

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Administration

Financial Management and Accountability Act 1997

Determination 2004/18 to establish a Special Account

The attached instrument makes a determination under subsection 20 (1) of the *Financial Management and Accountability Act 1997* to establish a Special Account. It also specifies the nature of amounts which may be credited to, and the purposes for which amounts may be debited from, the Special Account.

Special Accounts Generally

Under the Constitution, all revenues or moneys raised or received by the Executive Government of the Commonwealth form one Consolidated Revenue Fund (CRF) and may not be applied otherwise than in accordance with an appropriation by the Parliament for the purposes of the Commonwealth. Special Accounts allow amounts from the CRF to be set aside (hypothecated) for a particular purpose and expended for that purpose.

The Finance Minister must cause a copy of a determination relating to a Special Account to be tabled in each House of Parliament. Either House may disallow a determination within 5 sitting days of having been tabled. If the determination is not disallowed, it comes into effect the calendar day after the last day on which it could have been disallowed.

The notes to the determination identify legislation and other laws that allow or require amounts to be credited to, or debited from, the Special Account.

Campaign Advertising Special Account

The determination establishes the *Campaign Advertising Special Account*.

This determination is required in order to establish a new Special Account, which gives effect to amendments that were required to the existing Campaign Account for the activities related to the administration of the Central Advertising System (CAS).

The CAS exists to consolidate government advertising expenditure and unify the various departments and agencies to present as a single buyer to the media. By doing this the Commonwealth is able to secure significant discounts on media costs together with value added benefits. The CAS prevents departments and agencies competing against each other for media time and space. The CAS also delivers further economies of scale through the common use arrangements in place with the master media placement agencies.

Two master media placement agencies are engaged for the planning and placement of campaign advertising and for the preparation and placement of non-campaign advertisements. The latter are generally simple advertisements for job vacancies, tender notices and public announcements.

The CAS provides a suite of services to assist departments and agencies to progress their advertising campaigns in accordance with government policies and procedures. These include, but are not limited to, facilitating advertising campaigns by the Ministerial Committee on Government Communications and providing comprehensive training programme on advertising and media.

The Special Account records amounts until such time as those amounts may be used for administering the CAS. The Special Account purposes also include any activities that are incidental, both direct and indirect, to the running of the CAS.

The existing Campaign Account required several amendments, including amendment to the title to clarify the nature of the Special Account, which are addressed by the establishment of this new Campaign Advertising Special Account. The new Special Account introduces a capacity to make repayments to the original contributors, and a capacity to return excess amounts to the Budget (that is, reduce the balance of the Special Account without a real or notional payment). The Campaign Advertising Special Account also has a clarified clause specifying the amounts that may be credited to the Special Account.

The purposes of the existing Campaign Account are to be amended by another determination *Financial Management and Accountability Determination 2004/17 – Campaign Account Variation and Abolition 2004*, to allow amounts to be debited from the Campaign Account be credited to the Campaign Advertising Special Account. The *Financial Management and Accountability Determination 2004/17 – Campaign Account Variation and Abolition 2004* also abolishes the Campaign Account subject to the balance reaching zero and the variation taking effect.

Estimates of transactions on the Special Account

	Opening Balance 2005-06 2004-05 \$'000	Credits 2005-06 2004-05 ⁽¹⁾ \$'000	Debits 2005-06 2004-05 \$'000	Closing Balance 2005-06 2004-05 \$'000
Campaign Advertising Special Account	6,907 0	750 7,701	850 794	6,807 6,907

1. Includes balance debited from the Campaign Account and credited to the Campaign Advertising Special Account.