

LOCAL GOVERNMENT (PERSONAL INCOME TAX SHARING) ACT 1976

No. 123 of 1976

An Act to Entitle Local Governing Bodies in the States to Share in the Personal Income Tax Collections of the Commonwealth.

BE IT ENACTED by the Queen, and the Senate and House of Representatives of the Commonwealth of Australia, as follows:—

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| Short title. | 1. This Act may be cited as the <i>Local Government (Personal Income Tax Sharing) Act 1976</i> . ¹ |
| Commence-
ment. | 2. This Act shall come into operation on the day on which it receives the Royal Assent. ¹ |
| Definitions. | 3. In this Act, unless the contrary intention appears—
“area”, in relation to a local governing body, means the area (whether known as a municipality, shire or district or by some other name) under the control of the local governing body;
“base figure”, in relation to a year, means an amount equal to 1.52 per centum of the amount that, for the purposes of the <i>States (Personal Income Tax Sharing) Act 1976</i> , is the base figure for the year immediately preceding that year;
“local governing body” means a local governing body established by or under a law of a State, other than a body the sole or principal function of which is to provide a particular service, such as the supply of electricity or water;
“Local Government Grants Commission”, in relation to a State, means the body specified in a declaration in force under section 4 as the Local Government Grants Commission of that State;
“population”, in relation to a local governing body, means the population of the area of that local governing body;
“year” means a financial year;
“year to which this Act applies” means the year commencing on 1 July 1976, and each subsequent year. |
| Local
Govern-
ment Grants
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missions
of States. | 4. Where—
(a) the principal function of a body established by a law of a State is the making of recommendations to the Government of the State with respect to the provision of financial assistance to local governing bodies in the State; and |

(b) the Minister is satisfied that—

- (i) the membership of the body includes at least one person who is or has been associated with local government in the State, whether as a member of a local governing body or otherwise;
- (ii) hearings of the body in connexion with matters relating to the making of recommendations by the body with respect to the provision of financial assistance to local governing bodies in the State out of moneys to be paid to the State by the Commonwealth under this Act are ordinarily held in public;
- (iii) submissions to the body in connexion with such matters may be made by, or by associations of, local governing bodies in the State; and
- (iv) copies of reports and recommendations of the body with respect to such matters will be furnished to the Prime Minister and, after being so furnished, the reports and recommendations will be made public,

the Minister may, by notice published in the *Gazette*, declare the body to be the Local Government Grants Commission of the State for the purposes of this Act.

5. (1) Subject to section 6, each State is entitled to the payment, in respect of the year that commenced on 1 July 1976, by way of financial assistance for local government purposes, of the amount specified in the following table opposite to the name of the State:—

State entitlements for local government purposes.

State	Amount
	\$
New South Wales	51,289,000
Victoria	35,398,000
Queensland	24,222,000
South Australia	11,925,000
Western Australia	13,162,000
Tasmania	4,004,000
Total	140,000,000

(2) Subject to section 6, each State is entitled to the payment, in respect of each year to which this Act applies subsequent to the year that commenced on 1 July 1976, by way of financial assistance for local government purposes, of such percentage of the base figure for the year as is specified in the following table opposite to the name of the State:—

State	Percentage of Base Figure
	%
New South Wales	36.6345
Victoria	25.2845

State	Percentage of Base Figure
	%
Queensland	17.3016
South Australia	8.5178
Western Australia	9.4015
Tasmania	2.8601

Allocation
amongst
local
governing
bodies.

6. (1) The amount to which a State is entitled under section 5 in respect of a year is not payable unless and until—

- (a) the amount has been allocated amongst local governing bodies in the State in accordance with this section; and
- (b) prior to particulars of the allocation being made public (except in the case of particulars made public before the commencement of this Act), the Minister has been informed of those particulars and has also been informed in writing by the Minister of the State who for the time being is responsible for the administration of the law of the State establishing the Local Government Grants Commission of the State that the allocation has been made in accordance with this section,

but, upon the Minister being so informed, the whole of the amount is, subject to sub-section (3), payable to the State.

(2) A State shall—

- (a) allocate not less than 30 per centum of the amount to which it is entitled under section 5 in respect of a year amongst local governing bodies in the State on a population basis, that is to say, on a basis that takes into account the respective populations of those local governing bodies and may take into account the respective sizes, and the respective population densities, of the areas of those local governing bodies and any other matters agreed upon between the Prime Minister and the Premier of the State as being relevant for the purposes of that allocation; and
- (b) allocate the remainder of the amount amongst local governing bodies in the State on a general equalization basis, that is to say, on a basis that has the object of ensuring, so far as is practicable, that each of those local governing bodies is able to function, by reasonable effort, at a standard not appreciably below the standards of the other local governing bodies in the State, being a basis that takes account of differences in the capacities of those local governing bodies to raise revenue and differences in the amounts required to be expended by those local governing bodies in the performance of their functions.

(3) A State is not entitled to payment of an amount under this Act in respect of a year subsequent to the year ending on 30 June 1978 unless there is, on and after that date, a Local Government Grants Commission of the State, and the Commission makes recommendations with respect

to the allocation of that amount amongst the local governing bodies in the State on the basis referred to in paragraph (2) (b).

(4) In making an allocation amongst local governing bodies in a State on the basis referred to in paragraph (2) (b) in respect of a year subsequent to the year ending on 30 June 1978, regard shall be had to the recommendations of the Local Government Grants Commission of the State with respect to that allocation.

7. Payment of an amount to a State under this Act in respect of a year is subject to the condition that the State will, without undue delay, make payments, being payments that are unconditional, to local governing bodies in the State in accordance with the allocation of the amount amongst local governing bodies in the State in accordance with subsection 6 (2).

Unconditional payments to be made to local governing bodies.

8. In addition to the condition contained in section 7, payment of an amount to a State under this Act is subject to the condition that the State will furnish to the Treasurer—

Statements of payments to local governing bodies to be furnished.

(a) as soon as practicable after 30 June in each year to which this Act applies, a statement, in accordance with a form approved by the Treasurer, specifying payments made by the State during the year ending on that date in accordance with this Act and the dates of those payments; and

(b) a certificate by the Auditor-General of the State certifying that, in his opinion, the contents of the statement are correct.

9. In addition to the conditions contained in sections 7 and 8, payment of an amount to a State under this Act is subject to the condition that, if the Minister informs the Treasurer of the State that he is satisfied that the State has, with respect to the whole or a part of that amount, failed to fulfil the conditions applicable under those sections to that amount, the State will repay to the Commonwealth such sum as the Minister determines, being a sum not exceeding the amount in respect of which the Minister is so satisfied.

Additional condition.

10. The Prime Minister shall cause a copy of any report or recommendations of the Local Government Grants Commission of a State furnished to him to be laid before each House of the Parliament within 15 sitting days of that House after receipt by him of the report or recommendations.

Reports, &c., of Local Government Grants Commissions to be tabled in Commonwealth Parliament.

11. Payments under this Act shall be made out of the Consolidated Revenue Fund, which is appropriated accordingly.

Appropriation.

12. (1) The Government of the Commonwealth shall, before 30 June 1981, consult with the Governments of the States with a view to determining whether any change is desirable in the provisions of this

Review of Act.

Act, and submitting to the Parliament legislation to give effect to any changes that the Government of the Commonwealth considers to be desirable as a result of the consultation.

(2) The Minister shall, before 30 June 1981, arrange for the question whether any change is desirable in the table set out in sub-section 5 (2) to be referred to the Commonwealth Grants Commission for inquiry and report by the Commission.

NOTE

1. Act No. 123, 1976; assented to 24 November 1976.