

## 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 the Commonwealth Government. Tables are then presented which bring together the transactions of all public non-financial enterprises 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.

### Concepts and Definitions Used in Public Finance Statistics

The tables below (except those explicitly sourced to Budget Papers) are provided from the system of government finance statistics (GFS). To assist users in understanding the statistics presented in these tables, a separate publication *Classifications Manual for Government Finance Statistics, Australia* (1217.0) has been produced. It outlines the major concepts used, provides definitions of the enterprise unit used for GFS collections and of transactions classifications employed. The GFS classifications used in the tables that follow are:

- the *Economic Transactions Framework* (ETF) which categorises outlays, revenue, grants received and financing transactions according to their economic character to facilitate study of the macroeconomic effect of government activity on the economy and to provide the basic building blocks for grouping transactions to be incorporated into the Australian National Accounts;
- the *Taxes, Fees and Fines Classification* (TFFC) which dissects this major form of government revenue according to the type of tax, fee or fine collected; and
- the *Government Purpose Classification* (GPC) which is used to group outlays with similar functions to facilitate study of the broad purposes of public sector spending and assessment of the effectiveness of outlays in meeting government policy objectives.

### 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.

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; details of the main provisions appeared in further issues of the *Year Book* up to No. 50. For details of current provisions for financial assistance to the States reference should be made to the *Commonwealth Budget Paper No. 4 Commonwealth Financial Relations with Other Levels of Government, 1987-88*.

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 enterprises of the Commonwealth Government whose receipts and payments are summarised in the statements of Public Account balances. In 1986-87 the change in cash balances was represented by the following:

	\$'000
Net Cash receipts of the Consolidated Revenue Fund	73,782,794
<i>plus</i> cash receipts of Loan Fund	42,610,574
<i>plus</i> cash receipts of Trust Fund	7,001,411
<i>Total</i>	123,394,779
<i>less</i> cash payments from Consolidated Revenue Fund	73,782,794
<i>less</i> cash payments from Loan Fund	42,217,285
<i>Less</i> cash payments from Trust Fund (including decrease in investments of the Trust Fund)	6,646,146
<i>Total</i>	122,646,225
<i>equals</i> increase in cash balances	748,555

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 outlay, revenue and deficit of the Budget for 1987-88 are set out in the table which follows, together with figures for the years 1982-83 to 1986-87. 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 enterprises 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.

# **OUTLAYS, REVENUE AND DEFICIT OF THE COMMONWEALTH BUDGET** (\$ million)

*(Source: Budget Paper No. 1 Budget Statements 1987-88)*

	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88 Budget Estimates
<b>Outlay—</b>						
Net expenditure on goods and services—						
Current	8,567	9,964	11,201	12,634	13,705	14,388
Capital (a)	340	275	377	409	386	633
<b>Total</b>	<b>8,907</b>	<b>10,239</b>	<b>11,578</b>	<b>13,043</b>	<b>14,091</b>	<b>15,021</b>
Transfer payments—						
Personal benefit payments	15,588	18,399	20,677	22,373	24,085	26,784
Grants to States and Northern Territory	15,388	17,780	19,637	20,997	22,580	23,728
Grants to non-profit institutions	506	603	729	777	1,029	887
Interest paid	3,378	4,334	5,664	7,088	7,978	7,903
Transfers overseas	697	749	834	832	783	818
Subsidies	1,204	1,229	1,346	1,358	1,061	983
Grants for private capital purposes	241	328	388	331	298	345
Transfers to non-budget sector (b)	1,481	1,590	1,886	2,249	2,469	2,737
Other Transfers n.e.c.	51	59	71	81	..	10
<b>Total</b>	<b>38,535</b>	<b>45,071</b>	<b>51,234</b>	<b>56,085</b>	<b>60,283</b>	<b>64,195</b>
Net advances—						
States and Northern Territory	1,056	1,002	799	783	546	-40
Non-budget Commonwealth Authorities	183	-18	-16	-102	-122	-104
Other sectors	111	136	116	106	101	74
<b>Total</b>	<b>1,349</b>	<b>1,120</b>	<b>899</b>	<b>788</b>	<b>525</b>	<b>-70</b>
Asset Sales	..	..	..	..	..	-1,000
<b>Total outlay</b>	<b>48,792</b>	<b>56,430</b>	<b>63,712</b>	<b>69,917</b>	<b>74,899</b>	<b>78,146</b>
<b>Revenue—</b>						
Taxation—						
Income tax on companies	5,107	4,940	6,034	6,702	7,888	9,025
Income tax on persons	22,967	24,710	29,300	32,734	38,074	41,160
Sales tax, Customs and Excise duties	12,399	14,294	16,507	18,273	18,922	20,077
Tax on Certain Bank Transactions	30	183	189	202	261	330
ACT taxes and charges	92	105	125	150	185	216
Other taxes, fees, fines, etc	169	208	266	339	357	435
<b>Total</b>	<b>40,764</b>	<b>44,438</b>	<b>52,421</b>	<b>58,399</b>	<b>65,685</b>	<b>71,243</b>
Non-taxation Revenue—						
Interest, rent, dividends, royalties, etc.	3,574	4,060	4,567	5,792	6,494	6,873
Miscellaneous income from Commonwealth enterprises	6	..	4	..	4	3
<b>Total</b>	<b>3,580</b>	<b>4,060</b>	<b>4,571</b>	<b>5,792</b>	<b>6,498</b>	<b>6,876</b>
<b>Total revenue</b>	<b>44,344</b>	<b>48,499</b>	<b>56,992</b>	<b>64,191</b>	<b>72,184</b>	<b>78,119</b>
<b>Deficit</b>	<b>4,448</b>	<b>7,932</b>	<b>6,720</b>	<b>5,726</b>	<b>2,716</b>	<b>27</b>

(a) Expenditure on new fixed assets *plus* increase in stocks *less* sales of previously rented houses. (b) The Commonwealth Non-Budget sector consists of enterprises which operate outside the Public Account. This includes both general government enterprises which largely depend on budget funding (e.g. ABC) and public trading enterprises which are largely self-financing (e.g. Telecom).

### 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 revenue. In other words, the estimated deficit shown for 1987-88 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 387, Table 1 in 1987-88 *Budget Paper* No. 1.

### Commonwealth Non-Budget Enterprises

In addition to the group of Commonwealth Government enterprises 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 and/or controlled by the Commonwealth Government whose transactions do not, for the most part, pass through the Public Account. This category includes public trading enterprises such as the Australian Postal Commission, Australian Telecommunications Commission, Overseas Telecommunications Commission, Qantas Airways Ltd, Australian National Airlines Commission, the Australian Shipping Commission, the Snowy Mountains Hydro-Electric Authority, and public financial enterprises such as the Reserve Bank of Australia and the Commonwealth Bank of Australia. Public trading and financial 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 government enterprises 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 enterprises are treated as final expenditure in the Budget. Enterprises in this category include the Australian Broadcasting Corporation, Australian National University and the Australian Nuclear Science and Technology Organisation.

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 public sector enterprises which are owned and/or controlled by the Commonwealth Government. 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 enterprises 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**

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 finance statistics the Northern Territory Government is grouped with State and local governments from 1978–79 onwards. This results in a discontinuity in time series for the financial transactions of Commonwealth Government enterprises 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 the Northern Territory public trading enterprises is included in the respective Commonwealth revenue 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 general government enterprises while State-type taxation and income from the Northern Territory public trading enterprises are no longer part of Commonwealth revenue.
- 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).

### **Summary of outlay, revenue and net public sector borrowing requirement**

The outlay and revenue, and net financing requirement, of all non-financial enterprises of the Commonwealth Government for the six-year period ending 1986–87 are given in the following table.

