

1987-88-89

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 23 May 1989

*(Minister representing the Minister for Immigration,
Local Government and Ethnic Affairs)*

A BILL

FOR

An Act to amend the *Local Government (Financial Assistance) Act 1986*

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

Short title etc.

5 **1.** (1) This Act may be cited as the *Local Government (Financial Assistance) Amendment Act 1989*.

 (2) In this Act, "Principal Act" means the *Local Government (Financial Assistance) Act 1986*¹.

Commencement

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

Interpretation

3. Section 3 of the Principal Act is amended:

(a) by omitting paragraph (bb) of the definition of “base figure” and substituting the following paragraphs:

“(bb) in relation to the year beginning on 1 July 1989—the amount of \$671 millions;

(bc) in relation to the year beginning on 1 July 1990—the amount worked out using the formula:

$$A \times B$$

where:

A is the adjusted base figure determined under subsection 7A (4);

B is the estimated factor for that year; or”;

(b) by omitting “1990” from paragraph (c) of the definition of “base figure” and substituting “1991”;

(c) by inserting the following definitions:

“‘calculation quarter’ means the June 1989 quarter, the September 1989 quarter, the December 1989 quarter, or the March 1990 quarter;

‘index estimate’ means:

(a) except where paragraph (b) applies—the sum of the index numbers, in respect of the calculation quarters, estimated by the Department of the Treasury in May 1989, being 786.5; or

(b) if the Statistician changes the reference base for the Consumer Price Index in relation to a calculation quarter, the number that the Treasurer determines would have been the sum of the index numbers, in respect of the calculation quarters, estimated by the Department of the Treasury in May 1989 if it had known the terms of the new reference base;

‘index number’, in relation to a quarter, means the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Statistician in respect of that quarter;”.

Determination of estimated factor

4. Section 5 of the Principal Act is amended by omitting from subsection (2) “1989” and substituting “1990”.

Determination of final factor

5. Section 6 of the Principal Act is amended:

(a) by omitting from subsection (2) “1989” and substituting “1990”;

(b) by inserting in subsection (5) “or 1 July 1989” after “1 July 1988”;

(c) by omitting subsection (8).

State entitlements for local government purposes

6. Section 7 of the Principal Act is amended:

(a) by omitting from subsection (4) "subsection (10)" and substituting "subsections (10) and (10B)";

(b) by inserting in subsection (10) "(other than the year beginning on 1 July 1989)" after "a year";

(c) by inserting after subsection (10A) the following subsection:

"(10B) A State is not entitled to a payment under subsection (4) in respect of the year beginning on 1 July 1989 until 15 August 1989.";

(d) by omitting from subsection (11) "section 8" and substituting "sections 7A and 8".

7. After section 7 of the Principal Act the following section is inserted:

Adjustment of amounts to which States entitled for 1989 financial year

"7A. (1) As soon as practicable after the Statistician publishes the index number in respect of the March quarter in the year beginning on 1 July 1989, the Treasurer is to determine the adjustment factor in respect of that year.

"(2) The adjustment factor is the number worked out using the formula:

$$\frac{N1 + N3}{IE}$$

where:

N1 is the index number in respect of the March quarter in the year beginning on 1 July 1989;

N3 is the sum of the index numbers in respect of the 3 quarters immediately preceding that quarter;

IE is the index estimate.

"(3) Where the Treasurer determines the adjustment factor in relation to the year beginning on 1 July 1989, the Treasurer is to determine the adjusted base figure in relation to that year.

"(4) The adjusted base figure is the number worked out by multiplying \$671 millions by the adjustment factor.

"(5) Where the Treasurer determines the adjusted base figure, the Treasurer is to determine the amount to which each State would have been entitled under subsection 7 (4) in respect of the year beginning on 1 July 1989 if the adjusted base figure had been used instead of the base figure of \$671 millions.

"(6) If the amount determined under subsection (5) in relation to a State is more than the amount to which the State was entitled under subsection 7 (4), the State is entitled to an additional amount equal to the difference.

“(7) In addition to any other conditions to which a payment under this Act is subject, payment of an amount to a State under subsection 7 (4) in respect of the year beginning on 1 July 1989 is subject to the condition that if the amount determined under subsection (5) of this section in relation to the State is less than the amount paid to the State under subsection 7 (4), the State will pay to the Commonwealth an amount equal to the difference.

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“(8) Where an amount is payable to a State under subsection (6), that amount may be paid to the State together with the payment to which the State is entitled under section 7 in respect of the year beginning on 1 July 1990.

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“(9) Where a State is liable to pay an amount to the Commonwealth under subsection (7), that amount may be deducted from any other amount payable to the State under this Act, and where an amount is so deducted, an amount equal to the amount so deducted is, in spite of the deduction, to be taken, for the purposes of this Act, to have been paid in full to the State.

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“(10) An amount payable by a State to the Commonwealth under subsection (7) must be paid on or before a date determined by the Minister, by notice in writing given to the Treasurer of the State.”.

Allocation amongst local governing bodies

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8. Section 10 of the Principal Act is amended:

(a) by inserting “, 7A” after “section 7”;

(b) by adding at the end the following subsection:

“(2) For the purposes of subsection (1), the principles applicable to a State under section 9 are to be taken to have effect in relation to the allocation amongst local governing bodies in the State of amounts payable to the State under section 7A in the same way as they have effect in relation to the allocation amongst those bodies of amounts payable to the State under sections 7 and 8.”.

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NOTE

1. No. 79, 1986, as amended. For previous amendments, see Nos. 45 and 141, 1987; and No. 50, 1988.