

P u b l i c F i n a n c e

Contents	Page
Concepts and definitions used in public finance statistics	661
COMMONWEALTH GOVERNMENT FINANCE	661
Financial provisions of the Constitution	661
Commonwealth Government Budget	661
Commonwealth non-budget enterprises	663
Summary of outlay, revenue and net public sector borrowing requirement	664
Commonwealth government financial assistance to the States and the Territories	665
Grants to the States and the Territories	665
Advances to the States and the Territories	666
Main sources of finance	666
Commonwealth government taxation — summary	667
STATE GOVERNMENT FINANCE	668
Outlays, revenue, grants received and deficit	668
LOCAL GOVERNMENT FINANCE	670
FINANCE OF ALL LEVELS OF GOVERNMENT	671
Summary of outlays, revenue and financing transactions	671
PUBLIC SECTOR BORROWING	672
Commonwealth, States and Territories government securities on issue	672

Contents**Page**

Net movement in securities on issue	673
Government securities on issue	674
State and local authorities' borrowings	675
BIBLIOGRAPHY	676

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. This is followed by a section on government borrowing activities at all levels.

Concepts and definitions used in public finance statistics

Except for those explicitly sourced to Budget Papers, the statistics in this chapter are provided from the system of government finance statistics (GFS). A separate publication *Classification Manual for Government Finance Statistics, Australia* (1217.0) assists in understanding these statistics. 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 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 (see the chapter, Government).

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.

Details of current provisions for financial assistance to the States are contained in *Commonwealth Budget Paper No. 4, Commonwealth Financial Relations with Other Levels of Government, 1991–92*.

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 1989–90, the change in cash balances was represented by the following:

	\$'000
Net Cash receipts of the Consolidated	
Revenue Fund	97,261,920
<i>plus</i> cash receipts of Loan Fund	40,722,355
<i>plus</i> cash receipts of Trust Fund	15,733,086
Total	153,717,361
<i>less</i> cash payments from Consolidated	
Revenue Fund	97,261,920
<i>less</i> cash payments from Loan Fund	40,722,372
<i>less</i> cash payments from Trust Fund	
(including decrease in investments of	
the Trust Fund)	14,470,315
Total	152,454,607
<i>equals</i> increase in cash balances	1,262,754

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 1990-91 are set out in the table which follows, together with figures for the years 1985-86 to 1990-91. 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.

**COMMONWEALTH GENERAL GOVERNMENT BUDGET SECTOR TRANSACTIONS
BY ECONOMIC TYPE
(\$ million)**

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Current outlays						
Final consumption expenditure	12,511	13,556	14,020	14,716	15,526	17,243
Current transfer payments						
Interest	7,037	7,940	7,913	7,483	7,344	6,158
Subsidies(a)	1,702	1,684	1,825	1,704	1,850	2,843
Personal benefit payments	22,339	24,082	26,819	25,014	26,325	30,570
Grants to non-profit institutions	967	1,120	957	1,101	1,161	1,152
Grants to non-budget sector(a)	2,052	2,063	2,435	6,182	7,980	8,776
Grants to other governments	17,974	19,477	20,879	21,568	22,922	24,646
Grants overseas	840	810	843	916	1,070	1,036
Other transfers	—	3	4	5	7	5
Total current transfer payments	52,911	57,179	61,675	63,973	68,659	75,186
Total current outlays	65,422	70,735	75,695	78,689	84,185	92,429
Capital outlays						
Gross capital formation(b)	603	548	606	532	687	971
Net land and intangible assets	-111	-87	-378	-121	24	-65
Capital transfer payments						
Grants to non-budget sector	516	679	665	322	104	100
Grants to other governments	3,247	3,250	3,038	3,062	3,505	3,896
Grants to other sector(c)	328	303	348	352	316	250
Total capital transfer payments	4,091	4,232	4,051	3,736	3,926	4,245
Net advances						
To non-budget sector	-99	-123	-46	29	-136	-260
To other governments	777	546	-46	-124	-485	-1,858
To other sector(d)	119	106	-573	-110	-575	578
Total net advances	797	529	-665	-205	-1,197	-1,540
Total capital outlays	5,380	5,222	3,614	3,942	3,440	3,612
Total outlays	70,802	75,957	79,309	82,631	87,625	96,041

For footnotes see end of table.

