



States Grants (General Purposes) Amendment Act 1999

No. 126, 1999

An Act to amend the *States Grants (General Purposes) Act 1994*, and for related purposes

Contents

1	Short title	4779
2	Commencement	4779
3	Schedule(s)	4780
Schedule 1—States Grants (General Purposes) Act 1994		4781



States Grants (General Purposes) Amendment Act 1999

No. 126, 1999

An Act to amend the *States Grants (General Purposes) Act 1994*, and for related purposes

[Assented to 13 October 1999]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *States Grants (General Purposes) Amendment Act 1999*.

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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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—States Grants (General Purposes) Act 1994

1 At the end of the Act

Add:

Schedule 6—Grant year commencing 1 July 1999

Note: See section 3.

1 Application

This Schedule relates to the grant year commencing on 1 July 1999.

2 Definitions

(1) In this Schedule:

base assistance amount has the meaning given by subclause (2).

CEO means the Chief Executive Officer of Customs.

Commissioner means the Commissioner of Taxation.

June 1999 alcohol base amount means the amount determined by the Commissioner, before 15 June 2000, to be the additional amount of sales tax on taxable dealings to which the Sales Tax Surcharge Acts relate that was collected during the month of June 1999 because of a Commonwealth surcharge.

June 1999 alcohol base estimate amount means the amount determined by the Commissioner under subparagraph (a)(ii) of the definition of *ABA* in subclause 5(1) of Schedule 5.

June 1999 petroleum base amount means the sum of the amounts determined by the CEO, before 15 June 2000, to be:

- (a) the additional amount of customs duty falling to subheadings of Chapter 27 of Schedule 3 to the *Customs Tariff Act 1995* that was collected during the month of June 1999 because of a Commonwealth surcharge; and
- (b) the additional amount of excise duty falling to items 11 and 12 of the Schedule to the *Excise Tariff Act 1921* that was collected during the month of June 1999 because of a Commonwealth surcharge.

June 1999 petroleum base estimate amount means the sum of the amounts determined by the CEO under subparagraphs (a)(ii) and (iv) of the definition of *PBA* in subclause 5(1) of Schedule 5.

June 1999 tobacco base amount means the sum of the amounts determined by the CEO, before 15 June 2000, to be:

- (a) the additional amount of customs duty falling to subheadings of Chapter 24 of Schedule 3 to the *Customs Tariff Act 1995* that was collected during the month of June 1999 because of a Commonwealth surcharge; and
- (b) the additional amount of excise duty falling to items 6, 7 and 8 of the Schedule to the *Excise Tariff Act 1921* that was collected during the month of June 1999 because of a Commonwealth surcharge.

June 1999 tobacco base estimate amount means the sum of the amounts determined by the CEO under subparagraphs (a)(ii) and (iv) of the definition of *TBA* in subclause 5(1) of Schedule 5.

pre-1 June period means the period from the beginning of 1 July 1999 to the end of 31 May 2000.

previous year means the financial year commencing on 1 July 1998.

(2) In this Schedule:

base assistance amount means the amount worked out using the formula:

$$\text{Previous year base assistance amount} \times \text{Previous year index factor} \times \text{Previous year population factor}$$

where:

previous year base assistance amount means \$16,361,265,223.

previous year index factor means the index factor for the previous year.

previous year population factor means the population factor for the previous year.

3 Relativities factors

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

Relativities factors		
Item	State	Relativities factor
1	New South Wales	0.89948
2	Victoria	0.86184
3	Queensland	1.00687
4	Western Australia	0.94793
5	South Australia	1.20680
6	Tasmania	1.60905
7	Australian Capital Territory	1.10270
8	Northern Territory	4.84429

4 Per capita growth deductions

For the purposes of section 10, the maximum amount that may be deducted from the financial assistance grant payable to a State is the amount worked out using the formula:

$$\left[\left(\begin{array}{c} \text{Base} \\ \text{assistance} \\ \text{amount} \end{array} \times \begin{array}{c} \text{Index} \\ \text{factor} \end{array} \times \begin{array}{c} \text{Population} \\ \text{factor} \end{array} \right) - \left(\begin{array}{c} \text{Base} \\ \text{assistance} \\ \text{amount} \end{array} \times \begin{array}{c} \text{Index} \\ \text{factor} \end{array} \right) \right] \times \left[\frac{\text{Adjusted} \\ \text{State} \\ \text{population}}{\text{Adjusted} \\ \text{total} \\ \text{population}} \right]$$

where:

adjusted State population means the adjusted population of the State in relation to the grant year.

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

base assistance amount means the base assistance amount for the grant year.

index factor means the index factor for the grant year.

population factor means the population factor for the grant year.

