



States Grants (General Purposes) Amendment Act 1996

No. 69, 1996

**An Act to amend the *States Grants (General
Purposes) Act 1994***

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States Grants (General Purposes) Amendment Act 1996

No. 69, 1996

An Act to amend the *States Grants (General Purposes) Act 1994*

[Assented to 3 December 1996]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *States Grants (General Purposes) Amendment Act 1996*.

2 Commencement

This Act commences on the day on which it receives the Royal Assent.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendment of the States Grants (General Purposes) Act 1994

Part 1—Amendments relating to the grant years commencing on 1 July 1996 and 1 July 1997

1 After section 12

Insert:

12A Competition payments

Subject to this Act, the Treasurer may pay by way of financial assistance to a State, in relation to the grant year commencing on 1 July 1997:

- (a) an amount that does not exceed; or
- (b) amounts that in total do not exceed;

the maximum amount that may be paid to that State under the applicable Schedule.

Note: This provision is enacted pursuant to the Agreement to Implement the National Competition Policy and Related Reforms executed at the Council of Australian Governments on 11 April 1995. Under that Agreement, the Commonwealth undertakes to provide financial assistance by way of general purpose payments to the States over a period beginning on 1 July 1997 subject to the States complying with the conditions set out in the Agreement.

2 At the end of Division 2 of Part 2

Add:

15A State fiscal contribution—1996-97

- (1) Financial assistance to which a State is entitled under section 9 (*financial assistance grant*) in relation to the grant year commencing on 1 July 1996 is granted on condition that the State will pay to the Commonwealth an amount of fiscal contribution (*1996-97 fiscal contribution*) worked out in accordance with the applicable Schedule.
- (2) The Treasurer may deduct from any amount payable under this Act in respect of the financial assistance grant to the State for the grant year commencing on 1 July 1996 an amount that, together with the amounts (if any) paid, or taken (under this Act or any other Act) to have been paid, by the State in satisfaction of the State's 1996-97

fiscal contribution, does not exceed the amount of that contribution.

- (3) If part of the State's 1996-97 fiscal contribution remains unpaid on 1 July 1997, the Treasurer may deduct from any amount payable under this Act in respect of the financial assistance grant to the State for the grant year commencing on 1 July 1997 an amount that, together with the amounts (if any) paid, or taken (under this Act or any other Act) to have been paid, by the State in satisfaction of the State's 1996-97 fiscal contribution, does not exceed the amount of that contribution.
- (4) An amount deducted under subsection (2) or (3) from the State's financial assistance grant is taken to have been paid by the State to the Commonwealth in satisfaction of the State's 1996-97 fiscal contribution.

3 Subsection 20(1)

Omit "14", substitute "12A, 14, 15A".

4 At the end of the Act

Add:

Schedule 3—Grant year commencing 1 July 1996

1 Application

This Schedule relates to the grant year commencing on 1 July 1996.

2 Interpretation

In this Schedule:

base assistance amount means \$14,936,808,951.

previous year means the financial year commencing on 1 July 1995.

3 Relativity factors

The relativity factor for each State for the grant year is as shown in the following table:

Relativity factors	
State	Relativity factor
New South Wales	0.87472
Victoria	0.87577
Queensland	1.04176
Western Australia	1.01409
South Australia	1.18772
Tasmania	1.54644
Australian Capital Territory	0.88883
Northern Territory	4.87829

4 Arterial road grants

The amount payable to each State under subsection 10(2) in relation to the grant year is to be worked out by using the formula:

$$\left[BA \times IF \times PF \times \frac{2}{3} \times \frac{ASP}{ATP} \right] + \left[BA \times IF \times PF \times \frac{1}{3} \times HS \right]$$

where:

BA (base amount) means \$371,014,429.

IF (index factor) means the index factor for the grant year.

PF (population factor) means the population factor for the grant year.

ASP (adjusted state population) means the adjusted population of the State in relation to the grant year.

ATP (adjusted total population) means the sum of the adjusted populations of all the States in relation to the grant year.

