

CLAUSE NOTES

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

- Clause 1 Short title.
- Clause 2 This clause provides that the Act will commence on the day on which it received Royal Assent.
- Clause 3 Refers to the *Tasmanian Public Finance Corporation Act 1985* as the Principal Act.
- Clause 4 This clause inserts a new Part IIIA into the Principal Act. This Part facilitates the payment of dividends from the Tasmanian Public Finance Corporation to the Public Account equal to the operating costs of the Mersey Community Hospital on an annual basis.
- The new section 18A defines dividends for the purposes of the new Part and Fund is defined as the Mersey Community Hospital Fund.
- In accordance with section 18B, Part IIIA takes effect from the time the State receives payment of \$730.4 million from the Australian Government as consideration for the transfer of ownership of the Mersey Community Hospital from the Australian Government to the State.
- Section 18C provides that, within 30 days of the State receiving the \$730.4 million from the Australian Government in relation to the transfer of ownership of the Mersey Community Hospital, the Treasurer must make an equity contribution to the Tasmanian Public Finance Corporation, equal to the value of the Australian Government's contribution.
- For the purposes of section 18D, the equity contribution, and any financial returns, and capital gains and losses, generated as a result of the investment of the equity contribution, comprise the Fund. The Tasmanian Public Finance Corporation is required to invest the monies in the Fund in accordance with the *Government Business Enterprises Act 1995* and any related Treasurer's Instructions and Guidelines that provide for investments. This section also allows 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 Part IIIA.

Section 18E requires the Tasmanian Public Finance Corporation to pay a dividend out of the Fund by 15 June each year for that financial year for the purposes of funding the operating costs of the Mersey Community Hospital. Dividends are not payable under this Part until 2017-18. The provisions in the Government Business Enterprises Act that relate to the determination and payment of dividends, interim dividends and special dividends do not apply to dividends payable out of the Fund in accordance with this Part. However, these provisions of the Government Business Enterprises Act will continue to apply to the Tasmanian Public Finance Corporation's other activities.

Section 18F 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 under this Part will be equal to the amount of dividend paid in the previous financial year plus indexation on that amount of 3.5 per cent. If at any time the amount in the Fund is insufficient to pay the dividend for that financial year, the dividend payment is to equate to the amount remaining in the Fund. Following this final dividend payment, this Part will cease to have effect.

Section 18G provides for an amount not less than the amount of the dividend provided for in Section 18F to be detailed in the Budget Papers that are tabled in the House of Assembly each year in connection with a relevant Appropriation Bill for the purposes of funding the Mersey Community Hospital.

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| Clause 5 | Refers to the <i>Government Business Enterprises Act 1995</i> as the Principal Act. |
| Clause 6 | <p>This clause amends Section 10A of the Principal Act by requiring a Notice of Transfer to transfer any assets, rights or liabilities of a government business to another government business to be tabled in both Houses of Parliament before it can be made.</p> <p>The clause also details the conditions under which a Notice of Transfer can be approved by a House of Parliament.</p> |
| Clause 7 | This clause provides for the repeal of this Act one year after its commencement. |