

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

Presented and read a first time, 15 September 1987

(Minister Assisting the Treasurer)

A BILL

FOR

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

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 *States Grants (General Revenue) Amendment Act 1987*.

(2) The *States Grants (General Revenue) Act 1985*¹ is in this Act referred to as the Principal Act.

Commencement

10 **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:

15 (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: 5

"(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: 10

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 15

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"; 20
- (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: 25

"(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; 30

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: 35

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*; 40

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

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

10 "(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.

15 "(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:

20 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

25 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

30 (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
35 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.

40 "(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

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

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

NOTE

1. No. 156, 1985.