

EXPLANATORY MEMORANDUM

(Introduced by Mr Trenorden, MLA)

MAIN ROADS AMENDMENT BILL 2001 (E48)

This Bill contains amendments to the *Main Roads Act 1930* which ensure that road investment funds are maintained by allocating funds from the Goods and Services Tax revenue pool for Western Australia into the Main Roads Trust Fund, calculated at a rate of 10.6 cents per litre of all road fuel used in Western Australia.

Before the introduction of 'A New Tax System', the State Government received funds from the Commonwealth that were specifically designated for road investment. Currently, revenue is returned to the States in the general GST revenue pool. Western Australia received \$292 million in 1999/2000 through the Safety Net Revenue and in untied and unidentified Commonwealth grants, for the purpose of road investment.

This Bill seeks to maintain the same level of funding by allocating an equivalent amount from the general GST revenue pool to the Main Roads Trust Fund. The Bill also seeks to link the use of the roads (calculated through road fuel purchases) with the maintenance of the roads.

Following are the contents of the Bill described clause by clause—

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| Section 1: | The Short Title of the Bill. |
| Section 2: | This section provides that the proposed Act will come into operation on the day fixed by proclamation. |
| Section 3: | This section provides that the Act to which these amendments apply is the Main Roads Act 1930. |
| Section 4: | This section refers to section 31 of the Main Roads Act 1930 referring to the Main Roads Trust Fund. The amendment repeals section 31 (1)(c) and inserts a new subsection. |

The effect of this provision is that money paid by the Commonwealth to the State's Main Roads Trust Fund, for the purpose of road construction and maintenance, be calculated at a rate of 10.6 cents per litre of road fuel used in Western Australia.