

EXPLANATORY STATEMENT

Subject - *Financial Framework Legislation Amendment Act 2010*

Proclamation

The *Financial Framework Legislation Amendment Act 2010* (FFLA Act) was given Royal Assent on 17 December 2010.

Subsection 2(1) of the FFLA Act provided that Schedule 5 to the FFLA Act commence on a day to be fixed by Proclamation or 12 months after Royal Assent. Subsection 2(1) also provided that Schedule 8 commence at the same time as the provisions covered in Schedule 5.

Schedule 5 to the FFLA Act amended the *Commonwealth Authorities and Companies Act 1997* (CAC Act) primarily to allow for regulations to be made to clarify governance arrangements for interjurisdictional Commonwealth authorities. The Schedule also made a number of other amendments to the CAC Act, in particular, expressly allowing a Minister to delegate some of his or her powers and functions to a Departmental Secretary, which allows for a clearer basis for implementing arrangements that occur partly through Ministerial authorisation.

Schedule 8 to the FFLA Act amended the *Financial Management and Accountability Act 1997* (FMA Act) to allow for regulations to specify certain prescribed agencies as interjurisdictional, consistent with the provision made in Schedule 5 for interjurisdictional Commonwealth authorities.

Schedule 8 also transferred from the CAC Act to the FMA Act, the responsibility to inform Parliament when there are changes to the involvement of the Commonwealth in a company. Item 12 of Schedule 5 removed this provision, section 45, from the CAC Act.

Schedule 8 also amended the definition of “proper use” of Commonwealth resources in subsection 44(3) of the FMA Act to explicitly include “economical” use. Schedule 8 further amends several headings in the FMA Act to clarify the links to relevant content and to remove obsolete references.

All Departments of State and FMA Act Agencies have been consulted on the commencement date.

This Proclamation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Proclamation fixed 1 March 2011 as the day on which Schedule 5, and consequently Schedule 8, commence.

Authority: Subsection 2(1) of the *Financial Framework Legislation Act 2010*.