**OUTLAYS, REVENUE AND DEFICIT OF COMMONWEALTH GOVERNMENT**  
(\$ million)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87 <sup>p</sup>
Current outlays	38,402.3	44,990.0	52,341.1	59,458.0	65,601.4	71,161.3
General government final consumption expenditure	8,530.8	9,838.4	11,344.3	12,790.6	14,376.9	15,717.6
Required current transfer payments (a)	3,235.9	3,686.2	4,686.9	6,093.2	7,642.2	8,754.1
Unrequited current transfer payments	26,635.7	31,465.4	36,309.8	40,574.2	43,582.3	46,689.7
Subsidies paid to enterprises	1,207.5	1,313.0	1,458.7	1,708.0	1,673.8	1,352.1
Personal benefit payments	12,879.4	15,668.6	18,404.8	20,659.4	22,356.3	24,101.3
Current grants	12,548.7	14,483.8	16,446.3	18,206.8	19,552.3	21,236.3
to non-profit institutions	480.5	615.2	726.4	881.8	974.9	1,107.4
to foreign governments and organisations	665.2	735.9	772.5	860.5	855.1	824.4
to the States and Northern Territory	11,384.3	13,108.5	14,914.7	16,407.6	17,629.0	19,218.4
to local governments (direct)	18.7	24.3	32.8	57.0	93.3	86.1
Other current transfer payments	—	—	—	—	—	—
Capital outlays	5,105.8	6,000.3	7,135.4	7,292.4	8,363.0	8,489.7
Gross fixed capital expenditure	1,872.8	2,046.3	2,433.7	2,820.2	3,946.8	4,629.7
Expenditure on new fixed assets	1,919.2	2,127.0	2,457.0	3,116.2	4,313.6	4,902.5
Expenditure on secondhand fixed assets (net)	-46.4	-80.7	-23.4	-296.0	-366.8	-272.8
Increase in stocks	274.2	294.4	200.4	-83.6	-3.3	-465.6
Expenditure on land and intangible assets (net)	-12.6	-34.3	-35.2	-90.9	-60.5	-54.4
Capital transfer payments	2,005.0	2,504.5	3,180.8	3,621.8	3,638.2	3,621.2
Capital grants	2,005.0	2,504.5	3,180.8	3,621.8	3,638.2	3,621.2
to the States and Northern Territory	1,770.2	2,210.4	2,792.6	3,167.9	3,254.8	3,261.8
to Local governments (direct)	7.4	20.1	20.9	18.8	16.7	13.2
to other sectors	227.3	273.9	367.2	435.0	366.8	346.3
Other capital transfer payments	—	—	—	—	—	—
Advances paid (net)	966.4	1,189.4	1,355.8	1,025.0	841.7	758.7
to the States, Northern Territory and local governments	865.3	1,055.8	995.8	790.7	786.2	546.4
to other sectors	101.1	133.7	360.1	234.3	55.5	212.3
Revenue	41,524.5	44,992.5	49,583.4	58,682.5	65,860.3	74,197.0
Taxes, fees and fines	37,941.8	41,012.2	44,779.4	52,898.7	58,736.4	66,125.2
Income taxes levied on individuals	21,205.0	22,942.6	24,691.5	29,288.6	32,713.8	38,061.7
Income taxes levied on enterprises and non-residents	5,257.7	5,102.8	4,930.9	6,020.3	6,675.0	7,337.7
Other taxes, fees and fines	11,479.1	12,966.9	15,156.9	17,589.8	19,347.8	20,725.7
Net operating surpluses of public trading enterprises	1,063.5	918.7	1,400.3	1,885.2	2,055.4	2,201.0
Property income and other revenue	2,519.3	3,061.6	3,403.7	3,898.6	5,068.4	5,870.8
Financing transactions	1,982.3	5,997.8	9,893.1	8,067.9	8,104.0	5,454.0
Increase in provisions	828.3	995.4	1,299.3	970.4	1,340.6	1,654.6
Net financing requirement	1,154.0	5,002.4	8,593.8	7,097.5	6,763.4	3,799.4

(a) Interest, land rent, royalties and dividends paid.

### 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. 4 *Commonwealth Financial Relations with Other Levels of Government*. 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 table shows details of grants to the States and the Northern Territory classified by purpose.

**GRANTS TO STATES AND NORTHERN TERRITORY BY GOVERNMENT PURPOSE**  
**CLASSIFICATION AND STATE, 1986-87**  
(\$ million)

	NSW	Vic.	Qld	SA	WA	Tas.	NT	Total
<i>Current grants</i>	<i>6,030.6</i>	<i>4,556.1</i>	<i>3,214.2</i>	<i>1,953.6</i>	<i>2,041.8</i>	<i>689.3</i>	<i>732.7</i>	<i>19,218.4</i>
General public services, defence, public order and safety	7.3	20.1	12.6	9.4	7.6	0.3	6.8	64.0
Education	1,211.8	1,061.9	549.8	317.0	338.9	94.1	24.3	3,597.6
Primary and secondary education	495.9	414.6	225.3	108.4	122.4	35.0	13.0	1,414.7
Tertiary education	714.6	645.6	323.6	206.0	213.6	59.0	11.2	2,173.4
University education	443.9	308.2	168.7	109.0	96.8	41.3	—	1,167.9
Other higher education	207.9	295.8	130.1	81.5	100.2	12.6	8.8	836.8
Technical and further education	62.8	41.6	24.7	15.4	16.6	5.2	2.5	168.7
Preschool education and education not definable by level	1.3	1.7	0.9	2.6	2.9	0.1	—	9.5
Other education not definable by level	1.3	1.7	0.9	2.6	2.9	0.1	—	9.5
Health	428.9	277.3	91.5	123.1	106.1	37.7	13.1	1,077.7
Hospitals and other institutional services and benefits	414.9	266.8	78.6	117.3	93.0	35.0	12.4	1,018.0
Clinic and other non-institutional services and benefits	5.8	5.0	5.3	2.9	4.1	2.1	0.2	25.4
Public health	8.2	5.5	7.6	2.8	9.0	0.6	0.5	34.3
Social security and welfare	65.2	53.9	21.5	26.5	21.3	7.5	4.0	199.8
Social security	1.0	—	—	—	2.0	1.7	—	4.7
Welfare services	55.7	47.5	17.6	24.3	17.1	5.2	3.7	171.0
Family and child welfare	3.8	3.3	1.2	8.0	1.3	0.3	1.3	19.2
Aged and handicapped welfare	39.4	32.2	9.2	10.9	10.4	2.6	0.6	105.3
Welfare services n.e.c.	12.6	12.0	7.2	5.4	5.4	2.2	1.8	46.5
Social security and welfare n.e.c.	8.5	6.4	4.0	2.1	2.2	0.7	0.2	24.1
Housing and community amenities	1.2	2.2	0.4	1.8	2.1	2.3	0.6	10.6
Housing and community development	—	1.3	0.4	1.8	1.9	0.3	0.5	6.2
Housing	1.8	1.3	0.4	1.2	0.6	0.3	—	5.7
Community development	-1.9	—	—	0.6	1.3	—	0.5	0.5
Community amenities	1.2	0.8	—	—	0.2	2.0	0.1	4.4
Recreation and culture	—	—	—	—	6.0	—	—	6.0
Fuel and energy	13.9	—	5.1	—	0.7	0.1	33.9	53.7
Agriculture, forestry, fishing and hunting	21.2	25.8	55.0	20.7	18.6	1.1	9.8	152.3
Agriculture	21.2	25.8	55.0	20.7	18.6	1.1	9.8	152.3
Agricultural land management	11.4	12.9	24.3	6.6	6.9	0.9	9.5	72.5
Agricultural water resources management	0.3	2.3	—	0.8	—	—	—	3.3
Other agriculture	9.5	10.6	30.7	13.3	11.8	0.2	0.3	76.4
Mining, manufacturing and construction	0.1	—	0.8	—	—	0.1	—	1.0
Transport and communications	0.6	0.3	0.2	0.2	0.1	0.2	0.1	1.8
Road transport	0.6	0.3	0.2	0.2	0.1	—	0.1	1.4
Other transport and communications	—	—	—	—	—	0.2	0.1	0.4
Other economic affairs	72.4	48.4	33.2	18.5	19.1	5.6	3.7	200.9
Other purposes	4,208.1	3,066.3	2,444.1	1,436.4	1,521.3	540.2	636.4	13,852.8
General purpose inter-government transactions	4,205.1	3,066.3	2,437.7	1,436.4	1,521.3	540.2	636.4	13,843.4
Natural disaster relief	2.9	—	6.5	—	—	—	—	9.4

