

1993—No. 130

LOCAL GOVERNMENT ACT 1919—ORDINANCE

(Relating to the investment of money held by a council)

NEW SOUTH WALES



[Published in Gazette No. 32 of 2 April 1993]

HIS Excellency the Governor, with the advice of the Executive Council, and with the approval of the Treasurer, and in pursuance of the Local Government Act 1919, has been pleased to make the Ordinance set forth hereunder.

G. B. PEACOCKE, M.P.,
Minister for Local Government.

Commencement

1. This Ordinance commences on 16 April 1993.

Amendment

2. Ordinance No. 24A under the Local Government Act 1919 is amended:

(a) by inserting at the end of clause 3 the following subclause:

(2) On and from 16 April 1993, a further condition of an investment by means of a deposit with a funds manager is that it must result in the council which makes the investment having the beneficial ownership of any security in which the funds manager re-invests the deposit or (in the case of a re-investment which is not in a security) of any asset that constitutes the re-investment.

(b) by inserting after clause 3 the following clause:

Extension of the concept of “deposit”

4. For the purposes of this Ordinance, an investment managed by a funds manager is taken to be a deposit with that funds manager.

EXPLANATORY NOTE

Section 201 of the Local Government Act 1919 provides for the investment of money held by Councils. Councils are currently empowered to invest money in securities authorised by the Trustee Act 1925 and in other investments prescribed by Ordinance No. 24A.

The object of this Ordinance is to amend Ordinance No. 24A to clarify the existing provisions dealing with Councils' use of "funds managers" to invest funds. The amendment makes it clear that funds managers are investing Council funds on behalf of Councils and that Councils retain the beneficial interest in those funds. The existing requirement that funds managers be approved by the Treasurer is retained.

This Ordinance is made under section 576 of the Local Government Act 1919 (the general ordinance-making power).
