

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 7 January 2005 and numbered 26 of 2004-2005.

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.

In an instrument dated 12 February 2003, the Finance Minister has authorised the person holding the position of SES Band 2, Financial Reporting and Cash Management Division, in the Department of Finance and Administration to exercise the power provided for under subsection 32(2)(a) of the FMA Act.

Purpose of the instrument

The instrument directs that departmental outputs appropriation of \$136,000, provided to the Department of Veterans’ Affairs in Appropriation Act (No. 1) 2004-05, be transferred to the Department of Human Services.

Background

On 26 October 2004, the Governor-General issued an Administrative Arrangements Order which was gazetted in Special Notices Gazette S427 of 27 October 2004, making the Department of Human Services responsible for the development, delivery and co-ordination of government services, and for monitoring and management of service delivery and purchaser/provider relationships involving Centrelink, the Health Insurance Commission, the Child Support Agency, Australian Hearing, Health Services Australia and CRS Australia.

One of the implications of this is that responsibility for monitoring and management of service delivery and purchaser/provider relationships, previously undertaken by Department of Veterans’ Affairs (and other policy agencies), has been transferred to the Department of Human Services.

An appropriation adjustment, pursuant to section 32 of the FMA Act, is required to ensure that appropriation provided to the Department of Veterans’ Affairs for performance of the relevant functions is transferred to the Department of Human Services.

Notes on the instrument

The instrument provides that the moneys listed in column 4 of the schedule for the Department of Veterans’ Affairs item be transferred to the Department of Human Services item listed in column 1.