

EXPLANATORY STATEMENT

STATUTORY RULE 1987 NO. 333 ISSUED BY THE AUTHORITY OF THE MINISTER FOR TRANSPORT AND 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 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 Australian Postal Commission must obtain the Minister's approval before entering into a contract exceeding the amount of \$500,000, or if a higher amount is prescribed by regulations, that higher amount.

Regulation 57 of the Postal Services Regulations previously provided that, for the purposes of section 82 of the Act, the prescribed higher amount was \$2,000,000.

It was decided to increase the prescribed amount to \$6,000,000 which is in line with the threshold for referral of public works to the Parliamentary Standing Committee on Public Works.

The statutory rule repeals regulation 57 and inserts a new regulation 56A to provide that, for the purposes of section 82 of the Act, the prescribed higher amount is \$6,000,000.

In addition to increasing the prescribed amount for the purposes of section 82, this amendment rectifies an error which led to the insertion of a second regulation 57 in the Postal Services Regulations. The effect of the regulation is to renumber regulation 57 (second occurring) so as to eliminate confusion arising from the previous duplication in the numbering of regulation 57.

S.R. 332/87