**COMMONWEALTH GENERAL GOVERNMENT BUDGET SECTOR TRANSACTIONS
BY ECONOMIC TYPE — *continued***
(\$ million)

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Revenue						
Taxation						
Income tax on companies	6,674	7,888	10,348	11,992	15,051	16,622
Income tax on persons	32,734	38,074	41,885	47,543	50,395	51,221
Sales tax, customs and excise duties	18,503	19,397	21,414	22,424	23,982	23,050
Tax on certain bank transactions	202	261	330	358	378	229
ACT taxes and charges	143	177	239	233	—	—
Other taxes, fees and fines						
Primary industry charges	51	55	59	63	67	80
Primary industry levy	512	577	691	778	789	1,233
Broadcasting and television licence fees	69	77	86	110	175	124
Other taxes fees and fines	316	296	331	331	407	519
Total	59,205	66,803	75,383	83,833	91,244	93,078
Non-taxation revenue						
Interest, rent, dividends, royalties, etc.	6,019	6,663	6,083	4,880	4,627	4,859
Total revenue	65,224	73,466	81,465	88,713	95,871	97,937

(a) Current grants to PTE's are classified as subsidies and are not included in grants to non-budget sector. (b) Gross Capital Formation covers the purchase of new fixed assets purchased less sales of second-hand fixed assets and increase in stocks. (c) Capital grants to public financial enterprises, private enterprises, persons and non-profit organisations. (d) Net advances to public financial enterprises, private enterprises, persons, non-profit organisations and overseas.

Source: *Budget Paper No.1, Budget Statements, 1991-92.*

Net Financing Requirement is financing transactions less net intra-sector advances received and increases in provisions. It is a measure which encompasses governments' net borrowing, their call on cash reserves and the net change in their other financial assets and liabilities. It excludes net advances received from other parts of the non-financial public sector in order to provide an unduplicated measure of this sector's demand for financing from the rest of the economy and overseas.

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 Airlines Limited, 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. These public trading and financial enterprises 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. Their omission is on the basis 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.

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 1989-90 are given in the following table.

FINANCIAL TRANSACTIONS OF COMMONWEALTH GOVERNMENT (\$ million)

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Current outlays	60,181	66,450	72,101	77,230	79,985	86,354
General government final consumption expenditure	12,903	14,480	15,898	16,472	17,485	18,691
Required current transfer payments(a)	6,302	7,928	8,889	9,131	8,850	9,079
Unrequited current transfer payments	40,976	44,041	47,314	51,626	53,650	58,584
Subsidies paid to enterprises	1,902	1,910	1,746	1,964	1,902	2,036
Personal benefit payments	20,658	22,343	24,176	26,923	28,412	31,335
Current grants	18,416	19,788	21,391	22,739	23,331	25,206
To non-profit institutions	882	972	1,090	1,014	1,170	1,202
To foreign governments and organisations	861	855	824	849	932	1,083
To State and local governments	16,673	17,961	19,477	20,877	21,229	22,922
Other current transfer payments	—	—	—	—	5	7
Capital outlays	7,412	8,448	8,059	6,153	7,690	11,785
Gross fixed capital expenditure	2,807	4,129	4,469	3,903	4,174	6,076
Expenditure on new fixed assets	3,103	4,496	4,768	4,350	4,981	6,462
Expenditure on second-hand fixed assets (net)	-296	-367	-299	-446	-807	-386
Increase in stocks	170	-282	-612	-395	176	2,751
Expenditure on land and intangible assets (net)	-91	-60	-52	-356	99	157
Capital transfer payments	3,601	3,614	3,600	3,431	3,457	3,858
Capital grants	3,601	3,614	3,600	3,431	3,457	3,858
To State and local governments	3,166	3,246	3,250	3,039	3,042	3,506
To other sectors	435	367	351	393	414	352
Advances paid (net)	924	1,048	653	-431	-215	-1,057
To State and local government	799	786	546	-46	-111	-485
To other sectors	125	262	107	-386	-104	-572

For footnotes see end of table.

FINANCIAL TRANSACTIONS OF COMMONWEALTH GOVERNMENT — continued
(\$ million)

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Revenue and grants received	59,502	66,907	74,467	84,581	92,506	98,476
Taxes, fees and fines	53,248	59,134	66,789	75,396	83,958	91,237
Net operating surpluses of public trading enterprises	2,034	2,322	1,453	3,294	3,711	2,592
Property income and other revenue	4,220	5,450	6,225	5,891	4,838	4,646
Income from Commonwealth public financial enterprises	1,066	2,025	2,725	1,981	633	567
Interest received from State government and local governments on advances	2,652	2,981	3,153	3,391	3,614	3,556
Other	2,230	2,334	2,432	2,484	2,468	2,534
Other income	421	646	719	905	1,146	1,021
	502	444	348	519	590	523
Financing transactions(b)	8,091	7,990	5,692	-1,198	-4,831	-338
Net advances received	—	—	—	—	—	—
Net domestic borrowing	6,617	5,329	4,304	-2,201	-1,951	-3,663
Net borrowing from abroad	1,609	969	1,746	-1,352	-2,142	-1,624
Increase in provisions	1,029	1,339	1,701	1,864	2,018	2,185
Other financing transactions(b)	-1,164	353	-2,059	491	-2,755	2,764

(a) Interest, land rent, royalties and dividends paid. (b) Calculated as a residual.

