

1981-82

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
HOUSE OF REPRESENTATIVES

QUEENSLAND GRANT (SPECIAL ASSISTANCE) BILL 1981
EXPLANATORY MEMORANDUM

(Circulated by Authority of the Treasurer, the Hon John Howard, MP)

QUEENSLAND GRANT (SPECIAL ASSISTANCE) BILL 1981

GENERAL OUTLINE AND MAIN PURPOSE OF BILL

The purpose of the Bill is to authorise the payment of a special grant to Queensland in accordance with the recommendations of the Commonwealth Grants Commission.

The special grant which the Commission has recommended for payment to Queensland in 1981-82 consists of a completion grant of \$33.5 million in respect of 1979-80, and an advance grant of \$25 million in respect of 1980-81. The advance grant was not paid in 1980-81 (as would normally be the case) because the request for an assessment by the Commission was not received until late in that financial year. Under interim arrangements agreed upon at the Premiers' Conference on 20 June 1981 concerning the question of new States' tax sharing relativities, there are to be no applications by the States for special grants in respect of 1981-82.

The Government's acceptance of the Commission's recommendations was announced by the Prime Minister on 10 Aug 1981, and an appropriate amount was included in the 1981-82 Budget estimates.

Special grants have been paid to the States on the recommendations of the Commonwealth Grants Commission since 1934-35. The grants are provided by way of supplementary general revenue funds to compensate the financially weaker States for such factors as lower capacity to raise revenue and the higher cost of providing services.

Queensland is the only State that applied for special grants in respect of 1979-80 and 1980-81.

The "completion grant" to be paid to Queensland represents an adjustment in respect of 1979-80 made after the Grants Commission had completed a detailed assessment of the State's financial position in that year relative to that of the standard States (New South Wales and Victoria).

Details of the basis of the Commission's recommendations of the amount to be paid to Queensland in 1981-82 are provided in the Commission's Forty-eighth Report tabled in the Parliament prior to the introduction of this Bill.

CLAUSE 1 SHORT TITLE

This clause formally provides that the proposed Act will have the short title Queensland Grant (Special Assistance) Act 1981.

CLAUSE 2 COMMENCEMENT

This clause provides that the legislation will come into operation on the day it receives Royal Assent.

CLAUSE 3 PAYMENT OF FINANCIAL ASSISTANCE

Sub-clause (1) authorises the payment of a grant of \$58.5 million to Queensland in 1981-82, this being the amount recommended by the Commonwealth Grants Commission.

Sub-clause (2) gives discretion to the Treasurer to decide when and in what amounts to make the payment.

CLAUSE 4 APPROPRIATION

This clause provides for payments under the proposed Act to be made out of the Consolidated Revenue Fund and for the Fund to be appropriated accordingly.