

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Administration

Financial Management and Accountability Act 1997

Determination 2005/20 to abolish a Special Account

Purposes of Determination 2005/20

The attached instrument makes a determination under subsection 20(3) of the *Financial Management and Accountability Act 1997* (FMA Act) to abolish the *Employment Entitlements Support Scheme 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 2005/20

This Determination abolishes the Employment Entitlements Support Scheme Account, with effect from the date signed by the Finance Minister.

Reasons for abolishing the Special Account

The Special Account is no longer required as the activity to which it relates has concluded. Consequently, the agency managing the Special Account has requested that it be abolished.

Consultation

The Department of Employment and Workplace Relations 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*).