

NET APPROPRIATION AGREEMENT

For the Australia-Japan Foundation

This Agreement is made between:

THE MINISTER FOR FINANCE AND ADMINISTRATION

AND

THE MINISTER FOR FOREIGN AFFAIRS

1. INTRODUCTION

- 1.1. This net appropriation agreement is made under section 31 of the *Financial Management and Accountability Act 1997* (the FMA Act).
- 1.2. Under this agreement, if the agency receives any amounts covered by the agreement, the appropriation to the agency in the annual appropriation Act will be increased.

Note 1 Section 31 of the FMA Act, together with certain standard provisions of the annual appropriation Acts, allows a departmental item (or in some rare instances, an administered item) to be increased by an amount up to the amount of eligible receipts where the Finance Minister (or his or her delegate) and the responsible Minister have entered into a net appropriation agreement.

Note 2 This agreement is given effect by specific provisions within the annual appropriation Acts. Therefore, the agreement only has effect while the relevant specific provisions exist in the annual appropriation Acts.

- 1.3. This agreement will commence upon signature by the second party.

2. DEFINITIONS

- 2.1. In this agreement:
 - 2.1.1. 'the agency' means the Australia-Japan Foundation.
 - 2.1.2. 'eligible receipts' means the receipts set out in clause 5.1 of this agreement.

3. PURPOSE

- 3.1. This net appropriation agreement records the extent to which the amount specified in an item in an annual appropriation Act may be taken to be increased by reference to eligible receipts of the agency.

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Note: In most cases the item in the annual appropriation Act will be taken to be increased by the whole amount received by the agency. However, in some cases, the item in the annual appropriation Act will only be taken to be increased by a proportion of the whole amount received by the agency - see clause 6.

4. DURATION OF THE AGREEMENT

- 4.1. This agreement replaces any previous net appropriation agreement between the Finance Minister and the responsible Minister in respect of any of the appropriation items identified in this agreement.
- 4.2. This agreement continues until a new net appropriation agreement covering the appropriation item identified in this agreement is executed by both parties to the agreement.

Note: Under s.31(4) of the FMA Act, the Finance Minister may at any time cancel or vary this agreement, without the consent of the other party.

5. NATURE OF ELIGIBLE RECEIPTS

- 5.1. The following receipts are eligible receipts for the purposes of this agreement:
 - 5.1.1. Receipts from the sale, leasing, hiring out of, or other dealing with goods.
 - 5.1.2. Receipts from the provision of staff and other services.
 - 5.1.3. Receipts from a person (whether employed, appointed, or performing services for, the Commonwealth) as payment for any associated benefit provided (whether to that person or another person).
 - 5.1.4. Receipts from the sale of minor assets that are departmental in nature such as furniture and fittings.
 - 5.1.5. Receipts from the transfer of annual and long-service leave entitlements between agencies.
 - 5.1.6. Subsidy and grant moneys received as a result of participation in employment subsidy schemes or programs.
 - 5.1.7. Court awarded costs to the extent to which they reflect legal costs incurred in litigating the matter.
 - 5.1.8. Royalties received from documentaries.
 - 5.1.9. Sponsorships, grants, subsidies and contributions received to fund departmental activities.
 - 5.1.10. Donations received, expressed to be for the performance of specific departmental activities.
 - 5.1.11. Amounts received from the Australian Taxation Office as interest on a late payment.

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5.1.12. Receipts from the Australia-Japan Account in relation to the performance of the functions of the Australia-Japan Foundation.

5.2. For the avoidance of doubt, receipts under item 5.1 do not include:

5.2.1. Court awarded fines and damages, etc (other than to the extent covered by paragraph 5.1.7).

5.2.2. Receipts from taxes, levies or specific cost recovered activities where the receipts are raised under legislation and where the activities are budget funded.

6. INCREASE IN APPROPRIATION ITEMS

6.1. Subject to the net appropriation provisions of the annual appropriation Acts, the Departmental item for the agency is taken to be increased by the following amounts:

6.1.1. All receipts listed in 5.1, 100% of the receipts.

Notes

1. In order to comply with the appropriation requirements of sections 81 and 83 of the Constitution and with sections 19 and 48 of the FMA Act, agencies must keep proper accounts and records of all appropriations to ensure that they do not spend above their appropriation limits.
2. The agency must be able to identify, quantify and, if requested, produce information to show the amounts attributable to net appropriation receipts. This information should be available within the agency's Financial Management Information System or in other supporting systems or documentation.
3. The agency must report the net appropriations referred to above, as required, in the relevant Budget documents, agency financial statements and the Consolidated Financial Statements.
4. It is the agency's responsibility to be aware of any changes to reporting requirements which affect net appropriation reporting requirements.
5. The Efficiency Dividend will not apply to any amounts deemed to be appropriated under this agreement.

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Delegate of the Minister for Finance
and Administration

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[Minister for Foreign Affairs/For and on
Behalf of the Minister for Foreign
Affairs]

Peter Saunders
Division Manager
Government and Defence
Budget Group

Shirley Lithgow
Director (Canberra)
Australia-Japan Foundation

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Dated 7 February 2005

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Dated 31 January 2005

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