2,667	961	45,457	84,959
Other purposes—								
States' Personal Income Tax sharing entitlements	1,839,065	1,354,860	1,093,078	691,540	734,172	298,602	274,177	6,285,494
Global allocation	-	-	-	-	-	-	-	-
Special grants	-	-	6,700	-	-	-	-	6,700
Additional Assistance Grant	-	-	-	-	-	-	20,000	20,000
Interest on State debt	5,835	4,254	2,192	1,408	947	534	-	15,170
Sinking fund on State debt	13,152	10,100	5,265	5,007	3,738	2,675	-	39,937
Natural disaster relief	14,871	-	8,583	92	1,167	-	-	24,713
Debt charge assistance	-	-	-	-	-	-	12,369	12,369
Local government assistance	109,780	76,554	50,714	25,871	28,243	9,624	1,440	302,226
Establishment grants	-	-	-	-	-	-	-	-
<i>Total other purposes</i>	<i>1,982,703</i>	<i>1,445,768</i>	<i>1,166,532</i>	<i>723,918</i>	<i>768,267</i>	<i>311,435</i>	<i>307,986</i>	<i>6,706,609</i>
Total grants for current purposes	3,212,416	2,405,477	1,669,600	1,062,390	1,132,501	421,386	387,835	10,291,605
FOR CAPITAL PURPOSES								
Education	108,241	94,258	45,255	28,854	29,220	10,765	4,586	321,179
Health	1,020	1,689	1,088	348	394	3,529	98	8,166
Social security and welfare	14,536	8,296	5,274	3,114	2,831	1,740	-	35,791
Housing and community amenities	27,698	15,988	15,370	11,469	12,177	3,940	13,746	100,388
Recreation and culture	330	717	2,830	330	330	1,135	165	5,837
Economic services—								
General administration, regulation and research	-	-	-	-	-	-	-	-
Employment of Aborigines	-	-	-	-	9	-	-	9
Soil and water resources management	5,980	3,535	4,970	3,105	3,729	523	1,940	23,782
Assistance to agricultural and pastoral industries	669	709	425	415	405	46	89	2,758
Electricity, gas, water supply	-	-	250	2,600	-	-	-	2,850
Rail transport	-	-	-	863	-	-	-	863
Sea transport	-	-	-	-	-	-	-	-
Road systems and regulation	198,919	128,027	128,721	52,074	77,496	34,307	21,119	640,663
Urban transit systems	15,750	13,500	7,875	4,308	1,447	1,178	-	44,058
<i>Total economic services</i>	<i>221,318</i>	<i>145,771</i>	<i>142,241</i>	<i>63,365</i>	<i>83,086</i>	<i>36,054</i>	<i>23,148</i>	<i>714,983</i>
Other purposes—								
Capital assistance	140,854	109,473	57,777	56,787	40,320	30,539	38,284	474,034
Natural disaster relief	815	-	6,705	-737	1,447	-	-	8,230
Total grants for capital purposes	514,810	376,192	276,540	163,529	169,805	87,702	80,028	1,668,606
TOTAL GRANTS								
Total grants to the States	3,727,226	2,781,669	1,946,140	1,225,919	1,302,306	509,088	467,863	11,960,211

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

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
FOR CURRENT PURPOSES						
General public services	7,910	13,140	11,450	11,905	12,641	424
Defence	897	1,199	1,362	1,744	1,794	1,751
Education	1,133,808	1,390,758	1,517,840	1,592,322	1,771,202	2,046,785
Health	942,673	720,325	1,038,323	1,114,339	1,227,257	1,398,971
Social security and welfare	64,137	24,844	36,500	46,177	49,647	44,468
Housing and community amenities	9,863	7,425	5,834	5,540	6,114	6,817
Recreation and culture	600	600	489	282	416	828
Economic services	28,008	40,539	45,548	51,609	75,068	84,959
Other purposes—						
States' Personal Income Tax sharing entitlements (a)	3,072,780	3,695,594	4,316,641	4,778,669	5,415,910	6,285,494
Global allocation	—	—	—	280,000	208,857	—
Special grants	38,800	27,000	24,800	21,700	12,400	6,700
Special revenue assistance	—	—	—	—	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	30,200	31,635	33,747	35,959	38,148	39,937
Debt charges assistance	—	—	—	—	1,573	12,369
Natural disaster payments	807	1,925	2,311	2,679	1,641	24,713
Local government assistance	79,908	140,000	165,328	179,427	222,801	302,226
Establishment grants	—	—	—	330	7	—
Other	1,968	—	—	—	—	—
<i>Total other purposes</i>	<i>3,239,633</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>
Total grants for current purposes	5,427,526	6,110,154	7,215,343	8,137,852	9,080,646	10,291,605
FOR CAPITAL PURPOSES						
Education	319,246	327,763	343,108	363,718	325,109	321,179
Health	140,239	132,455	68,902	17,784	12,735	8,166
Social security and welfare	17,080	15,233	16,344	19,116	35,036	35,791
Housing and community amenities	79,402	37,171	12,310	13,128	89,626	100,388
Recreation and culture	11,036	8,976	5,540	5,767	5,405	5,837
Economic services—						
General administration, regulation and research	60	—	—	—	—	—
Employment of Aborigines	—	—	—	—	—	9
Soil and water resources management	14,343	11,636	10,508	11,946	19,277	23,782
Assistance to agricultural and pastoral industries	12,585	8,550	7,413	7,167	2,720	2,758
Electricity, gas, water supply	4,081	3,910	2,125	1,885	2,805	2,850
Rail transport	3,472	490	14	—	—	863
Sea transport	1,285	15	-305	-178	—	—
Road systems and regulation	458,439	456,215	493,224	513,728	572,914	640,663
Urban transit systems	34,096	58,403	51,000	41,869	42,084	44,058
Other	1,829	832	—	—	—	—
<i>Total economic services</i>	<i>530,190</i>	<i>540,051</i>	<i>564,047</i>	<i>576,417</i>	<i>640,748</i>	<i>714,983</i>
Other purposes—						
Natural disaster relief	29,150	23,697	20,820	9,844	6,870	8,230
Capital assistance	430,333	452,000	477,930	477,936	450,803	474,034
Total grants for capital purposes	1,556,676	1,537,346	1,508,923	1,483,710	1,565,384	1,668,606
TOTAL GRANTS						
Total grants to the States and the Northern Territory	6,984,202	7,647,500	8,724,266	9,621,562	10,646,030	11,960,211

(a) Prior to 1976-77 'Financial assistance grants'.

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

	<i>N.S.W.</i>	<i>Vic.</i>	<i>Qld</i>	<i>S.A.</i>	<i>W.A.</i>	<i>Tas.</i>	<i>Total</i>
(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.) The following table shows special grants paid in recent years.

COMMONWEALTH GRANTS COMMISSION: SPECIAL GRANTS
(S'000)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
Queensland—						
Advance or interim payment	18,000	14,000	16,000	11,000	25,000(b)	(c)
Completion payment (a)	5,700	1,400	6,700	33,500	..	(c)
Grand total	23,700	15,400	22,700	44,500	..	(c)

(a) Actually paid two years subsequent to year shown. (b) Recommended by the Grants Commission in 1981-82 and paid in 1981-82. (c) There is to be no application by any State in respect of this 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 \$345.9 million in 1974-75, \$430.3 million in 1975-76, \$452.0 million in 1976-77, \$477.9 million in 1977-78 and 1978-79, \$415.0 million in 1979-80, \$435.8 million in 1980-81 and \$435.8 in 1981-82.

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 \$3,472.9 million in 1976-77, \$3,904.9 million in 1977-78, \$4,053.4 million in 1978-79, \$4,538.1 million in 1979-80, \$5,173.5 million in 1980-81 and \$4,430.2 million in 1981-82. 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 1980-81**
(\$'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	-234	128	564	-20	-55	-3	-	379
Housing and community amenities	63,142	46,528	13,639	23,225	15,508	9,192	8,268	179,504
Economic services—								
Soil and water resources management	-2,374	-203	-718	-	345	-	-	-2,950
Forest resources management	1,711	470	739	120	739	883	-	4,662
Assistance to manufacturing	-	-	-	-	-	323	-	323
Assistance to agricultural and pastoral industries	981	-763	-29,825	1,084	909	-277	504	-27,388
Mining	222	-	-	-	-	-	-	222
Electricity, gas and water supply	-	-	-2,349	-90	-613	-2,989	-1,353	-7,394
Rail transport	4,904	5,116	1,534	-	-2,316	-	-	9,238
Sea transport	-	-	-95	-	-98	-132	-	-325
Other transport and communication	-	-	-570	-	-	-	-	-570
<i>Total economic services</i>	<i>5,444</i>	<i>4,620</i>	<i>-31,284</i>	<i>1,114</i>	<i>-1,034</i>	<i>-2,192</i>	<i>-849</i>	<i>-24,181</i>
Other purposes—								
State works programs	213,032	168,634	88,509	88,113	60,853	48,923	75,709	743,773
Special resource assistance	-	-	-	-	-	-	-	-
Natural disaster relief	26,869	-369	5,420	-2,036	7,405	-294	-	36,995
<i>Total other purposes</i>	<i>239,901</i>	<i>168,265</i>	<i>93,929</i>	<i>86,077</i>	<i>68,258</i>	<i>48,629</i>	<i>75,709</i>	<i>780,768</i>
Total net advances	308,253	219,539	76,850	110,396	82,677	55,626	83,128	936,468

Minus sign (-) denotes excess of repayments.

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

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
GROSS						
Defence	34,170	35,114	22,519	11,600	1,455	1,320
Housing and community amenities	558,810	474,741	441,646	355,424	211,497	222,003
Economic services—						
Assistance to agricultural and pastoral industries	50,328	31,981	37,489	39,812	40,739	14,274
Other	65,606	48,900	8,175	10,770	11,733	20,852
Other purposes—						
State works programs	860,667	904,000	955,867	955,867	901,606	948,068
Other	1,098	4,828	34,369	14,444	7,308	47,381
Total gross advances	1,570,679	1,499,564	1,500,065	1,387,917	1,174,339	1,253,896
REPAYMENTS						
Defence	681	734	789	840	894	941
Housing and community amenities	22,061	25,191	28,332	32,500	35,346	42,635
Economic services—						
Assistance to agricultural and pastoral industries	5,451	8,548	11,074	13,368	19,581	41,662
Other	11,997	13,116	13,351	15,375	19,333	17,508
Other purposes—						
State works programs	151,999	159,323	171,032	185,269	195,210	203,436
Other	6,096	14,589	14,343	13,398	7,974	11,247
Total repayments	198,286	221,501	238,921	260,750	278,338	317,429
NET						
Defence	33,490	34,380	21,730	10,760	561	379
Housing and community amenities	536,749	449,550	413,314	322,924	176,151	179,368
Economic services—						
Assistance to agricultural and pastoral industries	44,877	23,433	26,415	26,444	21,159	-27,388
Other	53,609	35,784	-5,176	-4,605	-7,600	3,344
Other purposes—						
State works programs	708,668	744,677	784,835	770,598	706,396	744,632
Other	-4,999	-9,761	20,026	1,048	-667	36,134
Total net advances	1,372,393	1,278,063	1,261,144	1,127,167	896,001	936,468

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	5,052,696
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
Total income taxes	13,946,120	15,312,383	15,913,295	18,541,584	22,343,140	26,482,108
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	96,734
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	2,829,855
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	179,368	283,092	278,270	352,753	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	10,713	19,320
Departure tax	—	—	11,966	18,384	18,720	36,090
Other taxes	15,496	19,107	18,487	18,496	20,727	26,387
Total taxes	19,735,577	21,413,954	23,443,161	27,431,772	32,644,029	37,876,341
Fees from regulatory services	15,264	21,526	22,730	48,658	53,094	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
Total taxation	19,806,320	21,500,959	23,533,652	27,552,351	32,774,915	38,036,205

(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 approved 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

(b)

(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**

Total taxable income		Tax at general rates on total taxable income	
Not less than—	Not more than—		
\$	\$	\$	\$
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. (b) In 1976-77 previously allowable rebates for children and students were replaced by family allowances (formerly child endowment).