Source: *Government Finance Statistics, Australia (5512.0)*.

Commonwealth government financial assistance to the States and the Territories

This takes two main forms, grants for general and specific purposes; and assistance for developmental and other specific purposes in the form of repayable advances.

Some information about these forms of financial assistance is contained in 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 Territories

The following table shows details of grants to the States and the Territories (including local government) classified by purpose.

GRANTS TO STATES AND TERRITORIES BY GOVERNMENT PURPOSE
CLASSIFICATION AND STATE, 1989-90
(\$ million)

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total
<i>Current grants</i>	6,875	5,369	3,945	2,231	2,388	815	789	510	22,922
General public services, defence, public order and safety	54	48	28	19	19	3	—	2	174
Education	1,448	1,233	666	367	406	112	35	42	4,308
Health	1,215	887	585	323	317	96	22	51	3,497
Social security and welfare	158	141	63	42	47	19	8	8	485
Housing and community amenities	4	2	1	1	1	6	1	7	24
Fuel and energy	19	132	4	—	10	32	3	—	199
Agriculture, forestry, fishing and hunting	25	18	25	12	17	24	13	—	134
Mining, manufacturing and construction	10	—	-1	—	—	—	—	—	9
Transport and communications	9	5	4	2	4	—	1	—	26
Other economic affairs	6	3	10	2	4	3	3	—	30
Other purposes	3,927	2,900	2,559	1,463	1,564	520	704	400	14,037

... continued

GRANTS TO STATES AND TERRITORIES BY GOVERNMENT PURPOSE
CLASSIFICATION AND STATE, 1989-90 — continued
(\$ million)

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total
<i>Capital grants</i>	1,090	737	552	297	378	201	175	76	3,505
General public services, defence, public order and safety	—	—	—	—	—	40	—	—	40
Education	216	146	90	44	58	14	8	6	581
Health	16	13	9	6	6	7	—	1	58
Social security and welfare	27	14	11	5	7	12	1	1	78
Housing and community amenities	295	214	134	110	91	49	81	17	991
Recreation and culture	1	1	1	1	1	1	—	—	4
Agriculture, forestry, fishing and hunting	3	2	5	1	10	—	—	—	20
Transport and communications	437	276	270	92	181	50	40	12	1,357
Other economic affairs	-1	—	1	—	—	—	—	—	—
Other purposes	96	71	32	39	24	29	45	39	375
Total current and capital grants	7,965	6,106	4,497	2,528	2,766	1,016	964	586	26,428

Source: Government Finance Statistics, Australia (5512.0).

Advances to the States and the Territories

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 Budget Paper No. 4, Commonwealth Financial Relations with Other Levels of Government*.

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

NET ADVANCES TO STATES AND THE TERRITORIES BY GOVERNMENT
PURPOSE CLASSIFICATION, 1989-90
(\$ million)

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Total
<i>Net advances</i>	-112	-82	-60	-130	-32	-18	-9	-41	-485
Defence	-1	—	—	—	—	—	—	—	-2
Housing and community amenities	-29	-19	-6	-7	-7	-4	-2	-60	-135
Recreation and culture	—	—	—	—	—	—	—	—	—
Fuel and energy	—	—	-4	—	—	—	—	—	-4
Agriculture, forestry, fishing and hunting	-8	-7	-7	—	-3	—	—	—	-25
Mining, manufacturing and construction	—	—	—	—	—	—	—	—	—
Transport and communications	-2	-1	-1	—	-1	—	—	—	-6
Other purposes	-73	-55	-42	-122	-21	-14	-6	18	-315

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

Source: Government Finance Statistics, Australia (5512.0).

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 what follows, an account is given of the components of Commonwealth government taxation. 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 1990-91.

