

EXPLANATORY NOTES FOR SUBORDINATE LEGISLATION

Statutory Bodies Financial Arrangements Amendment Regulation (No. 1) 2014

Explanatory notes for SL 2014 No. 234

made under the

Statutory Bodies Financial Arrangements Act 1982

General Outline

Short title

Statutory Bodies Financial Arrangements Amendment Regulation (No. 1) 2014

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 the Queensland Performing Arts Trust (QPAT) as a statutory body that may enter into derivative transactions.

QPAT 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.

QPAT has sought approval under section 53 of the SBFA Act to enter into a hedging program through forward exchange contracts to minimise the exchange risks associated with future international performances.

Achievement of policy objectives

The amendment regulation will prescribe QPAT 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 QPAT's hedging of risk exposures associated with future international performances.

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 the Department of Science, Information Technology, Innovation and the Arts, the Office of Best Practice Regulation (OBPR) and the Regulatory Reform Team in Queensland Treasury and Trade.

OBPR advised that the proposal is considered to be excluded from the Regulatory Impact Statement system as it is a "regulation for the internal management of the public sector or statutory body" – category 'e' in the list of general exclusions.

All parties agree with the proposed regulation.