**GRANTS TO STATES AND NORTHERN TERRITORY BY GOVERNMENT PURPOSE**  
**CLASSIFICATION AND STATE, 1986-87—continued**  
(\$ million)

	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>Total</i>
<i>Capital grants</i>	<i>1,012.4</i>	<i>698.8</i>	<i>556.8</i>	<i>326.2</i>	<i>334.9</i>	<i>163.1</i>	<i>169.5</i>	<i>3,261.7</i>
Education	194.1	147.1	85.0	54.2	56.9	17.2	7.9	562.5
Primary and secondary education	68.2	52.6	31.7	21.8	17.5	5.4	5.3	202.5
Tertiary education	126.1	94.5	52.7	32.3	39.3	11.8	2.0	358.7
University education	38.5	23.1	15.4	8.1	11.4	6.4	—	103.0
Other higher education	27.4	26.6	11.0	7.6	13.5	0.7	0.2	86.9
Technical and further education	60.2	44.8	26.3	16.6	14.4	4.8	1.8	168.8
Preschool education and education not definable by level	-0.1	—	0.5	0.1	0.1	—	0.6	1.3
Other education not definable by level	-0.1	—	0.5	0.1	0.1	—	0.6	1.3
Health	16.7	13.4	7.9	4.5	4.7	7.2	1.0	55.5
Hospitals and other institutional services and benefits	16.3	12.7	7.7	4.2	4.3	7.1	1.0	53.2
Clinic and other non-institutional services and benefits	0.4	0.7	0.1	0.3	0.5	0.1	—	2.1
Public health	—	—	0.1	—	—	—	—	0.2
Social security and welfare	5.8	11.2	8.6	1.7	3.8	1.5	0.5	33.1
Welfare services	5.8	11.2	8.6	1.7	3.8	1.5	0.5	33.1
Family and child welfare	4.8	6.0	4.2	1.6	2.5	1.2	0.5	20.8
Aged and handicapped welfare	1.0	5.2	4.4	—	1.3	0.4	—	12.3
Welfare services n.e.c.	—	—	—	—	—	—	—	—
Housing and community amenities	207.3	157.4	97.7	107.8	71.0	26.6	31.5	699.4
Housing and community development	215.8	155.2	96.3	71.3	70.4	26.6	31.0	666.7
Housing	212.8	155.2	96.3	70.2	63.4	26.6	31.0	655.6
Community development	3.0	—	—	1.1	7.0	—	—	11.1
Community amenities	-8.5	2.2	1.4	36.5	0.6	0.1	0.5	32.7
Recreation and culture	27.9	5.8	6.1	1.2	3.2	2.4	1.1	47.8
Fuel and energy	—	—	—	—	—	26.5	40.6	67.1
Agriculture, forestry, fishing and hunting	2.3	0.9	34.5	—	1.2	—	—	38.8
Agriculture	2.3	0.9	34.5	—	1.2	—	—	38.8
Agricultural water resources management	2.3	0.9	34.0	—	1.2	—	—	38.4
Other agriculture	—	—	0.5	—	—	—	—	0.5
Forestry, fishing and hunting	—	—	—	—	—	—	—	—
Mining, manufacturing and construction	—	1.5	—	—	—	—	—	1.5
Transport and communications	412.3	253.7	257.3	96.9	154.3	48.1	39.8	1,262.4
Road transport	396.3	253.7	257.3	96.9	154.3	48.1	39.8	1,246.4
Water transport	16.0	—	—	—	—	—	—	16.0
Other transport and communications	—	—	—	—	—	—	—	—
Other economic affairs	7.1	—	—	3.9	—	—	—	11.0
Other purposes	138.8	107.9	59.7	56.0	39.7	33.4	47.1	482.6
General purpose inter-government transactions	138.8	107.9	56.9	56.0	39.7	33.4	47.1	479.8
Natural disaster relief	—	—	2.7	—	—	—	—	2.7
<b>Total current and capital grants</b>	<b>7,043.0</b>	<b>5,255.0</b>	<b>3,771.1</b>	<b>2,279.8</b>	<b>2,376.6</b>	<b>852.4</b>	<b>902.2</b>	<b>22,480.1</b>



### Advances to the States and the Northern Territory

The Commonwealth provides 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 *Commonwealth Financial Relations with Other Levels of Government*.

The following table shows figures of net advances to the States and Northern Territory by purpose.

**NET ADVANCES TO STATES AND THE NORTHERN TERRITORY BY GOVERNMENT  
PURPOSE CLASSIFICATION, 1986-87  
(\$ million)**

	NSW	Vic.	Qld	SA	WA	Tas.	NT	Total
<i>Net advances</i>	<i>148.1</i>	<i>117.0</i>	<i>73.4</i>	<i>65.9</i>	<i>30.1</i>	<i>36.5</i>	<i>75.4</i>	<i>546.4</i>
Defence	1.1	0.1	-0.1	—	—	—	—	1.1
Social security and welfare	—	—	—	—	—	—	—	—
Housing and community amenities	132.2	100.3	56.5	96.1	61.3	29.7	49.5	525.7
Housing and community development	132.6	100.7	56.7	92.2	62.4	29.8	49.6	524.1
Housing	132.7	101.7	56.7	92.2	66.4	29.8	49.6	529.2
Community development	-0.1	-0.9	—	—	-4.0	—	—	-5.1
Water supply	—	—	—	4.0	-0.8	—	—	3.2
Sanitation and protection of the environment	-0.5	-0.5	-0.1	-0.1	-0.2	-0.1	-0.1	-1.6
Recreation and culture	—	—	—	—	-0.2	—	—	-0.2
Fuel and energy	-0.4	—	-3.4	—	—	—	-2.1	-5.9
Agriculture, forestry, fishing and hunting	-6.5	-4.5	-5.3	-2.3	-2.5	-0.5	0.3	-21.3
Agriculture	-5.9	-4.3	-4.8	-2.2	-2.3	-0.3	0.3	-19.4
Agricultural land management	—	—	-0.7	—	—	—	—	-0.7
Agricultural water resources management	-1.7	-0.7	—	-0.5	—	—	—	-2.9
Agricultural support schemes	-4.2	-3.6	-4.1	-1.7	-2.3	-0.3	-0.1	-16.3
Other agriculture	—	—	—	—	—	—	0.4	0.5
Forestry, fishing and hunting	-0.6	-0.2	-0.5	-0.1	-0.2	-0.2	—	-1.9
Mining, manufacturing and construction	-0.4	—	—	—	—	—	—	-0.4
Manufacturing	-0.4	—	—	—	—	—	—	-0.4
Transport and communications	-1.7	-0.7	-0.9	—	-3.4	—	—	-6.7
Water transport	—	—	-0.1	—	—	—	—	-0.2
Rail transport	-1.7	-0.7	-0.8	—	-3.4	—	—	-6.5
Other purposes	23.8	22.0	26.4	-27.9	-25.2	7.3	27.7	54.1
Public debt transactions	—	—	—	—	—	—	-6.3	-6.3
General purpose inter-government transactions	31.1	25.7	12.9	-22.9	-18.3	7.4	34.0	69.9
Natural disaster relief	-7.3	-3.7	13.5	-5.0	-7.0	-0.1	—	-9.5

NOTE: Minus sign (-) denotes excess of repayments.

