

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 26 August 1982

(*Treasurer*)

A BILL

FOR

An Act to amend the *States (Tax Sharing and Health Grants) Act 1981*

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

Short title, &c.

5 **1.** (1) This Act may be cited as the *States (Tax Sharing and Health Grants) Amendment Act (No. 2) 1982*.

(2) The *States (Tax Sharing and Health Grants) Act 1981*¹ is in this Act referred to as the Principal Act.

Commencement

2. This Act shall be deemed to have come into operation on 1 July 1982.

10 **3.** After section 4 of the Principal Act the following section is inserted:

Determination of population of a State

 “4A. (1) For the purposes of this Act, the estimated population of a State on 31 December in a year shall be taken to be the population of the State on that date as determined by the Statistician under this section.

“(2) The determination by the Statistician under this section of the estimated population of a State on 31 December in a year shall be made after that date and before 10 June next following that date.

“(3) The Statistician, in making a determination under this section of the estimated population of a State, shall, where practicable, consult with the official Statistician of the State and shall have regard to the latest statistics in relation to population available to the Statistician on the day on which the determination is made.”.

Insertion of new Division heading

4. The Principal Act is amended by inserting after the heading to Part II the following heading:

“Division 1—Tax sharing grants for 1981-82”.

Repeal of sections 9 and 10

5. Sections 9 and 10 of the Principal Act are repealed.

Minimum entitlements

6. Section 11 of the Principal Act is amended by omitting sub-section (2).

Insertion of new Division

7. After section 11 of the Principal Act the following Division is inserted in Part II:

“Division 2—Tax sharing grants for 1982-83, 1983-84 and 1984-85

Interpretation

“11A. (1) In this Division, unless the contrary intention appears—
‘adjusted population figure’, in relation to a State in relation to a year to which this Division applies, means—

(a) in the case of a State other than Victoria—the estimated population of the State on 31 December in that year multiplied by the adjustment factor in relation to that State in relation to that year; and

(b) in the case of Victoria—the estimated population of Victoria on 31 December in that year;

‘adjusted total population’, in relation to a year to which this Division applies, means the sum of the adjusted population figures in relation to all of the States in relation to that year;

‘adjustment factor’ means—

(a) in relation to New South Wales—

(i) 1.0196 in relation to the year that commenced on 1 July 1982;

(ii) 1.0188 in relation to the year that commences on 1 July 1983; and

(iii) 1.018 in relation to the year that commences on 1 July 1984;

5 (b) in relation to Queensland—

(i) 1.43516 in relation to the year that commenced on 1 July 1982;

(ii) 1.48508 in relation to the year that commences on 1 July 1983; and

10 (iii) 1.535 in relation to the year that commences on 1 July 1984;

(c) in relation to South Australia—

(i) 1.49634 in relation to the year that commenced on 1 July 1982;

15 (ii) 1.47567 in relation to the year that commences on 1 July 1983; and

(iii) 1.455 in relation to the year that commences on 1 July 1984;

(d) in relation to Western Australia—

20 (i) 1.54072 in relation to the year that commenced on 1 July 1982;

(ii) 1.45686 in relation to the year that commences on 1 July 1983; and

25 (iii) 1.373 in relation to the year that commences on 1 July 1984; and

(e) in relation to Tasmania—

(i) 1.87261 in relation to the year that commenced on 1 July 1982;

30 (ii) 1.75931 in relation to the year that commences on 1 July 1983; and

(iii) 1.646 in relation to the year that commences on 1 July 1984;

‘basic tax sharing grant’, in relation to a State in relation to a year to which this Division applies, means the amount to which that State is entitled to be paid in relation to that year under section 11B;

35 ‘basic tax sharing pool’, in relation to a year to which this Division applies, means an amount equal to 20.323% of the total amount of the taxes collected by the Commonwealth in the year immediately preceding that year;

40 ‘guaranteed additional amount’ means the amount (if any) by which the guaranteed minimum tax sharing amount in relation to a State in relation to a year to which this Division applies is greater than the basic tax sharing grant in relation to that State in relation to that year;

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‘guaranteed minimum tax sharing amount’, in relation to a State in relation to a year to which this Division applies (in this definition referred to as the ‘relevant year’), means the amount ascertained in accordance with the formula OPQ, where—

O is the total tax sharing grant in relation to that State in relation to the year immediately preceding the relevant year; 5

P is the number ascertained by dividing the sum of—

(a) the index number in relation to that State in relation to the March quarter in the relevant year; and

(b) the index numbers in relation to that State in relation to the 3 quarters that immediately preceded that quarter, 10

by the sum of—

(c) the index number in relation to that State in relation to the March quarter in the year immediately preceding the relevant year; and 15

