

# Explanatory Statement

## Finance Minister's (A New Tax System) Directions 2005

### The instrument to which this explanatory statement relates

This explanatory statement relates to an instrument (the instrument) entitled 'Finance Minister's (A New Tax System) Directions 2005', dated 5 January 2005.

### The legislative authority under which the instrument is made

The instrument was issued pursuant to:

- subsection 177-1 (2) of the *A New Tax System (Goods and Services Tax) Act*;
- subsection 21-1 (2) of the *A New Tax System (Luxury Car Tax) Act 1999*; and
- subsection 27-20 (2) of the *A New Tax System (Wine Equalisation Tax) Act*.

### Purpose of the instrument

The instrument continues to give effect to Parliament's long-standing intention that *Financial Management and Accountability Act 1997* agencies and *Commonwealth Authorities and Companies Act 1997* authorities are notionally liable to pay certain taxes, as if they were actually liable. The Finance Minister's (A New Tax System) Directions 2000, which previously dealt with this matter, were revoked upon the gazettal of the instrument on 25 January 2005.

- The policy within the instrument remains unchanged. The only substantive change is of an administrative nature; the reference in the previous Directions to Finance Circular 1990/12 has been replaced, due to its withdrawal, with a reference to Australian Customs Notice No. 90/124.

### Nature of the instrument

The instrument is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.