

## FACT SHEET

### ***Tasmanian Public Finance Corporation Amendment (Mersey Community Hospital) Bill 2017***

- The purpose of the Tasmanian Public Finance Corporation Amendment (Mersey Community Hospital) Bill 2017 is to facilitate the payment of dividends from the Tasmanian Public Finance Corporation to the Public Account to fund the operating costs of the Mersey Community Hospital on an annual basis once its ownership is transferred from the Australian Government to the State.
- The Bill provides that, following the payment of \$730.4 million from the Australian Government in exchange for the State accepting ownership of the Mersey Community Hospital, the Treasurer is to make an equivalent payment to the Tasmanian Public Finance Corporation in the form of an equity contribution. This equity contribution, and any financial returns, and capital gains and losses that accrue from investment of the equity contribution, comprise the Mersey Community Hospital Fund.
- The Bill includes consequential changes to the *Government Business Enterprises Act 1995* to ensure that these funds cannot be withdrawn from the Tasmanian Public Finance Corporation in the future through either a Special Dividend or equity transfer without being subject to Parliamentary scrutiny.
- The Tasmanian Public Finance Corporation must invest the monies in the Fund and pay a dividend out of the Fund by 15 June each year for that financial year for the purposes of supporting the operating costs of the Mersey Community Hospital.
- Any investment made by the Tasmanian Public Finance Corporation must be in accordance with the *Government Business Enterprises Act 1995* and any related Treasurer's Instructions and Guidelines that provide for investments. The Bill also allows other Treasurer's Instructions and guidelines to be issued under the *Government Business Enterprises Act* to specifically provide for the determination, calculation and payment of dividends under the Bill.
- The Bill sets the amount of the dividend payable for the 2017-18 financial year at \$78 142 500. For each financial year after 2017-18, the amount of the dividend payable by the Tasmanian Public Finance Corporation will be equal to the amount of dividend paid in the previous financial year plus indexation on that amount of 3.5 per cent.
- The Bill requires an amount of not less than the dividend paid by the Tasmanian Public Finance Corporation to be detailed each year in the Budget Papers for the purpose of funding the Mersey Community Hospital.
- If at any time the amount in the Fund is insufficient to pay the dividend for that financial year, the dividend payment is to be equal to the amount remaining in the Fund.
- The dividends payable under the Bill are in addition to any other dividend that is payable under the *Government Business Enterprises Act*.