

Queensland



Statutory Bodies Financial Arrangements Act 1982

**STATUTORY BODIES
FINANCIAL
ARRANGEMENTS
(INVESTMENT) ORDER 1993**

**Reprinted as in force on 1 October 1996
(includes amendments up to SL No. 56 of 1996)**

Reprint No. 1A

**This reprint is prepared by
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Information about this reprint

This order is reprinted as at 1 October 1996. The reprint shows the law as amended by all amendments that commenced on or before that day (Reprints Act 1992 s 5(c)).

The reprint includes a reference to the law by which each amendment was made—see list of legislation and list of annotations in endnotes.

This page is specific to this reprint. See previous reprint for information about earlier changes made under the Reprints Act 1992. A table of earlier reprints is included in the endnotes.

Also see endnotes for information about—

- **when provisions commenced**
- **editorial changes made in earlier reprint.**

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ARRANGEMENTS (INVESTMENT)
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**STATUTORY BODIES FINANCIAL
ARRANGEMENTS (INVESTMENT) ORDER
1993**

[as amended by all amendments that commenced on or before 1 October 1996]

PART 1—PRELIMINARY

Short title

1. This order in council may be cited as the *Statutory Bodies Financial Arrangements (Investment) Order 1993*.

Definitions

2. In this order—

“**applied provisions**” means the provisions of the Act applied by section 3 of this order;

“**authorised statutory body**” means a statutory body mentioned in the Schedule;

“**dealer**” means a dealer on the official or unofficial money market;

“**prescribed rating**” means—

- (a) for an institution, security or investment rated for the short term—
 - (i) if rated by Standard & Poor’s Ratings Group—a rating of A.1+ or A.1; or
 - (ii) if rated by Moody’s Investors Service Pty Ltd—a rating of Prime–1 (P.1); or
 - (iii) if rated by Standard & Poor’s Ratings Group and Moody’s Investors Service Pty Ltd—ratings of A.1+ or A.1 and Prime–1 (P.1), respectively; or

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- (b) for any other investment rated by Standard & Poor's Ratings Group—a rating of AAm or above.¹

“terms” includes conditions.

PART 2—INVESTMENT OF STATUTORY BODIES’ FUNDS

Division 1—Application of certain provisions of Part 5 of the Act

Application under s.50(3) of the Act

3. Sections 48 and 50 of the Act (other than the provisions already applied by section 50(2) of the Act) are declared to apply—

- (a) in respect of an authorised statutory body; and
- (b) in respect of the specific kinds of securities, investments and other financial arrangements mentioned in sections 5 and 9; and
- (c) without limit of time.²

Terms on which applied provisions apply

4.(1) In relation to investments mentioned in section 5, the applied provisions apply on the terms set out in the other provisions of Division 2.

(2) In relation to investments mentioned in section 9, the applied provisions apply on the terms set out in section 10.

(3) The applied provisions also apply on the terms set out in Division 4.

¹ The rating of AAm applies to investments referred to in financial markets as cash mutual funds. Even though this rating uses long-term symbols, the investment may not be made for longer than 1 year unless the Treasurer's approval under the proviso to section 48(1) of the Act is obtained.

² Paragraph (c) refers to the application of sections 48 and 50 of the Act and not to the term of any investment made under section 48.

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***Division 2—Securities, investments and other financial arrangements
that are secured***

Secured investments

5. The applied provisions apply to the securities, investments and other financial arrangements that are secured by any of the following types of security—

- (a) a security issued or guaranteed—
 - (i) by the Commonwealth; or
 - (ii) by, or on behalf of, the State;
- (b) a promissory note issued by a bank;
- (c) a promissory note guaranteed by, or on behalf of, the State;
- (d) a certificate of deposit issued by a bank;
- (e) a bank accepted bill of exchange.

Security for investment

6. The security given in relation to the investment must—

- (a) be unencumbered; and
- (b) have a value that is equal to, or more than, the amount of the investment.

Value of security

7.(1) In determining the value of the security, an authorised statutory body must take into account the current market value of the security determined by valuing it—

- (a) using a formula used by the Reserve Bank of Australia for valuation purposes; or
- (b) by obtaining a valuation by a dealer who is not the dealer offering the security.

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(2) To ensure that the investment is fully covered by the security, an authorised statutory body is to undertake a valuation of the security every 3 months.

What happens if the value of the security decreases?

8.(1) This section applies if a security is revalued so that its current market value is less than 97% of the amount of the investment.

(2) As soon as practicable, but not later than 30 days, after the revaluation becomes known to the authorised statutory body, it must—

- (a) make arrangements to ensure that section 6 is complied with; or
- (b) liquidate the investment.

(3) If the authorised statutory body does not comply with subsection (2), it must give written notice to the Treasurer of its noncompliance and the reasons for the noncompliance.

*Division 3—Securities, investments and other financial arrangements
that are not secured*

Unsecured investments

9. The applied provisions apply to the following securities, investments and other financial arrangements—

- (a) deposits with an institution with a prescribed rating;
- (b) securities with a prescribed rating;
- (c) other investments with a prescribed rating.

What happens if prescribed rating is changed?

