

Borrowing and Investment Powers (Public Transport Corporation) Bill

EXPLANATORY MEMORANDUM

Clause 1 sets out the purposes of the Bill.

Clause 2 provides for the Act to come into operation on Royal Assent.

Clause 3 inserts section 11AB into the **Borrowing and Investment Powers Act 1987** (the BIP Act") which provides that an authority to which the new section applies may, in certain circumstances, assume certain obligations and rights in respect of financial accommodation obtained by another party, including the assumption of obligations and rights in respect of related security.

Clause 4 inserts section 14A into the BIP Act which provides that the Treasurer may on behalf of the Government of Victoria execute a guarantee of obligations assumed under the new section 11AB.

Clause 5 inserts the Public Transport Corporation ("PTC") into the Schedule to the BIP Act to enable it with the Treasurer's approval to obtain overdrafts, short and long term financial accommodation within Australia, to assume rights and obligations, to enter financial leases and financial arrangements, to invest in a manner approved by the Governor in Council and the Treasurer, and to provide for guarantees of PTC's financial obligations.

Clause 6 consequential to the conferral of overdraft powers under the BIP Act, amends section 76 (1) of the **Transport Act 1983** to remove the PTC's power to obtain financial accommodation by way of overdraft under that section.

Clause 7 inserts into the Transport Act reference to the conferral of financial powers under the Borrowing and Investment Powers Act and provides for a transitional savings provision in relation to financial accommodation obtain under an approval under section 76 (1) of the Transport Act.

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