

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Deregulation

Financial Management and Accountability Act 1997

Determination 2009/01 to vary and abolish a Special Account

Purposes of Determination 2009/01

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 *Young Endeavour Youth Program Operating Fund 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 Special Account.

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 2009/01

Purpose of the Young Endeavour Youth Program Operating Fund Account

A new Special Account, entitled the *Young Endeavour Youth Program Special Account* ('the new Account'), is required in order to give effect to changes that are required to the *Young Endeavour Youth Program Operating Fund Account*, but which are not practical to make by variation to the *Young Endeavour Youth Program Operating Fund Account* due to the way in which the Initial Determination was structured.

The current purposes of the *Young Endeavour Youth Program Operating Fund Account* are:

For expenditure in relation to:

- (a) the payment to suppliers or a notional payment to the Official Public Account of moneys due in connection with the operation and activities of the STS Young Endeavour;
- (b) the payment of refunds to persons entitled to such refunds in connection with the operation and activities of the STS Young Endeavour; and
- (c) the payment of moneys as specified by the Young Endeavour Youth Program Board of Management, for purposes relating to the operation of the Young Endeavour, or by the Commonwealth.

Change required

A clause has been inserted to allow amounts to be debited from the *Young Endeavour Youth Program Operating Fund 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 Young Endeavour Youth Programme Reserve as a component of the Reserved Money 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 2009/02) to provide for the continuation of the activities of the old 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 *Young Endeavour Youth Program Operating Fund Account* is being varied by this determination to enable its balance to be credited to the new Account. Once the balance of the *Young Endeavour Youth Program Operating Fund Account* reaches zero, clause 4 of the determination will abolish the *Young Endeavour Youth Program Operating Fund Account*.

Consultation

The Department of Defence 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 Young Endeavour Youth Program Operating Fund Account

	Opening Balance 2008-09 \$'000	Credits 2008-09 \$'000	Debits 2008-09 ⁽¹⁾ \$'000	Closing Balance 2008-09 \$'000
Young Endeavour Youth Program Operating Fund Account	866	196	1062	0

1. Includes balance debited from the Young Endeavour Youth Program Operating Fund Account and credited to the new Account.