

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Administration

Financial Management and Accountability Act 1997

Determination 2006/63 to vary and abolish a Special Account

Purposes of Determination 2006/63

The attached instrument makes a determination under section 20 of the *Financial Management and Accountability Act 1997* (FMA Act) to vary and subsequently abolish the *Business Services Trust Account*.

Special Accounts generally

In accordance with the Constitution, all revenues or moneys raised or received by the Government of the Commonwealth form one Consolidated Revenue Fund (CRF) and may not be spent unless under an appropriation by the Parliament for the purposes of the Commonwealth. A Special Account is established by a determination that sets out the amounts that may be credited and the purposes for which it may be debited. Special Accounts established by determination are supported by an appropriation under section 20 of the FMA Act. In effect, Special Accounts allow amounts from the CRF to be spent on a purpose specified in the determination.

Determinations that establish Special Accounts, or vary determinations that establish Special Accounts, are subject to section 22 of the FMA Act. Section 22 of the FMA Act requires the Finance Minister to table a copy of the establishing or varying determination in each House of Parliament. Either House may disallow a determination within five sitting days of tabling. If the determination is not disallowed, it comes into effect on the calendar day after the last day on which it could have been disallowed.

Regulation 10 of the *Legislative Instruments Regulations 2004* preserves the disallowance provisions under section 22 of the FMA Act by exempting Special Account determinations from subsections 57(2) and 57(5) of the *Legislative Instruments Act 2003*.

Special Accounts can be abolished by a determination of the Finance Minister. However, there is no requirement to table such a determination.

Operation of the Determination 2006/63

Purpose of the Business Services Trust Account

A new Special Account, entitled the Business Services Special Account ('the new Account'), is required in order to give effect to changes that are required to the Business Services Trust Account, but which are not practical to make by variation to the Business Services Trust Account due to the way in which the Initial Determination was structured.

The current purposes of the Business Services Trust Account are:

For expenditure relating to:

- (a) (i) the provision of services and matters incidental thereto being in the field of transport, printing, publishing, procurement, disposal, protection, guarding, security, storage, warehousing, packaging, analytical testing, laboratory valuation, construction project management, equipment management contract administration, real property agency, property management, surveying, land information, construction, construction design, information technology, establishment and facilities management, administrative, and related services, and any combination, co-ordination or arrangement of the above mentioned services to the Commonwealth or to a Commonwealth body or to a company over which the Commonwealth or a Commonwealth body is able to exercise control, inside or outside Australia.
(ii) the provision of services referred to in (i) above and matters incidental thereto, to any other person or persons, inside or outside Australia.
- (b) For expenditure relating to each of the following trust accounts pending its closure Australian Government Analytical Laboratory Trust Account; Purchasing and Sales Group Trust Account; Australian Government Services Trust Account; Australian Protective Service Trust Account; Australian Property Service Trust Account; Transport and Storage Group Trust Account; Australian Valuation Office Trust Account; Australian Survey and Land Information Group Trust Account;
- (c) For expenditure comprising notional payments of moneys to the Official Public Account.

Changes required

A clause has been inserted to allow amounts to be debited from the Business Services Trust Account and credited to the new Account.

Limitations in the structure of the Initial Determination

It is not practical to vary the Initial Determination signed by the delegate of the Minister for Finance and Administration on 31 December 1997 (establishing a Business Services Trust Account as a component of the Commercial Activities Fund). This is because the format of the determination constrains the amount of information that can be included. Accordingly, a new Account is being established (Determination 2006/64) to provide for the continuation of the activities of the Business Services Trust Account, the incorporation of the necessary changes, and to ensure that the determination is as clear and informative as possible.

Effect of this determination

The Business Services Trust Account is being varied by this determination (Determination 2006/63) to enable its balance to be credited to the new Account. Once the balance of the Business Services Trust Account reaches zero, clause 4 of the determination will abolish the Business Services Trust Account.

Consultation

The Department of Finance and Administration is the agency affected by this instrument. The agency was provided with drafts of the instrument and agrees with the form of the instrument. As the instrument is for internal machinery of government purposes only, no consultation was considered necessary with other persons (see sections 17 and 18 of the *Legislative Instruments Act 2003*).

Estimates of transactions on the Business Services Trust Account

	Opening Balance 2006-07 \$'000	Credits 2006-07 \$'000	Debits 2006-07 ⁽¹⁾ \$'000	Closing Balance 2006-07 \$'000
Business Services Trust Account	7,256	630	7,886	0

1. Includes balance debited from the Business Services Trust Account and credited to the new Account.