

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)

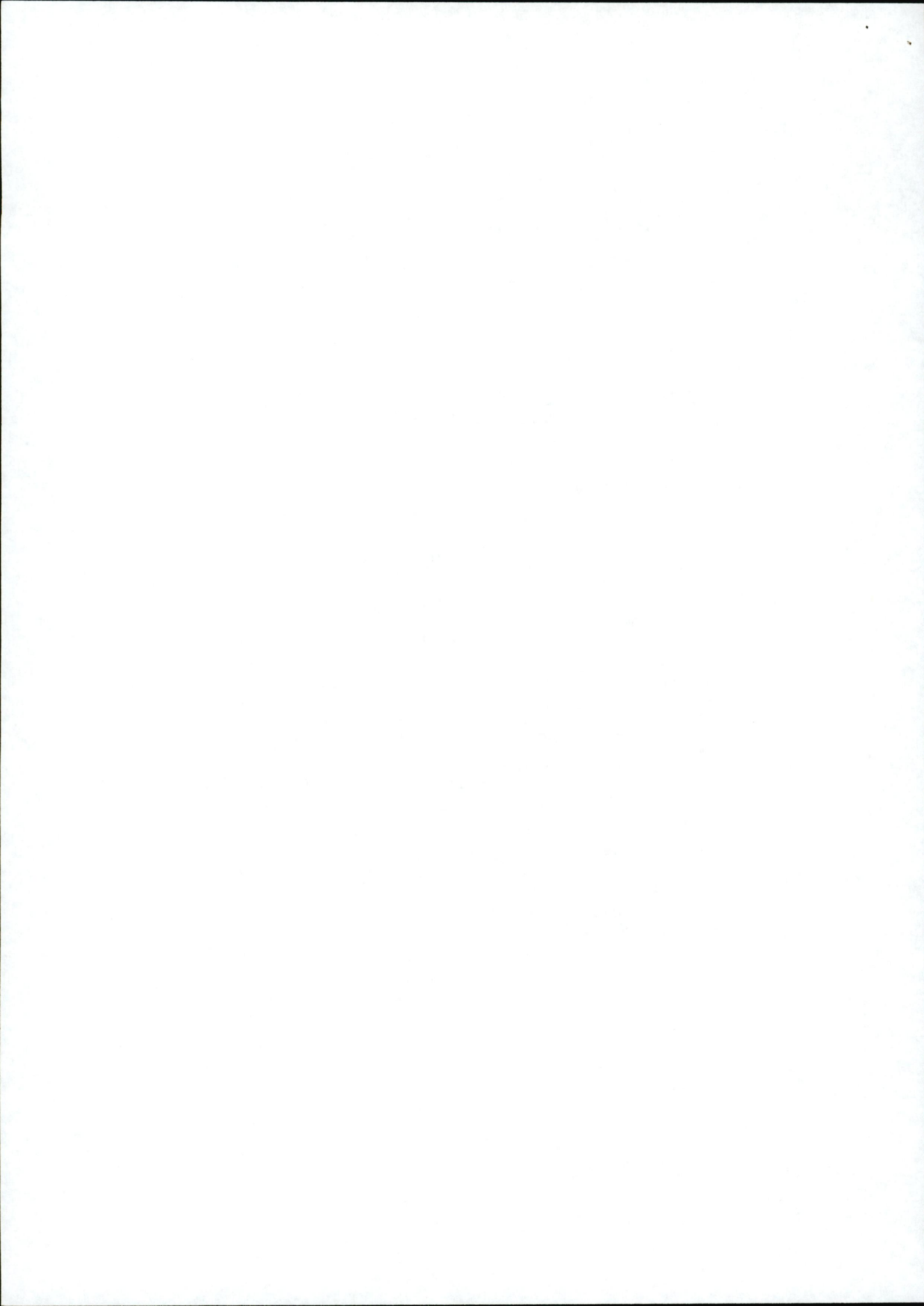
The object of this Bill is to amend the Public Finance and Audit Act 1983 to require dividends payable by the principal government trading authorities to be calculated in accordance with a pre-determined formula prescribed by the regulations.

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.

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.



