

2001

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**GOODS AND SERVICES TAX (TEMPORARY TRANSITIONAL
PROVISIONS) AMENDMENT BILL 2001**

EXPLANATORY MEMORANDUM

Circulated by the authority of the Treasurer

Gary Humphries MLA

Goods and Services Tax (Temporary Transitional Provisions) Amendment Bill 2001

Outline

ACT taxes, fees and charges are generally set by determination rather than through principal legislation. Utilising the legal reasoning as appeared in the Federal Airports Corporation case, it would appear that this method of establishing fees and charges places the revenue base at risk. The Federal Airports Corporation case has highlighted the argument that this practice should be changed to provide that whenever a charge imposed by government exceeds the reasonable costs of levying the charge, the measure should be specifically endorsed by the Assembly.

As an interim measure to maintain the status quo and to protect the ACT's taxes, fees and charges from technical attack, the Assembly agreed to passage of the *Goods and Services Tax (Temporary Transitional Provisions) Act 2000* (the Act).

The Act has an expiry date of 30 June 2001 as it was contemplated that negotiations with the Assembly would be completed and remedial legislation prepared in sufficient time. With the potential for negotiations extending beyond this expiry date and to avoid the possibility of a legal challenge to the ACT's fees and charges, this Bill extends the expiry of the Act until the 30 June 2002.

Revenue/Cost Implications

There will be no budget impact for this fiscal year.

Details of the Bill follow.

Details of the Goods and Services Tax (Temporary Transitional Provisions) Amendment Bill 2001

PART I - PRELIMINARY

Formal Clauses

Clauses 1, 2 and 3 are formal requirements. They refer to the title of the Act, the commencement date of the Act and define which Act is amended. The Act commences on the day on which the Act is notified in the Gazette.

Substitution – Expiry of the Act

Section 7 of the Act expired on 31 October 2000.

Clause 4 substitutes section 8 with the new section 7 to provide that the Act expires on 30 June 2002.