1999

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

A NEW TAX SYSTEM (COMMONWEALTH-STATE FINANCIAL
ARRANGEMENTS — CONSEQUENTIAL PROVISIONS) BILL 1999

SUPPLEMENTARY EXPLANATORY MEMORANDUM
Amendments to be moved on behalf of the Government

(Circulated by authority of the Minister for Regional Services,
Territories and Local Government, Senator the Hon. Ian Macdonald)

A NEW TAX SYSTEM (COMMONWEALTH-STATE FINANCIAL ARRANGEMENTS — CONSEQUENTIAL PROVISIONS) BILL 1999

OUTLINE

These amendments reinstate the Commonwealth Government's responsibility for funding for financial assistance to local government by omitting the amendments made to the *Local Government (Financial Assistance) Act 1995* by the *A New Tax System (Commonwealth–State Financial Arrangements –Consequential Provisions) Bill 1999* (the Bill). The Bill aimed to remove the Commonwealth Government's responsibility for funding financial assistance to local government with effect from 1 July 2000. The amendments give effect to the Prime Minister's announcement of 28 May 1999 that the Commonwealth will retain responsibility for payment of financial assistance grants to local government, rather than transfer the responsibility to the States.

The amendments also make consequential changes to the long title of the Bill and its commencement date and to the numbering of the Schedules.

NOTES ON CLAUSES

Clause (1) changes the long title of the Bill to reflect the fact that it now only repeals the *States Grants (General Purposes) Act 1994*.

Clause (2) changes the commencement date to ensure that the repeal of the *States Grants (General Purposes) Act 1994* cannot occur before 1 July 2000.

Clause (3) is consequential on Clause (5).

Clause (4) omits Schedule 1, which amended the *Local Government (Financial Assistance) Act 1995*.

Clause (5) omits Schedule 2 and inserts a new Schedule 1 to repeal the *States Grants (General Purposes) Act 1994*.