

FIRST PRINT

TREASURY CORPORATION (AMENDMENT) BILL 1991

NEW SOUTH WALES



EXPLANATORY NOTE

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

This Bill is cognate with the Public Authorities (Financial Arrangements) Amendment Bill 1991.

The object of this Bill is to amend the Treasury Corporation Act 1983 so as:

- (a) to ensure that the Treasury Corporation can serve as an agent of the Government in cases where the Government raises finance directly rather than as guarantor; and
- (b) to ensure that financial accommodation obtained by local government councils from the Treasury Corporation is repaid even if its validity falls into question.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Clause 3 is a formal provision that gives effect to the Schedule of amendments.

Schedule 1 makes the amendments to the Treasury Corporation Act 1983 described more comprehensively below.

SCHEDULE 1—AMENDMENTS

Government finance

In cases where finance is raised for public purposes, the Government may continue its present practice of acting as guarantor. Alternatively, as a result of proposed changes to intergovernmental arrangements, it might in future raise finance in its own name.

Item 1 amends the long title of the Principal Act to indicate that the Treasury Corporation's functions extend to acting on behalf of the Government when the latter raises finance.

Treasury Corporation (Amendment) 1991

Item 2 inserts a definition of **Government** to make clear the meaning of this term in the existing, and new, provisions of the Principal Act, and substitutes the definition of **financial accommodation** for similar reasons.

Items 3 and 4 amend section 5 (Functions of Corporation) and section 6 (Agency and other arrangements) of the Principal Act to enlarge the agency and other powers of the Treasury Corporation, allowing it:

- to act as the Government's *agent* when the Government raises finance in its own name
- to assume the liability of the Government for such finance (in which case the Government pays the Treasury Corporation, and the Treasury Corporation undertakes to meet the obligations of the Government, but the creditor retains ultimate recourse to the Government).

Deposit and management of money etc.

Item 5 amends section 8 of the Principal Act:

- to ensure that not only public authorities but also other public bodies and the Government can deposit money with the Treasury Corporation for investment (a procedure contemplated already in section 5 (1) (e1) of the Principal Act, which empowers the Corporation to accept money from those bodies and the Government)
- to enable the Government and any public authority to authorise the Treasury Corporation to manage the liabilities and assets of the Government or authority.

Local government council finance from Treasury Corporation

Item 6 amends section 9A of the Principal Act to make it clear that in cases where doubt is cast on the validity of any circumstance relating to a local government council's obtaining financial accommodation from the Treasury Corporation, the council is to continue to meet its payments and repayments to the Corporation. Item 6 also amends a cross-reference in section 9A as a consequence of proposed amendments to the Public Authorities (Financial Arrangements) Act 1987.

