

FIRST PRINT

**PUBLIC FINANCE AND AUDIT (SPECIAL DIVIDENDS)  
AMENDMENT BILL 1993**

NEW SOUTH WALES



**EXPLANATORY NOTE**

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

The object of this Bill is to amend the Public Finance and Audit Act 1983 to require dividends payable by the principal government trading authorities to be calculated in accordance with a pre-determined formula prescribed by the regulations.

The Bill also provides that asset purchases from the State by those authorities are to be referred to the Auditor-General and the Public Accounts Committee if the payment is over \$1,000,000 and it does not represent an official dividend or a repayment of capital. A report is to be made to Parliament on whether the payment made for any such relevant asset purchase is a fair price for the economic benefit to the authority.

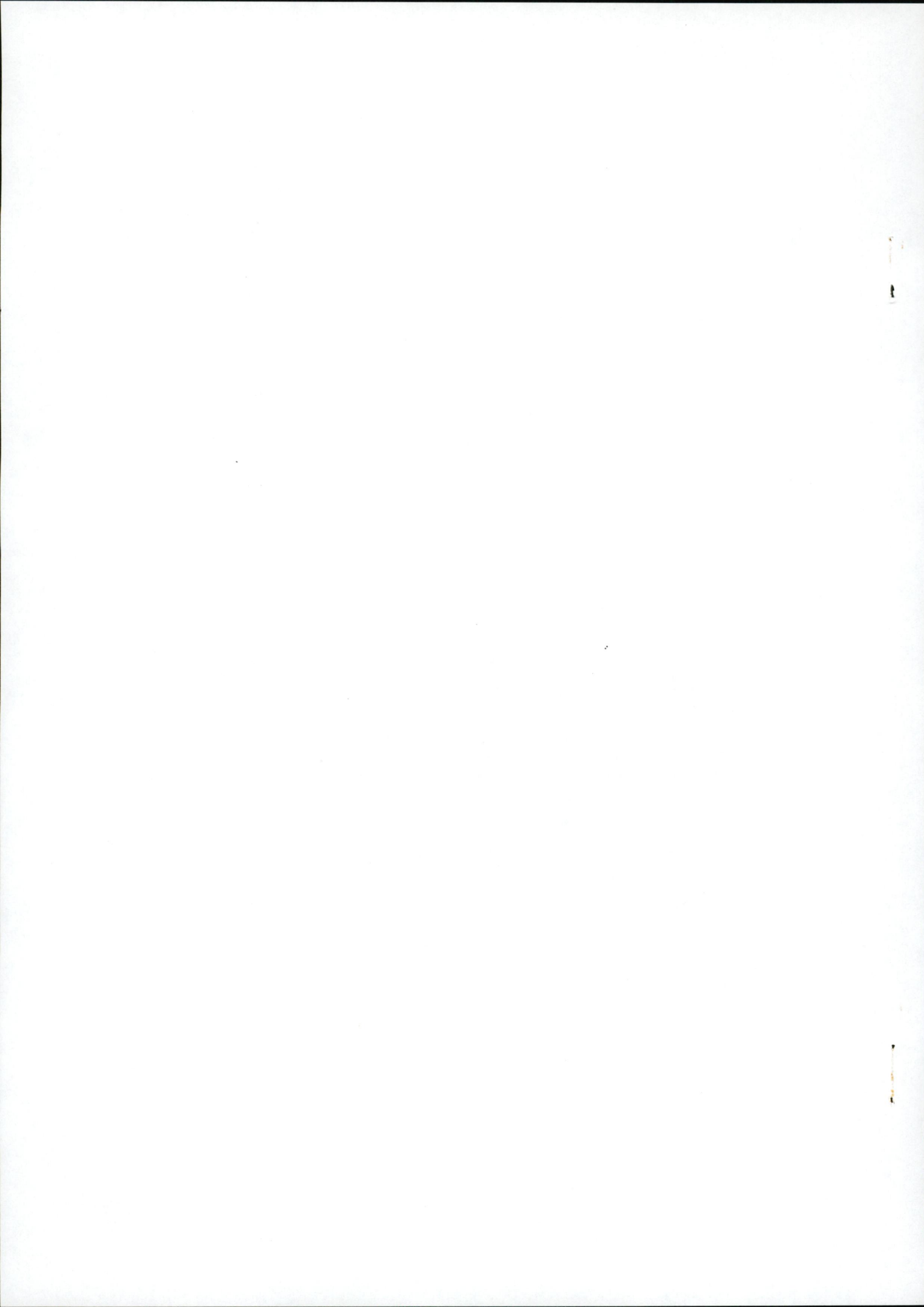
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**Clause 1** specifies the short title of the proposed Act.

