

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Deregulation (the Minister)

Financial Management and Accountability Act 1997

Financial Management and Accountability Regulations 1997

The Determination to which this Explanatory Statement relates

This Explanatory Statement relates to a determination made under subregulation 15 (3) of the *Financial Management and Accountability Regulations 1997* (FMA Regulations), which is entitled *Retained Agency Receipts Determination 2012/01: Department of Agriculture, Fisheries and Forestry* (the Determination).

The legislative authority under which the Determination is made

Subsections 31 (1) and 31 (2) of the *Financial Management and Accountability Act 1997* (FMA Act) provide that the most recent departmental item for an Agency is taken to be increased by an amount equal to the amount received by the Agency, prescribed by the FMA Regulations for the purposes of section 31 of the FMA Act. The amount as prescribed may then be spent in accordance with the purposes of other departmental appropriations, without further authorisation of the Parliament.

Regulation 15 of the FMA Regulations sets out the kinds of amounts prescribed for the purposes of section 31 of the FMA Act. Item 3 of the table under subregulation 15 (3) provides that amounts of a prescribed kind include an amount that relates to the operation of a scheme determined in writing by the Minister. Subregulation 15 (8) provides that a determination under this item is a legislative instrument.

Purpose and Operation of the Determination

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) operates as part of the Department of Agriculture, Fisheries and Forestry (DAFF). ABARES undertakes research and analysis, and provides advice to the Government and other clients on issues affecting Australia's agriculture, fisheries and forestry industries.

ABARES is partially funded from annual administered appropriations and partially from receipts collected on a fee-for-service basis from clients.

The Determination establishes a scheme that allows DAFF to increase its departmental appropriation to cover the costs of research, analysis and advice on issues affecting Australia's agriculture, fisheries and forestry industries, that is:

- undertaken by ABARES;
- funded from Outcome 1 of DAFF's administered appropriation item, up to a maximum of \$2.5 million each financial year; and
- conducted from 1 July 2012 until 30 June 2016.

The scheme requires that DAFF provide the Minister with a statement by 1 September following each financial year the determination is in effect. The statement must show for the previous financial year:

- the total amounts received in accordance with this scheme; and
- the departmental activities these receipts were allocated to.

Statement of Compatibility with Human Rights

The Determination is compatible with human rights, in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. The Determination engages the human right to an adequate standard of living including food, water and housing. DAFF's Outcome 1, in summary, aims to achieve sustainability for Australia's primary industries to promote better resource management practices, innovations, self-reliance and improved access to international markets. The research, analysis and advice conducted by ABARES to be funded under the scheme may affect Australia's economy and resources and could impact on the realisation of the right to an adequate standard of living in the future. As such, the Determination promotes the human right to an adequate standard of living, including food, water and housing.

Notes on the Determination

The Determination is a legislative instrument subject to section 42 (disallowance) and Part 6 (sunsetting) of the *Legislative Instruments Act 2003*.

Consultation

DAFF was consulted on the drafting of the Determination. Wider consultation was not necessary as the Determination is of an internal machinery of government nature.

Table of Balances and Transactions

The table below outlines the estimated fiscal and underlying cash impact of DAFF's Outcome 1 administered appropriations to be allocated to ABARES-related departmental activities under the scheme:

\$m	2012-13	2013-14	2014-15	2015-16	2016-17
<i>Department of Agriculture, Fisheries and Forestry – administered</i>	2.5	2.5	2.5	2.5	0
<i>Department of Agriculture, Fisheries and Forestry – departmental</i>	-2.5	-2.5	-2.5	-2.5	0
<i>Department of Agriculture, Fisheries and Forestry – net fiscal balance/underlying cash impact</i>	0	0	0	0	0

Note: these figures are estimates and may differ from amounts published in future *Agency Resourcing Tables – Budget Paper No. 4*, Portfolio Budget Statements and Annual Reports.