



Queensland

# Statutory Bodies Financial Arrangements Amendment Regulation (No. 1) 2011

## Explanatory Notes for SL 2011 No. 6

made under the

*Statutory Bodies Financial Arrangements Act 1982*

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## General Outline

### Short title

The *Statutory Bodies Financial Arrangements Amendment Regulation (No. 1) 2011*.

### Authorising law

Section 53 of the *Statutory Bodies Financial Arrangements Act 1982* (the SBFA Act).

### Policy objectives and the reasons for them

The objective of the amendment regulation is to prescribe Queensland University of Technology (QUT) as a statutory body that may enter into derivative transactions.

QUT is a statutory body for the purposes of the SBFA Act.

Under section 53 of the SBFA Act, a statutory body may only enter into derivative transactions if it is prescribed under the operative schedule of the *Statutory Bodies Financial Arrangements Regulation 2007* (SBFA

Regulation); and the Treasurer's approval has been given for the body to enter into the transaction or transactions of the type concerned.

QUT has sought approval under section 53 of the SBFA Act to facilitate hedging of risk exposures associated with payments in foreign currencies (mainly US dollars, GB pounds and the euro) for annual library subscriptions and the purchase of high cost assets.

### **Achievement of policy objectives**

The amendment regulation will prescribe QUT as a statutory body that may enter into derivative transactions

### **Consistency with policy objectives of authorising law**

The amendment regulation is consistent with the main objectives of the *Statutory Bodies Financial Arrangements Act 1982* to confer on statutory bodies power to enter into and perform financial arrangements, and to confer on statutory bodies authority to invest moneys and for related purposes.

### **Inconsistency with policy objectives of other legislation**

The regulation is consistent with the policy objectives of other legislation.

### **Benefits and costs of implementation**

Authority to enter into derivative transactions will facilitate QUT's hedging of risk exposures associated with payments in foreign currencies.

It is not anticipated that there will be additional costs to government.

### **Consistency with fundamental legislative principles**

It is considered that the proposed amendment is consistent with the Fundamental Legislative Principles, as defined in the *Legislative Standards Act 1992*.

## **Consultation**

Consultation regarding the proposed amendment has been undertaken with Department of Education and Training, and the Queensland Office for Regulatory Efficiency in Queensland Treasury.

The proposed amendment to the SBFA Regulation is considered to be excluded from the Regulatory Assessment Statement (RAS) system as it is a “regulation for the internal management of the public sector or statutory body”.

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## ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Queensland Treasury.

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