

Western Australia

Western Australian Future Fund Act 2012

As at 29 Nov 2012

No. 50 of 2012

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Defined Terms

Western Australia

Western Australian Future Fund Act 2012

No. 50 of 2012

An Act to establish the Western Australian Future Fund and for related purposes.

[Assented to 29 November 2012]

The Parliament of Western Australia enacts as follows:

1. Short title

This is the *Western Australian Future Fund Act 2012*.

2. Commencement

This Act comes into operation as follows —

- (a) sections 1 and 2 — on the day on which this Act receives the Royal Assent;
- (b) the rest of the Act — on the day after that day.

3. Terms used

In this Act —

forecast royalty income, for a financial year, means the estimate of royalty income for that financial year set out in —

- (a) the part of the budget papers for the financial year, tabled in the Legislative Assembly, that is titled “General Government Operating Statement”; or
- (b) if the regulations prescribe another part of those budget papers — that other part;

Future Fund means the account called the Western Australian Future Fund established under section 5;

Regional Development Minister means the Minister to whom the administration of the *Royalties for Regions Act 2009* section 9 is for the time being committed;

Royalties for Regions Fund means the Fund as defined in the *Royalties for Regions Act 2009* section 3.

4. Purpose of Act

The purpose of this Act is to provide for the accumulation of a portion of the revenue from the State’s mineral resources and other money for the benefit of future generations through the establishment of the Western Australian Future Fund.

5. Western Australian Future Fund

- (1) The Western Australian Future Fund is established for the purpose mentioned in section 4.
- (2) The Future Fund is taken to have been determined by the Treasurer to be a Treasurer's special purpose account under the *Financial Management Act 2006* section 10(e).
- (3) The Future Fund is to be administered by the Treasurer.
- (4) Money standing to the credit of the Future Fund is to be held in the Public Bank Account as defined in the *Financial Management Act 2006* section 3 and is not to be invested other than in the manner prescribed by regulations made for the purposes of section 37 of that Act.
- (5) Despite subsection (4), money standing to the credit of the Future Fund referred to in subsection (4) may be invested in gold.

6. Credits to Future Fund from Royalties for Regions Fund

- (1) The Regional Development Minister is taken to have authorised the expenditure of \$297.7 million from the Royalties for Regions Fund with effect on the day on which this section comes into operation.
- (2) The Regional Development Minister is taken to have authorised the expenditure from the Royalties for Regions Fund of —
 - (a) the sum of —
 - (i) the amount that represents 25% of the forecast fines royalty increase for the financial year commencing on 1 July 2013; and
 - (ii) \$25 million;and
 - (b) each amount that, for the financial year commencing on 1 July 2014 or 1 July 2015, represents 25% of the forecast fines royalty increase for that year,

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and each authorisation takes effect on 1 July of the financial year concerned.

- (3) In subsection (2) and this subsection —

forecast fines royalty income, for a financial year, means the amount estimated by the Under Treasurer at the time of tabling the budget for that year to be the amount of the forecast royalty income for that year attributable to iron ore fines;

forecast fines royalty increase, for a financial year, means the difference between —

- (a) the amount that would be the forecast fines royalty income for that year if the royalty rate percentage were 5.625%; and
- (b) the amount that would be the forecast fines royalty income for that year if the royalty rate percentage were 7.5%;

iron ore fines means iron ore that is, for the purpose of the payment of mining royalties, regarded as fine ore.

- (4) Upon the authorisation of expenditure of money taking effect under subsection (1) or (2), the money is to be charged to the Royalties for Regions Fund and credited to the Future Fund.
- (5) Money charged to the Royalties for Regions Fund under subsection (4) is taken to be expenditure authorised under the *Royalties for Regions Act 2009* section 9.

7. Credits to Future Fund from forecast royalty income

In the financial year commencing 1 July 2016, and in each subsequent financial year —

- (a) the Future Fund is to be credited with an amount equal to 1% of the forecast royalty income for the financial year; and
- (b) that amount is to be charged to the Consolidated Account, which is to the extent necessary appropriated accordingly.

8. Additional money credited to Future Fund

- (1) In any year the Treasurer may cause to be credited to the Future Fund any amount in addition to an amount credited under section 6 or 7.
- (2) In addition to the amounts credited to the Future Fund under sections 6(4) and 7 and subsection (1) of this section, the Treasurer is to cause to be credited to the Future Fund —
 - (a) income derived from the investment of money standing to the credit of the Future Fund; and
 - (b) any other money lawfully made available to the Future Fund.

9. Application of Future Fund

- (1) In this section —

metropolitan area means any part of Western Australia that is not a region;

public work has the meaning given in the *Public Works Act 1902* section 2;

region means a region described in the *Regional Development Commissions Act 1993* Schedule 1.
- (2) Money credited to the Future Fund under section 6(4), 7, 8(1) or 8(2)(b) and income derived before 1 July 2032 from the investment of money standing to the credit of the Future Fund before that day —
 - (a) must be held in perpetuity in the Future Fund; and
 - (b) cannot be applied for any purpose.
- (3) Income derived after 30 June 2032 from the investment of money standing to the credit of the Future Fund after that day may be charged to the Future Fund and applied for the purpose of providing public works and other public infrastructure in the metropolitan area and regions of Western Australia.

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- (4) Income cannot be applied under subsection (3) unless the Treasurer and the Regional Development Minister have reached agreement as to —
 - (a) an appropriate division of the income between the metropolitan area and the regions; and
 - (b) the purposes for which the income is to be applied in the regions.
- (5) The Regional Development Minister may, for the purpose of performing any function under subsection (4), consult with the Western Australian Regional Development Trust established under the *Royalties for Regions Act 2009* section 11.
- (6) The Treasurer cannot give a direction in relation to the Future Fund under the *Financial Management Act 2006* section 20.
- (7) The *Financial Management Act 2006* section 12 does not apply to money credited to the Future Fund.

10. Manner and form of amendment or repeal during accumulation period

- (1) In this section —

accumulation period means the period commencing on the day on which section 6 comes into operation and ending on 30 June 2032.
- (2) A Bill to repeal or amend section 6, 7, 8 or 9 or this section must not be presented for assent by or in the name of the Queen during the accumulation period unless the second and third readings of the Bill have been passed with the concurrence of an absolute majority of the whole number of the members for the time being of the Legislative Council and Legislative Assembly respectively.
- (3) A Bill assented to consequent upon its presentation in contravention of subsection (2) is of no effect as an Act.

11. Annual reporting

(1) In this section —

Department means the department of the Public Service principally assisting in the administration of this Act.

(2) Without limiting the *Financial Management Act 2006* section 61, the annual report for a financial year prepared under that section by the accountable authority of the Department is to contain information about the operation of the Future Fund during the financial year.

(3) The annual report is to include details of the expenditure, if any, from the Future Fund in the metropolitan area and regions of Western Australia during the financial year.

12. Regulations

The Governor may make regulations prescribing all matters that are required or permitted by this Act to be prescribed, or are necessary or convenient to be prescribed for giving effect to the purposes of this Act.



Defined Terms

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[This is a list of terms defined and the provisions where they are defined.

The list is not part of the law.]

Defined Term	Provision(s)
accumulation period.....	10(1)
Department.....	11(1)
forecast fines royalty income	6(3)
forecast fines royalty increase.....	6(3)
forecast royalty income.....	3
Future Fund.....	3
iron ore fines	6(3)
metropolitan area	9(1)
public work	9(1)
region	9(1)
Regional Development Minister	3
Royalties for Regions Fund	3