

**FEDERAL FINANCIAL RELATIONS (GENERAL PURPOSE  
FINANCIAL ASSISTANCE) DETERMINATION NO. 27  
(JUNE 2011)**

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I, WAYNE MAXWELL SWAN, Treasurer, make this Determination under section 9 of the *Federal Financial Relations Act 2009*.

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WAYNE MAXWELL SWAN

Dated: 17 June 2011

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**PART 1 — PRELIMINARY**

**Name of Determination**

1. This determination is the *Federal Financial Relations (General purpose financial assistance) Determination No. 27 (June 2011)*.

**Commencement**

2. This determination commences on the day on which this determination is made.

**Definitions**

3. The following definitions are used throughout this determination:

*Act* means the *Federal Financial Relations Act 2009*.

*COAG Reform Fund* means the COAG Reform Fund established by section 5 of the *COAG Reform Fund Act 2008*.

*Drawing right* means a drawing right issued under section 27 of the *Financial Management and Accountability Act 1997*.

*Intergovernmental Agreement* means the *Intergovernmental Agreement on Federal Financial Relations* that took effect on 1 January 2009. The *Intergovernmental Agreement* provides an overarching framework for financial transfers between the Commonwealth and the States and related collaboration on policy development and service delivery.

*State* includes the Australian Capital Territory and the Northern Territory.

### **Exemption from section 42 (disallowance) of the *Legislative Instruments Act 2003***

4. Subsection 9(5) of the Act provides that this determination is a legislative instrument, but section 42 (disallowance) of the *Legislative Instruments Act 2003* does not apply to this determination.

### **PART 2 — PURPOSE**

#### **Provision of financial assistance**

5. This determination is made, in accordance with section 9 of the Act, for the purpose of providing financial support for the States' service delivery efforts through general purpose financial assistance to be used by the States for any purpose.

#### **Terms and conditions**

6. Subsection 9(2) of the Act requires that an amount determined under subsection 9(1) must be credited to the COAG Reform Fund.

7. The *COAG Reform Fund Act 2008* established the COAG Reform Fund and specifies that it is a Special Account for the purposes of the *Financial Management and Accountability Act 1997*.

8. Subsection 7(2) of the *COAG Reform Fund Act 2008* requires that the terms and conditions on which financial assistance is granted through the COAG Reform Fund are to be set out in a written agreement between the Commonwealth and the State.

9. The terms and conditions for all payments of general purpose financial assistance are provided in 'Schedule D — Payment Arrangements' to the *Intergovernmental Agreement*. Schedule 1 to this determination provides a summary of the relevant provisions for general purpose financial assistance.

### **PART 3 — GENERAL PURPOSE FINANCIAL ASSISTANCE**

#### **Determination**

10. In accordance with subsection 9(1) of the Act, the amounts specified in Table 1 are to be credited to the COAG Reform Fund before being paid on 21 June 2011 to the States specified in that table for the purpose of making a grant of general purpose financial assistance to those States.

**Table 1: General purpose financial assistance for payment on 21 June 2011**

| State                        | Amount of general purpose financial assistance |
|------------------------------|--|
| New South Wales              | -  |
| Victoria                     | -  |
| Queensland                   | -  |
| Western Australia            | \$80,801,212.22                                |
| South Australia              | -  |
| Tasmania                     | -  |
| Australian Capital Territory | \$2,895,597.82                                 |
| Northern Territory           | -  |
| <b>Total</b>                 | <b>\$83,696,810.04</b>                         |

11. Schedule 2 to this determination provides further information on these payments.
12. The terms and conditions for all payments of general purpose financial assistance are provided in ‘Schedule D — Payment Arrangements’ to the *Intergovernmental Agreement*.

### Drawing rights limits

13. Subsection 9(3) of the Act provides that the total amount credited to the COAG Reform Fund for the purpose of making a grant of general purpose financial assistance in the financial year starting on 1 July 2010 must not exceed \$1,500,000,000.
14. The amounts specified in Table 2 are the total determined in the 2010-11 financial year in respect of general purpose financial assistance, including this determination.

