

EXPLANATORY STATEMENT
STATUTORY RULES 1988 NO. 352
ISSUED BY THE AUTHORITY OF THE
MINISTER FOR DEFENCE SCIENCE AND PERSONNEL
ARMY AND AIR FORCE CANTEEN SERVICE
REGULATIONS (AMENDMENT)

The Army and Air Force Canteen Service Regulations ("the Regulations") made under the Defence Act 1903 provide for the establishment and operation of canteens for the Army and Air Force, including the application and investment of moneys.

Subregulation 23A(2) of the Regulations enables the Army and Air Force Canteen Service Board of Management ("the Board") to invest moneys not immediately required by the Board in specified forms of investment.

Regulation 23B of the Regulations provided that the Board could not, except with the approval of the Minister, enter into contracts involving the payment or receipt of amounts exceeding \$250,000.

Until recently it had been assumed that the restriction in regulation 23B did not apply to investment contracts because of the operation of subregulation 23A(2). However, the Attorney-General's Department advised that provisions such as subregulation 23A(2) do not obviate the requirement to obtain ministerial approval for investment contracts where the amount invested exceeds the specified contract limit in provisions such as regulation 23B.

There is a requirement for the Board to invest at short notice amounts up to \$500,000. This Statutory Rule accordingly amends regulation 23B to impose a separate limit of \$500,000 for investment contracts entered into under subregulation 23A(2). The previous limit of \$250,000 is retained for contracts other than investment contracts.

The Statutory Rule also makes drafting amendments to correct outdated references.

The Statutory Rule comes into operation on the date of gazettal.

S.R. 361/88