

# REGIONAL INVESTMENT FUND BILL 2001

## EXPLANATORY MEMORANDUM

The purpose of the Bill is to encourage, promote and assist the development of regional Western Australia through the establishment of a Regional Investment Fund to provide financial support to the regions.

The Bill establishes a Regional Assistance Authority which is to be the Minister responsible for the administration of the Act.

The Bill is divided into 5 Parts dealing with Preliminary matters, Administration, the Regional Investment Fund, Financial support and General matters.

Set out below is an explanation of the contents of the Bill on a clause by clause basis.

### **PART 1 – PRELIMINARY**

- Clause 1:** Short Title:
- Clause 2:** This clause provides for the commencement of the Act on the date of Royal Assent by the Governor.
- Clause 3:** This clause explains the key objectives of the legislation.
- Clause 4:** This clause defines certain words and expressions used in the Bill.

### **PART 2 - ADMINISTRATION**

- Clause 5:** This clause establishes the Regional Assistance Authority which will administer the operation of the Fund. The Authority is Governed by the Minister who will perform the functions of the Authority.
- Clause 6:** This clause sets out the functions of the Authority. These are to promote the objects of the Act and authorise expenditure from the Fund.
- Clause 7:** This clause gives the Authority the powers it needs to perform its functions. The powers include the acquisition of property, entering into contracts, arranging security, acting with other authorities, participating in business arrangements with the Treasurer's approval, and other incidental matters.

**Clause 8:** This clause provides for the delegation of the Authority’s powers to the chief executive officer or a regional Minister. It also provides for the further delegation of powers to officers.

The clause requires consultation with Regional Ministers prior to any delegation. Delegations must be in writing.

### **PART 3 – REGIONAL INVESTMENT FUND**

**Clause 9:** This clause establishes the Regional Investment Fund. The Fund is to form part of the Trust Fund constituted under section 9 of the *Financial Administration and Audit Act 1985*.

The Fund will contain moneys transferred from the current Industry and Technology Account as provided for in Schedule 1 of the Act, a committed \$75 million to be provided over 4 years and any other available money such as grants from the Federal Government.

**Clause 10:** The clause provides for the Fund to be subject to the requirements of the *Financial Administration and Audit Act 1985*.

### **PART 4 – FINANCIAL SUPPORT**

**Clause 11:** This clause authorises expenditure from the Fund for the purposes of the Act. This includes the objects of the Act, financial support of works that enhance sustainable development, funding programs supporting this Act and the *Regional Development Commissions Act 1993* and any other regional development initiatives.

**Clause 12:** This clause lists the various types of financial support that may be provided.

**Clause 13:** This clause requires the Authority to prepare and approve guidelines for the provision of financial support. It is intended that these guidelines will be publicly available.

**Clause 14:** This clause requires that financial support is to be in accordance with the guidelines. If the guidelines do not cover a particular case then there is power to give support but only up to a maximum amount set in regulations. It is proposed that that amount will be set at \$25,000.

The clause also provides that any support in the form of a guarantee or concession may only be provided with the prior written approval of the Treasurer. Any concessions relating to a

statutory tax, duty or charge will be subject to those relevant laws and the agreement of the relevant Minister.

## **PART 5 – GENERAL**

**Clause 15:** This clause deals with the technical requirements for the execution of documents by the Authority. It covers matters relating to the fixing of the common seal and the signing of documents.

**Clause 16:** This clause enables regulations to be made as necessary or convenient for the purposes of the Act.

**Clause 17:** This clause provides for transitional provisions which are included in Schedule 1. It deals with the transfer of existing fund operations from the existing Industry and Technology Account to the new Regional Investment Fund.

**Clause 18:** This clause requires the Act to be reviewed after 5 years of its operation. A report of the review is to be laid before each House of Parliament.

### **Schedule 1** **Transitional Provisions**

1. This clause defines certain words and titles used in this Schedule.
2. This clause provides for any current agreements entered into by the Minister for State Development to be taken over by the new Authority. These are current grants or loans provided under Part 3 of the *Industry and Technology Development Act 1998*.
3. This clause provides for any existing moneys in the Industry and Technology Account relating to the Regional Headworks Development Scheme, the Regional Collocation Scheme and the Industry Relocation Scheme to be credited to the new Regional Investment Fund.