**Clause 2** provides that the proposed Act commences 3 months after assent, unless sooner commenced by proclamation. This will allow time for the making of the necessary regulations.

**Clause 3** amends the Public Finance and Audit Act 1983 by inserting a new section 59C to give effect to the above object.

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FIRST PRINT

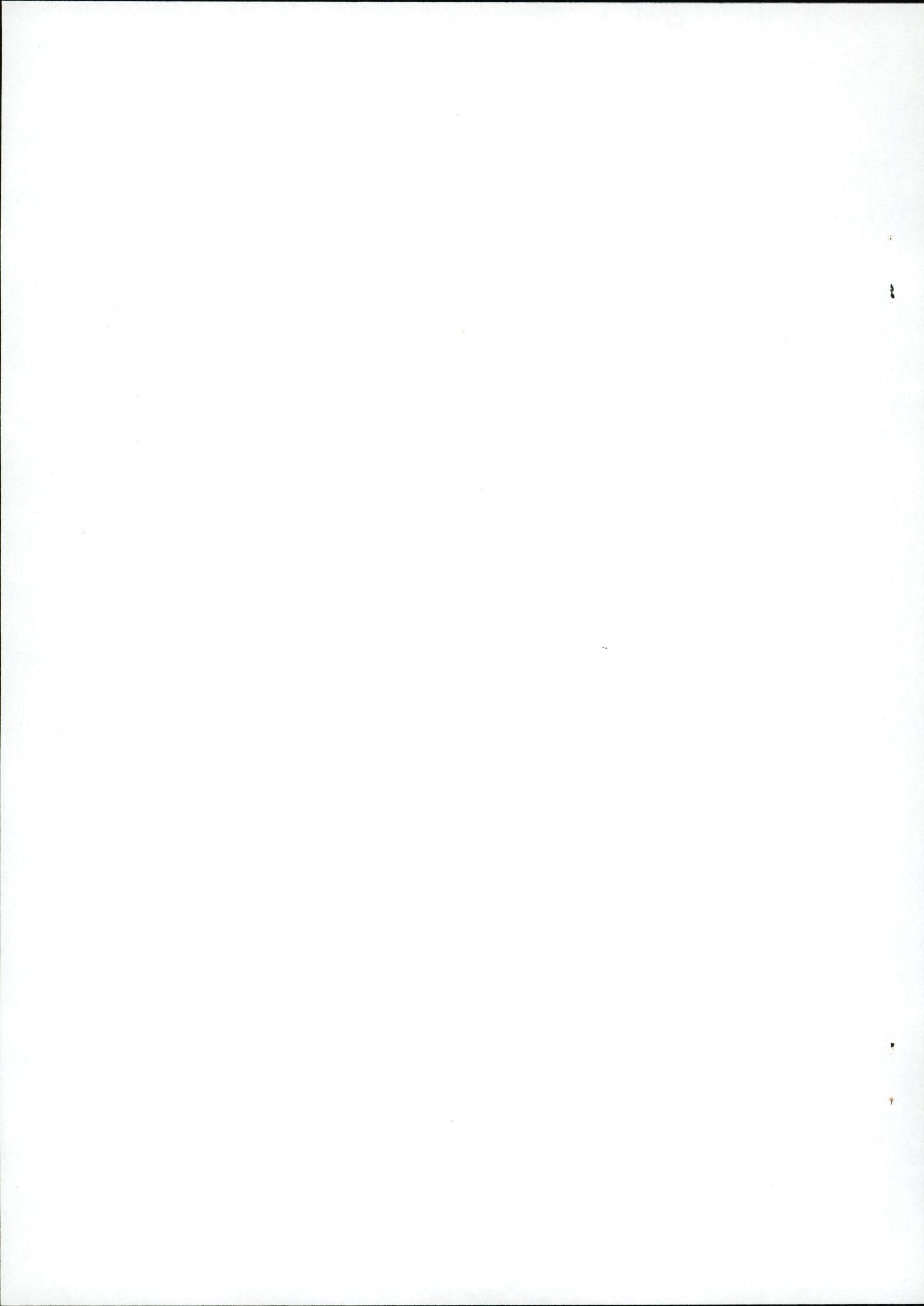
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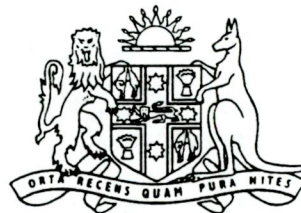
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**PUBLIC FINANCE AND AUDIT (SPECIAL DIVIDENDS)  
AMENDMENT BILL 1993**