FIRST PRINT

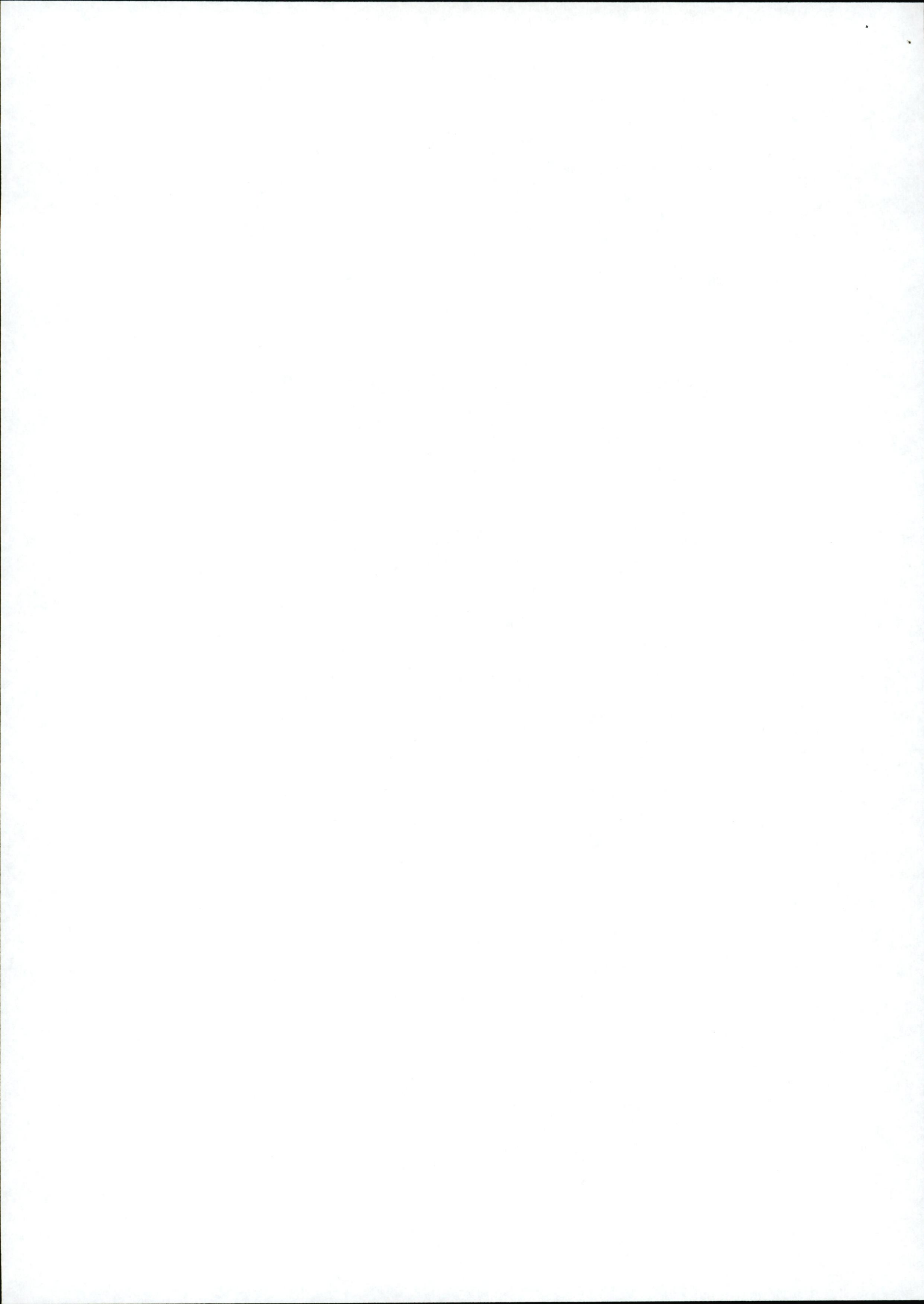
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TABLE OF PROVISIONS