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)

Grade of taxable income	Number of Taxpayers			Net income(b) \$'000	Taxable income(c) \$'000	Net tax \$'000
	Males	Females	Total			
\$				\$'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
	2,107,266	1,888,525	3,995,791	37,083,148	36,314,531	6,018,696
14,000–14,999	243,003	76,466	319,469	4,737,556	4,627,149	989,957
	2,350,269	1,964,991	4,315,260	41,820,704	40,941,680	7,008,653
15,000–15,999	217,605	59,192	276,797	4,388,303	4,286,507	939,846
	2,567,874	2,024,183	4,592,057	46,209,006	45,228,187	7,948,499
16,000–16,999	190,882	48,433	239,315	4,039,213	3,946,449	884,922
	2,758,756	2,072,616	4,831,372	50,248,219	49,174,636	8,833,421
17,000–17,999	168,627	42,533	211,160	3,775,416	3,689,594	850,739
	2,927,383	2,115,149	5,042,532	54,023,635	52,864,230	9,684,160
18,000–18,999	135,774	26,309	162,083	3,067,239	2,995,375	719,895
	3,063,157	2,141,458	5,204,615	57,090,874	55,859,605	10,404,054
19,000–19,999	112,329	19,818	132,147	2,637,680	2,574,665	644,133
	3,175,486	2,161,276	5,336,762	59,728,554	58,434,270	11,048,187
20,000–21,999	168,526	26,676	195,202	4,185,866	4,085,093	1,074,231
	3,344,012	2,187,952	5,531,964	63,914,420	62,519,363	12,122,418
22,000–23,999	110,612	15,139	125,751	2,957,127	2,884,045	802,253
	3,454,624	2,203,091	5,657,715	66,871,547	65,403,408	12,924,672
24,000–25,999	74,383	10,076	84,459	2,159,428	2,105,054	613,153
	3,529,007	2,213,167	5,742,174	69,030,975	67,508,462	13,537,825
26,000–27,999	49,780	7,086	56,866	1,574,347	1,531,909	463,739

For footnotes see end of table

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			
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)

State or Territory of Residence	Number of taxpayers	Taxable income(a)	Net tax
		\$'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 undistributed 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 remainder</i>		<i>Up to \$10,000</i>	<i>On remainder</i>	<i>Up to \$10,000</i>	<i>On remainder</i>	<i>Up to \$10,000</i>	<i>On remainder</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	Net income	Companies	Taxable	Loss (e)
		income (a)	tax assessed (c)		income (a) (d)	
	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

<i>Source of income tax</i>	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
(S'000)

<i>Brussels Tariff Division</i>	<i>Source of receipts</i>	<i>1979-80</i>	<i>1980-81</i>	<i>1981-82</i>
1	Live animals; animal products	1,320	966	1,379
2	Vegetable products	2,305	2,920	3,936
3	Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes	3,042	1,799	2,788
4	Prepared foodstuffs; beverages, spirits and vinegar; tobacco	234,365	248,845	271,783
5	Mineral products	3,801	4,694	4,207
6	Products of the chemical industry and allied industries	51,785	50,111	59,324
7	Artificial resins and plastic materials, cellulose esters and ethers, and articles thereof; rubber, synthetic rubbers, factice and articles thereof	96,815	100,547	118,680
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)	18,992	12,716	17,471
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	21,043	23,157	23,849
10	Paper-making material; paper and paperboard and articles thereof	33,861	36,225	46,657
11	Textiles and textile articles	199,637	214,848	247,788
12	Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts therefor; prepared leathers and articles made therewith; artificial flowers; articles of human hair; fans	46,060	48,292	53,866
13	Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware	31,934	37,994	45,187
14	Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin	12,173	10,268	11,970
15	Base metals and articles of base metal	87,166	100,382	128,490
16	Machinery and mechanical appliances; electrical equipment; parts therefor	316,471	391,660	472,368
17	Vehicles, aircraft, and parts therefor; vessels and certain associated transport equipment	327,634	424,209	467,740
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	32,531	37,755	46,762
19	Arms and ammunition; parts therefor	1,163	605	859
20	Miscellaneous manufactured articles	53,560	59,395	72,989
21	Works of art, collectors' pieces and antiques	578	19,642	3,751
22	Primage	8,838	5,681	2,336
	Total customs duties and primage	1,585,071	1,832,712	2,104,181

The *net* receipts of custom duties into consolidated revenue fund for these years are 1979-80, \$1,538,064,000; 1980-81, \$1,799,488,000; and 1981-82, \$2,059,690,000.

Customs duties on imports as recorded in the Financial Statements prepared by the Minister for Finance for these years are: 1979-80, \$1,538,075,018; 1980-81, \$1,799,507,666; and 1981-82, \$2,059,706,249.

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>1979-80</i>	<i>1980-81</i>	<i>1981-82</i>
Beer	1,004,256	994,994	1,005,866
Spirits, including liqueurs, etc.	100,185	111,768	119,606
Tobacco (manufactured), snuff	22,867	21,203	19,737
Cigars and cigarettes	681,861	687,084	706,883
Aviation gasoline—by-law	4,428	4,589	5,236
Aviation gasoline—other	—	1	—
Other gasoline	752,998	760,297	776,914
Mineral turpentine	—	—	—
Coal tar and coke oven distillates, etc.	—	—	—
Aviation turbine kerosene	46,232	48,138	50,088
Kerosene, n.e.i.	—	1	84
Diesel fuel—by-law	107,743	116,819	130,747
Gasoline—commercial motor spirit/ethanol blends	—	6	21
Playing cards	116	57	86
Cigarette tubes, paper and papers	790	590	695
Matches	1,689	1,342	1,365
Wine—other than table wine (excise item 16)	—	1	—
Petroleum and liquid petroleum gas (excise item 17)	2,116,928	3,059,822	3,274,043
Coal	10,767	11,663	13,012
Canned fruit	160	—	—
Other and undistributed excise revenue	4	—	85
<i>Total Gross Excise Duties</i>	<i>4,851,025</i>	<i>5,818,374</i>	<i>6,104,467</i>
Total Gross Customs, Primage and Excise Duties	6,436,095	7,651,086	8,208,648
Total Customs, Primage and Excise Refunds and Drawbacks	78,196	82,776	82,847

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: 1979-80, \$4,965,338,000; 1980-81, \$5,834,025,000; and 1981-82, \$5,993,793,000. The quantities of commodities on which excise duty was paid are given in chapter 24, Overseas Transactions, page 692. Commonwealth excise received, as recorded in the Financial Statement prepared by the Minister for Finance during these years are: 1979-80, \$4,964,954,815; 1980-81, \$5,833,168,483; and 1981-82 \$5,110,312,712.

Sales tax

The general rate of tax levied on all goods other than those specified in the schedules to the *Sales Tax (Exemptions and Classifications) Act 1935* is 17.5 per cent and goods subject to special rates are taxed at either 2.5 per cent, 5 per cent or 30 per cent. Prior to 19 August 1981 these special rates were 2.5 per cent and 27.5 per cent.

Particulars of the sales of taxable goods in each rate class in each State for 1979-80 are given in the following table. The figures relate to sales during the period 1 July to 30 June.

COMMONWEALTH SALES TAX: SALE VALUE OF TAXABLE GOODS INCLUDED IN RETURNS IN EACH RATE CLASS, 1980-81
(*\$'000*)

State	Gross sales of goods taxable at various rates(a)				
	24%	15%	27½%	Other	Total
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
New South Wales and A.C.T.	1,277,674	4,482,807	886,733	78,946	6,726,160
Victoria	1,095,941	3,389,173	358,497	73,609	4,917,220
Queensland	292,516	1,416,908	64,517	24,226	1,798,167
South Australia	264,598	745,899	47,245	4,181	1,061,923
Western Australia	166,585	708,380	43,101	31,694	949,760
Tasmania	34,330	164,832	9,552	6,313	215,027
Northern Territory	2,464	40,420	1,052	474	44,410
Australia—1980-81	3,134,108	10,948,419	1,410,697	219,443	15,712,667
1979-80	2,786,008	9,572,596	1,263,933	205,116	13,827,653
1978-79	2,536,155	8,334,453	1,544,234	148,993	12,563,835

(a) Estimated.

Sales of taxable goods included in returns lodged with the Australian Taxation Office and sales tax payable for Australia are shown in the following table for recent years.

COMMONWEALTH SALES TAX: SALE VALUE OF GOODS INCLUDED IN RETURNS AND COLLECTIONS
(*\$ million*)

Year of sale	Taxation Office		Bureau of Customs	
	Gross taxable sales	Net collections	Net collections	Total net collections
1974-75	7,739	1,103	51	1,154
1975-76	9,044	1,360	49	1,408
1976-77	10,752	1,589	61	1,650
1977-78	11,367(b)	1,695	63	1,758
1978-79	12,564	1,699	71	1,770
1979-80	13,828(b)	1,787	78	1,865
1980-81	15,713(b)	2,015	88	2,102
1981-82	18,297	2,731	123	2,854

(a) Represents gross taxable sales less discounts, goods returned, bad debts and other adjustments. (b) Adjusted.

Sales tax is payable on goods transferred to stock for sale by retail and goods used in the business of the taxpayer. Exempt sales relate to goods exempted from sales tax under the *Sales Tax (Exemptions and Classifications) Act 1935*. The figures shown do not represent the total sales of all commodities, as vendors trading only in exempt goods are not required to be registered and, consequently, the volume of their sales is not included. In addition, non-taxable sales (i.e. goods sold by one registered taxpayer to another registered taxpayer) are excluded.

Primary production taxes and charges

The following section shows current rates of charges and levies on primary production. 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.

Grain Export Inspection Charge. Under the *Grain (Export Inspection Charge) Act 1979* a levy is imposed on exports of wheat, oats, barley and sorghum to recoup about half the cost of export grain inspection. The levy is 4.5 cents per tonne on bulk grain, 25 cents per tonne on bagged grain and 29 cents per tonne on grain in containers.

Wheat Export Charge, Wheat Levy and Wheat Tax. For details see Chapter 13, Agricultural Industries.

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).

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 53 cents per certificate.

Tobacco Charge. The rates of Tobacco Charge currently collected under the *Tobacco Charges Acts* (Nos 1 to 3) 1955 (as amended by the *Tobacco Charge Amendment Act 1982*) and used to fund research into tobacco growing problems are:

- (a) in respect of leaf grown in Australia and sold to a manufacturer:
 - (i) 2.5 cents per kilogram of leaf, payable by the grower on leaf sold and
 - (ii) 2.5 cents per kilogram of leaf, payable by manufacturers on leaf purchased.

Dairy Industry Stabilization Levy. The Dairy Industry Stabilization 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 13.8 cents per 100 litres of whole milk or 345 cents per 100 kilograms of butterfat.

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—1.6875 cents/doz. containers.

Containers exceeding 150 grams but not exceeding 320 grams—3.375 cents/doz. containers.

Containers exceeding 320 grams but not exceeding 490 grams—6.75 cents/doz. containers.

Containers exceeding 490 grams but not exceeding 680 grams—10.125 cents/doz. containers.

Containers exceeding 680 grams—13.5 cents/doz. containers plus 8.1 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.

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.

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 industries' contribution to research.

Livestock Slaughter Levy. The *Livestock Slaughter Levy Act 1964* 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:

	Cents/Head				Total
	AMLC	AMRC	CSIRO processing research	Disease eradication	
Cattle	79.4	35	3	400	517.40
Calves	28.58	9	1.4	133	171.98
Bobby calves	7.94	2.5	0.3	40	50.74
Sheep, lambs, goats	7.94	3.33	0.3	—	11.57
Buffaloes	79.4	35	3	400	517.40

Livestock Slaughter—Export Inspection Charge. Under the *Livestock Slaughter (Export Inspection Charge) Act 1979*, a charge is imposed on livestock slaughtered at export works to recoup about half of the cost of meat inspection incurred by the Commonwealth Government. The charges are:

Cattle (180 cents/head), calves (60 cents/head), bobby calves (18 cents/head), sheep, lambs and goats (18 cents/head), buffaloes (180 cents/head), horses, donkeys, mules (180 cents/head), pigs (60 cents/head).