NEW SOUTH WALES



No.     , 1993

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**A BILL FOR**

An Act to amend the Public Finance and Audit Act 1983 with respect to the dividends and other amounts payable by certain government authorities.

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*Public Finance and Audit (Special Dividends) Amendment 1993*

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**The Legislature of New South Wales enacts:**

**Short title**

1. This Act may be cited as the Public Finance and Audit (Special Dividends) Amendment Act 1993.

**5 Commencement**

2. This Act commences 3 months after the date of assent, unless commenced sooner by proclamation.

**Amendment of Public Finance and Audit Act 1983 No. 152**

3. The Public Finance and Audit Act 1983 is amended by inserting  
10 after section 59B the following section:

**Payment of dividends etc. by certain government authorities**

59C. (1) In this section:

“**dividend**” of a government authority means:

- (a) a dividend payable by the authority under section 59B; or
- 15 (b) in the case of a State owned corporation—a determination by the voting shareholders of the corporation under the corporation’s memorandum or articles of association of the dividend payable by the corporation; or
- 20 (c) any other dividend payable to the State under any Act that constitutes or regulates the activities of the authority,

but does not include income tax equivalent payments made to the State;

25 “**government authority**” means a State owned corporation, the Maritime Services Board (and its subsidiary port authorities), the State Rail Authority, the State Transit Authority, the Electricity Commission, the Water Board, Sydney Electricity, electricity county councils, water supply county councils and any other statutory authority prescribed by the regulations;

30 “**relevant asset purchase**” by a government authority means any payment by the authority to the State (other than a dividend or repayment of capital) for the purchase of any real or personal property, being a payment that in total exceeds \$1,000,000 (the purchases of separate parts of any property being treated as a single purchase for the purpose of this definition if they comprise  
35 a single transaction);

*Public Finance and Audit (Special Dividends) Amendment 1993*

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**“repayment of capital”** by a government authority means a payment to the State by the authority to discharge any capital indebtedness of the authority arising from financial accommodation provided to the authority;

**“State”** includes any authority of the State.

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(2) The dividend of a government authority is not to exceed the dividend calculated in accordance with a formula prescribed by the regulations. A dividend is not payable unless a formula has been prescribed.

(3) Different formulas may be prescribed for different classes of government authorities.

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(4) A prescribed formula may be based on the value of assets of the government authority, on the gross income or surplus income of the government authority or on any other prescribed basis.

(5) The Treasurer is required to refer to the Auditor-General and the Public Accounts Committee particulars of any relevant asset purchase of a government authority within 1 month after the purchase. Any such authority is to inform the Treasurer of any relevant asset purchase of the authority to enable the Treasurer to comply with this subsection.

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(6) The Auditor-General is to report to the Public Accounts Committee, and that Committee is to report to the Legislative Assembly, on whether the payment made for any such relevant asset purchase is a fair price for the economic benefit to the authority.

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(7) This section has effect despite anything to the contrary in section 59B or in any other Act.

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