

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Administration

Financial Management and Accountability Act 1997

Determination 2006/77 to abolish a Special Account

Purposes of Determination 2006/77

The attached instrument makes a determination under subsection 20(3) of the *Financial Management and Accountability Act 1997* (FMA Act) to abolish the *Australian Customs Service - Tradegate Fees 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 the determination to abolish a Special Account.

Operation of Determination 2006/77

This Determination abolishes the Australian Customs Service - Tradegate Fees Account, with effect from the date of registration on the Federal Register of Legislative Instruments.

Reasons for abolishing the Special Account

The Australian Customs Service – Tradegate Fees Account is no longer required as it was established to manage amounts associated with a contract between Tradegate and Australian Customs Service and the contract expired in February 2006. Consequently, the agency managing the Special Account has requested that it be

abolished.

Consultation

The Australian Customs Service 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*).