

1987

THE PARLIAMENT OF THE
COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AUSTRALIAN LAND TRANSPORT (FINANCIAL ASSISTANCE)
AMENDMENT BILL 1987

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Transport
and Communications, Senator the Hon Gareth Evans, QC)

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Outline

The purpose of the Bill is to amend the Australian Land Transport (Financial Assistance) Act 1985.

On 13 May 1987 the Treasurer announced that the rate of duty of Excise or duty of Customs payable to the Australian Land Transport Program would be reduced from 1 July 1987 so that total expenditure on road programs would be held to the same amount as in 1986-87 (\$1250 million). It has been calculated that this, which incorporates an agreed run down in Trust Fund balances requires a reduction in the rate of duty of 0.723 cents per litre.

The Bill varies the rate of duty calculated in accordance with section 14 of the Principal Act from 3.964 cents per litre to 3.241 cents per litre to apply from 1 July 1987.

Repayments will be made from the Australian Land Transport Trust Fund to the Consolidated Revenue Fund equal to the revenue generated by the 0.723 cents per litre adjustment prior to the amendment coming into force, subsequent indexation adjustments and any interest earned by these funds whilst they are retained in the Australian Land Transport Trust Fund.

The Bill amends the current audit certification for annual statements of expenditure provided by the States and approved organisations under Section 30 of the Principal Act. This makes the provisions in this legislation consistent with the provisions in similar Commonwealth legislation.

The Bill also provides for the Government's decision that the Department of Transport and Communications' administrative costs attributable to the Australian Land Transport Program should be funded from the Trust Fund. For this purpose administrative expenses incurred by an approved organization will be able to be met from the Trust Fund. The Minister will be able to declare the Department of Transport and Communications as an approved administrative organization to which payments from the Trust Fund may be made. The funds required (\$1 million in 1987-88) will be obtained by reducing the allocation for National Roads.

Financial Impact

It is anticipated that this excise reduction will represent a saving of \$166 million in 1987-88.

Structure of Bill

The Bill contains provisions which amend the rate of duty payable to the Australian Land Transport Trust Fund in accordance with the Australian Land Transport legislation. The Bill includes a provision amending existing audit requirements for annual statements of expenditure. The Bill also includes provision for the declaration of and payments to an approved administrative organization.

NOTES ON CLAUSES

Clause 1: Short title

This is the formal clause providing for the citation of the Principal Act and the Amending Act.

Clause 2: Commencement

This clause provides for the Act to come into operation on the day on which it receives Royal Assent.

Clause 3: Interpretation

Clause 3 extends the meaning of "approved organization" in sub-section 3(1) of the Principal Act to include an approved administrative organization and defines an approved administrative organization.

Clause 4: Declaration of approved research organisations, approved road safety organisations and approved administrative organisations

Clause 4 amends Section 8 of the Principal Act to allow the Minister to declare an organization as an approved administrative organization or to revoke such a declaration.

Clause 5: Modification of rate applicable under Section 14 in 1986-87

Clause 5 limits the application of Section 14A to the period 1 July 1986 to 30 June 1987.

Clause 6: Modification of rate applicable under Section 14 from July 1987

Clause 6 provides for the insertion of section 14B of which sub-clause (1) provides for a lower rate of duty of 3.241 cents per litre to be the relevant rate from 1 July 1987 at which payments are to be made into the Australian Land Transport Trust Fund.

Sub-clause (2) provides that the validity of payments made into the Trust Fund prior to the commencement of the section will not be affected by subsection (1).

Clause 7: Indexation of relevant rate

Clause 7 sub-clause (1) amends Section 15 of the Principal Act to allow for indexation of the new relevant rate after 1 July 1987.

Sub-clause (2) enables other applications between 1 July 1987 and the commencement of this Act to proceed.

Clause 8: Application of Fund

Clause 8 amends section 16 of the Principal Act to enable payments from the Trust Fund to be made to an approved administrative organization for programs approved under subsection 26(3) of the Principal Act.

Clause 9: Limitation of allocation for financial years
1987-1988, 1988-1989 and 1989-1990

Clause 9 amends section 18 of the Principal Act to reduce the maximum share of Trust Fund payments for construction and maintenance of national roads from 47.012% to 46.878%. It also increases the maximum share of Trust Fund payments to approved organizations from 0.618% to 0.752%.

Clause 10: Closing of Fund

Clause 10 amends section 25 of the Principal Act to include an approved administrative organization among the bodies to which the balance of funds, if any, may be distributed following closure of the Trust Fund on 31 December 1990.

Clause 11: Approval of projects and programs

Clause 11 amends section 26 of the Principal Act to allow the Minister to request an approved administrative organization to submit a program for approval.

Clause 12: Statements of expenditure etc to be given

Clause 12 sub-clause (1) amends section 30 sub-section (1) of the Principal Act. It changes the current audit certification requirements for annual statements of expenditure provided by a State, authority or organization on payments received out of the Trust Fund.

Sub-clause (2) exempts from this requirement statements given before the commencement of sub-clause (1).

Clause 13: Transitional Arrangements

Section 13 sub-section (1) enables the rate of duty determined in section 14B to be indexed from 1 July 1987 in accordance with provisions of section 15 of the Principal Act.

Section 13 sub-clause (2) provides for the repayment from the Trust Fund to the Consolidated Revenue Fund of the revenue generated in the transitional period by the 0.723 cents per litre adjustment, subsequent indexation adjustments and any interest earned by these funds whilst retained in the Trust Fund.