10.(1) This section applies if the rating in relation to an institution, security or other investment is changed so that it is not a prescribed rating.

(2) As soon as practicable, but not later than 30 days, after the change becomes known to the authorised statutory body, it must—

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- (a) withdraw the deposit from the institution; or
- (b) otherwise liquidate the investment.

(3) If the authorised statutory body does not comply with subsection (2), it must give written notice to the Treasurer of its noncompliance and the reasons for the noncompliance.

Division 4—Terms relevant to investments generally

Rate on investment

11.(1) In exercising its power to invest money, because of the application of the applied provisions, an authorised statutory body must use its best endeavours to invest the money at the most advantageous rate at the relevant time.

(2) An authorised statutory body is taken to have used its best endeavours if—

- (a) it obtains quotes from at least 3 dealers; and
- (b) it acts on the quote that it considers is most appropriate in all the circumstances.

Security that includes inscribed stock

12. If inscribed stock forms part of the security of an investment, the relevant transfer and acceptance forms must be lodged at the appropriate registry.

Example—

A marked transfer is not an acceptable arrangement.

Division 5—Approval for purposes of section 48(1)(d) of the Act

Approval of investments

13. An investment in a security, investment or other financial

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arrangement to which the applied provisions apply is approved for the purposes of section 48(1)(d) of the Act.

SCHEDULE

AUTHORISED STATUTORY BODIES

section 2

1. A local authority within the meaning of section 3 of the *Local Government Act 1936*.
2. The Brisbane City Council.
3. Brisbane Market Trust.
4. Board of Trustees of the Brisbane Grammar School.

ENDNOTES

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2 Date to which amendments incorporated

This is the reprint date mentioned in the Reprints Act 1992, section 5(c). Accordingly, this reprint includes all amendments that commenced operation on or before 1 October 1996. Future amendments of the Statutory Bodies Financial Arrangements (Investment) Order 1993 may be made in accordance with this reprint under the Reprints Act 1992, section 49.

3 Key

Key to abbreviations in list of legislation and annotations

AIA	=	Acts Interpretation Act 1954	(prev)	=	previously
amd	=	amended	proc	=	proclamation
ch	=	chapter	prov	=	provision
def	=	definition	pt	=	part
div	=	division	pubd	=	published
exp	=	expires/expired	R[X]	=	Reprint No.[X]
gaz	=	gazette	RA	=	Reprints Act 1992
hdg	=	heading	reloc	=	relocated
ins	=	inserted	renum	=	renumbered
lap	=	lapsed	rep	=	repealed
notfd	=	notified	s	=	section
om	=	omitted	sch	=	schedule
o in c	=	order in council	sdiv	=	subdivision
p	=	page	SIA	=	Statutory Instruments Act 1992
para	=	paragraph	SL	=	subordinate legislation
prec	=	preceding	sub	=	substituted
pres	=	present	unnum	=	unnumbered
prev	=	previous			

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4 Table of earlier reprints

TABLE OF EARLIER REPRINTS

[If a reprint number includes an arabic letter, the reprint was released in unauthorised, electronic form only.]

Reprint No.	Amendments included	Reprint date
1	to SL No. 147 of 1993	28 July 1993

5 List of legislation

Statutory Bodies Financial Arrangements (Investment) Order 1993 SL No. 28
pubd gaz 19 February 1993 pp 566–74
commenced on date of publication

as amended by—

Statutory Bodies Financial Arrangements (Investment) Amendment Order 1993 SL No. 147

notfd gaz 21 May 1993 pp 541–4
commenced on date of notification

Statutory Bodies Financial Arrangements (Investment) Amendment Regulation (No. 1) 1993 SL No. 376

notfd gaz 15 October 1993 pp 571–2
commenced on date of notification

Statutory Bodies Financial Arrangements (Investment) Amendment Regulation (No. 2) 1993 SL No. 462

notfd gaz 17 December 1993 pp 1812–21
commenced on date of notification

Statutory Bodies Financial Arrangements (Investment) Amendment Regulation (No. 1) 1994 SL No. 306

notfd gaz 19 August 1994 pp 1829–31
commenced on date of notification

Statutory Bodies Financial Arrangements (Investment) Amendment Regulation (No. 1) 1995 SL No. 180

notfd gaz 9 June 1995 pp 1165–71
commenced on date of notification

Statutory Bodies Financial Arrangements (Investment) Amendment Regulation (No. 1) 1996 SL No. 56

notfd gaz 29 March 1996 pp 1468–9
commenced on date of notification

6 List of annotations

Definitions

s 2 def “**prescribed rating**” amd 1993 SL No. 462 s 3
sub 1994 SL No. 306 s 3

Application under s.50(3) of the Act

s 3 amd 1993 SL No. 462 s 4

PART 3—REPEAL

pt hdg om R1 (see RA s 37)

Repeal of order in council

s 14 om R1 (see RA s 40)

SCHEDULE—AUTHORISED STATUTORY BODIES

amd 1993 SL No. 147 s 3; 1993 SL No. 376 s 3; 1995 SL No. 180 s 3;
1996 SL No. 56 s 3