

1993

AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE ASSEMBLY

TERRITORY OWNED CORPORATIONS (AMENDMENT) BILL 1993

EXPLANATORY MEMORANDUM

Circulated by the Authority of

Rosemary Follett MLA
Chief Minister

Territory Owned Corporations (Amendment) Bill 1993

Outline

This Bill has the effect of amending the Territory Owned Corporations Act 1990 (the Act), by allowing the Treasurer, on behalf of the Territory, to lend money to Territory owned corporations, without the need for the funds to be appropriated by the Legislative Assembly. Section 24 of the Act will still require the Treasurer to determine the terms and conditions of any such loan.

As the ACT Borrowing and Investment Trust now manages the Government's investment and borrowing needs, it will be possible for the Borrowing and Investment Trust to invest in a Territory owned corporation as it would in any other investment. The Treasurer's agreement to a loan from the ACT Borrowing and Investment Trust to a Territory owned corporation will still be needed before such a loan can be made.

Financial Considerations

Loans made by ACTBIT to TOCs can have Budgetary implications to the extent that failure to fully service the loan would impact on ACTBIT's ability to pay dividends to the Consolidated Fund.

Explanation of Clauses

Clause 1 provides that the regulations may be cited as the Territory Owned Corporations (Amendment) Act 1993.

Clause 2 provides for the commencement of the Act.

Clause 3 defines "Principal Act" as the Territory Owned Corporations Act 1990.

Clause 4 has the effect of removing the words "out of money appropriated by the Legislative Assembly for the purpose", from Section 24 of the Act, allowing for the Treasurer to lend funds to Territory owned corporations that have not necessarily been appropriated for that purpose.