5 Revenue replacement payments

- (1) For the purposes of section 11A, the revenue replacement payment to be made to a State is worked out using the formula:

$$\left[\begin{array}{c} \text{Alcohol base} \\ \text{amount} \end{array} \times \begin{array}{c} \text{Alcohol} \\ \text{share} \end{array} \right] + \left[\begin{array}{c} \text{Tobacco base} \\ \text{amount} \end{array} \times \begin{array}{c} \text{Tobacco} \\ \text{share} \end{array} \right] + \left[\begin{array}{c} \text{Petroleum base} \\ \text{amount} \end{array} \times \begin{array}{c} \text{Petroleum} \\ \text{share} \end{array} \right]$$

where:

alcohol base amount means the sum of:

- (a) the amounts determined by the Commissioner, before 15 June 2000, to be:
 - (i) the additional amount of sales tax on taxable dealings to which the Sales Tax (Surcharge) Acts relate that was collected during the pre-1 June period because of a Commonwealth surcharge; and
 - (ii) the additional amount of sales tax on taxable dealings to which the Sales Tax (Surcharge) Acts relate that the Commissioner estimates to be likely to be collected during the month of June 2000 because of a Commonwealth surcharge; and
- (b) if the June 1999 alcohol base amount exceeds the June 1999 alcohol base estimate amount—the amount of the excess;

less the sum of:

- (c) if the June 1999 alcohol base estimate amount exceeds the June 1999 alcohol base amount—the amount of the excess; and

- (d) the amount determined by the Commissioner to be the additional administrative costs incurred by the Commonwealth in the grant year because of that surcharge or those surcharges.

alcohol share for a State means:

- (a) if paragraph (b) does not apply—the number set out opposite the name of the State in the table at the end of this definition; or
- (b) if the regulations prescribe a number as the alcohol share for each State for the purposes of this definition—the number so prescribed for the State.

Revenue replacement payments—alcohol share		
Item	State	Alcohol share
1	New South Wales	0.33796
2	Victoria	0.22332
3	Queensland	0.19314
4	Western Australia	0.11147
5	South Australia	0.07857
6	Tasmania	0.02415
7	Australian Capital Territory	0.01569
8	Northern Territory	0.01569

petroleum base amount means the sum of:

- (a) the amounts determined by the CEO, before 15 June 2000, to be:
- (i) the additional amount of customs duty on goods falling to subheadings of Chapter 27 of Schedule 3 to the *Customs Tariff Act 1995* that was collected during the pre-1 June period because of a Commonwealth surcharge; and
- Note: Chapter 27 of Schedule 3 to the *Customs Tariff Act 1995* deals with petroleum products.
- (ii) the additional amount of customs duty on goods falling to subheadings of Chapter 27 of Schedule 3 to the *Customs Tariff Act 1995* that the CEO estimates to be

- likely to be collected during the month of June 2000 because of a Commonwealth surcharge; and
- (b) the amounts determined by the Commissioner, before 15 June 2000, to be:
- (i) the additional amount of excise duty on goods falling to items 11 and 12 of the Schedule to the *Excise Tariff Act 1921* that was collected during the pre-1 June period because of a Commonwealth surcharge; and

Note: Items 11 and 12 of the Schedule to the *Excise Tariff Act 1921* deal with petroleum products.

- (ii) the additional amount of excise duty on goods falling to items 11 and 12 of the Schedule to the *Excise Tariff Act 1921* that the Commissioner estimates to be likely to be collected during the month of June 2000 because of a Commonwealth surcharge; and
- (c) if the June 1999 petroleum base amount exceeds the June 1999 petroleum base estimate amount—the amount of the excess;
- less the sum of:
- (d) if the June 1999 petroleum base estimate amount exceeds the June 1999 petroleum base amount—the amount of the excess; and
- (e) the amount determined by the CEO to be the additional administrative costs incurred by the Commonwealth in the grant year because of the surcharges mentioned in paragraph (a); and
- (f) the amount determined by the Commissioner to be the additional administrative costs incurred by the Commonwealth in the grant year because of the surcharges mentioned in paragraph (b).

petroleum share for a State means:

- (a) if paragraph (b) does not apply—the number set out opposite the name of the State in the table at the end of this definition; or
- (b) if the regulations prescribe a number as the petroleum share for each State for the purposes of this definition—the number so prescribed for the State.

Revenue replacement payments—petroleum share		
Item	State	Petroleum share
1	New South Wales	0.30039
2	Victoria	0.20153
3	Queensland	0.19593
4	Western Australia	0.17118
5	South Australia	0.07549
6	Tasmania	0.02453
7	Australian Capital Territory	0.01291
8	Northern Territory	0.01804

tobacco base amount means the sum of:

(a) the amounts determined by the CEO, before 15 June 2000, to be:

(i) the additional amount of customs duty on goods falling to subheadings of Chapter 24 of Schedule 3 to the *Customs Tariff Act 1995* that was collected during the pre-1 June period because of a Commonwealth surcharge; and

Note: Chapter 24 of Schedule 3 to the *Customs Tariff Act 1995* deals with tobacco and manufactured tobacco substitutes.

