

## **EXPLANATORY STATEMENT**

Issued by the authority of the Minister for Finance and Administration

*Financial Management and Accountability Act 1997*

Determination 2005/01 to abolish a Special Account

### **Purposes of Determination 2005/01**

The attached instrument makes a determination under subsection 20(3) of the *Financial Management and Accountability Act 1997* (FMA Act) to abolish the *Commonwealth Bank of Australia Public Share Offer 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 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. Determinations that abolish Special Accounts are not subject to section 22 of the FMA Act and hence do not require tabling in Parliament.

### **Operation of Determination 2005/01**

This Determination abolishes the Commonwealth Bank of Australia Public Share Offer Special Account, with effect from the date signed by the Finance Minister.

### ***Reasons for abolishing the Special Account***

The Special Account is being abolished as all amounts standing to the credit of the Special Account have been expended and no further amounts can be credited to the Special Account. Consequently, the agency managing the Special Account has requested that it be abolished.

### ***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*).