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

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				Total
	AMLC	AMRC	Disease eradication		
Cattle	79.4	35	400		514.40
Sheep, lambs, goats	7.94	3.33	—		11.27
Buffaloes	79.4	35	400		514.40

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.

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*.

Pig Slaughter Levy. A slaughter levy under the *Pig Slaughter Levy Act 1971* is payable on all pigs slaughtered for human consumption. The funds are used by the Australian Pig Industry Research Committee for production and marketing research and by the Pigmear Promotion Advisory Committee for promotional activities within Australia. The present operative levy is 70 cents per pig. Of this amount 60 cents is for promotion and 10 cents for research.

Meat Chicken Levy. A levy is payable under the *Meat Chicken Levy Act 1969* on meat chickens hatched for human consumption. The funds are used by the Australian Chicken Meat Research Committee for research into problems associated with the chicken meat industry. The operative rate of levy is 0.1 cent per chicken.

Poultry Industry Levy. The *Poultry Industry Levy Act 1965* imposes a levy on domesticated fowls kept for commercial purposes. The operative rate of levy is 7.5 cents per bird per fortnight with a maximum of \$2.00 per hen per annum. The levy is designed to provide assistance to the poultry industry.

Wine Grapes Levy. The *Wine Grapes Levy Act 1979* imposes a levy on prescribed goods used at a winery in Australia in the manufacture of wine. The operative rate of levy is \$2.40 per tonne of fresh

grapes with provision for conversion of dried grapes and grape juice to their fresh grape equivalents. Funds raised by the levy are used to finance the Australian Wine and Brandy Corporation.

Dried Fruits Export Charges. The *Dried Fruits Export Charges Act* 1924 imposes a levy of \$4.50 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.

Dried Fruits Levy. The *Dried Fruits Levy 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 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.

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 7 cents per box; juicing 70 cents per tonne; processing \$1.40 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 7 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 15 cents per tonne.

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 will be \$1 per 225kg of raw cotton.

Oilseeds Research Levy. The *Oilseeds Levy Act* 1977 imposes a levy on the production of sunflower seed, safflower seed, soybeans, linseed and rapeseed. The levy is used to fund research programmes. The operative rate of levy is \$1 per tonne.

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.

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 to recoup about half the cost of inspection incurred by the Commonwealth. 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.

COMMONWEALTH PRIMARY PRODUCTION TAXES
(S'000)

	1978-79	1979-80	1980-81	1981-82
Apple and pear export charge	212	197	216	183
Apple and pear export duty	129	11	444	—
Apple and pear levy	565	627	604	716
Barley research levy	—	—	314	429
Butterfat levy	—	—	—	—
Canned fruit export charge (replaced by canned fruit levy 1.1.80)	176	133	718	863
Canning fruit charge	123	99	58	52
Dairy industry stabilization levy	80,255	93,549	82,339	79,711
Dairying research and promotion levy	5,674	5,689	6,119	7,218
Dried fruits export charge	227	189	236	193
Dried fruits levy	89	90	119	87
Dried vine fruits levy	—	—	1,187	—
Dried vine fruit equalisation levy	—	—	—	688
Honey export charge	24	56	51	93
Honey levy	186	200	233	241
Livestock slaughter levy—				
Cattle	5,734	7,305	6,916	6,901
Pigs	572	769	1,086	2,043
Sheep and lambs	1,311	3,165	3,261	2,843
Goats, buffalo, calves and bobby calves	—	281	296	317
Eradication of disease	9,710	20,453	21,066	21,038
Meat export charge—				
Cattle meat	31	46	118	110
Other meat	289	771	918	986
Oil seeds research levy	375	409	277	276
Meat chicken levy	189	234	235	211
Poultry industry levy	10,603	17,834	20,939	20,805
Tobacco charge	514	504	519	539
Wheat export charge	60,000	—	30,000	—
Wheat tax	3,466	3,085	2,012	3,108
Wheat levy	—	—	38,318	25,147
Refunds of wheat export charge and wheat levy	—	—	—	-38,733
Wine grapes charges (replaced by wine grapes levy 1.7.79)	1,030	1,174	65	11
Wine grapes levy	—	—	1,224	1,065
Wool tax	101,608	121,400	132,864	138,492
Refunds of 5% additional wool tax	—	—	—	-41,524
Total	283,092	278,270	352,753	234,109

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)

Industry	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
REVENUE						
Manufacturing	48.9	54.7	58.5	74.3	65.2	68.5
Electricity	84.1	96.2	105.1	100.6	105.6	129.7
Water supply, sewerage and drainage	7.6	9.6	12.5	12.9	14.2	16.0
Transport and communication—						
Air transport	704.7	808.7	929.7	1,074.3	1,336.4	1,467.5
Rail transport	108.2	122.9	121.7	131.4	157.6	180.7
Sea transport	204.3	282.6	319.4	372.7	422.9	464.2
Urban transit systems	14.0	16.8	15.8	10.2	10.7	18.6
Pipelines	—	2.8	11.7	18.1	23.4	23.3
Communication	2,008.7	2,314.7	2,521.3	2,811.9	3,121.1	3,564.1
<i>Total transport, etc.</i>	<i>3,039.9</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	207.9	149.6	249.8	360.4	199.1	149.1
Property and business services—						
Housing	23.0	22.6	27.6	25.6	27.9	31.3
Other	25.5	25.7	36.5	38.7	43.5	45.8
<i>Total property, etc.</i>	<i>48.4</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	22.8	22.7	28.1	41.1	52.7	61.5
Total revenue	3,459.6	3,929.5	4,437.6	5,072.3	5,580.6	6,220.3
WORKING EXPENSES(b)						
Manufacturing	46.9	52.4	55.6	68.6	60.1	63.0
Electricity	37.3	48.3	56.9	39.7	48.4	68.5
Water supply, sewerage and drainage	4.9	6.1	7.3	5.8	6.8	9.2
Transport and communication—						
Air transport	647.6	722.7	833.8	969.2	1,267.5	1,402.5
Rail transport	154.3	170.1	184.9	187.0	205.2	225.7
Sea transport	184.2	231.2	260.4	312.8	377.7	410.5
Urban transit systems	16.7	19.1	20.0	16.0	19.2	26.9
Pipelines	—	1.4	3.4	3.1	3.7	4.7
Communication	1,219.8	1,456.4	1,600.6	1,769.8	1,989.2	2,311.0
<i>Total transport, etc.</i>	<i>2,222.6</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	248.3	160.7	255.0	348.6	189.3	148.4
Property and business services—						
Housing	24.4	24.4	28.8	30.1	33.4	38.7
Other	24.3	23.8	35.0	37.0	42.3	44.5
<i>Total property, etc.</i>	<i>48.8</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	19.7	19.1	24.0	33.5	42.9	52.1
Total working expenses	2,628.4	2,935.8	3,365.6	3,821.4	4,285.7	4,805.8
GROSS OPERATING SURPLUS						
Manufacturing	2.0	2.3	2.9	5.6	5.0	5.5
Electricity	46.8	47.9	48.2	60.9	57.3	61.2
Water supply, sewerage and drainage	2.6	3.5	5.2	7.0	7.4	6.8
Transport and communication—						
Air transport	57.1	86.0	95.9	105.1	68.9	65.0
Rail transport	-46.1	-47.2	-63.2	-55.5	-47.6	-45.0
Sea transport	20.1	51.4	59.0	60.0	45.2	53.7
Urban transit systems	-2.7	-2.4	-4.1	-5.8	-8.5	-8.3
Pipelines	—	1.4	8.3	15.0	19.7	18.6
Communication	788.9	858.2	920.7	1,042.1	1,131.9	1,253.1
<i>Total transport, etc.</i>	<i>817.3</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>
Commerce	-40.4	-11.1	-5.3	11.8	9.8	0.8
Property and business services—						
Housing	-1.5	-1.8	-1.2	-4.5	-5.5	-7.4
Other	1.2	1.8	1.6	1.7	1.2	1.3
<i>Total property, etc.</i>	<i>-0.3</i>	<i>—</i>	<i>0.4</i>	<i>-2.9</i>	<i>-4.3</i>	<i>-6.1</i>
Community, social and personal services	3.2	3.6	4.0	7.6	9.8	9.3
Total gross operating surplus	831.2	993.8	1,072.0	1,250.9	1,294.9	1,414.6

(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 1980-81 are given in the following table.

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

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
OUTLAY						
Final consumption expenditure	6,820.2	8,139.5	9,243.4	10,227.0	11,624.2	13,568.5
Gross capital formation—						
Increase in stocks	30.5	29.7	62.7	36.5	64.4	120.2
Expenditure on new fixed assets	3,905.9	4,190.9	4,768.2	5,205.0	5,638.1	6,487.5
Expenditure on existing assets (net)	179.4	147.4	103.1	76.4	11.9	12.6
<i>Total gross capital formation</i>	<i>4,115.8</i>	<i>4,367.0</i>	<i>4,934.0</i>	<i>5,317.9</i>	<i>5,714.4</i>	<i>6,620.3</i>
Transfer payments—						
Interest	1,224.3	1,469.3	1,723.1	1,978.0	2,203.4	2,597.0
Personal benefit payments	220.2	247.3	280.3	283.5	308.3	296.6
Subsidies	46.6	59.0	89.6	101.0	113.7	144.1
Transfers overseas	0.1	0.1	0.1	0.1	0.1	0.2
Grants for private capital purposes	57.7	49.8	64.3	73.1	65.1	62.5
Grants to local authorities	347.3	414.1	479.0	513.0	588.0	684.4
<i>Total transfer payments</i>	<i>1,896.1</i>	<i>2,239.6</i>	<i>2,636.4</i>	<i>2,948.7</i>	<i>3,278.7</i>	<i>3,784.8</i>
Net advances—						
To the private sector	170.0	189.7	214.0	114.8	96.7	89.9
To public financial enterprises	84.7	83.4	109.0	91.0	53.3	98.5
To local authorities	18.6	16.0	9.3	12.8	10.4	14.4
<i>Total net advances</i>	<i>273.4</i>	<i>289.1</i>	<i>332.3</i>	<i>218.6</i>	<i>160.4</i>	<i>202.8</i>
Total outlay	13,105.5	15,035.2	17,146.1	18,712.2	20,777.8	24,176.4
of which—						
current outlay	8,451.9	10,117.3	11,583.2	12,859.4	14,569.0	17,015.4
capital outlay	4,653.6	4,917.9	5,563.0	5,852.8	6,208.9	7,161.0
RECEIPTS AND FINANCING ITEMS						
Receipts—						
Taxes, fees, fines, etc.	3,469.5	3,973.4	4,300.7	4,667.7	5,264.8	6,047.2
Income from public enterprises	327.2	348.4	378.3	469.3	639.2	689.1
Property income	468.9	622.9	733.5	774.7	989.1	1,184.9
Grants from the Commonwealth						
Government—						
for current purposes	5,427.5	6,110.2	7,215.3	8,137.9	9,079.6	10,290.4
for capital purposes	1,556.6	1,537.3	1,508.9	1,483.8	1,565.4	1,668.9
Grants from local authorities	32.4	32.1	36.0	35.5	43.2	49.9
<i>Total receipts</i>	<i>11,282.1</i>	<i>12,624.3</i>	<i>14,172.6</i>	<i>15,568.8</i>	<i>17,581.3</i>	<i>19,930.4</i>
Financing items—						
Net borrowing—						
Public trading enterprises	564.1	667.0	890.5	1,185.6	1,445.6	1,827.2
General government	113.0	126.4	120.9	207.3	273.9	338.5
Advances from the Commonwealth Government (net)—						
For loan works purposes	708.7	744.7	784.8	770.6	704.5	741.7
Other	663.8	533.4	476.3	356.6	191.5	194.8
Net receipts of private trust funds	32.6	244.6	229.8	241.9	251.0	288.8
Reduction in cash and bank balances	-741.5	-408.0	-31.4	-239.2	-138.6	-86.0
Reduction in security holdings—						
Investment of private trust funds	11.9	-62.1	-95.7	-113.8	-135.0	-92.7
Investment of governmental trust funds and public corporations	-5.8	-58.5	-121.7	-54.9	-66.1	32.1
Other funds available (including errors and omissions)—						
Depreciation allowances	310.5	356.2	412.5	469.6	498.5	552.4
Other	166.3	267.2	307.4	319.9	171.2	449.2
<i>Total financing items</i>	<i>1,823.4</i>	<i>2,410.8</i>	<i>2,973.5</i>	<i>3,143.4</i>	<i>3,196.5</i>	<i>4,246.0</i>
Total funds available	13,105.5	15,035.2	17,146.1	18,712.2	20,777.8	24,176.4

(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.

