Queensland Grant (Special Assistance) Bill 1976

Date introduced: 3 November 1976
House: House of Representatives
Presented by: The Treasurer (Hon. P.R. Lynch)

Short Digest of Bill

Purpose
The main purpose of this Bill is to authorise the payment of a special grant of $27 million to Queensland in accordance with the recommendation of the Commonwealth Grants Commission, contained in its Forty-third Report.

Previous Legislation
In 1975–76 special grants were paid to Queensland and South Australia under the States Grants (Special Assistance) Act 1975, which was assented to on 6 November 1975.

Special Grants arrangements
Special grants are untied payments to supplement other general purpose payments. They are made on the recommendations of the Commonwealth Grants Commission to any of the four less populous claimant States. The Commission makes its recommendations on the basis of a comparison of the finances of the claimant State with those of the standard States (New South Wales and Victoria), taking into account differences in revenue-raising capacity and costs of providing comparable services.

Special grants comprise two parts. One part is an advance payment based on a preliminary estimate of the claimant State’s financial need in the current financial year. This is subject to adjustment two years later when the Commission has compared in detail the finances of the claimant and standard States for that year. The other part is the final adjustment to the advance payment made two years earlier, known as the completion payment.

The Commission’s recommendations for special grants have always been adopted by Parliament since the Commission’s inception in 1933.

Queensland is the only State currently applying for a special grant.

Provisions of Bill
Sub-clause 3 (1) provides for the payment of $27 million to Queensland during 1976–77. In accordance with the recommendation of the Commission, this payment will comprise:

1) an advance payment of $18 million in respect of 1976–77; and
2) a completion payment of $9 million in respect of 1974–75. (This will increase the final special grant in respect of 1974–75 to $24 million).

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Warning:
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Sub-clause 3(2) ensures that the payment of $27 million referred to above will be reduced by any amount already paid in respect of 1976–77 under section 4 of the States Grants (Special Assistance) Act 1975. Section 4 of the 1975 Act authorised the payment of up to $18,150,000 to Queensland, pending the enactment of necessary legislation to provide for a special grant to Queensland in 1976–77.

Clause 4 of this Bill similarly seeks to authorise advances not exceeding $13,500,000 (i.e. half of the 1976–77 special grant) to Queensland in the first six months of 1977–78.

Clause 5 provides for appropriations under this Bill to be made out of the Consolidated Revenue Fund.

Finance, Industries, Trade and Development Group

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