

1997

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CAPITAL TERRITORY

Territory Owned Corporations (Amendment) Bill (No 3) 1997

EXPLANATORY MEMORANDUM

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Kate Carnell MLA
Treasurer

Territory Owned Corporations (Amendment) Bill (No.3) 1997

OUTLINE

The Bill provides for an amendment to the Territory Owned Corporations Act 1990 to facilitate direct borrowings by Territory Owned Corporations from the Territory without the need for specific appropriation.

Territory borrowings are currently undertaken centrally through the Central Financing Unit (CFU).

The passing of the Bill will place ACT Territory Owned Corporations in the same financial position as ACT Statutory Authorities which under Section 57 of the Financial Management Act 1996 are able to borrow directly from Government.

Revenue/Cost Implications

The Bill will not impact directly on the 1997/98 Budget.

In the event that borrowings are undertaken in 1997/98 by the CFU on behalf of a Territory Owned Corporation there will be a whole of government saving in borrowing costs of approximately 0.20%.

DETAILS OF THE BILL

Formal provisions

Sections 1 and 2 provide for formal provisions for the short title and commencement.

Section 3 defines the applicable Principal Act.

Borrowing from Territory

Section 4 provides for amendment to Section 24 of the Territory Owned Corporations Act 1990 by removing reference to the requirement for borrowings to be specifically appropriated by the Legislative Assembly.