(ii) the additional amount of customs duty on goods falling to subheadings of Chapter 24 of Schedule 3 to the *Customs Tariff Act 1995* that the CEO estimates to be likely to be collected during the month of June 2000 because of a Commonwealth surcharge; and

(b) the amounts determined by the Commissioner, before 15 June 2000, to be:

(i) the additional amount of excise duty on goods falling to items 6, 7 and 8 of the Schedule to the *Excise Tariff Act 1921* that was collected during the pre-1 June period because of a Commonwealth surcharge; and

Note: Items 6, 7 and 8 of the Schedule to the *Excise Tariff Act 1921* deal with tobacco, cigars and cigarettes.

(ii) the additional amount of excise duty on goods falling to items 6, 7 and 8 of the Schedule to the *Excise Tariff Act 1921* that the Commissioner estimates to be likely to be

- collected during the month of June 2000 because of a Commonwealth surcharge; and
- (c) if the June 1999 tobacco base amount exceeds the June 1999 tobacco base estimate amount—the amount of the excess;
- less the sum of:
- (d) if the June 1999 tobacco base estimate amount exceeds the June 1999 tobacco base amount—the amount of the excess; and
 - (e) the amount determined by the CEO to be the additional administrative costs incurred by the Commonwealth in the grant year because of the surcharges mentioned in paragraph (a); and
 - (f) the amount determined by the Commissioner to be the additional administrative costs incurred by the Commonwealth in the grant year because of the surcharges mentioned in paragraph (b).

tobacco share for a State means:

- (a) if paragraph (b) does not apply—the number set out opposite the name of the State in the table at the end of this definition; or
- (b) if the regulations prescribe a number as the tobacco share for each State for the purposes of this definition—the number so prescribed for the State.

Revenue replacement payments—tobacco share		
Item	State	Tobacco share
1	New South Wales	0.32492
2	Victoria	0.21803
3	Queensland	0.19065
4	Western Australia	0.11100
5	South Australia	0.08988
6	Tasmania	0.03226
7	Australian Capital Territory	0.01456
8	Northern Territory	0.01870

- (2) In determining, for the purposes of subclause (1), the additional amount of customs duty or excise duty that was collected, or is

likely to be collected, during a particular period because of a Commonwealth surcharge:

- (a) the CEO is to take into account the impact of the operation of section 19 of the *Customs Tariff Act 1995*; and
- (b) the Commissioner is to take into account the impact of the operation of section 6A of the *Excise Tariff Act 1921*.

Note: Section 19 of the *Customs Tariff Act 1995* and section 6A of the *Excise Tariff Act 1921* provide for the automatic indexation of certain rates of duty which include rates payable on tobacco etc. and petroleum products.

- (3) If, during the grant year, the *Customs Tariff Act 1995* or the *Excise Tariff Act 1921* is amended to vary the method of calculating duty on goods falling to:

- (a) subheadings of Chapter 24 of Schedule 3 to the *Customs Tariff Act 1995*; or
- (b) items 6, 7 and 8 of the Schedule to the *Excise Tariff Act 1921*;

then, for the purposes of subclause (1), the additional amount of customs duty or excise duty that was collected, or is likely to be collected, during a particular period is to be determined on the basis that the amendment had not been made.

- (4) For the purpose of subclause (3):
 - (a) a Customs Tariff or Customs Tariff alteration proposed in the Parliament is taken to be an amendment of the *Customs Tariff Act 1995*; and
 - (b) an excise tariff alteration proposed in the Parliament is taken to be an amendment of the *Excise Tariff Act 1921*.

6 Franchise fees windfall tax reimbursement payments

For the purposes of section 11B, the franchise fees windfall tax reimbursement payment to be made to a State is equal to the sum of the amounts determined by the Commissioner, before 22 June 2000, to be:

- (a) the total of the amounts of tax collected by the State under the *Franchise Fees Windfall Tax (Collection) Act 1997* that are remitted to the Commissioner during the pre-1 June period; and

(b) the total of the amounts of tax to be collected by the State under that Act that is likely to be remitted to the Commissioner during the month of June 2000.

7 Special revenue assistance grants

For the purposes of section 12, the *base amount* for each State is zero.

8 Competition payments

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

$$\text{Base amount} \times \text{Previous year index factor} \times \text{Index factor} \times \frac{\text{State population}}{\text{Total population}}$$

where:

base amount means \$426,276,076.

index factor means the index factor for the grant year.

previous year index factor means the index factor for the previous year.

State population means the estimated population of the State on 31 December 1999.

total population means the sum of the estimated populations of all the States on 31 December 1999.

[Minister's second reading speech made in—
House of Representatives on 10 June 1999
Senate on 26 August 1999]

(110/99)