

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance

Public Governance, Performance and Accountability Act 2013

*PGPA Act (Growth Fund Skills and Training Special Account 2015–Establishment) Determination
2015/04*

Purpose of this determination

This determination is made under subsection 78(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and it:

- establishes the *Growth Fund Skills and Training Special Account 2015* (the special account).

The special account is being established to assist in implementing a Government initiative in response to the Holden and Toyota announcement to cease automotive manufacturing in Australia by the end of 2017.

The special account will be used primarily to manage payments to enable Australian workers and former workers in the Australian automotive industry to obtain career advice, education, training and re-skilling support to exit the industry and obtain new forms of employment. Holden and Toyota have each agreed to contribute to this activity \$15 million in instalments over the period until 2018. The activity to be funded will involve compliance with Australia's international obligations, including obligations arising under conventions of the International Labour Organisation to which Australia is a party.

The operating context of special accounts

A special account may be established by a determination made by the Minister for Finance, (under section 78 of the PGPA Act) or by an Act (consistent with section 80 of the PGPA 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 determination or Act by which the special account was established.

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

- A special account enables moneys raised or received to be set aside for the purposes of that special account.
- Payments made for the purpose of a special account are supported by an appropriation contained in subsection 78(4) of the PGPA Act (for a determination established special account) and subsection 80(1) of the PGPA Act (for an Act established special account).

Special account determinations

Determinations establishing special accounts are made by the Minister for Finance under subsection 78(1) of the PGPA Act. A special account determination sets out the types of amounts that may be credited to the special account and the purposes for which amounts may be debited from the account.

Special account determinations may be varied or revoked in accordance with subsection 78(3) of the PGPA Act. This determination stops having effect at the end of 30 June 2020.

Subsection 79(2) of the PGPA Act provides that special account determinations are legislative instruments under the *Legislative Instruments Act 2003*. Special account determinations are subject to Part 6 (sunsetting) of the *Legislative Instruments Act 2003*. A special account determination will, therefore, be repealed on the earlier of 1 April or 1 October falling on or after the tenth anniversary of registration of the determination.

In accordance with subsection 79(3) of the PGPA Act, the Finance Minister 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 date of tabling. In effect, the determination is presented in each House for six days.

If neither House pass a resolution to disallow a special account determination, 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 *Legislative Instruments 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, they are not subject to disallowance under section 42 of the *Legislative Instruments Act 2003*. As such, a Statement of Compatibility with Human Rights is not required.

Consultation

The Department of Education and Training, the Australian Government Solicitor and the Office of Parliamentary Counsel were consulted in the preparation of this determination. As this determination is for internal machinery of government purposes only, no consultation was necessary with other persons (see sections 17 and 18 of the *Legislative Instruments Act 2003*).