



Local Government (Personal Income Tax Sharing) Amendment Act 1985

No. 55 of 1985

An Act to amend the *Local Government (Personal Income Tax Sharing) Act 1976*

[Assented to 4 June 1985]

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

Short title, &c.

1. (1) This Act may be cited as the *Local Government (Personal Income Tax Sharing) Amendment Act 1985*.

(2) The *Local Government (Personal Income Tax Sharing) Act 1976*¹ is in this Act referred to as the Principal Act.

Commencement

2. This Act shall come into operation on the day on which it receives the Royal Assent.

Interpretation

3. Section 3 of the Principal Act is amended—

(a) by inserting before the definition of “area” in sub-section (1) the following definition:

“ ‘actual CPI factor for 1985’ means the factor specified in a notice published under sub-section 4C (4);”;

Local Government (Personal Income Tax Sharing)
Amendment No. 55, 1985

- (b) by omitting from sub-section (1) the definition of “base figure” and substituting the following definition:

“ ‘base figure’ means—

- (a) in relation to the year commencing on 1 July 1981 or any subsequent year (other than the year commencing on 1 July 1985)—an amount equal to 2% of the amount determined by the Commissioner under section 4A in respect of the year immediately preceding that year; and
- (b) in relation to the year commencing on 1 July 1985—the amount ascertained in accordance with the formula $A \times B \times 1.02$ where—
 - A is the estimated CPI factor for 1985; and
 - B is the base figure for the year commencing on 1 July 1984;”;
- (c) by inserting after the definition of “company” in sub-section (1) the following definition:
 - “ ‘estimated CPI factor for 1985’ means the factor specified in a notice published under sub-section 4B (1);”.

Determination by Commissioner for purposes of ascertaining base figure

4. Section 4A of the Principal Act is amended by inserting in sub-section (1) “(other than the year commencing on 1 July 1984)” after “year to which this Act applies”.

5. After section 4A of the Principal Act the following sections are inserted:

Determination of estimated CPI factor for 1985

“4B. (1) The Treasurer shall, before 31 August 1985, cause to be published in the *Gazette* a notice specifying the factor, being a number calculated to 3 decimal places, that, in the Treasurer’s opinion, is a reasonable estimate of the factor to be ascertained under sub-section 4C (5).

“(2) The Treasurer shall cause a copy of a notice published under sub-section (1) to be given to the Treasurer of each State.

Determination of actual CPI factor for 1985

“4C. (1) In this section—

‘index number’, in relation to a quarter, means the All Groups Consumer Price Index number, being the weighted average of the 6 State capital cities, published by the Statistician in respect of that quarter;

‘Statistician’ means the Australian Statistician.

“(2) Subject to sub-section (3), if at any time, whether before or after the commencement of this section, the Statistician has published or publishes an index number in respect of a quarter in substitution for an index number

*Local Government (Personal Income Tax Sharing)
Amendment No. 55, 1985*

previously published by the Statistician in respect of that quarter, the publication of the later index number shall be disregarded for the purposes of this section.

“(3) If at any time, whether before or after the commencement of this section, the Statistician has changed or changes the reference base for the Consumer Price Index, then, for the purposes of the application of this section after the change took place or takes place, regard shall be had only to index numbers published in terms of the new reference base.

“(4) The Treasurer shall, as soon as practicable after the Statistician publishes an index number in respect of the March quarter in the year commencing on 1 July 1985, cause to be published in the *Gazette* a notice specifying the factor ascertained under sub-section (5).

“(5) The factor to be ascertained for the purposes of sub-section (4) is—

(a) the number, calculated to 3 decimal places, ascertained by dividing the sum of—

(i) the index number in respect of the March quarter in the year commencing on 1 July 1985; and

(ii) the index numbers in respect of the 3 quarters that immediately preceded that quarter,

by the sum of—

(iii) the index number in respect of the March quarter in the year commencing on 1 July 1984; and

(iv) the index numbers in respect of the 3 quarters that immediately preceded that quarter; or

(b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—the number so ascertained increased by 0.001.

“(6) The Treasurer shall cause a copy of a notice published under sub-section (4) to be given to the Treasurer of each State.”.

6. After section 5 of the Principal Act the following section is inserted:

Special provisions for year commencing on 1 July 1985

“5A. (1) If the actual CPI factor for 1985 exceeds the estimated CPI factor for 1985, each State is entitled, in addition to the payment to which it is entitled under sub-section 5 (2) in respect of the year commencing on 1 July 1985, to the payment, in respect of that year, by way of financial assistance for local government purposes, of such percentage of the amount ascertained in accordance with the formula $A \times B \times 1.02$ where—

A is the difference between those factors; and

B is the base figure for the year commencing on 1 July 1984,

as is specified in the table set out in sub-section 5 (2) opposite the name of the State.

Local Government (Personal Income Tax Sharing)
Amendment No. 55, 1985

“(2) In addition to the conditions contained in any other provision of this Act, payment of an amount to a State under this Act is subject to the condition that, if the actual CPI factor for 1985 is less than the estimated CPI factor for 1985, the State will pay to the Commonwealth such percentage of the amount ascertained in accordance with the formula $A \times B \times 1.02$ where—

A is the difference between those factors; and

B is the base figure for the year commencing on 1 July 1984,

as is specified in the table set out in sub-section 5 (2) opposite the name of the State.

“(3) Where a State is liable to pay an amount to the Commonwealth under sub-section (2), the amount may be deducted from any other amount that is payable to the State under this Act, and where an amount is so deducted, an amount equal to that amount so deducted shall, notwithstanding the deduction, be deemed, for the purposes of this Act, to have been paid in full to the State.

“(4) An amount payable by a State to the Commonwealth under sub-section (2) shall be paid on or before such date as the Minister, by notice in writing given to the Treasurer of the State, determines.”.

Allocation amongst local governing bodies

7. Section 6 of the Principal Act is amended by omitting from sub-section (3) “this Act” and substituting “section 5”.

Unconditional payments to be made to local governing bodies

8. Section 7 of the Principal Act is amended by omitting all the words after “in accordance” (first occurring) and substituting the following word and paragraphs:

“with—

- (a) in the case of a payment of an amount under section 5—the allocation of the amount amongst local governing bodies in the State in accordance with sub-section 6 (2); and
- (b) in the case of a payment of an amount under section 5A—the proportions that applied in relation to the allocation amongst local governing bodies of the amount payable to the State under section 5 in respect of the year commencing on 1 July 1985.”.

NOTE

1. No. 123, 1976, as amended. For previous amendments, see No. 93, 1977; No. 127, 1979; No. 25, 1980; No. 100, 1981; No. 51, 1983; Nos. 71 and 123, 1984; and No. 4, 1985.

[*Minister's second reading speech made in—*
House of Representatives on 14 May 1985
Senate on 22 May 1985]