

Explanatory Statement

Financial Management and Accountability Act 1997, Section 32 - Adjustments of Appropriations on Change of Agency Functions

The instrument to which this explanatory statement relates

This explanatory statement relates to an instrument (the instrument) entitled “Direction under Section 32, Financial Management and Accountability Act 1997”, dated 4 May 2006 and numbered 20 of 2005-2006.

The legislative authority under which the instrument is made

Section 32 of the *Financial Management and Accountability Act 1997* (the FMA Act) applies if a function of an Agency (the old Agency) becomes a function of another Agency (the new Agency), either because the old Agency is abolished or for any other reason.

Subsection 32(2)(a) of the FMA Act enables the Finance Minister to, amongst other things, issue one or more directions to transfer from the old Agency to the new Agency some or all of an amount that has been appropriated for the performance of that function by the old Agency.

As noted in the FMA Act, the Finance Minister has delegated his power under section 32 to the Chief Executive of the Department of Finance and Administration. By way of an instrument dated 30 November 2004, the Chief Executive of the Department of Finance and Administration has, in turn, delegated the power to the General Manager, Financial Management Group, and the Division Manager, Financial Reporting and Cash Management Division.

Purpose of the instrument

The instrument directs that departmental outputs appropriation totalling \$12,000,000.00, provided to the Department of Immigration and Multicultural Affairs in *Appropriation Act (No.1) 2005-06*, be transferred to the Department of Families, Community Services and Indigenous Affairs under *Appropriation Act (No.1) 2005-06*.

Background

On 27 January 2006, the Governor-General issued an Administrative Arrangements Order, which was gazetted in Special Notices Gazette S16 on 27 January 2006, transferring responsibility for the indigenous affairs function, from the Department of Immigration and Multicultural Affairs to the Department of Families, Community Services and Indigenous Affairs.

An appropriation adjustment, pursuant to section 32 of the FMA Act, is required to ensure that appropriation provided to the Department of Immigration and Multicultural Affairs for this function is transferred to the Department of Families, Community Services and Indigenous Affairs.

The amount to be transferred has been agreed between the Chief Financial Officers of the Department of Immigration and Multicultural Affairs and the Department of Families, Community Services and Indigenous Affairs in line with established processes.

Notes on the instrument

The instrument provides that the moneys listed in column 4 of the schedule for the Department of Immigration and Multicultural Affairs item be transferred to the Department of Families, Community Services and Indigenous Affairs item listed in column 1.