

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and the Public Service

Public Governance, Performance and Accountability Act 2013

PGPA Act Determination (Comcover Special Account 2018)

Purpose of this determination

This determination is made under subsection 78(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to establish the *Comcover Special Account 2018* (the special account). It will also repeal the special account established by the *Financial Management and Accountability Determination 2009/05 — Comcover Special Account Establishment 2009* (the Comcover account).

The special account is being established to enable Comcover to continue to hold and expend amounts through a special account appropriation, to carry out its functions.

Comcover was established on 1 July 1998 as the Australian Government's self-managed insurance fund, and is administered by the Department of Finance (Finance). It provides Fund Members with insurance coverage in respect of claims and costs arising from insurable risk, and with risk management services.

The key objectives of Comcover are to:

- provide a comprehensive fund to protect Fund Members against the impact of insurable losses; and
- promote better practice risk management by Fund Members to improve policy formulation and achievement of government objectives so as to deliver a net benefit to the Commonwealth's Budget over the long-term.

Comcover protects the Australian Government's financial standing and reputation through integrating risk management into government functions and operations by providing comprehensive and responsive risk management and insurance services to more than 160 Fund Members. Comcover works in partnership with Fund Members to promote a positive risk management culture across the Commonwealth Government to support the efficient and effective delivery of services.

On commencement of this determination, the balance of the Comcover account will be transferred to the special account and the Comcover account will be repealed.

The operating context of special accounts

A special account may be established, varied or revoked by a determination made by the Minister for Finance and the Public Service under section 78 of the PGPA Act, or by an Act.

A special account is an appropriation mechanism that sets aside amounts within the Consolidated Revenue Fund (CRF) for spending on specified purposes. The purposes of a special account are set out in the establishing determination or Act.

In accordance with section 81 of the Constitution, all revenues or moneys raised or received by the Commonwealth Executive Government form one CRF. Section 83 of the Constitution provides that such money may not be drawn from the Treasury except under an appropriation made by law.

- A special account enables revenues or moneys raised or received to be set aside for the purposes of that special account.

- Payments made for the purposes of a special account are supported by an appropriation in the PGPA Act; subsection 78(4) for a special account established by a determination or subsection 80(1) for a special account established by an Act.

Special account determinations

Special account determinations are legislative instruments under the *Legislation Act 2003*. Special account determinations may be varied or revoked by a subsequent determination being made in accordance with subsection 78(3) of the PGPA Act.

In accordance with subsection 79(3) of the PGPA Act, the Minister for Finance and the Public Service must table a copy of such determinations in each House of the Parliament. Subsection 79(4) of the PGPA Act provides that special account determinations are subject to disallowance by either House of the Parliament. The disallowance period starts on the day a special account determination is tabled in the House and ends on the fifth sitting day after the determination was tabled in that House.

If neither House passes a resolution to disallow a special account determination, under subsection 79(5) it comes into effect on the day immediately after the last day on which it could have been disallowed, or on a later day if specified in the determination.

Human Rights

A Statement of Compatibility with Human Rights is not required for this determination. Subsection 9(1) of the *Human Rights (Parliamentary Scrutiny) Act 2011* requires a Statement of Compatibility with Human Rights for all legislative instruments subject to disallowance under section 42 of the *Legislation Act 2003*. While determinations made or varied under subsections 78(1) or 78(3) of the PGPA Act are subject to disallowance under section 79 of the PGPA Act, subsection 79(2) provides that they are not subject to disallowance under section 42 of the *Legislation Act 2003*. As such, a Statement of Compatibility with Human Rights is not required.

Consultation

Finance officials responsible for administering Comcover were consulted in the preparation of this determination.