(d) the index numbers in relation to that State in relation to the 3 quarters that immediately preceded that last-mentioned quarter; and

Q is—

(a) if the relevant year is the year that commenced on 1 July 1982—1.02; and 20

(b) in any other case—1.01;

‘index number’, in relation to a State in relation to a quarter, means the All Groups Consumer Price Index number published by the Statistician in respect of the capital city of that State in respect of that quarter; 25

‘State’ does not include the Northern Territory;

‘supplementary tax sharing pool’, in relation to a year to which this Division applies, means an amount equal to 0.397% of the total amount of the taxes collected by the Commonwealth in the year immediately preceding that year; 30

‘total guaranteed additional amount’, in relation to a year to which this Division applies, means an amount equal to the sum of the guaranteed additional amounts in relation to each State in relation to that year;

‘total tax sharing grant’, in relation to a State in relation to a particular year, means— 35

(a) in the case of the year that commenced on 1 July 1981—the total amount received by that State under section 8 in respect of that year; and

(b) in the case of a year to which this Division applies—the total amount that that State is entitled to receive under this Division in relation to that year; 40

‘year to which this Division applies’ means the year that commenced on 1 July 1982 and each of the next 2 succeeding years.

5 “(2) Subject to sub-section (3), if at any time the Statistician publishes an index number in respect of a quarter in substitution for an index number previously published by him in respect of that quarter, the publication of the later index number shall be disregarded for the purposes of the definition of ‘guaranteed minimum tax sharing amount’ in sub-section (1).

10 “(3) If at any time the Statistician changes the reference base for the Consumer Price Index, then, for the purposes of the application of the definition of ‘guaranteed minimum tax sharing amount’ in sub-section (1), regard shall be had only to index numbers published in terms of the new reference base.

Basic tax sharing grants

“11B. Each State is entitled to the payment by way of financial assistance in relation to each year to which this Division applies of a basic tax sharing grant calculated in accordance with the formula $\frac{AB}{C}$, where—

- 15 A is the basic tax sharing pool in relation to that year;
B is the adjusted population figure in relation to that State in relation to that year; and
C is the adjusted total population in relation to that year.

Supplementary tax sharing grants

20 “11C. (1) Where the supplementary tax sharing pool in relation to a year to which this Division applies is greater than the total guaranteed additional amount in relation to that year, sub-sections (3), (4) and (5) apply in relation to that year.

25 “(2) Where the total guaranteed additional amount in relation to a year to which this Division applies is equal to or greater than the supplementary tax sharing pool in relation to that year, sub-section (6) applies in relation to that year.

30 “(3) Each State is entitled to the payment (in addition to any other payment to which that State is entitled under this Division) by way of financial assistance in relation to each year to which this sub-section applies of an amount (in this section referred to as the ‘initial supplementary payment’)

calculated in accordance with the formula $\frac{XY}{Z}$, where—

- 35 X is the amount ascertained by subtracting from the supplementary tax sharing pool in relation to that year the total guaranteed additional amount in relation to that year;
Y is the adjusted population figure in relation to that State in relation to that year; and
Z is the adjusted total population in relation to that year.

“(4) Where—

- (a) there is a guaranteed additional amount in relation to a State in relation to a year to which this sub-section applies; and
- (b) that guaranteed additional amount is greater than the amount of the initial supplementary payment in relation to that State in relation to that year,

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that State is entitled to the payment (in addition to any other payment to which that State is entitled under this Division) by way of financial assistance in relation to that year of an amount equal to the amount by which that guaranteed additional amount exceeds the amount of that initial supplementary payment.

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“(5) Each State that is not entitled to receive a payment under sub-section (4) in relation to a year to which this sub-section applies is entitled to the payment (in addition to any other payment to which that State is entitled under this Division) by way of financial assistance in relation to that year of an amount calculated in accordance with the formula $\frac{RS}{T}$, where—

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R is the amount ascertained by subtracting from the total guaranteed additional amount in relation to that year the sum of the amounts of the payments made or required to be made under sub-section (4) in relation to that year;

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S is the adjusted population figure in relation to that State in relation to that year; and

T is the sum of the adjusted population figures in relation to that year in relation to the States that are not entitled to receive a payment under sub-section (4) in relation to that year.

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“(6) Where there is a guaranteed additional amount in relation to a State in relation to a year to which this sub-section applies, that State is entitled to the payment (in addition to any other payment to which that State is entitled under this Division) by way of financial assistance in relation to that year of an amount equal to that guaranteed additional amount.”

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NOTE

- 1. No. 99, 1981. For previous amendments, see No. 8, 1982.