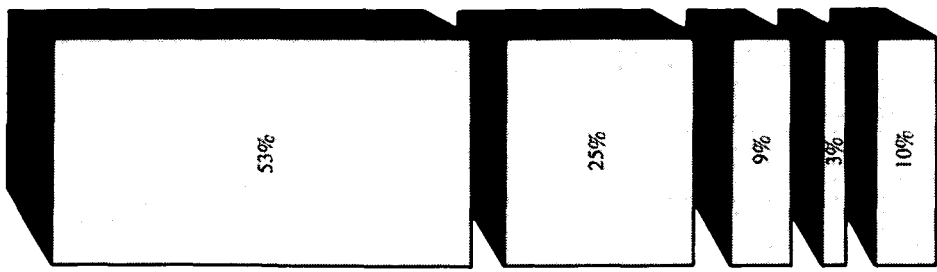
STATE AUTHORITIES(a): OUTLAY AND RECEIPTS BY STATE, 1980-81
(*\$ million*)

	<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	4,596.6	3,497.0	1,932.0	1,322.1	1,375.6	488.4	356.5	13,568.5
Gross capital formation—								
Increase in stocks	74.9	22.7	14.1	8.7	-3.4	1.5	1.8	120.2
Expenditure on new fixed assets	2,207.1	1,793.4	1,039.9	446.5	610.3	226.9	163.4	6,487.5
Expenditure on existing assets (net)	-12.7	31.0	-8.7	-10.3	-3.1	-	16.5	12.6
<i>Total gross capital formation</i>	<i>2,269.3</i>	<i>1,847.0</i>	<i>1,045.3</i>	<i>444.8</i>	<i>603.8</i>	<i>228.4</i>	<i>181.7</i>	<i>6,620.3</i>
Transfer payments—								
Interest	793.9	764.1	426.0	258.3	209.7	124.3	20.8	2,597.0
Personal benefit payments	155.2	59.5	31.1	19.5	19.1	11.6	0.6	296.6
Subsidies	56.7	46.4	18.4	11.1	6.2	4.9	0.4	144.1
Transfers overseas	0.1	-	-	-	-	0.1	-	0.2
Grants for private capital purposes	24.5	9.0	16.2	8.0	3.7	0.4	0.6	62.5
Grants to local authorities	226.6	180.6	137.7	44.0	66.7	22.3	6.5	684.4
<i>Total transfer payments</i>	<i>1,256.9</i>	<i>1,059.6</i>	<i>629.5</i>	<i>340.8</i>	<i>305.4</i>	<i>163.6</i>	<i>28.9</i>	<i>3,784.8</i>
Net advances—								
To the private sector	-11.7	25.5	17.1	-0.8	2.2	9.6	47.9	89.9
To public financial enterprises	63.3	1.6	-	29.7	0.2	3.8	-	98.5
To local authorities	4.4	0.6	4.3	-0.1	-1.7	2.9	4.0	14.4
<i>Total net advances</i>	<i>56.0</i>	<i>27.7</i>	<i>21.4</i>	<i>28.8</i>	<i>0.7</i>	<i>16.3</i>	<i>51.9</i>	<i>202.8</i>
<i>Total outlay</i>	<i>8,178.8</i>	<i>6,431.4</i>	<i>3,628.2</i>	<i>2,136.5</i>	<i>2,285.7</i>	<i>896.7</i>	<i>619.0</i>	<i>24,176.4</i>
of which—								
current outlay	5,743.2	4,489.8	2,473.4	1,639.7	1,641.2	645.2	382.8	17,015.4
capital outlay	2,435.6	1,941.6	1,154.8	496.8	644.6	251.4	236.2	7,161.0
RECEIPTS AND FINANCING ITEMS								
Receipts—								
Taxes, fees, fines, etc.	2,448.8	1,790.9	726.1	433.9	481.3	135.0	31.4	6,047.2
Income from public enterprises	124.8	320.0	99.5	79.2	38.2	66.3	-38.8	689.1
Property income	345.2	257.3	273.3	99.3	159.8	28.2	21.5	1,184.9
Grants from the Commonwealth Government—								
for current purposes	3,217.6	2,405.2	1,668.9	1,062.6	1,131.0	418.6	386.6	10,290.4
for capital purposes	514.8	376.2	276.5	163.5	169.8	87.7	80.3	1,668.9
Grants from local authorities	16.5	12.4	7.0	4.1	2.5	7.5	-	49.9
<i>Total receipts</i>	<i>6,667.7</i>	<i>5,161.9</i>	<i>3,051.3</i>	<i>1,842.5</i>	<i>1,982.6</i>	<i>743.3</i>	<i>481.0</i>	<i>19,930.4</i>
Financing items—								
Net borrowing—								
Public trading enterprises	658.6	721.2	191.8	59.7	122.6	71.0	2.3	1,827.2
General government	99.3	8.4	126.2	7.2	37.8	2.0	57.7	338.5
Advances from the Commonwealth Government (net)—								
For loan works purposes	213.0	168.6	88.5	88.1	60.9	48.9	73.6	741.7
Other	95.2	50.9	-11.7	22.3	21.8	6.7	9.5	194.8
Net receipts of private trust funds	25.5	7.8	192.6	16.1	34.6	12.1	-	288.8
Reduction in cash and bank balances	118.1	20.0	-205.2	45.9	-55.3	-7.5	-2.0	-86.0
Reduction in security holdings—								
Investments of private trust funds	-16.9	-21.0	-	-14.4	-29.3	-11.2	-	-92.7
Investments of governmental trust funds and public corporations	-7.7	48.9	-14.7	4.1	-4.2	5.7	-	32.1
Other funds available (including errors and omissions)—								
Depreciation allowances	210.1	130.3	81.3	50.3	61.8	11.6	7.0	552.4
Other	115.8	134.4	128.1	14.6	52.4	14.1	-10.0	449.2
<i>Total financing items</i>	<i>1,511.1</i>	<i>1,269.5</i>	<i>576.9</i>	<i>294.0</i>	<i>303.1</i>	<i>153.4</i>	<i>138.0</i>	<i>4,246.0</i>
<i>Total funds available</i>	<i>8,178.8</i>	<i>6,431.4</i>	<i>3,628.2</i>	<i>2,136.5</i>	<i>2,285.7</i>	<i>896.7</i>	<i>619.0</i>	<i>24,176.4</i>

(a) Excludes financial enterprises.

STATE AUTHORITIES, 1980-81

RECEIPTS AND FINANCING ITEMS



Commonwealth Government Grants and Advances—\$12,896m

Taxation—\$6,047m

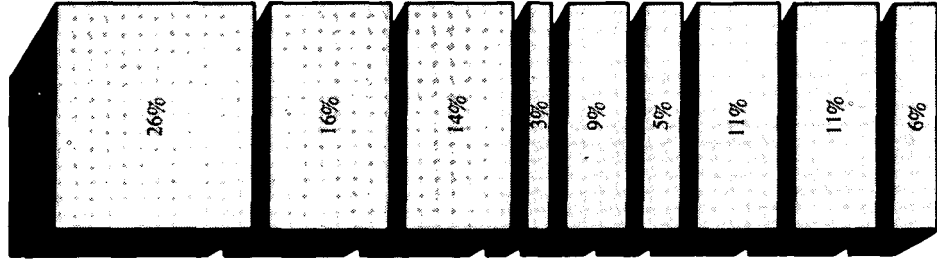
Net borrowing—\$2,166m

Income from Public Enterprises—\$689m

Other—\$2,378m

TOTAL FUNDS AVAILABLE—\$24,176 million

OUTLAY



Education—\$6,266m

Health and Welfare—\$3,873m

Other Final Consumption Expenditure—\$3,430m

Expenditure on New Fixed Assets—Education—\$615m

Electricity, Gas and Water Supply—\$2,058m

Road System and Regulation—\$1,140m

Other Expenditure on New Fixed Assets—\$2,675m

Interest—\$2,597m

Other Outlay—\$1,522m

TOTAL OUTLAY—\$24,176 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	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
General public services—						
Law, order and public safety	659.5	771.7	881.9	994.6	1,174.6	1,377.2
General administration, n.e.c.	408.8	505.2	586.7	662.4	778.5	917.8
Education	3,222.8	3,872.0	4,388.4	4,766.7	5,409.3	6,265.7
Health	1,835.8	2,209.8	2,485.7	2,760.1	3,074.6	3,591.3
Social security and welfare	108.9	124.1	147.0	181.2	214.4	282.1
Housing and community amenities—						
Housing	4.4	5.4	3.9	4.5	4.0	1.6
Community and regional development	20.7	24.1	26.4	35.7	35.7	42.5
Protection of the environment, and community amenities	17.6	22.0	24.8	28.3	32.3	39.0
Recreation and culture	79.2	97.2	120.6	147.0	168.5	193.3
Economic services—						
Agriculture, forestry, fishing	267.6	297.1	339.9	373.1	429.8	492.7
Mining, manufacturing and construction	45.4	48.4	54.3	62.1	70.9	82.8
Electricity, gas and water supply	7.6	6.1	8.1	9.7	9.8	14.1
Rail transport (b)	1.4	1.0	1.2	0.7	1.0	0.8
Sea transport	4.1	4.6	5.3	2.5	1.9	2.4
Road systems and regulation	10.7	13.6	13.7	17.2	18.8	21.3
Other transport services, n.e.c.	4.5	4.2	4.0	7.6	9.5	15.1
Other economic services(c)	120.6	131.9	149.5	171.8	188.4	224.9
Other purposes	0.8	1.3	2.0	1.9	2.2	3.5
Total	6,820.2	8,139.5	9,243.4	10,227.0	11,624.2	13,568.5

(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 1980-81
(\$ million)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Total
General public services—								
Law, order and public safety	487.7	306.6	214.9	133.4	146.2	48.6	39.9	1,377.2
General administration, n.e.c.	336.2	187.5	140.6	58.0	92.9	45.0	57.7	917.8
Education	2,133.2	1,790.8	831.9	644.1	574.4	205.4	85.9	6,265.7
Health	1,268.0	873.5	492.6	344.2	421.4	119.1	72.4	3,591.3
Social security and welfare	63.8	62.6	66.3	25.1	31.2	7.2	25.9	282.1
Housing and community amenities—								
Housing	-1.6	3.0	-2.9	0.9	-0.2	0.3	2.0	1.6
Community and regional development	12.3	17.6	..	4.5	..	0.7	7.4	42.5
Protection of the environment, and community amenities	7.9	14.1	2.1	7.9	2.7	0.8	3.4	39.0
Recreation and culture	51.9	40.8	27.1	26.3	21.6	13.5	12.1	193.3
Economic services—								
Agriculture, forestry, fishing	126.8	129.5	120.8	34.7	39.8	30.0	11.1	492.7
Mining, manufacturing and construction	30.2	9.5	9.3	9.3	13.6	4.0	7.0	82.8
Electricity, gas and water supply	3.5	-2.6	6.8	-0.1	5.5	1.0	..	14.1
Rail transport (b) . . . . .	..	0.4	..	..	0.4	..	..	0.8
Sea transport	3.3	-0.1	-2.4	1.5	..	0.2	..	2.4
Road systems and regulation	3.6	8.1	2.9	-0.1	0.6	1.2	5.0	21.3
Other transport services, n.e.c.	3.3	2.1	..	0.2	0.6	0.2	8.7	15.1
Other economic services(c)	66.3	52.0	22.1	32.1	23.5	11.3	17.7	224.9
Other purposes	0.5	1.3	-0.2	0.1	1.6	-0.1	0.3	3.5
Total	4,596.6	3,497.0	1,932.0	1,322.1	1,375.8	488.4	356.5	13,568.5

