

EXPLANATORY STATEMENT

Appropriation Act (No. 3) 2007-2008, paragraph 12(1)(c) – Flexible Funding Pool receipts

The Determination to which this explanatory statement relates

This explanatory statement relates to a Determination (the Determination) made under paragraph 12(1)(c) of the *Appropriation Act (No. 3) 2007-2008* (Appropriation Act No. 3), which is entitled, *Appropriation Act (No. 3) 2007-2008 – Section 12 Determination 2008/01 – Flexible Funding Pool Receipts 2008*. The Determination commences upon registration on the Federal Register of Legislative Instruments.

The legislative authority under which the Determination is made

Section 12 of the Appropriation Act No. 3 is entitled “Flexible Funding Pool receipts”. The purpose of section 12 is to provide agencies participating in the Northern Territory Emergency Response (NTER) with an appropriation to spend amounts debited from the Northern Territory Flexible Funding Pool (NTFFP) Special Account.

The NTFFP Special Account was established under section 20 of the *Financial Management and Accountability Act 1997* and came into effect on 21 September 2007. It was established to develop, promote, assist or implement employment creation initiatives related to the NTER. The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) is responsible for managing the NTFFP Special Account.

The Northern Territory Flexible Funding Pool (NTFFP) Special Account is credited by an appropriation administered by FaHCSIA. The main purpose of the appropriation is to develop, promote, assist or implement employment creation initiatives in relation to the Northern Territory Emergency Response. Amounts debited from the NTFFP Special Account may be paid by FaHCSIA to Agencies on an as needed basis in order to meet agreed outcomes in relation to the purposes of the NTFFP Special Account.

Section 12 of the Appropriation Act (No. 3) 2007-2008 provides an appropriation for Agencies to increase existing administered items with amounts debited from the NTFFP Special Account.

Paragraph 12(1)(c) of the Appropriation Act No. 3 enables the Finance Minister to make a written Determination so that an amount debited from the NTFFP Special Account may be credited to the administered item of an agency specified in the Determination.

Subsection 12(3) of the Appropriation Act No. 3 requires that amounts debited from the NTFFP Special Account be applied by the agency in accordance with the conditions (if any) set out in the Determination. The Determination stipulates that all amounts received by an agency that increase the relevant administered item of that agency must be applied in a manner that is consistent with the purposes of the NTFFP Special Account.

Purpose and operation of the Determination

The Determination will allow amounts debited from the NTFFP Special Account to be credited to the administered item of an agency specified in the Determination.

Pursuant to subsection 12(2) of the Appropriation Act No. 3, an administered item specified in the Determination is taken to be increased by the amount of the debit from the NTFFP Special Account, and at the time when an entry recording the payment is made in the accounts and records of the receiving agency.

The agencies affected by the Determination are: the Attorney-General's Department; the Department of Education, Employment and Workplace Relations; the Department of the Environment, Water, Heritage and the Arts; FaHCSIA; and the Department of Health and Ageing.

Notes on the Determination

The Determination only applies to administered items in *Appropriation Act (No.3) 2007-2008*. Further Determinations will be issued as required under future annual appropriation Acts.

Consultation

The Australian Government Solicitor was consulted on the Determination.

The affected agencies were provided with drafts of the Determination before the Determination was finalised and agreed with the form of the Determination. As the Determination 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*).

Additional Information

Pursuant to subsection 12(5) of *Appropriation (Act No. 3) 2007-2008*, the Determination is not subject to the parliamentary disallowance (section 42 of the *Legislative Instruments Act 2003*) and sunset provisions (Part 6 of the *Legislative Instruments Act 2003*).