### Main Sources of Finance

The main sources of Commonwealth Government finance are taxation, income of public trading and financial enterprises, other factor income transfers, borrowing, and other financing transactions. Taxation constitutes by far the major source of revenue. In recent years, however, borrowing has become an increasingly significant source of funds.

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 enterprises are dealt with for convenience in a later section relating to the debt of all public sector enterprises.

### Commonwealth Government taxation—summary

The following table shows Commonwealth Government taxation revenue classified by type of tax for the six years ending 1986–87.

#### COMMONWEALTH GOVERNMENT—TAXES, FEES AND FINES BY TYPE (\$ million)

Type of tax	1982–83	1983–84	1984–85	1985–86	1986–87	1987–88
Taxes, fees and fines	41,012.2	44,779.4	52,898.7	58,736.4	66,111.0	74,683.7
Taxes on income	28,045.3	29,622.4	35,308.9	39,388.7	45,385.6	51,283.1
Income taxes levied on individuals	22,942.6	24,691.5	29,288.6	32,713.8	38,061.7	41,876.5
Personal income tax	22,941.6	24,690.5	29,287.4	32,712.5	38,060.7	41,875.1
Income taxes levied on enterprises	4,688.8	4,464.7	5,422.6	5,964.4	6,510.8	8,588.4
Company income tax (a)	4,663.6	4,443.6	5,408.4	5,942.4	6,497.7	8,577.6
Income tax paid by superannuation funds	25.2	21.2	14.2	22.0	13.1	10.7
Income taxes levied on non-residents	414.0	466.2	597.7	710.6	813.1	818.3
Dividend withholding tax	133.8	129.6	154.8	209.3	171.8	124.5
Interest withholding tax	124.1	174.7	247.9	351.3	466.4	540.8
Other income tax levied on non-residents	156.0	162.0	195.0	150.0	175.0	153.0
Employers' payroll taxes	35.3	39.3	50.8	55.6	569.6	918.5
General taxes (payroll tax)	17.8	20.0	23.8	28.8	33.9	40.8
Selective taxes (stevedoring industry charges)	17.5	19.3	26.9	26.8	24.0	25.9
Fringe benefits tax	—	—	—	—	511.7	851.9
Taxes on property	67.6	227.9	239.5	260.6	341.8	458.3
Taxes on immovable property	24.5	24.5	28.1	31.1	36.9	52.4
Estate, inheritance and gift duties	1.6	3.5	0.7	0.4	0.6	0.5
Taxes on financial and capital transactions	41.5	200.0	210.8	229.1	304.3	405.3
Stamp duties	12.0	17.3	21.3	27.0	39.7	60.8
Financial institutions' transaction taxes	29.6	182.7	189.5	202.1	260.8	335.7
Government borrowing guarantee levies	—	—	—	—	3.7	8.8
Taxes on provision of goods and services	12,677.1	14,678.9	17,032.6	18,718.7	19,472.3	21,607.2
General taxes (sales tax)	3,490.1	4,164.8	4,966.1	5,728.3	6,348.2	7,561.5
Excises	7,067.5	8,084.2	9,056.1	9,604.6	9,768.8	10,284.3
Excises on crude oil and LPG	3,486.0	3,664.5	4,241.8	4,065.8	2,105.5	2,079.4
Other Excise Act duties	3,320.1	4,081.7	4,351.6	5,186.1	7,221.9	7,596.4
Agricultural production taxes	261.4	338.0	462.7	352.7	441.4	608.6
Taxes on international trade	2,104.3	2,397.9	2,995.4	3,357.9	3,313.5	3,710.6
Customs duties on imports	2,035.6	2,329.0	2,926.6	3,281.9	3,236.8	3,632.1
Customs duties on exports	66.6	66.6	60.3	57.7	54.6	54.9
Agricultural produce export taxes	2.1	2.3	8.6	18.3	22.0	23.6
Taxes on gambling	7.3	6.1	9.0	9.0	12.1	13.7
Taxes on insurance	7.9	26.0	6.0	18.9	29.7	37.0
Taxes on use of goods and performance of activities	100.6	113.9	131.7	151.4	172.6	203.9
Motor vehicle taxes	13.6	16.7	19.3	21.2	23.7	30.3
Franchise taxes	3.5	4.3	5.0	9.9	14.4	20.6
Other taxes on use of goods etc.	83.4	92.9	107.4	120.2	134.6	153.0
Broadcast and TV station licences	40.4	48.4	58.8	68.8	76.8	85.9
Departure tax	41.7	43.2	46.9	50.1	56.3	65.5
Other taxes on use of goods etc. n.e.i.	1.3	1.3	1.7	1.2	1.5	1.6
Fees and fines	86.3	96.9	135.2	161.5	169.1	212.7
Compulsory fees	78.4	87.2	127.4	154.0	160.5	199.7
Tertiary education charges	—	—	—	—	3.6	3.4
Fines	7.9	9.6	7.9	7.5	8.6	13.0

(a) Excludes income taxes paid by public trading enterprises.

## Taxes on income

A description of the development of income taxes in Australia appeared in *Year Book* No. 35, page 926. With the advent of Uniform Taxation in 1942, the States withdrew from the income tax field. While the Commonwealth remains the sole government imposing taxes on income, tax sharing arrangements have been made under which State and local government bodies receive a share of Commonwealth revenue.

The laws dealing with the assessment, declaration and imposition of income tax at 30 June 1988 were:

- *Income Tax Assessment Act 1936* (later referred to as 'the Assessment Act')
- *Income Tax Rates Act 1986* (as amended by the *Income Tax Rates Amendment Act 1987*)
- *Income Tax Act 1986*
- *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 (Film Royalties) Act 1977*
- *Income Tax (Mining Withholding Tax) Act 1979*
- *Income Tax (Diverted Income) Act 1981*
- *Income Tax (Securities and Agreements) (Withholding Tax Recoupment) Act 1986*
- *Income Tax (Franking Deficit) Act 1987*
- *Income Tax (Offshore Banking Units) (Withholding Tax Recoupment) Act 1988*

Both individuals and companies are liable for income tax. Private companies were subject to tax on certain undistributed income in addition to the primary income tax levied on all companies. Subject to phasing-out arrangements, however, this additional tax generally does not apply in relation to profits of the 1986-87 and latter income years.

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, Denmark, Ireland, Norway, the Republic of Korea, Malta, Italy and Finland. In addition, as at 30 June 1985, a comprehensive agreement with Austria had been signed but had not entered into force. Limited agreements dealing with airline profits have been concluded with France, Italy, Greece, India and the People's Republic of China.
- (c) *Taxation (Unpaid Company Tax) Assessment Act 1982* and related legislation.
- (d) *The States (Tax Sharing and Health Grants) Act 1981*, which provides for the States and Northern Territory 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 organisations 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) *Consular Privileges and Immunities Act 1972*, which provides for the exemption from tax of certain income of consular representatives, their staff and families.
- (i) *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.
- (j) *Taxation (Interest on Overpayments) Act 1983*, which provides for the payment of interest on certain refunds of tax.
- (k) *Taxation (Interest on Underpayments) Act 1986*, which imposes an interest charge in respect of underpayment of income tax.
- (l) *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.
- (m) *Banking Act 1959* and Regulations, under which certain exchange control applications are screened to prevent avoidance and evasion of Australian taxes.
- (n) *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.
- (o) *Medicare Levy Act 1986*, which imposes medicare levy on certain individuals subject to assessment of the levy in accordance with the Assessment Act.
- (p) *Local Government (Personal Income Tax Sharing) Act 1976*, which provides for local government bodies in the States to receive a specified proportion of net personal income tax collections.
- (q) *Industry Research and Development Act 1986*, which affects eligibility for the 150 per cent research and development concession.
- (r) *Fringe Benefits Tax Act 1986* and related legislation which impose a tax on employers in respect of certain benefits provided to employees.

More detailed information on taxation can be obtained from the Australian Taxation Office's reports and papers.

