

EXPLANATORY STATEMENT

Issued by authority of the Assistant Treasurer, Minister for Housing and Minister for Homelessness, Social and Community Housing

Local Government (Financial Assistance) Act 1995

*Local Government (Financial Assistance) (Final Factor for 2020-21 and Estimated
Factor for 2021-22) Determination 2021*

Subsection 8(1) of the *Local Government (Financial Assistance) Act 1995* (the Act) provides that the Treasurer must, not later than 30 June in each financial year, determine the factor, the final factor, for that financial year. The factor is to be worked out as set out in subsection 8(1) of the Act.

Further, paragraph 7(3)(b) of the Act provides that the Treasurer must, before the start of each financial year, make an estimate of the final factor for that year.

The Act established the current process for the provision of Commonwealth financial assistance to local government through the States and Territories. Each year, the level of financial assistance available to the States and Territories for local government purposes is indexed by a factor which is to be estimated, and then finally determined, by the Treasurer. The *Local Government (Financial Assistance) (Final Factor for 2020-21 and Estimated Factor for 2021-22) Determination 2021* (the instrument) determines the final factor for 2020-21 financial year and the estimated factor for the 2021-22 financial year.

There were no conditions that the Treasurer needed be satisfied of before making the instrument.

In accordance with section 19 of the *Acts Interpretation Act 1901*, any Minister in the Treasury portfolio may determine the factors under the *Local Government (Financial Assistance) Act 1995*.

No consultation has been undertaken on this instrument as the instrument is machinery in nature. In accordance with the Act, copies of this instrument will be made available to the Treasurer of each of the States and Territories.

Details of the instrument are set out in Attachment B.

The instrument is a legislative instrument for the purposes of the *Legislation Act 2003*. However, this instrument is not subject to disallowance or sunseting (see subsections 44(1) and 54(1) of the *Legislation Act 2003*).

The instrument commenced the day after it was registered on the Federal Register of Legislation.

A statement of Compatibility with Human Rights is at Attachment A.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Local Government (Financial Assistance) (Final Factor for 2020-21 and Estimated Factor for 2021-22) Determination 2021

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The *Local Government (Financial Assistance) (Final Factor for 2020-21 and Estimated Factor for 2021-22) Determination 2021* (the instrument) determines the final factor for 2020-21 financial year and the estimated factor for the 2021-22 financial year. The factors are used to determine the amount of Commonwealth financial assistance which is made available to local government for a financial year.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

ATTACHMENT B

Details of the *Local Government (Financial Assistance) (Final Factor for 2020-21 and Estimated Factor for 2021-22) Determination 2021*

This Attachment sets out further details of the *Local Government (Financial Assistance) (Final Factor for 2020-21 and Estimated Factor for 2021-22) Determination 2021* (the Determination).

Section 1 – Name

This section specifies the name of the Determination is the *Local Government (Financial Assistance) (Final Factor for 2020-21 and Estimated Factor for 2021-22) Determination 2021*.

Section 2 – Commencement

This section prescribes that the Determination commences the day after the Determination is registered.

Section 3 – Authority

This section provides that the Determination is made under the *Local Government (Financial Assistance) Act 1995*.

Section 4 – Definitions

This section provides definitions for the purposes of the Determination.

Sections 5 and 6 – Final factor for the year 2020-21

Section 5 provides the determined final factor in relation to the 2020-21 financial year.

Section 6 provides the details for how the final factor for the 2020-21 financial year was worked out.

Sections 7 and 8 – Estimated factor for the year 2021-22

Section 7 provides the estimated factor for the 2021-22 financial year.

Section 8 provides the details for how the estimated factor for the 2021-22 financial year was worked out.