

**JCPAA HEARING ON THE DRAFT FINANCIAL FRAMEWORK
LEGISLATION AMENDMENT BILL**

**RESPONSES FROM DEPARTMENT OF COMMUNICATIONS INFORMATION
TECHNOLOGY AND THE ARTS TO FOLLOW-UP QUESTIONS**

Q1 At the inquiry it was stated by the Department of Communications Information Technology and the Arts (DCITA) that unspent funds in the Regional Telecommunications Infrastructure Account and the Untimed Local Call Access Account are returned to consolidated revenue.

What is the authority for DCITA to do this, that is to debit these accounts for amounts which are not spent on the purposes of either Account?

Contrary to what may have been suggested in our oral evidence, it is not a case of unspent money being 'returned to consolidated revenue'. That was a loose form of expression which was meant to convey the meaning that there would be a saving to the Budget. Under the *Financial Management Legislation Amendment Act 1999* (FMLAA), the special account forms part of the Consolidated Revenue Fund.

The amounts standing to the credit of the special account cannot be debited where the legislation no longer permits this. Where it is provided in Part 9 the *Telstra Corporation Act 1991* that moneys which stand credited to the relevant special account can no longer be debited after a specified date, it appears that this means that the standing appropriation for that special account provided by s.20(4) or 21(1) of the FMA Act (as the case may be) from that date would cease to provide authority to pay amounts standing to the credit of that special account. Accordingly, from that date any payments for purposes of the kind specified in the special account would need to be authorised by some other appropriation.

Q2(a) What is the current legal authority for the establishment of the Regional Telecommunications Infrastructure Account?

The former component of the Reserved Money Fund became the 'Regional Telecommunications Infrastructure Account' from 1 July 1999. As the former component had been established by a delegate of the Finance Minister under the former section 20 of the *Financial Management and Accountability Act 1997* (FMA), it was taken to have been established by the Finance Minister as a Special Account by determination under the new FMA Act section 20. The references relating to the former component in sections 58, 59 and 60 of Part 9 of the *Telstra Corporation Act 1991* apply to that Special Account subject to the modifications made by section 5 of the FMLAA.

Q2(b) Looking to the future, and bearing in mind the existence of the draft Financial Framework Legislation Bill, should the legal authority for the Regional Telecommunications Infrastructure Account be a determination of the Finance Minister, or should it be a provision in the *Telstra Corporation Act 1991*?

The legal authority for the Regional Telecommunications Infrastructure Account should remain the determination of the Finance Minister.

