

1987

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) AMENDMENT BILL 1987

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Local
Government and Administrative Services, the Hon Tom Uren)

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OUTLINE

The Local Government (Financial Assistance) Amendment Bill 1987, which amends the Local Government (Financial Assistance) Act 1986 is intended to change the method of payment of general purpose financial assistance for local government from an annual to a quarterly instalment basis.

Arrangements at present are that State Governments receive an amount in September equal to the estimated annual entitlement. This amount may be adjusted subsequently if the earlier estimate of the annual entitlement is revised to reflect the actual Consumer Price Index as compared with that estimated earlier in the year.

The amendment will mean that henceforth the payments will be made in four instalments. The first three instalments will be equal instalments paid in the September, December and March quarters and will be equal to one quarter of the estimated annual entitlement. The fourth quarter payment will include any adjustment reflecting a difference between the estimated and the actual Consumer Price Index.

FINANCIAL IMPACT

The Treasurer has estimated that the Commonwealth will save \$27 million from changing from a single annual payment to a system of quarterly instalments.

NOTES ON CLAUSES

Clauses 1 and 2

The first two clauses of the bill provides for the short title and commencement of the legislation.

Clause 3

This clause amends section 7 by adding a new sub-section which specifies that for 1987/88 and subsequent years the amount payable shall be paid as far as practicable in four equal quarterly instalments.