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

Type of tax	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Taxes, fees and fines	59,134	66,812	75,425	83,918	91,185	93,322
Taxes on income	39,389	45,386	51,279	58,417	64,099	66,377
Income taxes levied on individuals	32,714	38,062	41,887	47,537	50,020	50,170
Personal income tax	32,713	38,061	41,886	47,536	50,019	50,168
Mining withholding tax	1	1	1	1	1	2
Income taxes levied on enterprises	5,979	6,539	8,573	9,981	12,982	15,111
Company income tax	5,957	6,526	8,562	9,974	12,606	14,058
Income tax paid by superannuation funds	22	13	11	7	376	1,053
Income taxes levied on non-residents	696	785	818	898	1,097	1,095
Dividend withholding tax	209	172	125	97	115	109
Interest withholding tax	351	466	541	638	799	790
Other income tax levied on non-residents	135	147	153	162	183	196
Employers' payroll taxes	56	593	948	1,069	1,204	1,312
General taxes (payroll tax)	29	34	41	51	—	—
Selective taxes (stevedoring industry charges)	27	24	26	28	35	51
Fringe benefits tax	—	535	881	990	1,168	1,262
Taxes on property	261	342	464	486	387	247
Taxes on immovable property	31	37	52	58	—	—
Estate, inheritance and gift duties	—	1	1	1	—	—
Taxes on financial and capital transactions	229	304	411	427	387	247
Stamp duties	27	40	61	60	—	—
Financial institutions' transaction taxes	202	261	342	358	378	229
Government borrowing guarantee levies	—	4	9	9	9	18
Taxes on provision of goods and services	18,889	19,881	22,071	23,085	24,571	24,288
General taxes (sales tax)	5,728	6,348	7,548	9,402	10,132	9,365
Excises and levies	9,788	10,202	10,793	9,826	10,413	11,547
Excises on crude oil and LPG	4,019	2,062	2,056	1,188	1,232	1,354
Other Excise Act duties	5,417	7,699	8,128	8,032	8,606	8,965
Agricultural production taxes	353	441	609	606	575	1,228
Taxes on international trade	3,358	3,314	3,711	3,831	4,026	3,377
Customs duties on imports	3,282	3,237	3,632	3,752	3,954	3,319
Customs duties on exports	58	55	55	54	61	54
Agricultural produce export taxes	18	22	24	24	11	3
Taxes on gambling	9	11	13	21	—	—
Taxes on insurance	6	7	7	5	—	—
Taxes on use of goods and performance of activities	198	217	227	208	238	183
Motor vehicle taxes	21	24	30	38	21	18
Franchise taxes	10	14	21	21	—	—
Other taxes on use of goods etc.	167	179	176	149	217	165
Broadcast and TV station licences	69	77	86	108	177	125
Departure tax	50	56	66	38	39	38
Other taxes on use of goods etc. n.e.c.	48	45	25	2	2	2
Fees and fines	342	394	436	654	686	915
Compulsory fees, of which	334	386	425	650	681	889
Aviation en route charges	144	189	188	320	314	409
Light dues and navigation Act charges	36	36	39	40	41	42
Tertiary education charges	—	4	3	8	17	22
Fines	8	9	11	3	6	26

Source: Taxation Revenue, Australia (5506.0).

STATE GOVERNMENT FINANCE

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 description 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. However 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 principle, 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. Often similar activities are carried out, or services are provided, by central government or local governments in other States. 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*.

The total transactions of State Governments are given in the table which follows. Details for individual State Governments may also be found in the respective *State Year Books*.

Outlays, revenue, grants received and deficit

The outlays, revenue, grants received and deficit of State Governments for the six year period ended 1989-90 are given in the following table.

FINANCIAL TRANSACTIONS OF STATE GOVERNMENTS
(\$ million)

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Current outlays	32,020	35,753	39,537	43,327	47,423	52,946
General government final consumption expenditure	20,603	22,749	24,965	27,352	29,719	33,079
Required current transfer payments	6,200	7,162	8,097	9,104	10,303	12,024
Interest payments	6,170	7,127	8,043	9,053	10,227	11,891
To Commonwealth Government on advances	2,227	2,330	2,426	2,479	2,467	2,534
Other	3,943	4,797	5,617	6,574	7,760	9,357
Land rent, royalties and dividends paid	31	34	53	51	77	133
Unrequited current transfer payments	5,216	5,842	6,476	6,872	7,401	7,843
Subsidies paid to enterprises	1,970	2,360	2,658	2,681	2,843	2,630
Personal benefits payments	661	709	805	906	1,009	1,156
Current grants	2,584	2,773	2,989	3,255	3,527	4,006
To non profit institutions	1,761	1,943	2,147	2,329	2,624	3,055
To local governments	823	830	842	925	903	951
Other current transfer payments	2	—	24	29	22	51
Capital outlays	10,706	11,640	12,550	11,259	10,389	12,151
Gross fixed capital expenditure	9,568	10,574	11,245	10,042	9,977	11,356
Expenditure on new fixed assets	9,733	10,744	11,489	10,595	10,786	12,222
Expenditure on second hand fixed assets (net)	-165	-170	-244	-553	-810	-866
Increase in stocks	18	18	232	171	-20	56
Expenditure on land and intangible assets (net)	156	-21	-59	89	-686	-280
Capital transfer payments	616	592	585	738	895	892
Capital grants	616	592	585	738	895	892
To local governments	462	419	446	501	553	591
To other sectors	116	157	128	231	341	298
Other capital transfer payments	37	16	10	6	1	3
Advances paid (net)	348	477	547	218	222	127
To local governments	-56	39	16	6	10	6
To other sectors	405	438	531	212	213	122
Revenue	36,204	40,242	44,121	48,938	53,821	59,148
Taxes, fees and fines	10,486	11,629	13,202	15,749	18,593	20,329
Net operating surpluses of PTEs	2,237	3,810	4,572	5,268	5,529	5,936
Property income and other revenue	2,715	3,705	3,719	4,108	5,473	6,565
Income from public financial enterprises	150	221	246	268	415	359
Interest received	1,464	2,111	2,211	2,360	3,328	4,091
Other property income and other revenue	1,102	1,374	1,263	1,480	1,730	2,115
Grants received	19,766	21,098	22,627	23,813	24,226	26,319
Financing transactions(a)	6,522	7,151	7,966	5,648	3,991	5,948
Net advances received	805	782	541	-51	-116	-488
Net domestic borrowing	3,422	4,783	5,606	5,073	2,636	1,556
Net borrowing from abroad	1,712	995	377	18	934	1,024
Increase in provisions	1,866	1,977	2,125	2,305	3,248	3,261
Other financing transactions(a)	-1,284	-1,386	-684	-1,697	-2,710	594

