

## **EXPLANATORY STATEMENT**

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

*Future Fund Act 2006*

### **Future Fund (Nominated Minister) Determination 2006**

Subsection 83(1) of the *Future Fund Act 2006* (the Act) provides that the responsible Ministers must by writing determine that one of them is the nominated Minister for the purposes of the Act.

The purpose of the determination is to streamline and simplify the processes relating to some of the responsible Ministers' responsibilities under the Act by requiring only the nominated Minister – rather than both Ministers – to approve certain matters, request various reports or information from the Board or cause relevant information to be published.

This Determination provides that Senator the Hon Nick Minchin, Minister for Finance and Administration, will be the nominated Minister.

The sections of the Act which involve responsibilities for the nominated Minister are:

Section 42 – Leave of absence of Board members;

The nominated Minister may grant a leave of absence to the Chair.

Section 46 – Acting Board members;

The nominated Minister may appoint a person to act as the Chair or as a Board member.

Section 54 – Nominated Minister may require Board to prepare reports or give information;

The nominated Minister may require the Board to prepare reports or give information relating to the performance of the Board's functions.

Section 55 – Keeping the responsible Ministers informed etc;

The Board must give the nominated Minister reports, documents and information in relation to the operation of the Board as appropriate.

Section 81 – Annual report;

The Chair must prepare and give to the nominated Minister an annual report.

Schedule 1, clause 5 – Credit of amounts to the Fund Account – gifts;

The nominated Minister may authorise the acceptance of a gift of money to the Board.

Schedule 1, clause 6 – Transfers to the Fund – Commonwealth-owned financial assets;

The nominated Minister must cause to be published on the Internet a statement setting out details of the transfer.

Schedule 1, clause 7 – Transfers of financial assets to the Fund – gifts;

The nominated Minister may authorise the acceptance of a gift of one or more financial assets to the Board.

Schedule 1, clause 8 – Ministerial directions about transferred financial assets;

The nominated Minister may give the Board directions about financial assets that have been transferred to the Board.

Schedule 1, clause 9 – Continuing effect of instruments relating to transferred financial assets;

The nominated Minister may declare that a specified instrument relating to assets that have been transferred to the Board continues to have effect as if a reference in the instrument to the Commonwealth were a reference to the Board.

Schedule 3, clause 2 – Designated actuary; and

The designated actuary is an actuary identified in a determination made by the nominated Minister.

Schedule 3, clause 3 – Target asset level declarations.

As soon as possible after receiving a target asset level declaration from the designated actuary and a statement setting out the actuary's reasons for specifying the target asset level, the nominated Minister must cause a copy of these to be published on the Internet.

The nominated Minister may provide the Treasurer with information that he has received in his capacity as nominated Minister. This includes reports received under subsection 54(1) or 55(2), a document received under subsection 54(2) or 55(2) or any other information or document.

The Determination takes effect from the day it is made. It may be varied but not revoked. The Determination is of an administrative nature and is therefore not a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.