EXPLANATORY STATEMENT

Issued by the Authority of the Treasurer and the Minister for Finance and Administration

Future Fund Act 2006

Future Fund (Balance Day – Telstra Shareholding) Declaration 2007 (No. 2)

Subclause 6 (1) of Schedule 1 to the Future Fund Act 2006 (the Act) provides that Commonwealth owned financial assets may be transferred to the Future Fund Board of Guardians provided that the transfer does not increase the balance of the Future Fund (the Fund) above the target asset level that is in place at the time of the transfer.

The target asset level declaration for the Fund for the 2006-07 financial year was issued by the Designated Actuary under the Act, in accordance with Schedule 3 to the Act, on 13 September 2006.

To correctly establish the balance of the Fund, for comparison against the target asset level, a ‘balance day’ must be declared by the responsible Ministers. The balance day is administrative in nature and is used as a reference date for measurement of the starting position of the Fund and for the valuation of financial assets to be transferred to the Fund.

The purpose of this Future Fund (Balance Day – Telstra Shareholding) Declaration 2007 (No. 2) is to set the balance day for the transfer of Telstra Buffer Stock to the Fund. The Declaration sets 1 June 2007 as the balance day for this purpose under subparagraph 6 (2) (a) (i) of Schedule 1 to the Act.

The Declaration takes effect from the day when it is made.