

**PUBLIC AUTHORITIES (FINANCIAL ARRANGEMENTS)
AMENDMENT ACT 1987 No. 226**

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Act No. 33, 1987

SCHEDULE 1—AMENDMENTS

**PUBLIC AUTHORITIES (FINANCIAL ARRANGEMENTS)
AMENDMENT ACT 1987 No. 226**

NEW SOUTH WALES



Act No. 226, 1987

An Act to amend the Public Authorities (Financial Arrangements) Act 1987 to make further provision with respect to the financial arrangements of public authorities. [Assented to 10 December 1987]

Public Authorities (Financial Arrangements) Amendment 1987

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Public Authorities (Financial Arrangements) Amendment Act 1987.

Commencement

2. This Act shall commence on the date of assent to this Act.

Amendment of Act No. 33, 1987

3. The Public Authorities (Financial Arrangements) Act 1987 is amended as set out in Schedule 1.

SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) Section 8 (Power to obtain financial accommodation)—

Section 8 (4) (d), (e)—

Omit section 8 (4) (d), insert instead:

(d) the security to be provided for it;

(e) the instruments to be executed in connection with it.

(2) Section 15 (Statutory guarantee)—

(a) Section 15 (1)—

Omit “and are charges on the income and revenue of the authority from whatever source arising”.

(b) Section 15 (3)—

Omit the subsection.

(3) Section 16A—

After section 16, insert:

Statutory charge

16A. (1) The due repayment of financial accommodation obtained by an authority under this Act (whether within or outside Australia) and, where payable, the due payment of interest and other charges relating to that financial accommodation are charges on the income and revenue of the authority from whatever source arising.

(2) The charge imposed on the income and revenue of an authority does not operate to prevent the authority from dealing, in the ordinary course of the exercise of its functions, with its income and revenue free of the charge.

Public Authorities (Financial Arrangements) Amendment 1987

SCHEDULE 1—AMENDMENTS—*continued*

(4) Section 19—

Omit the section, insert instead:

Treasurer may enter into and execute guarantee etc. on behalf of Government

19. The Treasurer may act on behalf of the Government for the purposes of giving a guarantee under section 16 or entering into an agreement under section 18 and the Treasurer (or a person appointed by the Treasurer) may execute any relevant document relating to the guarantee or agreement.

(5) Section 24 (**Investment powers of authorities**)—

Section 24 (4)—

After section 24 (3), insert:

(4) A transaction entered into by an authority in relation to the funds of or under the control of the authority is not invalidated by reason only that it is not authorised by, or may result in a contravention of, the provisions of this Part or Schedule 4.

(6) Schedule 2 (**Provisions relating to securities etc.**)—

Clause 2—

Omit the clause, insert instead:

Definition of “security”

2. In this Schedule—

“security” includes any security referred to in section 4 (1) (a).

(7) Schedule 3 (**Financial accommodation repayment**)—

(a) Clause 3 (a)—

Omit “or” where lastly occurring.

(b) Clause 3 (b), (c)—

At the end of clause 3 (b), insert:

; or

(c) in respect of financial accommodation exempted from this Schedule by direction of the Treasurer.

(c) Clause 6 (2A)—

After clause 6 (2), insert:

(2A) If, before financial accommodation obtained by an authority has been repaid, the Treasurer directs under section 12 that this Schedule ceases to have effect in relation to the authority, any balance which remains in the fund shall be paid to the general funds of the authority unless the Treasurer, after consultation with the Minister for the authority, otherwise directs.

Public Authorities (Financial Arrangements) Amendment 1987

SCHEDULE 1—AMENDMENTS—*continued*

(8) Schedule 4 (**Investment powers of authorities**)—

(a) Part 3, clause 4—

Omit “, securities or other instruments”, insert instead “or other securities”.

(b) Part 3, clause 5—

Omit the clause, insert instead:

Investment powers etc.

5. (1) Subject to this Part, funds may be invested in such manner as the authority determines.

(2) Without limiting subclause (1), an authority may, in such manner as it thinks fit, apply funds for the purpose of producing income and for related purposes including entering into such arrangements, and undertaking such obligations, as the authority thinks fit.

(c) Part 3, clause 6—

Omit “Funds”, insert instead “Money in a fund”.

(d) Part 3, clause 7 (4)—

At the end of clause 7, insert:

(4) The regulations may provide that the provisions of this clause apply separately to each fund (or to any 2 or more funds) of or under the control of the authority.

**PUBLIC AUTHORITIES (FINANCIAL ARRANGEMENTS)
AMENDMENT BILL 1987**

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

This Bill is cognate with the Treasury Corporation (Amendment) Bill 1987.

The object of this Bill is to amend the Public Authorities (Financial Arrangements) Act 1987—

- (a) to make a minor change to section 8 of the Act in order to clarify the expression “security” (Schedule 1 (1));
- (b) to ensure that the statutory charge over the income and revenue of an authority which obtains financial accommodation under the Act applies in all cases (Schedule 1 (2) and (3));
- (c) to ensure that the Treasurer may act on behalf of the Government for the purposes of providing a Government guarantee under the Act (Schedule 1 (4));
- (d) to preserve the validity of any transaction entered into by an authority in relation to the investment of its funds that may have contravened the Act (Schedule 1 (5));
- (e) to make a minor change to Schedule 2 to the Act to maintain consistency in the use of the expression “security” (Schedule 1 (6));
- (f) to provide for the disposition of assets in a reserve for repayment fund when the Treasurer dispenses with the requirement for such a fund (Schedule 1 (7)); and
- (g) to modify the investment powers proposed for superannuation and like authorities to bring them into line with the current investment powers of those authorities (Schedule 1 (8)).

