



# States Grants (General Revenue) Amendment Act 1987

No. 95 of 1987

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## An Act to amend the *States Grants (General Revenue) Act 1985*

[Assented to 5 November 1987]

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

### Short title etc.

1. (1) This Act may be cited as the *States Grants (General Revenue) Amendment Act 1987*.

(2) The *States Grants (General Revenue) Act 1985*<sup>1</sup> 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 1987.

### Financial assistance grants

3. Section 6 of the Principal Act is amended:

- (a) by omitting from subsection (2) “each of the following years, namely, the 1986-87 year and the 1987-88 year” and substituting “the 1986-87 year”;

*States Grants (General Revenue) Amendment No. 95, 1987*

- (b) by omitting from subsection (2) “year immediately preceding the year concerned” and substituting “1985-86 year”;
- (c) by omitting from subsection (2) “that year” (wherever occurring) and substituting “the 1986-87 year”; and
- (d) by adding at the end the following subsection:  
“(3) Each State is entitled to the payment by way of financial assistance, in relation to the 1987-88 year, of a financial assistance grant calculated in accordance with the formula:

$$\frac{A \times B}{C}$$

where:

- A is \$11,756,084,984;
- 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.”.

**Health grants**

4. Section 8 of the Principal Act is amended:
- (a) by omitting from subsection (2) “each of the following years, namely, the 1986-87 year and the 1987-88 year” and substituting “the 1986-87 year”;
  - (b) by omitting from subsection (2) “year immediately preceding the year concerned” and substituting “1985-86 year”;
  - (c) by omitting from subsection (2) “that year” (wherever occurring) and substituting “the 1986-87 year”; and
  - (d) by adding at the end the following subsection:  
“(3) Each State is entitled to the payment by way of financial assistance, in relation to the 1987-88 year, of a health grant calculated in accordance with the formula:

$$\frac{A \times B}{C}$$

where:

- A is \$1,782,700,501;
- 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.”.

5. Before section 11 of the Principal Act the following section is inserted in Part V:

**State contribution to costs of higher education superannuation**

- “10A. (1) In this section:  
‘higher education institution’ means an institution that is a university or college of advanced education for the purposes of the *States Grants (Tertiary Education Assistance) Act 1984*;

**'Minister'** means the Minister for Employment, Education and Training;  
**'prescribed period'** means the period of 6 months commencing on 1 January 1988;

**'unfunded superannuation liabilities'**, in relation to higher education institutions in a State, means unfunded superannuation liabilities under superannuation schemes conducted by that State.

**"(2)** Financial assistance to which a State is entitled under this Act in relation to the 1987-88 year is granted on the condition that the State will, on or before 31 May 1988, pay to the Commonwealth an amount representing the State's share of the costs of any unfunded superannuation liabilities of higher education institutions in the State, being liabilities required to be discharged during the prescribed period.

**"(3)** The amount (if any) payable by a State to the Commonwealth is the amount determined by the Minister.

**"(4)** The amount to be determined under subsection (3) in relation to a State is the amount that equals the sum of:

(a) the amount calculated in accordance with the formula:

$$A \times B$$

where:

**A** is the estimated total of the payments required to be made during the prescribed period in discharge of unfunded superannuation liabilities of higher education institutions in the State, being liabilities attributable to service before 1 January 1974; and

**B** is the fraction representing, as nearly as is practicable, the proportion of the recurrent costs of higher education in the State borne by the State in the period during which that service was being performed; and

(b) the amount by which the estimated total of the payments required to be made during the prescribed period in discharge of unfunded superannuation liabilities of higher education institutions in the State attributable to service on or after 1 January 1982 exceeds the amount that would be the estimated total of such payments if the benefits provided under superannuation schemes under which those liabilities arise were reduced to a level that could be financed by a long-term employer contribution at the rate of 14% of members' salaries.

**"(5)** A determination by the Minister under subsection (3) shall be made not later than 31 March 1988.

**"(6)** A determination by the Minister under subsection (3) shall, for the purposes of this Act, be conclusively presumed to be correct.

**"(7)** If the Treasurer is satisfied that a State has failed to fulfil the condition specified in subsection (2), the Treasurer may reduce any payment due to the State under this Act in respect of the 1987-88 year by

*States Grants (General Revenue) Amendment No. 95, 1987*

an amount equal to the amount payable by the State to the Commonwealth and remaining unpaid.”.

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**NOTE**

1. No. 156, 1985.

[*Minister's second reading speech made in—  
House of Representatives on 15 September 1987  
Senate on 22 October 1987*]