

## **Explanatory Statement**

### ***Financial Management and Accountability Act 1997, Section 32 - Adjustment 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 April 2007 and numbered 10 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.

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.

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 Acting Division Manager, Financial Reporting and Cash Management Division.

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

The instrument directs that departmental appropriation in the amount of \$1,226,000 provided to the Office of Workplace Services (OWS) in *Appropriation Act (No.1) 2005-2006* be transferred to the Department of Employment and Workplace Relations (DEWR).

The instrument also directs that departmental appropriation in the amount of \$1,226,000 provided to DEWR in *Appropriation Act (No. 1) 2006-2007* be transferred to OWS.

#### **Background**

On 27 March 2006, OWS was established as a prescribed agency for the purposes of the FMA Act and the workplace services functions, which were previously functions of DEWR, became functions of OWS.

This instrument reverses Legislative Instrument F2006L03176 entitled ‘Direction under Section 32, *Financial Management and Accountability Act 1997* – Adjustments of Appropriations on Change of Agency Functions (No. 7 of 2006-2007)’ dated 20 September 2006. This legislative instrument inadvertently referenced *Appropriation Act (No. 1) 2005-2006*. The correct reference is *Appropriation Act (No. 1) 2006-2007*, which is the financial year to which the depreciation of assets relates.

## **Notes on the instrument**

The instrument provides that the amount set out in line 1 of column 4 of the table for the appropriation item in column 1 for OWS be transferred to DEWR, and that the amount set out in line 2 of column 4 of the table for the appropriation item in column 1 for DEWR be transferred to OWS.

In accordance with the *Legislative Instruments Act 2003*, OWS and DEWR were consulted in preparation of this instrument.