

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 30 June 2005 and numbered 44 of 2004-05.

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 Division Manager, Financial Reporting and Cash Management Division.

Purpose of the instrument

The instrument directs that departmental outputs appropriation totalling \$4,500,000, provided to the Department of Family and Community Services in *Appropriation Act (No. 1) 2004-05*, be transferred to the Department of Employment and Workplace Relations.

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, transferring responsibility for income support and programmes for people of working age, and to help people with disabilities obtain employment, other than supported employment, from the Department of Family and Community Services to the Department of Employment and Workplace Relations.

This section 32 agreement is for the transfer from the Department of Family and Community Services of keeping the system fair and the identification fraud measure, to the Department of Employment and Workplace Relations, as agreed between both parties on 30 June 2005.

Appropriation adjustments, pursuant to section 32 of the FMA Act, are required to ensure that appropriation provided to the Department of Family and Community Services for performance of these functions is transferred, as agreed, to the Department of Employment and Workplace Relations.

Notes on the instrument

The instrument provides that the moneys listed in column 4 of the schedule for the Department of Family and Community Services item be transferred to the Department of Employment and Workplace Relations item listed in column 1.