

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Deregulation

Financial Management and Accountability Act 1997

Financial Management and Accountability (Abolition of 3 Special Accounts)

Determination 2011/15

Purpose of the Determination

The Determination is made under subsection 20(3) of the *Financial Management and Accountability Act 1997* (FMA Act) and abolishes the following three Special Accounts:

1. *Other Trust Moneys Account - Australian Federal Police;*
2. *Australian Reward Investment Alliance Special Account;* and
3. *Commonwealth Superannuation Administration 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 the purposes 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 the 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 made by the Finance Minister. Such a determination is not subject to parliamentary disallowance.

Operation of this Determination

The Determination abolishes three Special Accounts which are no longer required.

Reasons for abolishing the Special Accounts

The *Other Trust Moneys Account - Australian Federal Police* is a general purpose Special Account which has been updated and replaced by the *Services for Other Entities and Trust Moneys - Australian Federal Police Special Account*. Accordingly, the Other Trust Moneys Account is no longer required.

The *Australian Reward Investment Alliance Special Account* and the *Commonwealth Superannuation Administration Special Account* are being abolished because they are both surplus to requirements. The creation of the Commonwealth Superannuation Corporation on 1 July 2011 by the *Governance of Australian Government Superannuation Schemes Act 2011* means that these two Special Accounts are no longer necessary for managing amounts related to superannuation activities.

Consultation

The Agencies affected by this determination are the Australian Federal Police, ComSuper and the Department of Finance and Deregulation (as the portfolio department of state for the former Australian Reward Investment Alliance). These Agencies were given an opportunity to comment on drafts of the instrument and to supply estimates for the “Balances and Transactions Table”.

As the instrument is for internal machinery of government purposes only, no consultation was necessary with other persons (see sections 17 and 18 of the *Legislative Instruments Act 2003*).

Table of estimated balances and transactions of the abolished Special Accounts

The table below outlines the estimated financial implications of the determination on the balance of the Special Accounts.

Special Account	2011-2012 (\$'000)			
	Opening Balance	Credits	Debits	Closing Balance
<i>Other Trust Moneys Account - Australian Federal Police</i>	0	0	0	0
<i>Australian Reward Investment Alliance Special Account</i>	1,992	0	1,992	0
<i>Commonwealth Superannuation Administration Special Account</i>	20,094	0	20,094	0