**Table 2: Total cumulative payments of general purpose financial assistance in 2010-11**

| State                                      | Amount of general purpose financial assistance |
|--|--|
| New South Wales                            | \$18,921,537.02                                |
| Victoria                                   | \$9,460,768.51                                 |
| Queensland                                 | -  |
| Western Australia                          | \$1,032,360,728.31                             |
| South Australia                            | -  |
| Tasmania                                   | -  |
| Australian Capital Territory               | \$35,437,875.84                                |
| Northern Territory                         | \$5,900,739.71                                 |
| <b>Total</b>                               | <b>\$1,102,081,649.39</b>                      |
| Global drawing rights limit for 2010-11    | \$1,500,000,000.00                             |
| Remaining drawing rights limit for 2010-11 | \$397,918,350.61                               |

15. The total amount determined for payment of general purpose financial assistance to date in the 2010-11 financial year does not exceed the general drawing rights limit.

## SCHEDULE 1

### SUMMARY OF RELEVANT AGREEMENTS FOR GENERAL PURPOSE FINANCIAL ASSISTANCE

| Payment title   | Purpose   | Relevant agreement  |
|---|---|---|
| Royalty payments  |   |   |
| — <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> | <p>The Commonwealth provides general purpose financial assistance to Western Australia from royalties payable under the <i>Offshore Petroleum (Royalty) Act 2006</i> in respect of the North West Shelf oil and gas project off the coast of Western Australia. The Commonwealth collects these royalties because it has jurisdiction over off-shore areas.</p> <p>These royalties will be shared between the Commonwealth (approximately one third) and Western Australia (approximately two thirds). These payment arrangements are in accordance with section 75 of the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>.</p> | Schedule D – Payment arrangement of the Intergovernmental Agreement |
| Compensation for impact on royalties of excise amendment        | The Commonwealth provides general purpose financial assistance to compensate Western Australia for the loss of royalty revenue resulting from the removal in the 2008-09 Budget of the exemption of condensate from crude oil excise.   | Schedule D – Payment arrangement of the Intergovernmental Agreement |
| ACT Municipal Services  | <p>The Commonwealth provides general purpose financial assistance to the Australian Capital Territory to:</p> <ul style="list-style-type: none"> <li>• assist in meeting the additional municipal costs which arise from Canberra's role as the national capital; and</li> <li>• compensate the Australian Capital Territory for additional costs resulting from the national capital planning influences on the provision of water and sewerage services.</li> </ul>   | Schedule D – Payment arrangement of the Intergovernmental Agreement |

## SCHEDULE 2

### AMOUNTS OF GENERAL PURPOSE FINANCIAL ASSISTANCE FOR PAYMENT ON 21 JUNE 2011 (\$)

|   | NSW | VIC | QLD | WA                   | SA | TAS | ACT                 | NT | Total                |
|---|-----|-----|-----|----------------------|----|-----|---------------------|----|----------------------|
| <b>General revenue assistance</b>                           |     |     |     |                      |    |     |                     |    |                      |
| Royalty payments  |     |     |     |                      |    |     |                     |    |                      |
| Offshore Petroleum and Greenhouse Gas<br>Storage Act 2006   | -   | -   | -   | 73,719,860.72        | -  | -   | -                   | -  | 73,719,860.72        |
| Compensation for impact on<br>royalties of excise amendment | -   | -   | -   | 7,081,351.50         | -  | -   | -                   | -  | 7,081,351.50         |
| ACT Municipal Services                                      | -   | -   | -   | -                    | -  | -   | 2,895,597.82        | -  | 2,895,597.82         |
| <b>Other General revenue assistance</b>                     | -   | -   | -   | <b>80,801,212.22</b> | -  | -   | <b>2,895,597.82</b> | -  | <b>83,696,810.04</b> |