PUBLIC AUTHORITIES (FINANCIAL ARRANGEMENTS) AMENDMENT BILL 1987

NEW SOUTH WALES



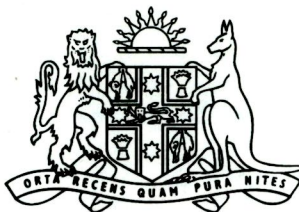
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1. Short title
2. Commencement
3. Amendment of Act No. 33, 1987

SCHEDULE 1—AMENDMENTS

**PUBLIC AUTHORITIES (FINANCIAL ARRANGEMENTS)
AMENDMENT BILL 1987**

NEW SOUTH WALES



No. , 1987

A BILL FOR

An Act to amend the Public Authorities (Financial Arrangements) Act 1987 to make further provision with respect to the financial arrangements of public authorities.

Public Authorities (Financial Arrangements) Amendment 1987

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Public Authorities (Financial Arrangements) Amendment Act 1987.

5 Commencement

2. This Act shall commence on the date of assent to this Act.

Amendment of Act No. 33, 1987

3. The Public Authorities (Financial Arrangements) Act 1987 is amended as set out in Schedule 1.

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SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) Section 8 (**Power to obtain financial accommodation**)—

Section 8 (4) (d), (e)—

Omit section 8 (4) (d), insert instead:

15

(d) the security to be provided for it;

(e) the instruments to be executed in connection with it.

(2) Section 15 (**Statutory guarantee**)—

(a) Section 15 (1)—

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Omit “and are charges on the income and revenue of the authority from whatever source arising”.

(b) Section 15 (3)—

Omit the subsection.

(3) Section 16A—

After section 16, insert:

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Statutory charge

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16A. (1) The due repayment of financial accommodation obtained by an authority under this Act (whether within or outside Australia) and, where payable, the due payment of interest and other charges relating to that financial accommodation are charges on the income and revenue of the authority from whatever source arising.

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(2) The charge imposed on the income and revenue of an authority does not operate to prevent the authority from dealing, in the ordinary course of the exercise of its functions, with its income and revenue free of the charge.

SCHEDULE 1—AMENDMENTS—*continued*

(4) Section 19—

Omit the section, insert instead:

Treasurer may enter into and execute guarantee etc. on behalf of Government

- 5 19. The Treasurer may act on behalf of the Government for the purposes of giving a guarantee under section 16 or entering into an agreement under section 18 and the Treasurer (or a person appointed by the Treasurer) may execute any relevant document relating to the guarantee or agreement.

10 (5) Section 24 (**Investment powers of authorities**)—

Section 24 (4)—

After section 24 (3), insert:

- 15 (4) A transaction entered into by an authority in relation to the funds of or under the control of the authority is not invalidated by reason only that it is not authorised by, or may result in a contravention of, the provisions of this Part or Schedule 4.

(6) Schedule 2 (**Provisions relating to securities etc.**)—

Clause 2—

Omit the clause, insert instead:

20 **Definition of “security”**

2. In this Schedule—

“security” includes any security referred to in section 4 (1) (a).

(7) Schedule 3 (**Financial accommodation repayment**)—

(a) Clause 3 (a)—

25 Omit “or” where lastly occurring.

(b) Clause 3 (b), (c)—

At the end of clause 3 (b), insert:

; or

30 (c) in respect of financial accommodation exempted from this Schedule by direction of the Treasurer.

(c) Clause 6 (2A)—

After clause 6 (2), insert:

35 (2A) If, before financial accommodation obtained by an authority has been repaid, the Treasurer directs under section 12 that this Schedule ceases to have effect in relation to the authority, any balance which remains in the fund shall be paid to the general funds of the authority unless the Treasurer, after consultation with the Minister for the authority, otherwise directs.

SCHEDULE 1—AMENDMENTS—continued**(8) Schedule 4 (Investment powers of authorities)—****(a) Part 3, clause 4—**

Omit “, securities or other instruments”, insert instead “or other securities”.

5 (b) Part 3, clause 5—

Omit the clause, insert instead:

Investment powers etc.

5. (1) Subject to this Part, funds may be invested in such manner as the authority determines.

10 (2) Without limiting subclause (1), an authority may, in such manner as it thinks fit, apply funds for the purpose of producing income and for related purposes including entering into such arrangements, and undertaking such obligations, as the authority thinks fit.

15 (c) Part 3, clause 6—

Omit “Funds”, insert instead “Money in a fund”.

(d) Part 3, clause 7 (4)—

At the end of clause 7, insert:

20 (4) The regulations may provide that the provisions of this clause apply separately to each fund (or to any 2 or more funds) of or under the control of the authority.