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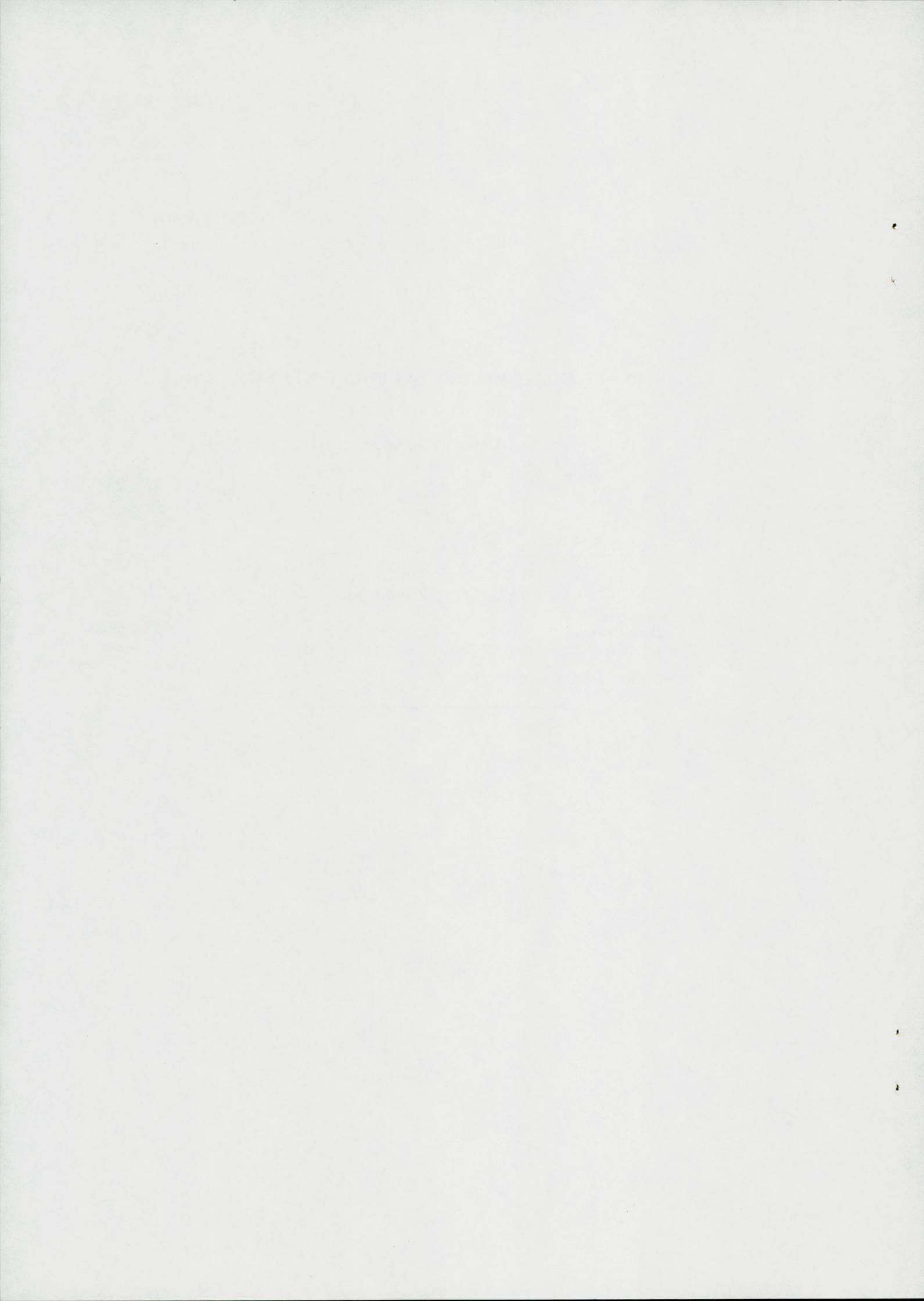
NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Treasury Corporation Act 1983 No. 75

SCHEDULE 1—AMENDMENTS



TREASURY CORPORATION (AMENDMENT) BILL 1991

NEW SOUTH WALES



No. , 1991

A BILL FOR

An Act to amend the Treasury Corporation Act 1983 with respect to the raising of Government finance and to financial accommodation for local government councils.

Treasury Corporation (Amendment) 1991

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Treasury Corporation (Amendment) Act 1991.

Commencement

2. This Act commences on a day or days to be appointed by proclamation.

Amendment of Treasury Corporation Act 1983 No. 75

3. The Treasury Corporation Act 1983 is amended as set out in Schedule 1.

SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) Long title:

Before “public authorities”, insert “the Government,”.

(2) Section 3 (**Definitions**):

(a) Insert in section 3 (1) in alphabetical order:

“**Government**” means the Crown in right of New South Wales;

(b) Omit the definition of “financial accommodation” from section 3 (1), insert instead:

“**financial accommodation**” has the same meaning in relation to the Government or a public authority as it has in the funding Act in relation to an authority;

(3) Section 5 (**Functions of Corporation**):

(a) Before “any public authority” in section 5 (1) (a), insert “the Government or”.

(b) Before “a public authority” in section 5 (1) (b), (c), (d) and (g) wherever occurring, insert “the Government or”.

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SCHEDULE 1—AMENDMENTS—*continued*

- (c) Before “the public authority” in section 5 (1) (b) and (d) wherever occurring, insert “the Government or”.
 - (d) Before “public authorities” in section 5 (1) (f), insert “the Government or”.
 - (e) Before “the Corporation” in section 5 (1) (g), insert “the Government or”.
 - (f) Before “participate” in section 5 (1) (h1), insert “carry out,”.
- (4) Section 6 (**Agency and other arrangements**):
- After section 6 (2), insert:
- (3) The Corporation may act on behalf of, or as agent for, the Government in the negotiation, entering into and carrying out of any agreement to obtain finance.
 - (4) The Corporation may, by agreement with the Government, assume any liability incurred by the Government in relation to finance obtained by the Government.
 - (5) Finance which the Government has obtained, and in relation to which the Corporation has agreed to assume liability, is not to be carried to the Consolidated Fund.
- (5) Section 8 (**Powers of public authorities etc.**):
- (a) From section 8 (a), omit “a public authority”, insert instead “the Government and any public authority or other public body”.
 - (b) After “the Corporation in” in section 8 (b), insert “, or authorise the Corporation to carry out,”.
- (6) Section 9A (**Provision of financial accommodation to councils**):
- (a) From section 9A (3), omit “Section 17 (Guarantee fee)”, insert instead “Section 22D (Guarantee fee)”.
 - (b) After section 9A (5), insert:
 - (6) Despite this section, if a council has obtained financial accommodation from the Corporation, the financial accommodation is taken to have been validly obtained, and

