

EXPLANATORY STATEMENT

STATUTORY RULE 1985 NO. 322 ISSUED BY THE AUTHORITY OF THE MINISTER FOR COMMUNICATIONS

Section 116 of the Postal Services Act 1975 (the Act) provides that the Governor-General may make regulations, not inconsistent with the Act, prescribing all matters which by the Act are required or permitted to be prescribed by the regulations, or which are necessary or convenient to be prescribed by the regulations for carrying out or giving effect to the Act.

Section 82 of the Act provides that the Postal Services Commission (the Commission) shall not enter into a contract involving the payment or receipt by the Commission of an amount exceeding \$500,000 or, if a higher amount is prescribed by the regulations, that higher amount, except with the approval of the Minister.

The number of contracts exceeding \$500,000 in value has increased significantly since the commencement of the Act, owing to inflation and the growth of the Commission. The Minister is now required to approve many contracts of a relatively minor nature. The Prime Minister, the Treasurer and the Minister for Finance supported a proposal that the threshold should be increased from \$500,000 to \$2,000,000. This is consistent with the level of contract approval granted to the Australian Telecommunications Commission.

The Postal Services Regulations (Amendment) inserts a new regulation 57 of the Postal Services Regulations which provides that for the purpose of section 82 of the Act, the prescribed amount is \$2,000,000.

S.R. 319/85