FINANCIAL MANAGEMENT AND ACCOUNTABILITY ACT 1997, Section 31

NET APPROPRIATION AGREEMENT

For DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

This Agreement is made between:

THE MINISTER FOR FINANCE AND ADMINISTRATION

AND

THE MINISTER FOR FAMILY AND COMMUNITY SERVICES

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, allow 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 their 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 on 1 October 2004, and covers amounts received from that date.

2. DEFINITIONS

2.1. In this agreement:

2.1.1. ‘the agency’ means the Department of Family and Community Services.

2.1.2. ‘eligible receipts’ means the receipts set out in clauses 5.1 and 5.2 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.

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:

**Departmental**

5.1.1. Receipts from the sale, leasing, hiring out of, or other dealing with goods.

5.1.2. Receipts from reimbursements for payments made on behalf of other entities.

5.1.3. Receipts from the provision of staff and other services.

5.1.4. 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).

5.1.5. Receipts from the sale assets.

5.1.6. Receipts from the transfer of employee entitlements and depreciation provisions between agencies.

5.1.7. Subsidy, contract and grant moneys received as a result of:

5.1.7.1. Participation in employment subsidy schemes or programs.
5.1.7.2. Contributions from other entities for co-contributions to joint initiatives.

5.1.8. Court awarded costs to the extent to which they reflect legal costs incurred in litigating a matter.

5.1.9. Receipts from Comcare (“the Comcare amount”) that correspond to the amount of Comcare receipts that are not otherwise able to be recredited under section 30 of the FMA act.

5.2. The following receipts are eligible receipts for the purposes of this agreement:

**Administered**

5.2.1. Subsidy, contract and grant moneys received as a result of:

5.2.1.1. Contributions from other entities for co-contributions to joint initiatives.

5.2.1.2. Returns of previously expended program funds.

5.3. For the avoidance of doubt, receipts under items 5.1 and 5.2 do not include:

5.3.1. Court awarded fines and damages, etc (other than to the extent covered by paragraph 5.1.8); and

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

Note: User charging activities should comply with the Government’s cost recovery policy as set out in the Commonwealth Cost Recovery Guidelines for Information and Regulatory Agencies.

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. For all receipts listed in 5.1, 100% of the receipts.

6.2. Subject to the net appropriation provisions of the annual appropriation Acts, the Administered expenses under outcomes one, two and three for the agency are taken to be increased by the following amounts:

6.2.1. For all receipts listed in 5.2, 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.

Net appropriation agreement for Department of Family and Community Services
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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The Delegate of the Minister for Finance and Administration
Name: Jackie Wilson
Position: Social Welfare Division Manager
Dated: 23 June 2005

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For and on Behalf of the Minister for Family and Community Services
Name: Jeff Harmer
Position: Secretary
Department of Family And Community Services
Dated: 23 June 2005

Net appropriation agreement for Department of Family and Community Services