

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 13 September 2005 and numbered 6 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 totalling \$183,000, provided to the Department of the Treasury in Appropriation Act (No. 1) 2005-06, be transferred to the Australian Competition and Consumer Commission.

Background

In the context of a review of administrative arrangements in October 2004, the Prime Minister agreed to a machinery of government change transferring responsibility for the administration of product safety and consumer information from the Department of the Treasury to the Australian Competition and Consumer Commission.

An appropriation adjustment, pursuant to section 32 of the FMA Act, is required to ensure that appropriation provided to the Department of the Treasury for performance of the functions is transferred to the Australian Competition and Consumer Commission. An initial appropriation adjustment was made under an instrument entitled “Direction under Section 32, Financial Management and Accountability Act 1997”, dated 14 January 2005 and numbered 27 of 2004-2005.

The amount to be transferred has been agreed between the Chief Financial Officers of the Department of the Treasury and the Australian Competition and Consumer Commission in line with established process.

Notes on the instrument

The instrument provides that the moneys listed in column 4 of the schedule for the Department of the Treasury item be transferred to the Royal Australian Mint item listed in column 1.