(a) Calculated as a residual.

Source: *Government Finance Statistics, Australia (5512.0)*.

LOCAL GOVERNMENT FINANCE

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.

FINANCIAL TRANSACTIONS OF LOCAL GOVERNMENTS (\$ million)

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Current outlays	3,098	3,400	3,698	4,012	4,349	4,932
Final consumption expenditure	2,310	2,535	2,743	2,973	3,240	3,678
Required current transfer payments	672	739	816	888	942	1,091
Unrequited current transfer payments	115	126	139	152	167	163
Capital outlays	2,015	2,224	2,383	2,470	2,661	3,293
Gross fixed capital expenditure	2,019	2,233	2,390	2,516	2,653	3,352
Expenditure on new fixed assets	2,090	2,318	2,455	2,634	2,678	2,823
Expenditure on second-hand fixed assets (net)	-72	-85	-66	-118	-24	529
Increase in stocks	-9	10	9	1	—	—
Expenditure on land and intangible assets (net)	-2	-24	-25	-37	-56	-57
Capital transfer payments	4	3	3	6	76	12
Advances paid (net)	4	1	7	-15	-11	-12
Revenue and grants received	4,803	5,273	5,697	6,124	6,829	7,471
Taxes, fees and fines	2,538	2,781	3,034	3,334	3,678	4,032
Net operating surpluses of public trading enterprises	384	406	451	467	653	691
Property income and other revenue	521	725	823	791	926	1,097
Grants received	1,360	1,360	1,389	1,531	1,573	1,652
From Commonwealth Government	75	112	101	105	117	110
From State Governments	1,285	1,249	1,288	1,426	1,456	1,542
Financing transactions(a)	310	350	384	358	181	754
Net advances received	-56	39	16	6	10	6
Net domestic borrowing	543	448	330	250	233	254
Net borrowing from abroad	—	—	—	—	—	—
Increase in provisions	231	276	244	270	243	245
Other financing transactions(a)	-407	-412	-206	-168	-305	248

(a) Calculated as a residual.

Source: *Government Finance Statistics, Australia (5512.0)*.

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*.

FINANCE OF 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 financing transactions

The outlays, revenue and financing transactions of all governments for the years 1984-85 to 1989-90 are set out in the following table.

FINANCIAL TRANSACTIONS OF COMMONWEALTH, STATE AND LOCAL GOVERNMENTS
(\$ million)