(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*)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
General public services—						
Law, order and public safety	64.1	73.3	91.7	100.3	114.0	131.9
General administration, n.e.c.	82.1	87.6	112.1	116.1	108.2	108.4
Education	618.2	574.2	659.9	677.6	623.5	614.8
Health	326.9	334.0	322.8	332.2	285.9	258.0
Social security and welfare	8.8	12.1	10.7	13.4	13.6	12.6
Housing and community amenities—						
Housing	260.4	237.6	298.1	271.7	273.3	350.0
Community and regional development	35.0	42.5	38.2	33.9	47.1	69.1
Protection of the environment, and community amenities	330.8	343.8	352.5	344.6	351.2	371.4
Recreation and culture	25.2	33.5	51.4	70.0	75.4	95.2
Economic services—						
Agriculture, forestry, fishing	173.3	204.7	219.1	216.4	224.1	260.8
Mining, manufacturing and construction	61.9	61.8	68.0	55.9	96.1	120.8
Electricity and gas	538.1	650.1	834.5	1,099.9	1,381.4	1,784.9
Water supply	237.7	260.2	278.3	274.8	266.3	273.2
Rail transport (b)	277.1	312.4	386.0	439.8	456.0	509.5
Sea transport	84.9	94.8	116.6	147.4	160.5	257.2
Road systems and regulation	689.6	772.1	830.5	913.0	1,028.3	1,140.2
Other transport services, n.e.c.	31.2	29.9	38.7	42.4	54.3	50.9
Other economic services (c)	60.4	64.9	58.3	54.3	78.9	78.1
Other purposes	0.1	0.5	0.8	1.3	-0.1	0.5
Total	3,905.9	4,190.0	4,768.2	5,205.0	5,638.1	6,487.5

(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
1980-81
(*\$ million*)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Total
General public services—								
Law, order and public safety	42.0	24.0	25.0	8.3	24.9	4.6	3.2	131.9
General administration, n.e.c.	34.2	14.2	31.1	2.3	7.5	8.3	10.9	108.4
Education	220.4	169.2	87.0	57.2	45.1	24.6	11.4	614.8
Health	64.1	62.3	49.8	24.8	40.7	13.5	2.8	258.0
Social security and welfare	5.2	2.1	2.2	1.8	0.9	0.2	0.2	12.6
Housing and community amenities—								
Housing	150.4	54.4	18.2	40.6	41.4	23.7	21.3	350.0
Community and regional development	48.5	4.7	..	1.6	1.7	..	12.5	69.1
Protection of the environment, and community amenities	149.2	149.7	0.8	20.4	47.7	..	3.6	371.4
Recreation and culture	18.0	34.8	19.4	12.9	3.3	1.9	4.9	95.2
Economic services—								
Agriculture, forestry, fishing	74.6	63.1	51.2	21.4	35.9	13.2	1.7	260.8
Mining, manufacturing and construction	46.8	51.7	12.2	2.9	5.8	0.8	0.5	120.8
Electricity and gas	495.6	615.3	325.0	114.5	155.1	74.1	5.8	1,784.9
Water supply	71.2	115.7	17.0	15.6	35.4	5.8	12.5	273.2
Rail transport (b)	246.4	123.3	104.7	..	34.7	0.3	..	509.5
Sea transport	101.0	40.6	84.4	5.5	9.1	5.7	11.0	257.2
Road systems and regulation	414.1	213.0	207.4	94.3	115.6	45.1	50.8	1,140.2
Other transport services, n.e.c.	5.7	15.6	..	19.6	2.8	1.9	5.3	50.9
Other economic services (c)	20.3	39.8	4.6	2.8	2.2	2.9	5.5	78.1
Other purposes	-0.3	0.1	..	..	0.6	0.2	..	0.5
Total	2,207.1	1,793.4	1,039.9	446.5	610.3	226.9	163.4	6,487.5

(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)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Estate, gift, probate and succession duties	226.9	251.5	241.1	205.4	171.4	158.1
Property taxes—						
Land tax	200.1	218.1	236.7	258.0	290.9	324.5
Metropolitan improvement rates	15.1	15.8	16.2	18.1	19.2	19.7
Other	1.7	1.6	1.4	1.1	0.9	1.0
<i>Total property</i>	<i>216.9</i>	<i>235.5</i>	<i>254.3</i>	<i>277.2</i>	<i>311.0</i>	<i>345.3</i>
Liquor taxes	95.8	120.9	140.6	155.2	174.7	202.5
Taxes on gambling—						
Lotteries	85.9	109.6	129.2	149.0	195.8	229.4
Poker machines	83.4	92.0	98.2	108.0	120.7	139.0
Racing	161.9	180.5	194.1	205.4	227.4	245.5
Other	8.3	12.0	12.5	17.3	21.8	18.6
<i>Total gambling</i>	<i>339.5</i>	<i>394.1</i>	<i>434.0</i>	<i>479.7</i>	<i>565.7</i>	<i>632.4</i>
Taxes on ownership and operation of motor vehicles—						
Vehicle registration fees and taxes	334.3	397.0	461.3	499.5	497.8	544.8
Drivers', etc., licences and fees	54.3	59.9	60.4	74.4	75.3	83.0
Stamp duty on vehicle registration	84.2	116.5	126.0	141.0	151.1	173.9
Road transport taxes	15.6	15.9	14.5	13.8	14.7	16.3
Road maintenance contributions	44.4	44.7	44.5	45.3	6.4	0.6
Motor car third party insurance surcharge and duties	12.5	12.9	13.4	13.7	18.7	23.1
<i>Total motor vehicles</i>	<i>545.2</i>	<i>646.8</i>	<i>720.1</i>	<i>787.7</i>	<i>764.0</i>	<i>841.6</i>
Pay-roll tax	1,161.2	1,305.9	1,418.5	1,526.4	1,695.0	1,922.9
Fire brigades contributions from insurance companies, etc.	85.3	99.0	113.0	120.8	137.8	157.1
Stamp duties, n.e.i.	550.8	666.7	702.6	800.2	993.4	1,241.7
Fees from regulatory services, n.e.i.	38.5	44.9	49.0	55.4	61.8	71.6
Other taxes, fees, fines, etc.	209.8	208.6	227.6	259.5	390.1	473.2
Total taxation	3,469.8	3,973.9	4,300.7	4,667.6	5,264.7	6,046.4

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

STATE AUTHORITIES: TAXATION BY TYPE OF TAX, 1980-81
(\$ million)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Total
Estate, gift, probate and succession duties	92.8	52.4	1.9	2.6	5.4	3.0	—	158.1
Property taxes—								
Land tax	135.8	120.8	18.8	17.3	25.7	6.1	—	324.5
Metropolitan improvement rates	—	15.2	—	—	4.5	—	—	19.7
Other	0.3	—	—	0.5	0.2	—	—	1.0
<i>Total property</i>	<i>136.1</i>	<i>136.0</i>	<i>18.8</i>	<i>17.8</i>	<i>30.4</i>	<i>6.1</i>	<i>—</i>	<i>345.3</i>
Liquor taxes	80.7	49.4	33.2	13.9	18.0	5.3	2.0	202.5
Taxes on gambling—								
Lotteries	83.6	103.1	11.1	17.0	9.2	5.0	0.5	229.4
Poker machines	139.0	—	—	—	—	—	—	139.0
Racing	104.8	78.0	28.2	12.3	17.7	4.1	0.4	245.5
Other	5.4	3.4	5.0	0.3	—	3.3	1.2	18.6
<i>Total gambling</i>	<i>332.7</i>	<i>184.5</i>	<i>44.3</i>	<i>29.5</i>	<i>27.0</i>	<i>12.4</i>	<i>2.1</i>	<i>632.4</i>
Taxes on ownership and operation of motor vehicles—								
Vehicle registration fees and taxes	221.6	128.5	82.6	40.3	48.0	20.8	3.1	544.8
Drivers', etc., licences and fees	30.7	27.7	12.6	4.1	5.4	2.1	0.3	83.0
Stamp duty on vehicle registration	61.9	64.6	15.8	19.1	7.1	5.4	—	173.9
Road transport taxes	1.7	8.4	2.4	0.1	3.0	0.8	—	16.3
Road maintenance contributions	—	—	0.2	0.1	—	0.3	—	0.6
Motor car third party insurance surcharge and duties	—	16.9	—	2.0	3.7	0.5	—	23.1
<i>Total motor vehicles</i>	<i>315.9</i>	<i>246.2</i>	<i>113.5</i>	<i>65.7</i>	<i>67.2</i>	<i>29.7</i>	<i>3.4</i>	<i>841.6</i>
Pay-roll tax	786.6	522.1	237.8	148.3	161.6	49.1	17.4	1,922.9
Fire brigades contributions from insurance companies, etc.	50.3	50.7	28.8	12.8	14.5	—	—	157.1
Stamp duties, n.e.i.	508.8	335.8	200.6	77.7	93.4	21.0	4.3	1,241.7
Fees from regulatory services, n.e.i.	26.9	16.5	15.1	4.6	5.7	1.1	1.7	71.6
Other taxes, fees, fines, etc.	117.9	196.0	32.0	60.9	58.2	7.0	1.2	473.2
Total taxation	2,448.8	1,789.6	726.1	433.9	481.3	134.9	31.9	6,046.4

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 1979

<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	12,406	3,193	1,094	(c) 296,089
Other	157	693,254	1,877	617	(c) 179,348
<i>Total New South Wales</i>	<i>202</i>	<i>705,660</i>	<i>5,070</i>	<i>1,711</i>	<i>(c) 475,437</i>
Victoria—					
Melbourne Statistical Division	56	6,110	2,740	929	(d) 261,475
Other	155	221,490	1,112	377	(d) 100,933
<i>Total Victoria</i>	<i>211</i>	<i>227,600</i>	<i>3,852</i>	<i>1,306</i>	<i>(d) 362,408</i>
Queensland—					
Brisbane Statistical Division	9	3,080	1,015	338	76,798
Other	124	1,723,920	1,183	378	93,256
<i>Total Queensland</i>	<i>133</i>	<i>1,727,000</i>	<i>2,198</i>	<i>716</i>	<i>170,054</i>
South Australia—					
Adelaide Statistical Division	34	1,842	933	333	70,049
Other	96	149,681	349	126	25,228
<i>Total South Australia</i>	<i>130</i>	<i>151,523</i>	<i>1,282</i>	<i>459</i>	<i>95,277</i>
Western Australia—					
Perth Statistical Division	26	5,364	884	306	61,804
Other	112	2,522,675	358	114	27,961
<i>Total Western Australia</i>	<i>138</i>	<i>2,528,039</i>	<i>1,242</i>	<i>420</i>	<i>89,765</i>
Tasmania—					
Hobart Statistical Division	7	940	168	58	14,811
Other	42	67,394	249	88	19,906
<i>Total Tasmania</i>	<i>49</i>	<i>68,334</i>	<i>417</i>	<i>146</i>	<i>34,717</i>