**COMMONWEALTH INCOME TAX PAYABLE ON SPECIFIED RESIDENT  
INDIVIDUAL INCOMES**  
(\$)

<i>Taxable income (a)</i>	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
<b>TAXPAYER WITH NO DEPENDANTS</b>						
5,000	165.00	121.50	108.01	101.25	26.86	..
7,000	778.40	721.50	641.41	601.25	515.26	456.00
10,000	1,698.50	1,621.50	1,441.51	1,351.25	1,247.86	1,176.00
15,000	3,232.00	3,121.50	2,858.26	2,726.25	2,590.94	2,496.00
20,000	4,916.99	4,701.50	4,438.26	4,306.25	4,136.09	4,001.00
<b>TAXPAYER WITH DEPENDENT SPOUSE</b>						
5,000	..	..	..	..	..	..
7,000	..	..	..	..	..	..
10,000	868.50	791.50	611.51	521.25	417.86	346.00
15,000	2,402.00	2,291.50	2,028.26	1,896.25	1,760.94	1,666.00
20,000	4,086.99	3,871.50	3,608.26	3,476.25	3,306.09	3,171.00

(a) Income remaining after allowing all deductions.

**Income tax assessments—individuals**

The following tables show 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 1985-86)

<i>Grade of taxable income</i>	<i>Number of taxpayers</i>			<i>Net income</i>	<i>Taxable income</i>	<i>Net tax</i>
	<i>Males</i>	<i>Females</i>	<i>Total</i>			
\$				\$'000	\$'000	\$'000
Under 4,596	17,035	13,088	30,123	74,619	66,232	10,375
4,596-4,999	26,242	46,943	73,185	369,935	351,091	5,084
5,000-5,999	43,277 105,206	60,031 169,167	103,308 274,373	444,554 1,589,382	417,323 1,532,402	15,459 51,224
6,000-6,999	148,483 140,506	229,198 223,218	377,681 363,724	2,033,936 2,431,254	1,949,725 2,358,952	66,683 148,880
7,000-7,999	288,989 125,247	452,416 179,330	741,405 304,577	4,465,190 2,360,077	4,308,677 2,281,114	215,563 215,215
8,000-8,999	414,236 120,966	631,746 162,430	1,045,982 283,396	6,825,267 2,494,261	6,589,791 2,407,337	430,778 277,283
9,000-9,999	535,202 119,472	794,176 151,679	1,329,378 271,151	9,319,528 2,668,320	8,997,128 2,575,294	708,061 328,965
10,000-10,999	654,674 119,359	945,855 146,279	1,600,529 265,638	11,987,848 2,887,550	11,572,422 2,788,330	1,037,026 389,504
11,000-11,999	774,033 120,126	1,092,134 140,915	1,866,167 261,041	14,875,398 3,108,654	14,360,752 3,001,824	1,426,530 449,342
12,000-12,999	894,159 123,170	1,233,049 144,596	2,127,208 267,766	17,984,052 3,463,914	17,362,576 3,346,842	1,875,872 531,647
13,000-13,999	1,017,329 129,658	1,377,645 144,827	2,394,974 274,485	21,447,966 3,836,989	20,709,418 3,706,983	2,407,519 626,860
14,000-14,999	1,146,987 145,015	1,522,472 155,101	2,669,459 300,116	25,284,955 4,502,316	24,416,401 4,354,285	3,034,379 776,538
15,000-15,999	1,292,002 165,243	1,677,573 152,506	2,969,575 317,749	29,787,271 5,088,372	28,770,686 4,925,199	3,810,917 916,407
16,000-16,999	1,457,245 174,948	1,830,079 141,584	3,287,324 316,532	34,875,643 5,395,539	33,695,885 5,222,279	4,727,324 1,006,418
17,000-17,999	1,632,193 181,674	1,971,663 129,138	3,603,856 310,812	40,271,182 5,622,992	38,918,164 5,438,118	5,733,742 1,079,941
18,000-18,999	1,813,867 187,905	2,100,801 112,909	3,914,668 300,814	45,894,174 5,755,542	44,356,282 5,563,299	6,813,683 1,134,261
19,000-19,999	2,001,772 190,188	2,213,710 102,327	4,215,482 292,515	51,649,716 5,897,315	49,919,581 5,701,667	7,947,944 1,196,029
20,000-21,999	2,191,960 344,323	2,316,037 146,917	4,507,997 491,240	57,547,031 10,656,196	55,621,248 10,298,787	9,143,973 2,313,864
22,000-23,999	2,536,283 291,985	2,462,954 102,797	4,999,237 394,782	68,203,227 9,390,043	65,920,035 9,066,457	11,457,837 2,213,338

**COMMONWEALTH INCOME TAX ASSESSMENTS (a): TAXABLE INDIVIDUALS BY  
GRADE OF TAXABLE INCOME—continued**

(Income derived in the year 1985–86)

Grade of taxable income \$	Number of taxpayers			Net income	Taxable income	Net tax
	Males	Females	Total	\$'000	\$'000	\$'000
24,000–25,999	2,828,268 248,181	2,565,751 79,659	5,394,019 327,840	77,593,270 8,474,095	74,986,492 8,183,944	13,671,175 2,136,635
26,000–27,999	3,076,449 208,650	2,645,410 57,637	5,721,859 266,287	86,067,365 7,437,860	83,170,436 7,183,863	15,807,810 1,981,453
28,000–29,999	3,285,099 171,043	2,703,047 41,790	5,988,146 212,833	93,505,225 6,375,300	90,354,299 6,160,747	17,789,263 1,779,708
30,000–34,999	3,456,142 287,131	2,744,837 51,983	6,200,979 345,114	99,880,525 11,524,330	96,515,046 11,139,681	19,568,971 3,434,522
35,000–39,999	3,743,273 155,156	2,802,820 30,121	6,546,093 185,277	111,404,855 7,110,321	107,654,727 6,873,058	23,003,493 2,310,519
40,000–49,999	3,898,429 117,946	2,832,941 18,068	6,731,370 136,014	118,515,176 6,206,101	114,527,785 5,981,504	25,314,012 2,250,070
50,000–99,999	4,016,375 72,591	2,851,009 14,028	6,867,384 86,619	124,721,277 5,684,816	120,509,289 5,475,260	27,564,082 2,424,799
100,000 and over	4,088,966 9,606	2,865,037 2,465	6,954,003 12,071	130,406,093 1,995,713	125,984,549 1,934,785	29,988,881 1,042,371
<b>Total</b>	<b>4,098,572</b>	<b>2,867,502</b>	<b>6,966,074</b>	<b>132,401,807</b>	<b>127,919,331</b>	<b>31,031,251</b>

(a) Excludes trustee and manual assessments.

The previous table excludes details of assessments raised to trustees. However, the following table includes all 1985–86 income year assessments issued during the period 1 July 1986 to 30 June 1987.

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

(Income derived in the year 1985–86)

State	Number	Taxable income	Net tax
		\$'000	\$'000
New South Wales	2,336,084	44,012,161	11,012,480
Victoria	1,950,569	35,971,763	8,866,089
Queensland	1,031,877	18,034,874	4,172,456
Western Australia	646,794	11,807,350	2,840,334
South Australia	622,575	10,750,471	2,502,890
Tasmania	190,344	3,357,623	785,020
Northern Territory	53,162	1,111,012	266,260
Australian Capital Territory	181,933	3,727,704	981,794
<b>Australia</b>	<b>7,013,338</b>	<b>128,772,959</b>	<b>31,427,322</b>

## 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						
Source of income tax	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88
NET AMOUNTS COLLECTED (\$'000)						
Individuals—						
Instalments—salaries and wages	18,840,314	19,940,085	23,424,083	26,324,401	29,526,429	32,677,444
Other payments	4,126,459	4,521,096	5,465,869	5,895,139	7,781,993	8,250,684
Companies	4,828,547	4,563,382	5,564,476	6,111,311	6,714,103	8,800,596
Withholding tax	258,985	305,168	403,912	561,815	639,075	666,658
Prescribed payments system	..	250,513	411,640	514,884	765,359	957,698
Fringe benefits tax	..	..	..	..	534,859	880,581
<b>Total</b>	<b>28,054,305</b>	<b>29,580,245</b>	<b>35,269,980</b>	<b>39,407,550</b>	<b>45,961,818</b>	<b>52,233,661</b>
PERCENTAGES						
Individuals—						
Instalments—salaries and wages	67.16	67.41	66.41	66.80	64.24	62.56
Other payments	14.71	15.28	15.50	14.96	16.93	15.80
Companies	17.21	15.43	15.78	15.51	14.61	16.85
Withholding tax	0.92	1.03	1.14	1.42	1.39	1.28
Prescribed payments system	..	0.85	1.17	1.31	1.67	1.83
Fringe benefits tax	..	..	..	..	1.16	1.68
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## State Governments

The State government enterprises 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 government enterprises 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 government enterprises—or at least methods of analysis need to be adopted which adequately reflect their transactions so that they are in principal, covered by the statistics.

