

EXPLANATORY STATEMENT

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

Future Fund Act 2006

Future Fund (Crediting of Additional Amounts) Determination 2006

Paragraph 3 (1) (b) of Schedule 1 to the *Future Fund Act 2006* (the Act) provides that, if a target asset level for the Future Fund (for the relevant financial year) has been set, the responsible Ministers may determine by writing that a specified amount is to be credited to the Future Fund Special Account – in specified instalments on specified days in the financial year.

The target asset level declaration for the 2006-07 financial year has been issued by the Designated Actuary in accordance with Schedule 3 of the Act.

The purpose of this *Future Fund (Crediting of Additional Amounts) Determination 2006* is to specify the instalment amounts and dates on which \$22.277 billion is to be credited to the Future Fund Special Account (Fund Account). The amounts and dates on which the amounts are to be credited to the Fund Account are specified in the table below.

Date	Amount (billion)
22 January 2007	\$18.639
28 February 2007	\$ 3.638

The amount to be transferred on 22 January 2007 comprises \$10 billion from the 2005-06 Budget surplus and \$8.639 billion from the first instalment of Telstra sale proceeds.

The amount to be transferred on 28 February 2007 is the remainder of the 2005-06 Budget surplus.

The Act provides that amounts may be transferred to the Fund, provided that the transfer does not increase the balance of the Fund above the target asset level for the Fund that is in place at the time of the transfer.

To correctly establish the balance of the Fund, 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. The Determination sets 8 December 2006 as the balance day for this purpose under subparagraph 3 (2) (a) (i) of Schedule 1 to the Act.

The determination ceases to be in force at whichever is the earliest of the end of the last specified instalment day, the time when the target asset level declaration is no longer active and the time of revocation of the determination (if this occurs).

The Determination is deemed to be a legislative instrument for the purpose of the Legislative Instruments Act 2003. However, the Determination, as a ministerial direction, is not disallowable.

The Determination commences the day after registration on the Federal Register of Legislative Instruments.