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Current outlays	75,416	84,335	92,377	100,012	106,942	117,600
General government final consumption expenditure	35,816	39,763	43,606	46,796	50,443	55,447
Required current transfer payments	10,863	13,436	15,275	16,523	17,572	19,616
Interest payments	10,832	13,401	15,222	16,472	17,496	19,483
Land, royalties and dividends paid	31	34	53	51	77	133
Unrequited current transfer payments	28,738	31,136	33,497	36,692	38,926	42,537
Subsidies paid to enterprises	3,897	4,295	4,431	4,648	4,749	4,669
Personal benefit payments	21,319	23,052	24,982	27,829	29,421	32,491
Current grants	3,520	3,789	4,083	4,214	4,751	5,366
Other current transfer payments	2	—	—	—	5	10
Capital outlays	15,754	17,823	18,736	16,381	17,180	23,612
Gross fixed capital expenditure	14,394	16,936	18,104	16,461	16,804	20,784
Expenditure on new fixed assets	14,926	17,558	18,712	17,579	18,445	21,507
Expenditure on second-hand fixed assets (net)	-532	-622	-608	-1,118	-1,641	-724
Increase in stocks	180	-254	-371	-223	155	2,807
Expenditure on land and intangible assets (net)	63	-105	-137	-304	-644	-181
Capital transfer payments	589	541	490	631	762	664
Capital grants	552	525	480	624	761	661
Other capital transfer payments	37	16	10	6	1	2
Advances paid (net)	527	705	649	-183	103	-461
Revenue	77,007	87,445	97,590	111,513	124,612	134,309
Taxes, fees and fines	66,272	73,544	83,025	94,480	106,212	115,577
Net operating surpluses of PTEs	5,655	6,538	6,477	9,029	9,893	9,219
Property income and other revenue	5,080	7,363	8,088	8,004	8,506	9,513
Financing transactions(a)	14,163	14,713	13,523	4,880	-490	6,903
Net domestic borrowing	10,569	10,448	10,271	3,114	913	-1,867
Net borrowing from abroad	3,321	1,965	2,124	-1,334	-1,209	-599
Increase in provisions	3,126	3,593	4,070	4,438	5,509	5,691
Other financing transactions(a)	-2,853	-1,293	-2,941	-1,339	-5,703	3,678

(a) Calculated as residual.

Source: *Government Finance Statistics, Australia (5512.0)*.

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 Territories 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 Territories for specific capital purposes. Governments themselves maintain significant holdings of their own securities, e.g., 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 Territories. 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 Territories works programs. A number of State and 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, States and Territories 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 Territories 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 Territory governments (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 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.

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 Territories. 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 1984-85 to 1989-90, are given in the following group of tables.

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

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
NEW SECURITIES ISSUED						
Securities repayable in Australian currency						
Treasury bonds	9,222.2	6,850.3	5,402.7	2,901.2	2,500.0	2,875.0
Treasury indexed bonds	—	331.8	303.7	202.7	—	—
Australian savings bonds	505.2	487.9	138.7	321.2	—	—
Special bonds	—	—	—	—	—	—
Income equalization deposits	3.7	0.8	0.4	0.7	0.5	36.7
Drought bonds	—	—	—	—	—	—
Overdue securities	—	—	—	—	—	—
Tax-free stock	—	—	—	—	—	—
Debentures	—	—	—	—	—	—
Stock issued to Government savings banks under special agreements(a)	71.1	—	—	—	—	—
Treasury notes	—	—	—	—	—	—
Treasury bills						
Internal	—	—	—	71.7	1,995.7	1,897.1
Public	—	—	—	—	—	—
Other(b)	—	31.0	—	—	—	—
Total	9,802.2	7,701.9	5,845.5	3,497.5	4,496.2	4,808.8
Securities repayable in overseas currencies(c)	1,729.1	2,555.2	2,886.1	—	—	—
Total new securities issued	11,531.3	10,257.0	8,731.6	3,497.5	4,496.2	4,808.8
REDEMPTIONS, REPURCHASES, CANCELLATIONS (d)						
Securities repayable in Australian currency						
Treasury bonds	2,990.2	4,621.6	3,587.2	5,072.8	6,103.6	4,247.2
Treasury indexed bonds	—	0.5	0.6	0.5	0.7	0.6
Australian savings bonds	1,177.3	2,493.0	650.5	285.6	747.7	1,869.8
Special bonds	—	—	—	—	—	—
Income equalization deposits	40.5	27.9	19.1	14.2	5.4	4.4
Drought bonds	—	—	—	—	—	—
Overdue securities	8.8	2.4	1.4	1.1	3.3	1.3
Tax-free stock	0.1	—	—	0.1	0.2	0.1
Debentures	—	—	—	—	—	—
Stock issued to Government savings banks under special agreements(a)	6.2	19.0	31.8	35.3	37.9	41.9
Treasury notes	-821.7	-3,958.8	-1,286.9	290.8	-1,683.5	1,326.0
Treasury bills						
Internal	212.9	-107.3	627.1	—	71.7	1,995.7
Public	—	—	—	—	—	—
Other(b)	—	—	5.4	3.3	9.3	1.3
Total	3,614.4	3,098.5	3,636.1	5,703.6	5,296.5	9,488.3
Securities repayable in overseas currencies(c)	2,697.0	4,217.2	2,533.5	1,566.1	3,181.9	2,647.9
Total redemptions, etc.	6,311.4	7,315.7	6,169.6	7,269.7	8,478.4	12,136.2

For footnotes see end of table.