Treasury Corporation (Amendment) 1991

SCHEDULE 1—AMENDMENTS—*continued*

payments in respect of it are to be made in accordance with the agreement or the purported agreement under which the financial accommodation has been obtained. This is despite any provision of the Local Government Act 1919 or any deficiency in any condition precedent to, or in any procedure in, any deliberation, request, application or decision relating to the financial accommodation.

TREASURY CORPORATION (AMENDMENT) ACT 1991
No. 50

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Treasury Corporation Act 1983 No. 75

SCHEDULE 1—AMENDMENTS



TREASURY CORPORATION (AMENDMENT) ACT 1991
No. 50

NEW SOUTH WALES



Act No. 50, 1991

An Act to amend the Treasury Corporation Act 1983 with respect to the raising of Government finance and to financial accommodation for local government councils. [Assented to 11 December 1991]

Treasury Corporation (Amendment) 1991

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Treasury Corporation (Amendment) Act 1991.

Commencement

2. This Act commences on a day or days to be appointed by proclamation.

Amendment of Treasury Corporation Act 1983 No. 75

3. The Treasury Corporation Act 1983 is amended as set out in Schedule 1.

SCHEDULE 1—AMENDMENTS

(Sec. 3)

(1) Long title:

Before "public authorities", insert "the Government,".

(2) Section 3 (**Definitions**):

(a) Insert in section 3 (1) in alphabetical order:

"Government" means the Crown in right of New South Wales;

(b) Omit the definition of "financial accommodation" from section 3 (1), insert instead:

"financial accommodation" has the same meaning in relation to the Government or a public authority as it has in the funding Act in relation to an authority;

(3) Section 5 (**Functions of Corporation**):

(a) Before "any public authority" in section 5 (1) (a), insert "the Government or".

(b) Before "a public authority" in section 5 (1) (b), (c), (d) and (g) wherever occurring, insert "the Government or".

Treasury Corporation (Amendment) 1991

SCHEDULE 1—AMENDMENTS—*continued*

- (c) Before “the public authority” in section 5 (1) (b) and (d) wherever occurring, insert “the Government or”.
 - (d) Before “public authorities” in section 5 (1) (f), insert “the Government or”.
 - (e) Before “the Corporation” in section 5 (1) (g), insert “the Government or”.
 - (f) Before “participate” in section 5 (1) (h1), insert “carry out,”.
- (4) Section 6 (**Agency and other arrangements**):
- After section 6 (2), insert:
- (3) The Corporation may act on behalf of, or as agent for, the Government in the negotiation, entering into and carrying out of any agreement to obtain finance.
 - (4) The Corporation may, by agreement with the Government, assume any liability incurred by the Government in relation to finance obtained by the Government.
 - (5) Finance which the Government has obtained, and in relation to which the Corporation has agreed to assume liability, is not to be carried to the Consolidated Fund.
- (5) Section 8 (**Powers of public authorities etc.**):
- (a) From section 8 (a), omit “a public authority”, insert instead “the Government and any public authority or other public body”.
 - (b) After “the Corporation in” in section 8 (b), insert “, or authorise the Corporation to carry out,”.
- (6) Section 9A (**Provision of financial accommodation to councils**):
- (a) From section 9A (3), omit “Section 17 (Guarantee fee)”, insert instead “Section 22D (Guarantee fee)”.
 - (b) After section 9A (5), insert:
 - (6) Despite this section, if a council has obtained financial accommodation from the Corporation, the financial accommodation is taken to have been validly obtained, and

Treasury Corporation (Amendment) 1991

SCHEDULE 1—AMENDMENTS—*continued*

payments in respect of it are to be made in accordance with the agreement or the purported agreement under which the financial accommodation has been obtained. This is despite any provision of the Local Government Act 1919 or any deficiency in any condition precedent to, or in any procedure in, any deliberation, request, application or decision relating to the financial accommodation.

[*Minister's second reading speech made in—
Legislative Assembly on 12 November 1991
Legislative Council on 3 December 1991*]