

LEGISLATIVE ASSEMBLY

Read 1° 1 December 1982

(Brought in by Mr Wilkes and Mr Roper)

A BILL

To provide for the establishment of an Investment Service for Local Government, to amend the *Municipal Association Act 1907* and the *Local Government Act 1958* and for other purposes.

BE IT ENACTED by the Queen's Most Excellent Majesty by and with the advice and consent of the Legislative Council and the Legislative Assembly of Victoria in this present Parliament assembled and by the authority of the same as follows (that is to say):

5 1. (1) This Act may be cited as the *Local Government (Investments) Act 1982*. Short title.

10 (2) This Act shall come into operation on a day to be fixed by proclamation of the Governor in Council published in the *Government Gazette*. Commencement.

2. The *Municipal Association Act 1907* shall be amended as follows: Amendment of No. 2080.

15 (a) In section 2 (3) (f) after the words "any moneys under its control" there shall be inserted the expression "other than any money required to be paid into the Local Government Investment Service Fund pursuant to section 15";

(b) After section 2 (3) (f) there shall be inserted the following paragraph:

“(g) to do all things necessary or convenient to be done for or in connexion with the operation of the Local Government Investment Service Fund;”;

(c) After section 12 there shall be inserted the following heading and sections:

‘LOCAL GOVERNMENT INVESTMENT SERVICE FUND

Interpretations.

13. In sections 14 to 20, unless inconsistent with the context or subject-matter— 10

“Authorized depositor.”

“Authorized depositor” means an authorized depositor pursuant to section 17.

“Bank.”

“Bank” means the State Bank of Victoria and any body corporate defined as a bank by section 5 (1) of the Banking Act 1959 of the Commonwealth which carries on business in Victoria. 15

“Fund.”

“Fund” means the Fund established pursuant to section 14.

“Minister.”

“Minister” means the Minister for Local Government. 20

“Treasurer.”

“Treasurer” means the Treasurer of Victoria.

Local Government Investment Service Fund.

14. The Association shall establish and keep a Fund to be called the Local Government Investment Service Fund. 25

Payments into Fund.

15. (1) There shall be paid into the Fund—

(a) all money received from authorized depositors;

(b) all money borrowed by the Association pursuant to section 19;

(c) all interest, dividends or other income received on money invested by the Association; and 30

(d) all money received by the Association in respect of the repayment of any loan or the proceeds of the sale of any investments.

(2) The Association may deposit in the Fund any money which it has received under this Act— 35

(a) other than any money referred to in sub-section (1); and

(b) which

(b) which is not immediately required for the purposes for which that money was received— upon the same terms and conditions which would apply to the Association if it was an authorized depositor with a deposit of that value in the Fund.

16. (1) The Association may apply money in the Fund— Application of Fund.

(a) in the payment of any expenses incurred in the administration of the Fund;

(b) in the repayment of money received from the Association and authorized depositors and interest thereon;

(c) in the repayment of money borrowed by the Association and interest thereon; and

(d) in investments authorized by section 18.

(2) The Association may apply any surplus in the Fund at the end of each financial year in the payment to each authorized depositor during that financial year of an amount calculated on a proportionate basis having regard to the value of deposits made by each authorized depositor and the period of time during which such deposits were held in the Fund.

17. The Association may accept money on deposit from the following authorized depositors: Authorized depositors.

(a) Any municipal council which is a member of the Association; and

(b) Any body constituted—

(i) by or under the *Local Government Act 1958* for any public or local governing purpose; or

(ii) for a joint purpose by municipal councils or a municipal council and any other body—

and which body is declared by the Governor in Council on the recommendation of the Minister after consultation with the Treasurer to be an authorized depositor for the purposes of this section—

upon such terms and conditions as may be agreed between the Association and the authorized depositor.

18 (1) The

Authorized
investments.

18. (1) The Association may invest any money in the Fund in—

(a) any manner in which trust funds may be invested pursuant to section 4 (1) of the *Trustee Act* 1958 other than— 5

(i) securities of New Zealand; and

(ii) any manner referred to in paragraphs (ia) and (l) of section 4 (1) of the *Trustee Act* 1958;

(b) any loans irrevocably guaranteed or confirmed by a bank, whether by direct loan, bankers guarantee, letter of credit or any other means; 10

(c) the Cash Management Account established under the *Public Account Act* 1958;

(d) the State Development Account established under the *Public Account Act* 1958; and 15

(e) any other manner declared by the Governor in Council on the recommendation of the Treasurer by notice published in the *Government Gazette* to be an authorized manner of investment for the purposes of this section. 20

(2) For the purposes of sub-sections (1) (c) and (1) (d) the Association shall be deemed to have been declared to be a relevant authority pursuant to section 7 (4) of the *Public Account Act* 1958. 25

Borrowing
powers, &c.

19. For the purpose of enabling the maximum utilization of money in the Fund the Association may—

(a) obtain temporary financial accommodation from any bank by way of overdraft; and

(b) obtain temporary financial accommodation from any institution person or body other than a bank— 30

(i) which does not exceed 20 per centum of the total borrowings of the Association in respect of the Fund at the time at which the temporary financial accommodation is obtained; and 35

(ii) which is fully secured by investments the market value of which at the time at which the temporary financial accommodation is obtained is not less than the amount of the temporary financial accommodation. 40

20. (1) The

20. (1) The Association shall cause proper accounts and records of its transactions in respect of the Fund to be kept. Accounts.

5 (2) The Association shall cause to be prepared within four months after the end of each financial year a financial report on the Fund which shall include—

(a) a profit and loss account and a balance sheet; and

10 (b) a report on the Fund as at the end of the financial year—

and contain such information as is necessary to give a true and fair view of the financial transactions and state of affairs of the Fund.

15 (3) The financial report prepared pursuant to sub-section (2) shall be audited by the auditor referred to in section 11 (3).

20 (4) The Association shall as soon as is practicable after the end of each financial year and not later than the following 31 December submit to the Minister the financial report prepared pursuant to sub-section (2) and the report of the auditor pursuant to sub-section (3).

25 (5) The Minister shall cause the financial report and the report of the auditor submitted to him under sub-section (4) to be laid before the Legislative Council and the Legislative Assembly before the expiration of the fourteenth sitting day of the Legislative Council or the Legislative Assembly (as the case may be) after the financial report and the report of the auditor have been received by him.

30 (6) The financial year of the Association shall be the year ending on 30 June.’

35 3. In section 248 (2) of the *Local Government Act* 1958 for the expression “deposit with any corporation that, under section 97 (7) (b) of the *Companies (Victoria) Code* is declared, or deemed to be declared, to be an authorized dealer in the short term money market.” there shall be substituted the expression “deposit with—

(a) any corporation that, under section 97 (7) (b) of the *Companies (Victoria) Code* is declared, or deemed to be declared, to be an authorized dealer in the short term money market; or

40 (b) the Local Government Investment Service Fund established pursuant to section 14 of the *Municipal Association Act* 1907.”.

Amendment of
No. 6299
s. 248 (2).