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

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
NET MOVEMENT						
Securities repayable in Australian currency						
Treasury bonds	6,227.4	2,228.7	1,813.1	-2,172.6	-3,604.0	-1,372.7
Treasury indexed bonds	—	331.3	303.1	202.2	-0.7	-0.6
Australian savings bonds	-674.2	-2,005.1	-509.3	34.1	-748.7	-1,876.4
Special bonds	—	—	—	—	—	—
Income equalization deposits	-36.8	-27.1	-18.6	-13.5	-4.9	32.4
Drought bonds	—	—	—	—	—	—
Overdue securities	-2.2	-2.4	-1.4	1.4	-1.9	6.2
Tax-free stock	-0.1	—	—	—	-0.2	-0.1
Debentures	—	—	—	—	—	—
Stock issued to Government savings banks under special agreements(a)	64.9	-19.0	-31.8	-35.3	-37.9	-41.9
Treasury notes	821.7	3,958.8	1,286.9	-290.8	1,683.5	-1,326.0
Treasury bills						
Internal	-212.9	107.3	-627.1	71.7	1,924.0	-98.6
Public	—	—	—	—	—	—
Other(b)	—	30.8	-5.4	-3.3	-9.3	-1.3
Total	6,187.8	4,603.4	2,209.4	-2,206.1	-800.3	-4,679.0
Securities repayable in overseas currencies(c)	-967.9	-1,662.0	352.6	-2,372.7	-3,303.6	-2,434.8
Net movement in securities on issue	5,219.9	2,941.4	2,562.0	-4,578.8	-4,103.9	-7,113.8

(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.

Source: Commonwealth Budget Related Paper 1, Government Securities on Issue 1990 (Table 9).

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 TERRITORIES AS AT 30 JUNE**
(\$ million)

	1985	1986	1987	1988	1989	1990
For Commonwealth Government purposes						
Repayable in Australian currency						
Treasury bonds	21,288.6	21,554.3	23,083.0	21,472.6	17,913.5	14,397.9
Treasury indexed bonds	—	331.3	634.5	836.7	836.0	835.4
Australian savings bonds	3,914.7	2,033.6	1,682.8	1,784.3	1,425.1	442.7
Special bonds	—	—	—	—	—	—
Income equalization deposit	94.1	67.1	48.4	34.9	30.0	62.4
Drought bonds	—	—	—	—	—	—
Advance loan subscriptions	—	—	—	—	—	—
Overdue securities	6.7	5.5	4.7	4.1	3.3	9.5
Treasury notes	2,894.7	6,853.5	8,140.4	7,849.6	9,533.1	8,207.1

For footnotes see end of table.

**GOVERNMENT SECURITIES ON ISSUE: COMMONWEALTH GOVERNMENT
AND STATES AND TERRITORIES AS AT 30 JUNE — *continued***
(\$ million)

	1985	1986	1987	1988	1989	1990
Treasury bills						
Internal	519.8	627.1	—	71.7	1,995.7	1,897.1
Treasury bonds held by LCIR	—	756.5	743.0	450.5	255.1	1,667.8
Public	—	—	—	—	—	—
Other(a)	—	30.7	25.3	22.0	12.6	11.3
Total	28,718.7	32,259.7	34,362.0	32,526.4	32,004.4	27,531.2
Repayable in overseas currencies(b)	9,786.4	13,827.0	15,058.8	12,686.2	9,382.9	6,947.7
Total Commonwealth Government	38,505.1	46,086.7	49,420.9	45,212.7	41,387.3	34,478.9
On account of States						
Repayable in Australian currency						
Treasury bonds	14,364.6	15,569.6	15,867.5	15,597.7	15,748.2	16,478.4
Australian savings bonds	2,059.4	1,934.7	1,776.3	1,708.9	1,319.4	425.4
Special bonds	—	—	—	—	—	—
Tax-free stock	13.5	13.5	13.5	13.4	13.2	13.1
Stock issued to Government savings banks under special agreements	881.3	862.3	830.5	795.3	757.3	715.4
Debentures	—	—	—	—	—	—
Overdue securities	—	1.2	0.6	2.7	1.5	1.0
Total	17,318.9	18,381.3	18,488.4	18,117.9	17,839.6	17,633.3
Repayable in overseas currencies(b)	6.4	5.4	5.3	5.2	4.9	5.3
Total States of which	17,325.2	18,386.7	18,493.7	18,123.1	17,844.5	17,638.6
New South Wales	5,773.5	5,999.2	6,042.6	5,962.7	5,888.0	5,855.1
Victoria	4,385.5	4,550.1	4,587.2	4,525.6	4,473.7	4,448.2
Queensland	2,376.6	2,459.2	2,477.5	2,444.9	2,420.3	2,406.1
South Australia	1,598.2	1,982.9	1,577.3	1,555.7	1,538.1	1,529.2
Western Australia	1,990.6	1,591.5	1,965.4	1,816.3	1,726.7	1,614.1
Tasmania	1,200.7	1,246.3	1,256.4	1,239.7	1,226.6	1,218.2
Northern Territory	—	557.7	587.4	578.2	571.1	567.7
Total Commonwealth Government and States	55,830.3	64,473.4	67,914.6	63,335.8	59,231.8	52,117.5

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

Source: *Commonwealth Budget Related Paper 1, Government Securities on Issue 1990 (Tables 2, 15).*

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 1985–86 to 1989–90.