In the figures which follow in this section, all expenditure by State central government enterprises 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 government; 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 government enterprises 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 trading 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 governments. Details of the activities of autonomous or semi-autonomous State government enterprises 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 governments are given in the tables which follow and in *State and Local Government Finance, Australia* (5504.0). Additional information relating to the activities of the State governments may also be found in the *Year Books* of the individual States.

### Outlay, revenue, grants received, and deficit

The outlay, revenue, grants received and deficit of State governments for the six year period ended 1986-87 are given in the following table.

#### OUTLAYS, REVENUE AND GRANTS RECEIVED, AND DEFICIT OF STATE GOVERNMENTS (\$ million)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Current outlays	21,507	25,200	28,257	31,750	35,541	39,113
General government final consumption expenditure	14,822	16,665	18,480	20,629	22,773	24,933
Required current transfer payments	3,392	4,379	5,045	5,979	7,056	7,852
Unrequited current transfer payments	3,293	4,156	4,732	5,142	5,712	6,328
Subsidies paid to enterprises	1,362	1,786	1,869	1,982	2,341	2,658
Personal benefit payments	436	569	603	661	701	791
Current grants—	1,496	1,799	2,260	2,498	2,671	2,864
to non-profit institutions	1,002	1,210	1,500	1,675	1,840	2,013
to local governments	494	589	759	823	831	852
Other current transfer payments	—	2	—	2	-1	15
Capital outlays	8,110	9,838	10,418	10,378	11,585	12,468
Gross fixed capital expenditure	7,385	8,816	9,386	9,392	10,410	11,116
Expenditure on new fixed assets	7,421	8,824	9,448	9,532	10,571	11,386
Expenditure on second hand fixed assets (net)	-36	-8	-62	-140	-161	-271
Increase in stocks	129	178	69	-10	79	235
Expenditure on land and intangible assets (net)	67	45	68	145	-16	-59
Capital transfer payments	395	430	584	631	607	589
Capital grants—	395	430	542	594	591	579
to local governments	302	326	440	461	420	442
to other sectors	93	103	102	132	171	137
Other capital transfer payments	—	—	42	37	16	10
Advances paid (net)	134	370	312	220	506	588
to local governments	20	24	13	24	26	12
to other sectors	113	346	299	197	480	577
Revenue and grants received	24,017	28,150	31,934	35,935	39,783	43,636
Taxes, fees and fines	7,229	8,379	9,297	10,450	11,497	13,051
Net operating surpluses of public trading enterprises	1,713	2,438	2,662	3,172	3,729	4,363
Property income and other revenue	1,819	2,007	2,266	2,735	3,681	3,797
Grants received from Commonwealth government	13,257	15,325	17,709	19,577	20,876	22,424
Financing transactions	5,600	6,889	6,742	6,194	7,343	7,945
Increase in provisions	867	1,030	1,487	1,827	1,934	2,155
<b>Deficit</b>	<b>4,733</b>	<b>5,859</b>	<b>5,255</b>	<b>4,367</b>	<b>5,409</b>	<b>5,790</b>
Deficit financing						
Net advances received from Commonwealth Government (ETF 41)	861	1,059	1,000	797	782	541
Other deficit financing	3,872	4,800	4,255	3,570	4,627	5,249



## Local Governments

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 provision of 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 and Northern Territory legislatures to the local government bodies, 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.

### OUTLAYS, REVENUE AND GRANTS RECEIVED AND DEFICIT OF LOCAL GOVERNMENTS (\$ million)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Current outlays	2,084	2,509	2,803	3,097	3,380	3,681
General government final consumption expenditure	1,573	1,889	2,090	2,308	2,530	2,736
Required current transfer payments	431	526	609	680	730	812
Unrequited current transfer payments	80	94	105	110	120	133
Capital outlays	1,641	1,667	1,713	2,011	2,220	2,380
Gross fixed capital expenditure	1,608	1,634	1,726	2,020	2,234	2,385
Expenditure on new fixed assets	1,615	1,687	1,775	2,091	2,319	2,451
Expenditure on secondhand fixed assets (net)	-7	-52	-48	-71	-85	-66
Increase in stocks	20	16	-10	-9	10	9
Expenditure on land and intangible assets (net)	-5	17	-7	-2	-24	-24
Capital transfer payments	12	8	4	-2	4	6
Advances paid (net)	6	-8	—	4	-5	5
Revenue and grants received	3,243	3,766	4,397	4,796	5,252	5,650
Taxes, fees and fines	1,817	2,080	2,309	2,537	2,779	3,030
Net operating surpluses of public trading enterprises	278	292	390	385	409	453
Property income and other revenue	326	436	446	515	703	783
Grants received—	823	960	1,252	1,360	1,360	1,384
from Commonwealth government	26	44	53	76	110	90
from State governments	796	915	1,199	1,284	1,250	1,293
Financing transactions	481	409	120	312	348	411
Increase in provisions	234	224	244	231	276	245
<b>Deficit</b>	<b>247</b>	<b>185</b>	<b>-124</b>	<b>81</b>	<b>72</b>	<b>166</b>
Deficit financing						
Net advances received from Commonwealth and State governments	20	24	13	24	26	12
Other deficit financing	227	161	-137	57	46	154

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*.

## All Levels of Government

In the following table the transactions of the Commonwealth, State and local governments have been brought together and consolidated to provide details of the outlays and revenue of the public non-financial sector as a whole.

### Summary of outlays, revenue and deficit

The outlays, revenue and deficit of all governments for the years 1981-82 to 1986-87 are set out in the following table.

**OUTLAYS, REVENUE AND DEFICIT OF COMMONWEALTH, STATE AND  
LOCAL GOVERNMENTS (a)**  
(\$ million)

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
Current outlay	48,268	56,936	65,474	74,657	83,478	91,148
General government final consumption expenditure	24,925	28,395	31,917	35,734	39,695	43,384
Required current transfer payments	5,285	6,609	8,187	10,456	13,004	14,884
Unrequited current transfer payments	18,058	21,932	25,370	28,467	30,779	32,879
Subsidies paid to enterprises	2,587	3,118	3,347	3,713	4,035	4,023
Personal benefit payments	13,315	16,238	19,008	21,320	23,057	24,892
Current grants—	2,155	2,575	3,014	3,433	3,688	3,964
to non-profit institutions	1,490	1,839	2,241	2,572	2,833	3,139
to foreign governments and organisations	665	736	773	861	855	825
Other current transfer payments	—	2	0	2	-1	—
Capital outlays	11,877	13,858	14,995	15,214	17,673	19,228
Gross fixed capital expenditure	10,865	12,495	13,542	14,230	16,586	18,330
Expenditure on new fixed assets	10,955	12,637	13,676	14,736	17,199	18,916
Expenditure on second-hand fixed assets (net)	-90	-141	-133	-506	-613	-585
Increase in stocks	424	488	259	-103	110	-214
Expenditure on land and intangible assets (net)	49	27	26	52	-123	-181
Capital transfer payments	320	378	512	605	554	494
Capital grants	320	378	470	568	538	483
Other capital transfer payments	—	—	42	37	16	10
Advances paid (net)	219	470	656	430	546	799
Revenue	52,876	58,586	64,736	76,129	86,164	97,015
Taxes, fees and fines	46,987	51,471	56,385	65,886	73,013	82,207
Net operating surpluses of public trading enterprises	3,054	3,649	4,452	5,443	6,191	7,017
Property income and other revenue	2,834	3,466	3,899	4,800	6,960	7,791
Financing transactions	7,269	12,209	15,732	13,743	14,987	13,360
Increase in provisions	1,930	2,250	3,031	3,028	3,551	4,012
<b>Deficit</b>	<b>5,339</b>	<b>9,959</b>	<b>12,701</b>	<b>10,715</b>	<b>11,436</b>	<b>9,348</b>

(a) Excludes financial enterprises.