(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 1975-76 to 1980-81, and of local authorities in each of the six States and the Northern Territory in 1980-81. Figures shown for 1980-81 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)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
OUTLAY						
Final consumption expenditure—						
General public services	194.5	228.4	269.6	302.5	357.4	418.1
Education	7.4	8.5	8.5	9.5	10.3	11.7
Health	40.0	41.6	45.5	52.8	50.1	59.4
Social security and welfare	14.0	17.8	26.4	34.4	37.3	46.0
Housing and community amenities—						
Community and regional development	11.4	13.5	12.6	16.4	25.4	29.1
Protection of the environment	56.1	65.1	70.5	82.5	113.2	121.6
Other	10.1	10.6	12.9	15.3	26.3	30.7
Recreation and culture	159.4	167.4	192.0	215.6	237.2	278.7
Economic services	53.1	63.2	75.4	87.7	105.4	115.9
Other purposes	3.3	4.4	10.7	11.5	8.0	10.3
Total	549.3	620.2	724.3	828.1	970.9	1,121.5
Gross capital formation—						
Expenditure on new fixed assets—						
General public services	98.9	102.7	118.0	131.0	154.0	161.8
Education	3.2	4.2	2.8	2.8	2.3	1.4
Health	2.4	2.4	1.8	3.0	3.4	3.3
Social security and welfare	5.8	6.5	7.9	10.7	12.3	17.0
Housing and community amenities—						
Community and regional development	3.4	4.4	9.4	11.8	4.3	3.0
Protection of the environment	121.8	126.7	135.0	134.4	165.7	166.9
Other	8.6	9.1	10.4	7.9	14.2	16.4
Recreation and culture	85.9	75.5	103.6	139.6	147.5	146.9
Economic services—						
Mining, manufacturing and construction	10.8	8.6	9.1	9.6	5.5	9.6
Electricity and gas	112.7	131.4	121.7	122.0	144.7	155.5
Water supply	61.0	60.9	75.3	85.0	92.8	115.9
Road systems and regulation	599.6	607.0	650.7	708.3	707.0	763.2
Other transport services, n.e.c.	1.8	6.4	6.3	2.8	3.7	2.5
Other economic services (b)	5.4	6.5	7.1	7.9	15.8	20.3
Other purposes	1.6	2.3	7.9	2.7	12.4	14.7
Total	1,122.9	1,154.5	1,267.0	1,379.5	1,485.6	1,598.5
Expenditure on existing assets and stocks (net)	36.5	23.5	27.9	2.0	-3.2	14.2
Interest paid	177.5	215.4	252.9	289.7	310.9	342.3
Grants to State authorities	32.4	32.1	36.0	35.5	43.2	49.9
Net advances to the private sector	5.7	6.1	4.5	12.8	8.1	5.7
Total outlay	1,924.1	2,051.7	2,312.7	2,547.6	2,815.5	3,132.1
of which—						
current outlay	750.1	857.8	1,001.5	1,144.1	1,311.3	1,502.1
capital outlay	1,174.1	1,193.9	1,311.2	1,403.5	1,504.1	1,630.0

RECEIPTS AND FINANCING ITEMS

Receipts—						
Taxes, fees, fines, etc.—						
Rates on land	879.7	1,023.9	1,120.9	1,214.8	1,339.2	1,494.9
Licences, etc.	35.7	48.5	43.3	49.0	60.9	71.2
Total	915.4	1,072.4	1,164.2	1,263.8	1,400.0	1,566.1
Income from public enterprises	138.3	181.6	188.9	186.0	193.1	176.3
Property income	42.0	55.9	82.2	93.8	106.2	136.8
Grants from State and Commonwealth authorities	453.7	427.6	493.2	530.4	605.4	707.8
Total receipts	1,549.5	1,737.3	1,928.5	2,074.2	2,304.6	2,587.0
Financing items—						
Net borrowing	287.3	332.0	309.4	333.3	328.8	374.9
Advances from State and Commonwealth authorities	18.6	16.0	9.3	12.8	10.4	10.4
Net receipts of private trust funds	2.3	3.3	3.3	1.7	13.7	-25.7
Reduction in cash and bank balances	-40.9	-148.8	-48.5	8.2	8.8	-63.4
Reduction in security holdings—						
Investments of governmental funds and trading enterprises	-9.1	-12.6	-69.4	-57.9	-59.7	-19.4
Other funds available (including errors and omissions)—						
Depreciation allowances	46.7	52.8	58.5	73.3	74.3	88.0
Other	69.7	71.6	121.7	102.1	134.6	180.5
Total financing items	374.6	314.4	384.2	473.4	510.8	545.2
Total funds available	1,924.1	2,051.7	2,312.7	2,547.6	2,815.5	3,132.1

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

(b) Includes general administration, regulation and research.

LOCAL AUTHORITIES: OUTLAY AND RECEIPTS, 1980-81

(\$ million)

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Total
OUTLAY								
Final consumption expenditure—								
General public services	173.1	104.7	70.2	25.7	28.1	13.8	2.4	418.1
Education	0.8	10.8	—	—	0.1	—	—	11.7
Health	20.4	22.6	8.7	2.2	4.6	0.9	—	59.4
Social security and welfare	9.5	31.6	—	2.1	2.2	0.5	0.1	46.0
Housing and community amenities—								
Community and regional development	14.6	5.9	3.6	3.0	1.9	0.1	—	29.1
Protection of the environment	51.4	42.1	6.0	14.1	4.5	3.0	0.3	121.6
Other	16.7	4.1	5.4	1.5	2.4	0.3	0.2	30.7
Recreation and culture	96.9	83.7	35.8	21.5	31.4	6.4	3.1	278.7
Economic services	19.4	66.2	17.6	7.4	5.0	-1.2	1.4	115.9
Other purposes	0.1	0.9	—	2.8	4.2	0.7	1.5	10.3
Total	402.9	372.7	147.3	80.4	84.5	24.6	9.2	1,121.5
Gross capital formation—								
Expenditure on new fixed assets—								
General public services	50.8	75.2	23.1	6.2	5.2	1.2	0.1	161.8
Education	0.1	1.2	—	—	0.1	—	—	1.4
Health	1.6	1.0	0.1	0.2	0.4	—	0.1	3.3
Social security and welfare	5.2	8.8	0.5	0.5	1.2	0.3	0.3	17.0
Housing and community amenities—								
Community and regional development	0.5	0.6	0.6	0.3	1.0	—	—	3.0
Protection of the environment	66.5	11.0	68.6	8.8	5.2	6.9	—	166.9
Other	9.5	1.6	1.3	0.8	2.9	0.3	—	16.4
Recreation and culture	44.7	53.9	9.0	9.4	23.4	4.4	2.0	146.9
Economic services—								
Mining, manufacturing and construction	7.6	2.0	—	0.1	—	—	—	9.6
Electricity and gas	147.2	7.6	—	—	0.7	—	—	155.5
Water supply	56.6	—	55.7	—	—	3.6	—	115.9
Road systems and regulation	301.9	165.4	129.3	54.9	80.2	27.9	3.5	763.2
Other transport services, n.e.c.	0.7	0.6	1.0	0.2	—	—	—	2.5
Other economic services(a)	9.2	8.4	—	1.2	1.4	0.1	0.1	20.3
Other purposes	—	—	—	8.5	2.8	2.8	0.6	14.7
Total	702.1	337.4	289.2	91.1	124.4	47.6	6.8	1,598.5
Expenditure on existing assets and stocks (net)	12.8	16.2	-7.0	0.9	-8.8	-0.3	0.3	14.2
Interest paid	144.3	63.2	84.8	14.9	19.8	14.4	0.9	342.3
Grants to State authorities	16.5	12.4	7.0	4.1	2.5	7.5	—	49.9
Net advances to the private sector	5.7	0.2	—	—	—	-0.3	—	5.7
Total outlay	1,284.3	802.0	521.2	191.5	222.3	93.5	17.2	3,132.1
<i>of which—</i>								
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	537.8	449.7	225.4	119.2	112.4	43.9	6.4	1,494.9
Licences, etc.	24.1	23.9	11.4	5.8	3.9	1.9	0.2	71.2
Total	561.9	473.6	236.8	125.0	116.3	45.9	6.5	1,566.1
Income from public enterprises	47.9	22.9	92.9	0.4	-0.2	12.3	—	176.3
Property income	71.3	20.0	22.6	6.8	10.8	4.5	0.8	136.8
Grants from State and Commonwealth authorities	232.8	189.4	139.5	45.1	69.7	23.2	8.2	707.8
Total receipts	913.9	705.9	491.8	177.3	196.6	85.9	15.5	2,587.0
Financing items—								
Net borrowing	155.5	50.0	122.5	15.5	23.4	8.0	—	374.9
Advances from State and Commonwealth authorities	4.4	0.6	4.3	-0.1	-1.7	2.9	—	10.4
Net receipts of private trust funds	-14.5	—	-11.3	—	—	—	—	-25.7
Reduction in cash and bank balances	14.6	33.1	-88.7	-3.6	-9.3	-7.4	-2.1	-63.4
Reduction in security holdings—								
Investments of governmental funds and trading enterprises	-9.4	-17.0	—	—	—	7.0	—	-19.4
Other funds available (including errors and omissions)—								
Depreciation allowances	88.0	—	—	—	—	—	—	88.0
Other	131.8	29.5	2.6	2.4	13.3	-2.9	3.8	180.5
Total financing items	370.4	96.1	29.4	14.2	25.7	7.6	1.7	545.2
Total funds available	1,284.3	802.0	521.2	191.5	222.3	93.5	17.2	3,132.1

(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 1975-76 to 1980-81 are set out in the following table.

ALL PUBLIC AUTHORITIES(a): OUTLAY AND RECEIPTS
(\$ million)

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
OUTLAY						
Final consumption expenditure	11,524.5	13,496.4	15,260.8	16,797.3	18,935.1	22,168.2
Gross capital formation—						
Increase in stocks	-35.7	18.9	-47.5	-162.1	8.1	204.4
Expenditure on new fixed assets	6,607.0	7,011.1	7,806.8	8,083.0	8,726.3	9,829.9
Expenditure on existing assets (net)	215.6	174.0	106.6	-7.7	-39.7	-244.6
<i>Total gross capital formation</i>	<i>6,786.9</i>	<i>7,166.2</i>	<i>7,865.9</i>	<i>7,913.3</i>	<i>8,694.8</i>	<i>9,789.7</i>
Transfer payments—						
Interest	1,511.1	2,084.4	2,520.6	3,055.1	3,488.9	4,099.7
Transfers to persons	6,417.1	7,758.8	8,700.8	9,550.4	10,388.0	11,733.8
Subsidies	317.8	346.3	469.9	614.3	788.1	1,031.8
Transfers overseas	370.1	387.8	417.3	474.9	520.1	574.8
Grants for private capital purposes	236.3	151.9	194.4	204.9	235.7	203.4
<i>Total transfer payments</i>	<i>8,852.3</i>	<i>10,737.1</i>	<i>12,303.1</i>	<i>13,899.6</i>	<i>15,420.8</i>	<i>17,643.5</i>
Net advances—						
To the private sector	296.3	255.3	281.6	137.8	93.2	91.6
To public financial enterprises	63.6	90.8	98.5	80.8	-7.9	84.3
To overseas	79.0	42.7	0.3	18.4	79.1	70.8
<i>Total net advances</i>	<i>438.9</i>	<i>388.8</i>	<i>380.4</i>	<i>237.0</i>	<i>164.5</i>	<i>246.8</i>
Total outlay	27,602.7	31,788.6	35,810.2	38,847.2	43,215.0	49,848.1
<i>of which—</i>						
current outlay	20,140.5	24,073.7	27,369.3	30,492.1	34,120.3	39,608.2
capital outlay	-7,462.2	7,714.9	8,440.9	8,355.0	9,094.8	10,239.8
RECEIPTS AND FINANCING ITEMS						
Receipts—						
Taxes, fees, fines, etc.	21,322.7	24,852.1	26,965.8	29,465.2	34,217.1	40,388.3
Income from public enterprises	899.3	1,186.6	1,386.3	1,666.5	1,825.2	1,879.8
Interest, etc., received	622.4	826.9	1,003.1	1,043.7	1,324.1	1,586.8
<i>Total receipts</i>	<i>22,844.5</i>	<i>26,865.5</i>	<i>29,355.3</i>	<i>32,175.5</i>	<i>37,366.4</i>	<i>43,854.8</i>
Financing items—						
Net borrowing—						
Treasury notes	-769.6	363.2	193.5	1,546.8	705.3	1,312.2
Commonwealth Government securities	3,165.5	2,097.5	2,979.2	2,469.6	893.4	-187.4
Local authority and public corporation securities	869.6	1,445.4	1,531.4	1,712.1	2,216.6	2,398.1
Other general Government securities	113.0	126.4	120.9	207.3	273.9	338.5
<i>Total net borrowing</i>	<i>3,378.5</i>	<i>4,032.4</i>	<i>4,824.9</i>	<i>5,935.8</i>	<i>4,089.1</i>	<i>3,861.4</i>
Funds provided for, or received from I.M.F.	—	—	—	27.9	60.6	-106.7
Net receipts of private trust funds	251.6	308.3	385.1	398.5	439.3	555.8
Reduction in cash and bank balances	-518.9	-854.2	133.9	-710.6	394.1	-582.1
Reduction in security holdings	565.4	33.2	-518.4	-570.9	-850.2	126.3
Other funds available (including errors and omissions)—						
Depreciation allowances	762.7	851.5	965.0	1,093.3	1,168.6	1,319.8
Other	319.1	552.0	664.3	497.3	546.9	818.7
<i>Total financing items</i>	<i>4,758.2</i>	<i>4,923.1</i>	<i>6,454.9</i>	<i>6,671.4</i>	<i>5,848.4</i>	<i>5,993.2</i>
Total funds available	27,602.7	31,788.6	35,810.2	38,847.2	43,215.0	49,848.1

(a) Excludes financial enterprises.