**'GLOBAL' NEW MONEY BORROWINGS BY COMMONWEALTH, STATE AND TERRITORY
SEMI-GOVERNMENT AND LOCAL AUTHORITIES(a), 1985-86 TO 1989-90**

	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>WA</i>	<i>SA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>States & Terr- Common- wealth(b)</i>	<i>Total</i>	
GLOBAL BORROWINGS (\$ million)											
1985-86	2,059	2,007	1,539	741	400	230	65	n.a.	7,041	1,178	8,219
1986-87	1,845	1,875	1,387	635	350	217	86	n.a.	6,395	1,402	7,797
1987-88	1,540	(c)1,684	1,161	584	301	182	71	n.a.	5,522	(d)865	6,387
1988-89	1,153	1,552	793	658	258	201	85	n.a.	4,700	2,077	6,777
1989-90	1,134	1,174	624	448	224	185	81	24	3,893	1,449	5,342
GLOBAL BORROWINGS (\$ per capita)											
1985-86	375	485	593	516	291	517	428	n.a.	443	74	517
1986-87	331	448	523	429	252	485	554	n.a.	396	87	483
1987-88	272	398	428	384	215	405	455	n.a.	337	53	389
1988-89	201	362	284	419	182	447	544	n.a.	282	124	406
1989-90	196	270	217	278	156	408	518	84	230	86	315
GLOBAL BORROWINGS (percentage of GSP)(e)											
1985-86	2.5	3.0	4.3	3.3	2.1	4.1	2.5	n.a.	3.0	0.5	3.4
1986-87	2.0	2.6	3.6	2.5	1.7	3.6	2.9	n.a.	2.4	0.5	3.0
1987-88	1.5	2.0	2.7	2.0	1.3	2.7	2.3	n.a.	1.9	0.3	2.2
1988-89	1.0	1.7	1.6	2.0	1.0	2.7	2.5	n.a.	1.4	0.6	2.0
1989-90	0.9	1.2	1.2	1.2	0.8	2.3	2.2	0.3	1.1	0.4	1.4

(a) Includes borrowings by all Commonwealth, State and Territory semi-government and local authorities, government-owned companies and trusts. (b) Includes 'implicit' borrowings associated with the Commonwealth's instalment purchase transactions by Commonwealth Government departments. (c) Vic. borrowings for 1987-88 exceeded the State's global limit for the year by \$158 million as the sale of the World Trade Centre, proceeds of which are to be used to repay debt, did not proceed. When the sale proceeds, the State's borrowings are expected to be reduced below its global limit by a similar amount. (d) A Commonwealth authority converted approximately \$1.2 billion of financial leases to operating leases during 1987-88. These transactions are not reflected in reported global borrowings by Commonwealth authorities. (e) Commonwealth and Total figures are given as a proportion of GDP.

Source: *Commonwealth Budget Paper (1990-91) No. 4 (Table 25), Commonwealth Financial Relations with Other Levels of Government.*

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

- Australian National Accounts: National Income and Expenditure (5204.0) — annual*
Australian National Accounts: National Income and Expenditure (5206.0) — quarterly
Classification Manual for Government Finance Statistics, Australia (1217.0)
Commonwealth Government Finance, Australia (5502.0)
Government Finance Statistics, Australia (5512.0)
Government Financial Estimates, Australia (5501.0)

BIBLIOGRAPHY — continued

Standardised Local Government Finance Statistics (tape and microfiche service) (1212.0)
Taxation Revenue, Australia (5506.0)

Other Publications

Budget Paper No. 1, Budget Statements

Commonwealth Budget Paper No. 4, Commonwealth Financial Relations with Other Levels of Government

Commonwealth Budget Related Paper No. 1, Government Securities on Issue

FOR MORE INFORMATION

The ABS has a far wider range of information on Australia than that contained in the *Year Book*. Information is available in the form of regular publications, electronic data services, special tables and from investigations of published and unpublished data.

For further information contact ABS Information Services at one of the addresses listed on the page facing the Introduction to the *Year Book*.
