

## **PART III - OPERATIONS OF THE CORPORATION**

### **Functions and powers of the Corporation**

**11. (1)** The functions of the Corporation are –

**(a)** to develop and implement borrowing and investment programmes for the benefit of participating authorities; and

**(b)** to engage in such other activities relating to the finances of the Government of the State or participating authorities as are contemplated by this Act or approved by the Treasurer.

**(2)** For the purposes of this Act, and notwithstanding the [\*Government Business Enterprises Act 1995\*](#), the Corporation may, but only if it has the approval of the Treasurer –

**(a)** borrow money within or outside Australia;

**(b)** lend money to participating authorities;

**(c)** accept money on deposit or loan from the Treasurer or a participating authority;

**(d)** place on deposit with the Treasurer or an authorised deposit-taking institution money held by the Corporation;

**(e)** invest money held by the Corporation;

**(f)** issue, sell, purchase, pay-off, re-purchase, redeem, convert, or otherwise deal in or with securities;

**(g)** . . . . .

**(h)** appoint an authorised deposit-taking institution or other person to act as underwriter, manager, trustee, or agent in connection with any transaction within or outside Australia;

**(i)** enter into contracts of guarantee;

**(j)** . . . . .

**(ja)** enter into any agreement or arrangement for the purpose of returning a gain, avoiding a loss, or with a view to avoiding a loss by reference to currency obligations, currency exchange rate movement or interest rate movement; or

**(jb)** enter into any agreement or arrangement for the purposes of managing or varying financial returns or financial or currency risks (including but not limited to risks arising from currency exchange rates or interest rates); or

**(k)** enter into any agreement or arrangement of a kind not previously mentioned in this subsection or acquire or incur any other rights or liabilities; or

**(l)** . . . . .

**(3)** . . . . .

**Limitation on functions and powers**

**12.** In performing and exercising its functions and powers, and in meeting its objectives, under this or any other Act, the Corporation must have due regard to the appropriate levels of financial risk.

**13.** . . . . .

**13A.** . . . . .

14. . . . .

**Government guarantee**

**15. (1)** Liabilities incurred or assumed by the Corporation in pursuance of this Act are guaranteed by the State, and any liability of the Crown arising by virtue of this subsection shall be a charge on the Consolidated Fund, and shall be payable out of the Consolidated Fund without further appropriation than this section.

**(2)** Where an amount is paid by the State under the guarantee created by [subsection \(1\)](#), the Corporation is liable to pay an amount equal to that amount to the Treasurer, for credit of the Consolidated Fund, by such instalments, at such times, and with such interest, as the Treasurer determines.

**Borrowing of money from, &c., the Corporation by State authorities**

**16. (1)** Notwithstanding any other Act, a State authority –

**(a)** may borrow money from the Corporation, and, if the Treasurer by notice published in the *Gazette* so directs, must, in accordance with the notice, borrow money from the Corporation and not from any other person; and

**(b)** may and, if the Treasurer by notice published in the *Gazette* so directs, must deposit with or lend to the Corporation money of the State authority that is not immediately required for the purposes of the State authority; and

**(c)** may allow the Corporation to conduct debt management or any other activity of the type described in [section 11\(2\)](#) on behalf of the State authority.

(2) The terms and conditions of any transaction or activity undertaken under [subsection \(1\)](#) are to be as agreed between the Corporation and the State authority and in accordance with any guidelines issued by the Treasurer.

(3) The Treasurer may issue guidelines relating to transactions or activities undertaken under [subsection \(1\)](#).

### **Transactions with local government authorities**

**16A. (1)** Notwithstanding any other Act, a local government authority may –

(a) borrow money from; and

(b) deposit money with; and

(c) lend money to –  
the Corporation on such terms and conditions as may be agreed between the Corporation and the local government authority.

(2) A local government authority is not liable to pay a guarantee fee in respect of monies borrowed from the Corporation for the purposes of discharging or defeasing an existing liability.

(3) In respect of a borrowing by a local government authority not referred to in [subsection \(2\)](#), the Treasurer may give directions for the purposes of –

(a) assessing the amount of a guarantee fee in relation to the assessed value of the benefit to be obtained by the local government authority in respect of the borrowing; and

(b) determining the manner in which and the times at which the guarantee fee is to be paid.

### **Treasurer may deposit money with the Corporation**

17. Notwithstanding the [Public Account Act 1986](#), any money under the control of the Treasurer may be deposited with or lent to the Corporation by the Treasurer upon such terms and conditions as the Treasurer may determine.

### **Treasurer may re-arrange finances of State authorities**

18. (1) The Treasurer may, if he thinks fit, after consultation with the Minister responsible for a State authority that has borrowed money from a source other than the Treasurer or the Government of the State, by notice published in the *Gazette* –

(a) transfer to the Corporation the liabilities of the State authority in respect of the loan; and

(b) direct that the money outstanding under the loan shall be regarded for all purposes as having been borrowed by the State authority from the Corporation upon terms and conditions specified in the notice.

(2) The Treasurer may, after consultation with the Minister responsible for a State authority, vary any terms and conditions applying in relation to the State authority by virtue of a notice under [subsection \(1\)](#).