

## **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 25 August 2006 and numbered 6 of 2006-2007.

#### **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.

Paragraph 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.

By way of an instrument dated 19 February 2003 made under section 62 of 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 3 April 2006 made under section 53 of the FMA Act, 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. The direction is issued by the Division Manager, Financial Reporting and Cash Management Division.

#### **Purpose of the instrument**

The instrument directs that departmental item totalling \$9,808,000 in *Appropriation Act (No. 1) 2005-2006* and equity injections totalling \$300,000 in *Appropriation Act (No. 4) 2005-2006* provided to the Refugee Review Tribunal be transferred to the Migration Review Tribunal and Refugee Review Tribunal (the MRT-RRT).

#### **Background**

On 30 June 2006 the Refugee Review Tribunal was abolished. On 1 July 2006, the MRT-RRT became a prescribed agency. The functions which were previously performed by the Refugee Review Tribunal will from 1 July 2006 be performed by the MRT-RRT. An appropriation adjustment, pursuant to section 32 of the FMA Act, is required to ensure that appropriation provided to the Refugee Review Tribunal is transferred to the MRT-RRT.

#### **Notes on the instrument**

The instrument provides that the amount set out in column 4 of the table in the instrument for the departmental item in *Appropriation Act (No. 1) 2005-2006* and equity injection in *Appropriation Act (No. 4) 2005-2006* be transferred to the MRT-RRT.

In accordance with the *Legislative Instruments Act 2003*, the MRT-RRT was consulted in preparation of this instrument.