

Public Account (State Development Account) Bill 1982

EXPLANATORY MEMORANDUM

The attached Bill provides for certain amendments to the administration of the Public Account to establish a State Development Account within the Public Account. The State Development Account function is to take long term deposits from participating State authorities and the Public Account and, in turn, to make long term advances to agencies to finance priority capital works projects. The State Development Account and the Cash Management Account will together form the Victorian Development Fund.

Clause 1—

Sub-clause (1): This sub-clause names the Act.

Sub-clause (2): This sub-clause names the Public Account Act as the Principal Act.

Sub-clause (3): This sub-clause provides for the Act to come into effect on the proclamation of the Governor in Council published in the *Government Gazette*.

Clause 2—

Sub-clause (1): This defines a relevant account and relevant authority for purposes of the State Development Account Act. It provides for the Governor in Council to declare any Trust Account in the Trust Fund (including the Cash Management Account) to be a relevant account or any public authority to be a relevant authority.

Sub-clause (2): This supports sub-clause (1).

Clause 3—This provides for additional sections to the Principal Act pertaining to the establishment of the State Development Act as detailed hereunder.

New Clause 7D of the Public Account Act.

Sub-clause (1): This provides for the establishment of a State Development Account within the Trust Fund of the Public Account.

Sub-clause (2): This provides for the depositing in the State Development Account of relevant account balances of such amount and period exceeding twelve months as may be determined by the Treasurer.

Sub-clause (3): This provides for a relevant authority to place deposits in the State Development Account of such amount and period exceeding twelve months as may be agreed between the Treasurer or his nominee and the relevant authority.

Sub-clause (4): This provides for each relevant account or authority to be paid interest at such rate or on such basis as may be determined by the Treasurer.

Sub-clause (5): This provides for the inclusion of the State Development Account as an authorized investment of any relevant authority.

New Clause 7E of the Public Account Act.

Sub-clause (1): This provides for the Governor in Council on the recommendation of the Treasurer by notice published in the *Government Gazette* to declare the authorized manner of investment for the moneys standing to the credit of the State Development Account.

Sub-clause (2): This provides that interest received from the investment of moneys under sub-section (1) shall be credited to the State Development Account.

Sub-clause (3): This provides for the State Development Account to make advances to the Consolidated Fund for an amount and period exceeding twelve months as the Treasurer may determine.

Sub-clause (4): This provides for the Consolidated Fund to pay interest on each amount advanced from the State Development Account at such rate and on such basis as may be determined by the Treasurer.

Sub-clause (5): This provides for the Consolidated Fund to be appropriated to the extent necessary for the due repayment of interest and principal in respect to any advances made by the State Development Account.

Sub-clause (6): This provides that advances made to the Consolidated Fund from the State Development Account are exempt from the requirements of sub-clause (2) of Clause 20 and Clause 21.

New Clause 7F of the Public Account Act.

Sub-clauses (1): This provides for a general advance from the Consolidated Fund to the State Development Account for such amount and period as the Treasurer may determine.

Sub-clause (2): This provides for the State Development Account to pay a management fee to the Consolidated Fund by way of reimbursement of the costs and expenses in administering the State Development Account.

Sub-clause (3): This provides for the Treasurer to arrange temporary financial accommodation for the State Development Account as may be needed.

Sub-clause (4): This provides for a government guarantee in respect of principal and interest on any temporary financial accommodation arranged under sub-clause (3) and deposits under section 7D.

Sub-clause (5): This provides that the Consolidated Fund is appropriated to the extent necessary in the fulfilment of any government guarantee pursuant to sub-clause (4).

New Clause 7G of the Public Account Act.

Sub-clause (1): This declares that the Victorian Development Fund is constituted by the State Development Account and Cash Management Account.

Sub-clause (2): This provides for the preparation of a financial report on the Victorian Development Fund within two months after the end of each financial year.

Sub-clause (3) (a): Each financial report shall include a profit and loss account and a balance sheet.

Sub-clause (3) (b): This provides for the Auditor-General to report on the financial report on the Victorian Development Fund.

Sub-clause (4): This provides that the Treasurer may determine the amount of any surplus in the Victorian Development Fund to be paid to the Consolidated Fund.

Clause 4: This section repeals section 7c relating to the reporting requirements of the Cash Management Act. This is now covered under section 7G relating to the reporting requirements of the broader Victorian Development Fund.

Clause 5: This provides that sections 21 and 22 of the Audit Act relating to warrants for the payment of moneys from the Public Account do not apply to the Victorian Development Fund.

