

## **EXPLANATORY STATEMENT**

Issued by the authority of the Minister for Finance and Deregulation

*Financial Management and Accountability Act 1997*

Determination 2009/03 to vary the Northern Territory Flexible Funding Pool Special Account

### **Purposes of determination 2009/03**

The attached instrument makes a determination under section 20 of the *Financial Management and Accountability Act 1997* (FMA Act) to vary the *Northern Territory Flexible Funding Pool Special Account (NTFFP Special Account)*. This instrument varies the determination entitled *Financial Management and Accountability Determination 2007/21 – Northern Territory Flexible Funding Pool Special Account Establishment 2007* made on 11 September 2007 that established the *NTFFP Special 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 may be 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 2009/03**

#### ***Reasons for varying the Special Account***

The *NTFFP Special Account*, which is administered by the Department of Families, Community Services and Indigenous Affairs (FAHCSIA), was established to enable FAHCSIA to manage a single funding pool for resourcing employment initiatives delivered by a number of Commonwealth agencies. The Government has decided to

broaden the range of activities funded through the flexible funding pool scheme. This requires an amendment to be made to the primary purpose clause of the *NTFFP Special Account*.

***Changes required***

The primary purpose clause (clause 5(a)) of the *NTFFP Special Account*, which allowed the Special Account to be debited to develop, promote, assist or implement employment creation initiatives in relation to the Northern Territory Emergency Response, has been replaced. The new clause 5(a) allows the Special Account to be debited to develop, promote, assist or implement initiatives that expand the employment opportunities for indigenous people in any location.

Although the determination broadens the geographic scope of the NTFFP Special Account to include employment initiatives in other regions, the name of the Special Account is not being changed at this time. This will ensure that the determination remains consistent with section 15 of the *Appropriation Act (No 1) 2008-2009*, which refers to the current title of the NTFFP Special Account.

***Commencement of this determination***

This determination (determination 2009/03), if not disallowed, will commence on 1 March 2009.

**Consultation**

FAHCSIA 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 *NTFFP Special Account***

	Opening Balance 2008-09 \$'000	Credits 2008-09 \$'000	Debits 2008-09 \$'000	Closing Balance 2008-09 \$'000
<i>NTFFP Special Account</i>	28735	75980	71797	32918