Schedule 1 Amendment of the States Grants (General Purposes) Act 1994

HS (historic share) means the number set out opposite the name of the State in the following table:

Arterial Road Grants	
State	Historic share
New South Wales	0.296
Victoria	0.295
Queensland	0.180
Western Australia	0.124
South Australia	0.065
Tasmania	0.025
Australian Capital Territory	0.004
Northern Territory	0.011

5 Special revenue assistance grants

For the purposes of section 12, the *base amount* is the amount set out opposite the name of the State in the following table:

Special revenue assistance grants	
State	Base amount \$
New South Wales	182,024,614
Victoria	231,921,978
Queensland	Nil
Western Australia	Nil
South Australia	Nil
Tasmania	Nil
Australian Capital Territory	Nil
Northern Territory	9,615,310

6 State fiscal contribution—1996-97

For the purposes of section 15A, the amount of fiscal contribution payable by a State for the grant year is the amount worked out by using the formula:

$$BA \times \frac{SP}{TP}$$

where:

BA (base amount) means \$619,000,000.

SP (state population) means the estimated population of the State on 31 December 1996.

TP (total population) means the sum of the estimated populations of all the States on 31 December 1996.

Schedule 4—Grant year commencing 1 July 1997

1 Application

This Schedule relates to the grant year commencing on 1 July 1997.

2 Interpretation

In this Schedule:

previous year means the financial year commencing on 1 July 1996.

3 Competition payments

For the purposes of section 12A, the maximum amount that may be paid to a State is the amount worked out by using the formula:

$$BA \times PIF \times IF \times \frac{SP}{TP}$$

where:

BA (base amount) means \$209,187,750.

Schedule 1 Amendment of the States Grants (General Purposes) Act 1994

PIF (previous index factor) means the index factor for the previous year.

IF (index factor) means the index factor for the grant year.

SP (state population) means the estimated population of the State on 31 December 1997.

TP (total population) means the sum of the estimated populations of all the States on 31 December 1997.

Part 2—Formal amendments

5 Subsection 3(1)

Repeal the subsection, substitute:

- (1) In this Act, a reference, in relation to a grant year, to the applicable Schedule is a reference to the Schedule that is expressed to relate to that year.

6 Subsection 4(1) (definition of *adjusted population*)

Repeal the definition, substitute:

adjusted population, in relation to a State and a grant year, means the estimated population of the State on 31 December in that year (see subsection 8(1)) multiplied by the relativities factor for the State for that year.

7 Subsection 4(1) (definition of *grant year*)

Repeal the definition, substitute:

grant year means:

- (a) the financial year commencing on 1 July 1994; and
- (b) each succeeding financial year.

8 Subsection 4(1) (definition of *grant year calculation quarter*)

Before “means”, insert “, in relation to a grant year,”.

9 Subsection 4(1) (definition of *Health Minister*)

Omit “Human Services and Health”, substitute “Health and Family Services”.

10 Subsection 4(1) (definition of *previous year*)

Before “has”, insert “, in relation to a grant year,”.

11 Subsection 4(1) (definition of *previous year calculation quarter*)

Before “means”, insert “, in relation to a grant year,”.

12 Subsection 4(1) (definition of *relativities factor*)

After "State", insert "for a grant year".

13 Subsection 4(2)

Omit "the grant year", substitute "a grant year".

14 Subsection 5(1)

After "State" (first occurring), insert "in respect of a grant year".

15 Subsection 8(1)

Omit "the grant year" (first occurring), substitute "a grant year".

16 Subsection 8(2)

Omit "the previous year", substitute "the year previous to the grant year".

17 Subsection 8(2)

Omit "statistician", substitute "Statistician".

18 Section 9

Omit "the grant year" (first occurring), substitute "a grant year".

19 Section 9 (at the end of the definition of *ASP*)

Add "for the grant year".

20 Section 9 (definition of *THG*)

After "States", insert "in respect of the grant year".

21 Section 9 (at the end of the definition of *ATP*)

Add "for the grant year".

22 Section 9 (definition of *SHG*)

After "State", insert "in respect of the grant year".

23 Subsection 12(1)

Omit "the grant year", substitute "a grant year".

24 Section 13

Omit “the grant year” (first occurring), substitute “a grant year”.

25 Subsection 14(1)

Omit “the grant year” (first occurring), substitute “a grant year”.

26 Section 16

Omit “the grant year”, substitute “a grant year”.

27 Subsection 17(1)

Omit “the grant year” (first occurring), substitute “a grant year”.

*[Minister's second reading speech made in—
House of Representatives on 11 September 1996
Senate on 8 October 1996]*