## 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, the States and the Northern Territory together with some details of the amounts borrowed by State, Territory and local governments 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 sector enterprises. There are forms of debt not evidenced by the issue of securities, such as Commonwealth Government advances to the States and Northern Territory 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 and the Northern Territory. 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 and Northern Territory works programs. A number of State and Northern Territory public corporations and local governments 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 and the Northern Territory: government securities on issue

Under the 1927 Financial Agreement between the Commonwealth Government and the States (as amended to 1976), 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.

During 1985-86, an agreement was reached with the Northern Territory Government for the formal allocation of securities relating to the Northern Territory Government's Borrowing Program and associated (nominal) debt allocations.

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 and the Northern Territory for interest, exchange, etc. paid on their behalf, and the securities are redeemed from the Fund to which both the Commonwealth, the State governments and the Northern Territory (from 1985-86) 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 and the Northern Territory.

For further information relating to operations of the National Debt Sinking Fund reference should be made to the 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, the States and the Northern Territory from 1985–86. 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 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 Related Paper No. 1, *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 1981–82 to 1986–87, are given in the following group of tables.

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

Source: Budget Related Paper 1—Government Securities on Issue 1987 (Table 7)

	1981–82	1982–83	1983–84	1984–85	1985–86	1986–87
<b>NEW SECURITIES ISSUED</b>						
Securities repayable in Australian currency—						
Treasury bonds	3,385.8	6,253.8	10,850.0	9,222.2	6,850.3	5,402.7
Treasury indexed bonds	—	—	—	—	331.8	303.7
Australian savings bonds	1,312.9	4,204.6	3,599.1	505.2	487.9	138.7
Special bonds	—	—	—	—	—	—
Income equalization deposits	57.6	55.6	24.0	3.7	0.8	0.4
Drought bonds	—	—	—	—	—	—
Overdue securities	—	—	—	—	—	—
Tax-free stock	—	—	—	—	—	—
Debentures	—	—	—	—	—	—
Stock issued to Government savings banks under special agreements (a)	53.3	61.9	114.6	71.1	—	—
Treasury notes	12,594.5	—	—	—	—	—
Treasury bills—						
Internal	1,718.0	—	—	—	—	—
Public	14,200.0	—	—	—	—	—
Other (b)	—	—	—	—	31.0	—
<b>Total</b>	<b>33,322.1</b>	<b>10,575.9</b>	<b>14,587.8</b>	<b>9,802.2</b>	<b>7,701.9</b>	<b>5,845.5</b>
Securities repayable in overseas currencies (c)	831.3	1,077.0	1,238.4	1,729.1	2,555.2	2,886.1
<b>Total new securities issued</b>	<b>34,153.4</b>	<b>11,652.9</b>	<b>15,826.2</b>	<b>11,531.3</b>	<b>10,254.1</b>	<b>8,731.6</b>

For footnotes see end of table.

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

*Source: Budget Related Paper 1—Government Securities on Issue 1987 (Table 7)*

	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87
<b>REDEMPTIONS, REPURCHASES, CANCELLATIONS (d)</b>						
Securities repayable in Australian currency—						
Treasury bonds	2,317.0	3,117.0	3,189.2	2,990.2	4,621.6	3,587.2
Treasury indexed bonds	—	—	—	—	0.5	0.6
Australian savings bonds	1,913.9	1,736.8	1,619.9	1,177.3	2,493.0	650.5
Special bonds	122.8	71.0	31.5	—	—	—
Income equalization deposits	55.2	65.8	48.6	40.5	27.9	19.1
Drought bonds	0.1	—	—	—	—	—
Overdue securities	-3.3	8.2	9.0	8.8	2.4	1.4
Tax-free stock	0.9	0.1	0.2	0.1	—	—
Debentures	4.4	3.3	—	—	—	—
Stock issued to Government savings banks under special agreements (a)	3.6	5.8	6.0	6.2	19.0	31.8
Treasury notes	12,441.9	44.2	1,562.8	-821.7	-3,958.8	-1,286.9
Treasury bills—						
Internal	1,509.7	152.2	479.6	212.9	-107.3	627.1
Public	14,700.0	1,400.0	—	—	—	—
Other (b)	—	—	—	—	—	5.4
<b>Total</b>	<b>33,068.9</b>	<b>6,604.5</b>	<b>6,946.9</b>	<b>3,614.4</b>	<b>3,098.5</b>	<b>3,636.1</b>
Securities repayable in overseas currencies (c)	131.3	1,523.9	666.1	2,697.0	4,217.2	2,533.5
<b>Total redemptions, etc.</b>	<b>33,199.4</b>	<b>8,128.4</b>	<b>7,612.9</b>	<b>6,311.4</b>	<b>7,315.7</b>	<b>6,169.6</b>
<b>NET MOVEMENT</b>						
Securities repayable in Australian currency—						
Treasury bonds	1,068.8	3,136.8	7,653.9	6,227.4	2,228.7	1,813.1
Treasury indexed bonds	—	—	—	—	331.3	303.1
Australian savings bonds	-601.0	2,467.8	1,975.6	-674.2	-2,005.1	-509.3
Special bonds	-122.8	-71.0	-31.9	—	—	—
Income equalization deposits	2.4	-10.2	-24.5	-36.8	-27.1	-18.6
Drought bonds	-0.1	—	-0.1	—	—	—
Overdue securities	3.3	-8.2	2.0	-2.2	-2.4	-1.4
Tax-free stock	-0.9	-0.1	-0.2	-0.1	—	—
Debentures	-4.4	-3.3	—	—	—	—
Stock issued to Government savings banks under special agreements (a)	47.7	56.1	108.7	64.9	-19.0	-31.8
Treasury notes	152.6	-44.2	-1,562.8	821.7	3,958.8	1,286.9
Treasury bills—						
Internal	208.3	-152.2	-479.6	-212.9	107.3	-627.1
Public	-500.0	-1,400.0	—	—	—	—
Other (b)	—	—	—	—	30.8	-5.4
<b>Total</b>	<b>254.0</b>	<b>3,971.4</b>	<b>7,640.9</b>	<b>6,187.8</b>	<b>4,603.4</b>	<b>2,209.4</b>
Securities repayable in overseas currencies (c)	700.0	-446.9	572.3	-967.9	-1,662.0	352.6
<b>Net movement in securities on issue</b>	<b>954.0</b>	<b>3,524.5</b>	<b>8,213.3</b>	<b>5,219.9</b>	<b>2,941.4</b>	<b>2,562.0</b>

(a) Recorded in Commonwealth Government Loan Fund as State domestic raisings. (b) Loans taken over from the previous Canberra Commercial Development Authority. (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, the States and the Northern Territory, repayable in Australian and in overseas currencies.

### GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH GOVERNMENT AND STATES AND NORTHERN TERRITORY (\$ million)

*Source: Budget Related Paper 1—Government Securities on Issue 1987 (Tables 2, 19)*

	30 June					
	1982	1983	1984	1985	1986	1987
<b>For Commonwealth Government purposes—</b>						
Repayable in Australian currency—						
Treasury bonds	5,570.0	8,307.7	15,493.6	21,288.6	22,310.8	23,826.0
Treasury indexed bonds	—	—	—	—	331.3	634.5
Australian savings bonds	381.2	2,633.9	4,577.3	3,914.7	2,033.6	1,682.8
Special bonds	11.1	1.3	—	—	—	—
Income equalization deposit	165.7	155.5	130.9	94.1	67.1	48.4
Drought bonds	0.2	0.1	—	—	—	—
Advance loan subscriptions	—	—	—	—	—	—
Overdue securities	7.8	6.8	8.8	6.7	5.5	4.7
Treasury notes	3,680.0	3,635.8	2,073.0	2,894.7	6,853.5	8,140.4
Treasury bills—						
Internal	1,364.5	1,212.3	732.7	519.8	627.1	—
Public	1,400.1	—	—	—	—	—
Other (a)	—	—	—	—	30.7	25.3
<b>Total</b>	<b>12,580.4</b>	<b>15,953.4</b>	<b>23,016.4</b>	<b>28,718.7</b>	<b>32,259.7</b>	<b>34,362.0</b>
Repayable in overseas currencies (b)	5,335.7	6,905.2	7,076.2	9,786.4	13,827.0	15,058.8
<b>Total Commonwealth Government</b>	<b>17,916.1</b>	<b>22,858.5</b>	<b>30,092.6</b>	<b>38,505.1</b>	<b>46,086.7</b>	<b>49,420.9</b>
<b>On account of States—</b>						
Repayable in Australian currency—						
Treasury bonds	13,067.0	13,464.2	13,932.2	14,364.6	15,569.6	15,867.5
Australian savings bonds	1,828.7	2,038.9	2,071.1	2,059.4	1,934.7	1,776.3
Special bonds	92.5	30.6	—	—	—	—
Tax-free stock	13.9	13.8	13.6	13.5	13.5	13.5
Stock issued to Government savings banks under special agreements	651.6	707.8	816.5	881.3	862.3	830.5
Debentures	3.3	—	—	—	—	—
Overdue securities	—	0.2	0.1	—	1.2	0.6
<b>Total</b>	<b>15,657.0</b>	<b>16,255.5</b>	<b>16,833.4</b>	<b>17,318.9</b>	<b>18,381.3</b>	<b>18,488.4</b>
Repayable in overseas currencies (b)	16.3	13.9	7.7	6.4	5.4	5.3
<b>Total States of which—</b>	<b>15,673.3</b>	<b>16,269.4</b>	<b>16,841.1</b>	<b>17,325.2</b>	<b>18,386.7</b>	<b>18,493.7</b>
New South Wales	5,108.1	5,327.9	5,566.5	5,773.5	5,999.2	6,042.6
Victoria	3,932.4	4,045.3	4,204.1	4,385.5	4,550.1	4,587.2
Queensland	2,113.0	2,198.7	2,291.6	2,376.6	2,459.2	2,477.5
South Australia	1,961.9	2,035.2	2,009.4	1,598.2	1,982.9	1,577.3
Western Australia	1,486.3	1,547.8	1,614.9	1,990.6	1,591.5	1,965.4
Tasmania	1,071.6	1,114.4	1,154.5	1,200.7	1,246.3	1,256.4
Northern Territory	—	—	—	—	557.7	587.4
<b>Total Commonwealth Government and States</b>	<b>33,589.4</b>	<b>39,127.9</b>	<b>46,933.6</b>	<b>55,830.3</b>	<b>64,473.4</b>	<b>67,914.6</b>

(a) Includes loans taken over from the previous Canberra Commercial Development Authority. (b) Australian currency equivalent.

## State and Local Authorities' Borrowings

The borrowings of Commonwealth, State and local authorities first came within the purview of the Loan Council under a 'gentlemen's agreement' originating in 1936. Since 1984-85 the 'gentlemen's agreement' has been replaced by the Global Approach whereby the Loan Council determines a voluntary global limit to apply to all new money borrowings by all public trading enterprises (except statutory marketing boards) and local governments. Details of the Global Approach are contained in Commonwealth Budget Paper No. 4, *Commonwealth Financial Relations with Other Levels of Government*.

The following table shows the aggregate borrowings by the State and local authorities in each of the years 1983-84 to 1987-88.

### 'GLOBAL' NEW MONEY BORROWINGS BY COMMONWEALTH, STATE AND NORTHERN TERRITORY SEMI-GOVERNMENT AND LOCAL AUTHORITIES (a), 1983-84 TO 1987-88 (\$ '000)

Source: Commonwealth Budget Paper (1987-88) No. 4 (Table 99)

	New South Wales	Victoria	Queens-land	Western Australia	South Australia	Tasmania	Northern Territory	States and the Territory	Commonwealth	Total
CONVENTIONAL BORROWINGS (b)										
1983-84	1,164,200	1,207,100	908,972	650,246	173,400	173,759	12,680	4,290,357	353,035	4,643,392
1984-85	1,337,282	2,007,130	736,789	770,442	478,500	225,623	37,250	5,593,016	622,065	6,215,081
1985-86	1,757,683	1,855,960	740,512	741,332	245,700	228,135	57,750	5,627,072	825,650	6,452,722
1986-87	1,792,622	1,783,270	848,700	531,133	305,600	216,053	86,300	5,563,678	678,497	6,242,175
OTHER BORROWINGS (c)										
1983-84	729,692	373,231	(d)743,028	148,500	307,600	6,477	3,940	2,312,468	404,914	2,717,382
1984-85	603,366 (e)	-22,308	(d)815,211	47,616	14,500	3,365	12,740	1,474,418	578,154	2,052,572
1985-86	301,381	150,700	798,400	—	154,300	1,865	7,250	1,413,896	363,517	1,777,413
1986-87	52,378	75,580	538,300	103,867	44,400	947	—	815,472	780,447	1,595,919
TOTAL 'GLOBAL' BORROWINGS										
1983-84	1,893,892	1,580,331	(d)1,652,000	798,746	481,000	180,236	16,620	6,602,825	757,949	7,360,774
1984-85	1,940,648	1,984,822	(d)1,552,000	818,058	493,000	228,988	49,990	7,067,434	(f)1,200,219	8,267,653
1985-86	2,059,064	2,006,660	1,538,912	741,332	400,000	230,000	65,000	7,040,968	(f)1,189,167	8,230,135
1986-87	1,845,000	1,858,850	1,387,000	635,000	350,000	217,000	86,300	6,379,150	(f)(g)1,458,944	7,838,094
1987-88(h)	1,539,700	1,526,400	1,160,500	584,000	300,800	181,600	65,000	5,358,000	(f)1,187,900	6,545,900

(a) Includes borrowings by all Commonwealth, State and Northern Territory semi-government and local authorities, government owned companies and trusts. (b) Includes 'conventional' loan raisings under the Gentlemen's Agreement for 1983-84, and within the global limits thereafter. (c) Includes borrowings by way of domestic deferred payments, overseas trade credits, financial leases, sale and leaseback and similar arrangements, security deposits and other repayable capital contributions, and identified net changes in temporary purpose borrowings over the financial year. (d) Commonwealth Treasury estimates. (e) Negative reflecting a decline in temporary purpose borrowings outstanding over the course of 1984-85. (f) Includes 'implicit' borrowings associated with the Commonwealth's instalment purchase of Commonwealth Government Offices. (g) Includes unexpected net increase in temporary purpose borrowings of \$54.9 million. (h) 'Global' new money limits agreed by Loan Council at its May 1987 Meeting.

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

## BIBLIOGRAPHY

### **ABS Publications**

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*Government Finance Statistics, Australia* (5512.0)  
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*Taxation Revenue, Australia* (5506.0)

### **Other Publications**

A variety of publications are available from the Australian Taxation Office.