1. Short title
 2. Commencement
 3. Amendment of Public Finance and Audit Act 1983- No. 152
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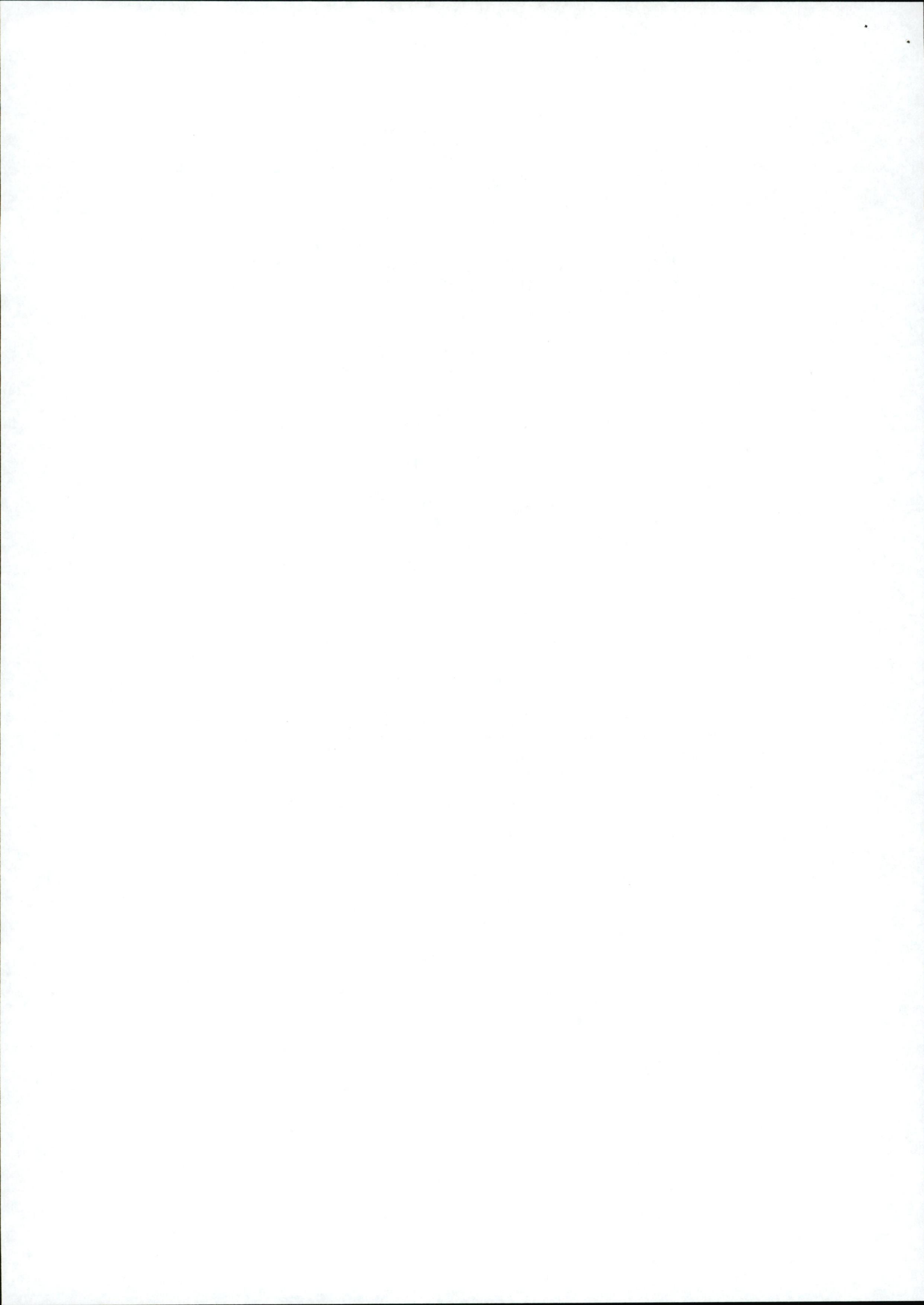
NEW SOUTH WALES



No. , 1993

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.



Public Finance and Audit (Special Dividends) Amendment 1993

- “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. 5
- (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. 10
- (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. 15
- (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. 20
- (7) This section has effect despite anything to the contrary in section 59B or in any other Act. 25
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