Date Introduced: 16 August 1978
House: House of Representatives
Presented by: Hon. R.J. Ellicott, Minister for Home Affairs and Minister for the Capital Territory

Purpose

To amend s.26 of the Australian Capital Territory Electricity Supply Act 1962 to enable the Australian Capital Territory Electricity Authority to make up shortfalls in funds for capital works by semi-governmental borrowings.

Background

The practice before the introduction of this Bill was that half of the capital works funds of the Authority were provided for in an annual appropriation in the Budget. The appropriation for the last financial year, 1977/78 was an amount of $2,415,000. However, no amount is shown for this item in the Budget appropriations for 1978/79. This Bill gives the Authority the capacity to raise the resulting shortfall in capital works funds by way of government guaranteed borrowings. The major part of these funds (apart from the shortfall) will be met by internal revenue sources.

Main Provisions

Clause 3 introduces new sub-sections to s.26 of the Act, the section dealing with the borrowing powers of the Authority.

New sub-section 26(3A) provides that the Authority may borrow money by the issue of securities. New subsection 26(3B) states that the Treasurer, on behalf of the Commonwealth may guarantee the repayment of moneys borrowed (including interest) by the Authority, apart from moneys borrowed from the Commonwealth. New sub-section 26(3C) automatically extends this guarantee to borrowings obtained by the issue of securities, but only where the securities are of a kind prescribed by regulations.