

EXPLANATORY STATEMENT

Select Legislative Instrument 2006 No. 63

Subject - *Financial Management and Accountability Act 1997*
Financial Management and Accountability Amendment
Regulations 2006 (No. 2)

Subsection 65(1) of the *Financial Management and Accountability Act 1997* (the Act) provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The Act provides a framework of rules for the proper management of public money and public property that applies to Chief Executives and officials of Agencies.

Section 5 of the Act provides in part that, for the purposes of the Act, an “Agency” includes a prescribed Agency. Agencies are prescribed for the purposes of the Act in Schedule 1 to the *Financial Management and Accountability Regulations 1997* (the Principal Regulations).

The purpose of the Regulations is to prescribe the Future Fund Management Agency under the Act.

The Future Fund Management Agency was established by section 74 of the *Future Fund Act 2006*.

The Future Fund Management Agency is financially autonomous from the Department of the Treasury under the Act for the proper management of public money and public property within its control or custody.

Further details of the Regulations are in the Attachment.

The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Regulations commenced on the day on which sections 3 to 85 of the *Future Fund Act 2006* commenced.

In accordance with section 17 of the *Legislative Instruments Act 2003*, the Department of the Treasury was consulted in the preparation of the Regulations.

Authority: Subsection 65(1) of the *Financial Management and Accountability Act 1997*.

Details of the *Financial Management and Accountability Amendment Regulations 2006 (No. 2)*

Regulation 1 - Name of Regulations

This regulation provides that the title of the Regulations is the *Financial Management and Accountability Amendment Regulations 2006 (No. 2)*.

Regulation 2 - Commencement

This regulation provides for the Regulations to commence on the day on which sections 3 to 85 of the *Future Fund Act 2006* commence.

Regulation 3 - Amendment of *Financial Management and Accountability Regulations 1997*

This regulation provides for the *Financial Management and Accountability Regulations 1997* (the Principal Regulations) to be amended as set out in Schedule 1.

Schedule 1 – Amendment

Item [1] – Schedule 1, Part 1, after item 124A

Item 124AA is inserted to prescribe the Future Fund Management Agency. The Future Fund Management Agency comprises the Chair of the Future Fund Board of Guardians, staff engaged under the *Public Service Act 1999*, and consultants and persons seconded to the Agency.

The Regulations also insert a reference to Note B of Schedule 1 to the Principal Regulations. The reference indicates that the Future Fund Management Agency is also a Statutory Agency for the purposes of the *Public Service Act 1999*.