

2012

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

FINANCIAL MANAGEMENT (COST OF LIVING) AMENDMENT BILL 2012

EXPLANATORY STATEMENT

Authorised by:

Mr Brendan Smyth MLA

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Overview of Bill

The purpose of this Bill is to require the ACT Government to prepare, as part of the annual ACT Budget, an analysis of the effect of proposals contained in the Budget on ACT residents.

The analysis will be set out in a statement which will accompany the ACT Budget when it is presented by the Treasurer to the ACT Legislative Assembly.

Detailed requirements

New section 11 (1) (f) will be inserted in the *Financial Management Act 1996* and will require a statement giving an analysis of the impact of the proposed budget on the cost of living of ACT residents.

The analysis will provide an outline of those matters in the Budget which will have a specific impact on the cost of living of people living in the ACT. These matters may be both new and existing taxes and will include, but not be limited to:

- general rates;
- land tax;
- payroll tax;
- conveyancing duty;
- motor vehicle registration;
- driving licences;
- utilities (network facilities) tax;
- fire and emergency service levy; and
- water abstraction charge.

The analysis of the cost of living effect will be an estimate of the average effect on the average household for the following financial year.

In preparing this analysis, various assumptions will be required; it would be expected that the nature of the analysis will be included in the statement, and that details of any assumptions which are used to derive the effect on households will be included.