

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Deregulation

Financial Management and Accountability Act 1997

Determination 2009/23 to vary and abolish a Special Account

Purposes of Determination 2009/23

The attached instrument makes a determination under subsections 20 (2) and (3) of the *Financial Management and Accountability Act 1997* (FMA Act) to vary and subsequently abolish the *Media Commissions Special Account* (MCSA).

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 of the Finance Minister. However, such a Determination is not subject to parliamentary disallowance.

Operation of Determination 2009/23

Reasons for varying the Special Account

The MCSA is being varied to allow its balance to be credited to the *Coordinated Procurement Contracting Special Account* (CPCSA). The MCSA was established to appropriate funding for activities related to the processing of media commissions through the central advertising system to the advertising and related agencies. The Special Account records amounts until such time as payments are made for advertising and related agencies.

The CPCSA was established to facilitate centralised procurement and contracting activities of the Australian Government. Consistent with this, where the purposes of other Special Accounts were included in the purposes of the CPCSA, these Special Accounts have been subsumed by the CPCSA. The balances of the *Campaign Advertising Special Account* and the Fleet Monitoring Body component of the *Business Services Special Account* have been credited to the CPCSA in this manner.

The MCSA is another Special Account for which the purposes are consistent with the CPCSA and therefore the balance of the MCSA is being credited to the CPCSA. No variation to the CPCSA determination is required. Once the balance of the MCSA has been credited to the CPCSA, the MCSA will be abolished.

Effect of this Determination

This Determination varies the MCSA to allow its balance to be credited to the CPCSA. Clause 4 of Determination 2009/23 provides that the MCSA will be abolished when its balance reaches zero.

Consultation

The Department of Finance and Deregulation is the agency affected by this 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 *Media Commissions Special Account*

	2009-10 (\$'000)			
	Opening Balance	Credits	Debits	Closing Balance
<i>Media Commissions Special Account</i>	15,697	5,500	21,197 ⁽¹⁾	0

1. Includes balance debited from the *Media Commissions Special Account* and credited to the CPCSA.