ALL PUBLIC AUTHORITIES, 1980-81

RECEIPTS AND FINANCING ITEMS

INCOME TAX

Individual—\$17,543m

Companies—\$4,800m

Excise Duties—\$5,834m

Sales Tax—\$2,102m

Property Tax—\$1,852m

Customs Duties—\$1,884m

Other taxes—\$6,373m

Income from Public Enterprises—\$1,880m

Financing Items—\$5,993m

Other (Net)—\$1,587m

TOTAL \$49,848 million

OUTLAY

Final Consumption Expenditure—\$22,168m

Expenditure on new Fixed Assets—\$9,830m

Transfers to Persons—\$11,734m

Interest—\$4,101m

Subsidies—\$1,031m

Transfers Overseas—\$575m

Other—\$409m

TOTAL \$49,848 million

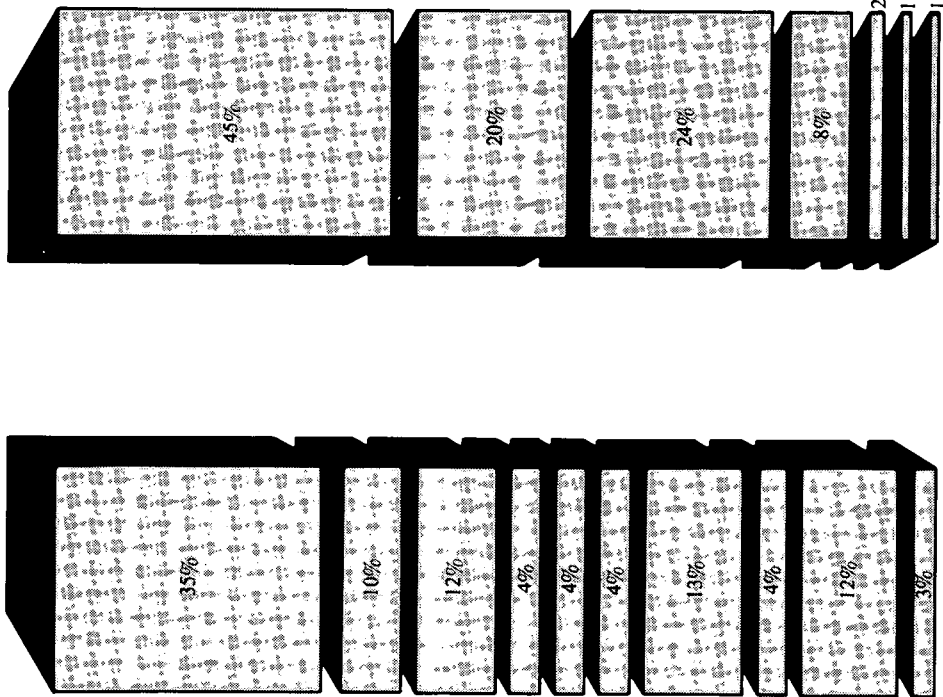


PLATE 44

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 1975-76 to 1980-81.

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

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
General public services—						
General administration, n.e.c.	1,264.3	1,457.7	1,690.1	1,819.8	2,071.9	2,417.4
External affairs	91.7	98.2	105.8	116.4	135.6	156.5
Law, order and public safety	761.8	887.8	1,029.7	1,155.9	1,359.9	1,601.6
General research	130.5	152.0	170.1	182.6	209.6	251.4
Defence	1,679.9	1,998.6	2,184.5	2,401.3	2,786.4	3,290.8
Education	3,425.1	4,115.1	4,653.1	5,063.1	5,669.8	6,561.6
Health	2,291.9	2,717.5	3,034.9	3,317.2	3,658.9	4,266.6
Social security and welfare	316.4	353.7	422.1	498.3	573.5	708.4
Housing and community amenities—						
Housing	14.4	6.7	3.6	7.1	14.4	15.5
Community and regional development	82.9	85.8	86.5	93.1	92.0	101.3
Protection of the environment	80.7	90.8	98.2	115.5	153.2	167.5
Community amenities	9.2	10.1	11.7	13.4	18.8	20.9
Recreation and culture	441.3	477.2	540.8	610.8	683.6	813.5
Economic services—						
Agriculture, forestry, fishing	386.4	427.2	479.0	521.8	592.3	676.5
Mining, manufacturing and construction	69.7	78.6	93.7	101.2	116.4	134.5
Electricity, gas and water supply	7.6	6.1	8.4	9.8	10.2	14.8
Transport and communication	141.8	152.9	157.6	180.6	191.7	245.4
Other economic services(b)	319.0	374.3	478.5	575.8	586.9	710.0
Other purposes	9.5	6.0	12.7	13.5	10.2	13.8
Total	11,524.5	13,496.4	15,260.8	16,797.3	18,935.1	22,168.1

(a) Excludes financial enterprises.

(b) Includes general administration, regulation and research.

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

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
General public services—						
General administration	243.2	250.2	278.4	285.0	315.2	350.5
External affairs	20.3	25.5	24.4	12.1	9.1	14.4
Law, order and public safety	74.9	85.2	108.8	124.6	150.5	150.5
General research	32.1	23.6	18.0	29.6	49.3	61.1
Education	694.7	640.6	717.0	731.2	659.0	647.9
Health	387.0	394.7	378.1	371.7	320.6	284.2
Social security and welfare	27.4	27.2	25.3	29.7	28.8	33.3
Housing and community amenities—						
Housing	351.4	328.5	337.8	274.6	279.0	354.8
Community and regional development	95.8	95.1	91.8	61.8	61.7	82.1
Protection of the environment	483.9	501.5	503.9	487.6	522.4	540.4
Community amenities	3.6	3.4	4.2	3.3	5.3	5.6
Recreation and culture	143.4	138.8	180.3	237.3	257.3	293.1
Economic services—						
Agriculture, forestry and fishing	184.0	212.9	235.3	222.9	232.2	267.7
Mining, manufacturing and construction	86.1	77.2	83.7	86.3	167.1	139.1
Electricity and gas	671.9	803.7	985.1	1,230.7	1,532.3	1,952.0
Water supply	309.2	347.4	376.6	368.8	360.7	390.1
Rail transport (b)	322.6	348.3	426.2	486.1	505.8	550.1
Sea transport	133.0	233.0	255.9	186.3	171.1	272.3
Road systems and regulation	1,323.4	1,411.3	1,536.7	1,653.4	1,761.3	1,919.3
Air transport	87.5	52.9	162.1	150.9	180.7	174.0
Pipelines	57.4	22.2	8.6	11.9	8.2	20.5
Other transport services, n.e.c.	34.1	34.4	46.2	48.0	52.8	52.4
Communications	756.6	855.4	913.6	905.0	976.9	1,149.6
Other economic services (c)	76.8	95.4	99.9	79.7	106.6	109.6
Other purposes	6.8	2.8	8.7	4.0	12.4	15.1
Total	6,607.1	7,011.1	7,806.7	8,082.9	8,726.3	9,829.9

(a) Excludes financial enterprises. (b) Includes suburban rail transport system. (c) Includes general administration, regulation and research.

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 1975-76 to 1980-81 was as follows.

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

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Income tax—						
Individuals	9,213	11,047	12,122	12,797	15,040	17,543
Companies (a)	2,600	2,899	3,190	3,116	3,501	4,800
Estate, gift, probate and succession duties	314	339	344	289	220	175
Customs duties	1,044	1,273	1,232	1,457	1,629	1,884
Excise duties	2,331	2,485	2,734	3,845	4,965	5,834
Sales tax	1,408	1,650	1,758	1,770	1,865	2,102
Primary production taxes	116	189	179	283	278	353
Payroll tax	1,179	1,325	1,438	1,540	1,707	1,937
Property taxes	1,113	1,285	1,392	1,507	1,667	1,859
Liquor taxes	98	123	143	158	177	206
Taxes on gambling	340	395	435	481	567	634
Taxes on ownership and operation of motor vehicles	551	653	729	796	772	849
Stamp duties, n.e.i.	555	672	708	806	1,000	1,250
Other taxes, fees, fines, etc.	462	518	563	622	829	963
Total	21,323	24,852	26,966	29,465	34,217	40,388

(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 1980-81 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, 1980-81
(\$ 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.	1,190.1	1,026.2	579.9	2,796.2
External affairs	170.9	—	—	170.9
Law, order and public safety	214.6	1,509.1	—	1,723.7
General research	312.5	—	—	312.5
Defence	3,290.8	—	—	3,290.8
Education	315.8	6,880.5	13.1	7,209.4
Health	638.6	3,849.3	62.7	4,550.6
Social security and welfare	384.0	294.7	63.0	741.7
Housing and community amenities—				
Housing	-5.5	351.6	24.2	370.3
Community and regional development	39.7	111.6	32.1	183.4
Protection of the environment	11.4	408.0	288.5	707.9
Community amenities	1.2	2.4	22.9	26.5
Recreation and culture	392.5	288.5	425.6	1,106.6
Economic services—				
Agriculture, forestry and fishing	184.5	753.5	5.6	943.6
Mining, manufacturing and construction	44.5	203.6	25.4	273.5
Electricity, gas and water supply	13.0	2,072.2	271.4	2,356.6
Transport and communication	1,556.4	1,997.4	829.8	4,383.6
Other economic services	466.9	303.0	50.7	820.6
Other purposes	—	4.4	25.0	29.4
Total expenditure on goods and services	9,222.0	20,056.0	2,720.0	31,998.0
<i>of which—</i>				
Final consumption expenditure	7,478.1	13,568.5	1,121.5	22,168.1
Expenditure on new fixed assets	1,743.9	6,487.5	1,598.5	9,829.9
Increase in stocks	66.8	120.2	17.4	204.4
Expenditure on existing assets (net)	-254.0	12.6	-3.2	-244.6
Transfer payments—				
Interest	2,734.1	2,597.0	342.3	4,100.5
Transfers to persons	11,437.2	296.6	—	11,733.8
Subsidies	886.8	144.1	—	1,030.9
Transfers overseas	574.6	0.2	—	574.8
Grants for private capital purposes	140.9	62.5	—	203.4
Grants to the States— — for current purposes	9,903.8	—	38.3	(b)
— for capital purposes	387.8	—	—	(b)
Grants to the Northern Territory — for current purposes	1,588.6	—	11.6	(b)
— for capital purposes	80.0	—	—	(b)
Grants to local authorities	22.0	684.4	—	(b)
Total transfer payments	27,755.8	3,784.8	392.2	17,643.4
Net advances to—				
The private sector	-4.0	89.9	5.7	91.6
Public financial enterprises	-14.2	98.5	—	84.3
The States	852.8	—	—	(b)
The Northern Territory	83.1	—	—	(b)
Local authorities	—	14.4	—	(b)
Overseas	70.8	—	—	70.8
Total net advances	988.6	202.8	5.7	246.8
Total outlay	37,779.3	24,176.4	3,132.1	49,848.1
<i>of which—</i>				
current outlay	33,417.6	17,015.4	1,502.1	39,608.2
capital outlay	4,361.7	7,161.0	1,630.0	10,239.8

(a) Excludes financial enterprises. (b) In consolidated figures for all public authorities, inter-authority grants and advances are not shown.

ALL PUBLIC AUTHORITIES(a): OUTLAY AND RECEIPTS
BY LEVEL OF GOVERNMENT, 1980-81—continued
(\$ million)

	Commonwealth authorities	State authorities	Local authorities	All public authorities
RECEIPTS AND FINANCING ITEMS				
Receipts—				
Taxes, fees, fines, etc.—				
Income tax—				
Individuals	17,543.2	-	-	17,543.2
Companies(b)	4,799.9	-	-	4,799.9
Estate, gift, probate and succession duties	17.0	158.1	-	175.1
Customs duties	1,884.4	-	-	1,884.4
Excise duties	5,834.0	-	-	5,834.0
Sales tax	2,102.3	-	-	2,102.3
Payroll tax	10.7	1,922.9	-	1,933.6
Primary production taxes and charges	352.8	-	-	352.8
Property taxes	19.2	345.3	1,487.5	1,852.0
Liquor taxes	3.0	202.5	-	205.5
Taxes on gambling	-	632.4	-	632.4
Taxes on ownership and operation of motor vehicles	7.8	841.5	0.1	849.4
Stamp duties, n.e.i.	8.4	1,241.7	-	1,250.1
Departure Tax	18.7	-	-	18.7
Fees from regulatory services	53.1	71.6	-	124.7
Other taxes, fees, fines, etc.	120.4	631.2	78.5	830.1
<i>Total taxes, etc.</i>	<i>32,774.9</i>	<i>6,047.2</i>	<i>1,566.1</i>	<i>40,388.2</i>
Income from public enterprises	1,014.4	689.1	176.3	1,879.8
Property Income—				
Interest received—				
From the States and the Northern Territory	1,569.0	-	-	(c)
Other	196.7	657.5	136.8	987.2
Land rent, royalties, dividends	72.2	527.4	-	599.6
Grants from the Commonwealth Government—				
For current purposes	-	10,291.6	-	(c)
For capital purposes	-	1,668.6	-	(c)
Direct grants from Commonwealth Government to local authorities				
Grants from State authorities	-	-	22.0	(c)
Grants from local authorities	-	49.9	-	(c)
Total receipts	35,627.2	19,931.3	2,585.6	43,854.8
Financing items—				
Net borrowing—				
Treasury bills and notes	1,312.2	-	-	1,312.2
Commonwealth Government securities	-187.4	-	-	-187.4
Local authorities and public corporation securities	196.0	1,827.2	374.9	2,398.1
Other general government securities	-	338.5	-	338.5
<i>Total net borrowing</i>	<i>1,320.8</i>	<i>2,165.7</i>	<i>374.9</i>	<i>3,861.4</i>
Advances from the Commonwealth Government—				
For loan works purposes	-	741.7	-	(c)
Other	-	194.2	-	(c)
Advances from State authorities				
Funds provided for or received from I.M.F.	-106.7	-	14.4	(c)
Net receipts of private trust funds	292.8	288.8	-25.7	555.9
Reduction in cash and bank balances	-432.7	-86.0	-63.4	-582.1
Reduction in security holdings	206.3	-60.6	-19.4	126.3
Other funds available (including errors and omissions)—				
Depreciation allowances	679.4	552.4	88.0	1,319.8
Other	192.2	448.9	177.9	819.0
Total financing items	2,152.1	4,245.1	546.5	5,993.4
Total funds available	37,779.3	24,176.4	3,132.1	49,848.1

(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 1976-77 to 1981-82, are given in the following group of tables.

NET MOVEMENT IN GOVERNMENT SECURITIES ON ISSUE

(\$ million)

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
NEW SECURITIES ISSUED						
Securities repayable in Australian currency—						
Treasury bonds	1,581.0	965.7	1,018.5	1,485.7	2,774.7	3,385.8
Australian savings bonds	736.3	719.6	531.2	806.1	2,024.0	1,312.9
Special bonds	—	—	—	—	—	—
Income equalization deposits	—	—	33.1	73.5	72.0	57.6
Drought bonds	0.2	—	—	—	—	—
Advance loan subscriptions	(a)-21.7	(a)0.4	(a)-4.6	—	—	—
Overdue securities	—	—	—	—	—	—
Tax-free stock	—	—	—	—	—	—
Debentures	—	—	—	—	—	—
Stock issued to Government savings banks under special agreements(b)	35.4	57.9	35.8	36.5	54.6	53.3
Treasury notes	4,105.7	1,766.7	4,245.1	7,870.4	12,058.1	12,594.5
Treasury bills—						
Internal	(a)323.8	(a)365.2	(a)-187.7	141.8	2,234.2	1,718.0
Public	(a)450.0	(a)200.0	(a)500.0	500.0	14,706.0	14,200.0
Total	7,210.8	4,075.5	6,171.3	10,913.9	33,923.6	33,322.1
Securities repayable in overseas currencies(c)	424.2	1,738.3	1,453.8	482.1	178.2	831.3
Total new securities issued	7,634.9	5,813.9	7,625.1	11,396.0	34,101.8	34,153.4

REDEMPTIONS, REPURCHASES, CANCELLATIONS(d)

Securities repayable in Australian currency—						
Treasury bonds	243.0	114.6	222.6	1,035.6	2,587.1	2,317.0
Australian savings bonds	176.7	174.8	164.4	586.2	2,093.4	1,913.9
Special bonds	180.3	133.3	72.7	44.6	251.4	122.8
Income equalization deposits	—	—	20.4	16.4	45.1	55.2
Drought bonds	2.8	0.6	0.2	0.2	0.1	0.1
Advance loan subscriptions	—	—	—	—	—	—
Overdue securities	-2.2	0.8	1.8	0.6	-1.5	-3.3
Tax-free stock	—	0.1	0.3	—	—	0.9
Debentures	3.5	3.7	3.8	4.0	4.2	4.4
Stock issued to Government savings banks under special agreements(b)	7.2	6.6	9.6	6.3	6.4	5.6
Treasury notes	4,192.5	1,773.3	3,198.3	7,665.2	10,145.9	12,441.9
Treasury bills—						
Internal	—	—	—	—	2,888.3	1,509.7
Public	—	—	—	—	15,306.0	14,700.0
Total	4,803.8	2,207.8	3,694.2	9,359.1	33,326.4	33,068.1
Securities repayable in overseas currencies(c)	-121.1	-26.3	-165.7	340.4	922.5	131.3
Total redemptions, etc.	4,682.8	2,181.4	3,528.5	9,699.5	34,248.9	33,199.4

NET MOVEMENT

Securities repayable in Australian currency—						
Treasury bonds	1,338.1	851.1	795.9	450.1	187.6	1,068.8
Australian savings bonds	559.6	544.8	366.8	219.9	-69.4	-601.0
Special bonds	-180.3	-133.3	-72.7	-44.6	-251.4	-122.8
Income equalization deposit	—	—	12.7	57.1	26.9	2.4
Drought bonds	-2.6	-0.6	-0.2	-0.2	-0.1	-0.1
Advance loan subscriptions	-21.7	0.4	-4.6	—	—	—
Overdue securities	2.2	-0.8	-1.8	-0.6	1.5	3.3
Tax-free stock	—	-0.1	-0.3	—	—	-0.9
Debentures	-3.5	-3.7	-3.8	-4.0	-4.2	-4.4
Stock issued to Government savings banks under special agreements(b)	28.2	51.3	26.2	30.2	48.2	47.7
Treasury notes	-86.8	-6.5	1,046.8	205.2	1,912.2	152.6
Treasury bills—						
Internal	323.8	365.2	-187.7	141.8	-654.1	208.3
Public	450.0	200.0	500.0	500.0	-600.0	-500.0
Total	2,406.9	1,867.8	2,477.2	1,554.8	597.2	254.0
Securities repayable in overseas currencies(c)	545.2	1,764.7	1,619.5	141.7	-744.3	700.0
Net movement in securities on issue	2,952.1	3,632.4	4,096.7	1,696.5	-147.1	954.0

(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—					
	1977	1978	1979	1980	1981	1982
For Commonwealth Government purposes—						
Repayable in Australian currency—						
Treasury bonds	4,494.7	4,949.3	5,269.8	5,523.6	5,037.4	5,570.0
Australian savings bonds	1,637.3	1,669.3	1,700.5	1,496.0	1,215.7	381.2
Special bonds	145.5	110.3	93.8	75.9	30.4	11.1
Income equalization deposit	—	—	79.4	136.4	163.3	165.7
Drought bonds	1.3	0.8	0.5	0.4	0.3	0.2
Advance loan subscriptions	4.2	4.6	—	—	—	—
Overdue securities	4.6	5.3	3.5	3.0	4.4	7.8
Treasury notes	369.6	363.1	1,409.9	1,615.2	3,527.4	3,680.0
Treasury bills—						
Internal	1,491.0	1,856.2	1,668.5	1,810.3	1,156.2	1,364.5
Public	1,300.0	1,500.0	2,000.0	2,500.0	1,900.0	1,400.1
<i>Total</i>	<i>9,448.4</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>
Repayable in overseas currencies(a)	1,743.4	3,533.1	5,178.9	5,326.4	4,618.7	5,335.7
<i>Total Commonwealth Government</i>	<i>11,191.8</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>
On account of States—						
Repayable in Australian currency—						
Treasury bonds	10,788.7	11,185.3	11,660.6	11,856.8	12,530.7	13,067.0
Australian savings bonds	111.5	624.3	959.8	1,384.2	1,595.2	1,828.7
Special bonds	583.0	484.9	428.7	402.0	196.0	92.5
Tax-free stock	15.1	15.0	14.8	14.7	14.7	13.9
Stock issued to Government savings banks under special agreements	448.0	499.3	525.5	555.7	603.9	651.6
Debentures	23.4	19.8	15.9	11.9	7.7	3.3
Overdue securities	1.6	0.1	0.1	—	—	—
<i>Total</i>	<i>11,971.4</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>
Repayable in overseas currencies(a)	127.2	102.2	75.9	70.0	33.3	16.3
<i>Total States</i>	<i>12,098.5</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>of which—</i>						
New South Wales	3,959.1	4,222.6	4,466.3	4,666.8	4,885.4	5,108.1
Victoria	3,031.8	3,244.3	3,427.6	3,584.9	3,758.1	3,932.4
Queensland	1,644.0	1,753.9	1,856.0	1,931.8	2,022.4	2,113.0
South Australia	1,491.9	1,602.7	1,701.5	1,781.1	1,871.1	1,961.9
Western Australia	1,160.8	1,237.3	1,307.3	1,360.7	1,423.8	1,486.3
Tasmania	811.0	870.0	922.6	969.9	1,020.8	1,071.6
<i>Total Commonwealth Government and States</i>	<i>23,290.3</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>

(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 1975-76 to 1980-81. 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**)

	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia</i>	<i>Tasmania</i>	<i>Total</i>
STATE AUTHORITIES(a)							
1975-76	205,312	256,930	102,411	39,490	44,309	17,720	666,172
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	108,692	34,445	1,290,649
1980-81	472,761	382,657	223,264	56,830	117,358	44,445	1,297,315
LOCAL AUTHORITIES(b)							
1975-76	163,847	63,043	102,097	16,831	27,845	14,503	388,166
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

(a) New money borrowings by State-type authorities in the Northern Territory in 1980-81 were \$31,762,000. (b) New money borrowings by local authorities in the Northern Territory are not included in the table. These borrowings are as follows: 1975-76, \$597,000; 1976-77, \$1,194,000; 1977-78, \$1,697,000; 1978-79, \$631,000; 1979-80, \$1,240,000; 1980-81, \$842,000.

Further references

For further detailed information on the subjects covered by this chapter see the annual bulletins published by the ABS: *Australian National Accounts—National Income and Expenditure* (5204.0); *Commonwealth Government Finance* (5502.0); *State and Local Government Finance, Australia* (5504.0); *Taxation Revenue, Australia* (5506.0) and *Government Financial Estimates, Australia* (5501.0). Current information in summarised form is given in *Quarterly Estimates of National Income and Expenditure, Australia* (5206.0), and is also contained in the *Monthly Summary of Statistics, Australia* (1304.0), and the monthly *Digest of Current Economic Statistics, Australia* (1305.0).

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.