

EXPLANATORY STATEMENT

Select Legislative Instrument 2005 No. 169

Defence Act 1903

Army and Air Force Canteen Service Amendment Regulations 2005 (No. 1)

Paragraph 124(1)(o) of the *Defence Act 1903* (the Act), provides in part that the Governor-General may make regulations for the establishment, management, operation and control of canteens.

The *Army and Air Force Canteen Service Regulations 1959* (the Principal Regulations), made under the Act, provide for the establishment and operation of the Army and Air Force Canteen Service (the Canteen Service). The purposes of the Canteen Service include the supply of goods, facilities and services to, or for the recreation of, members of the Army or Air Force and persons employed in Army or Air Force installations, their dependents, visitors to the installations and cadets. The Principal Regulations also establish a Board of Management which has the power, with the Treasurer's written approval, to borrow money from sources other than the Commonwealth, if considered necessary for the conduct of the Canteen Service.

The *Financial Framework Legislation Amendment Act 2005* (the FFLA Act), amended the enabling Acts of all statutory authorities subject to the *Commonwealth Authorities and Companies Act 1997* that contained a power to borrow from financial markets. The amendments transfer the approval power from the Treasurer to the Minister for Finance and Administration.

The amendments to subregulation 22(1) of the Principal Regulations align the Principal Regulations with the transfer of the approval power from the Treasurer to the Minister for Finance and Administration. The amendments also permit the Minister for Finance and Administration to delegate his powers or functions to officials, as provided for in the FFLA Act.

Details of the proposed Regulations are outlined in the Attachment.

The Act specifies no conditions that need to be met before the power to make the proposed Regulations may be exercised.

The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Regulations commence on the day after they are registered on the Federal Register of Legislative Instruments.

The Department of Finance and Administration has been consulted in the making of this instrument.

ATTACHMENT

Army and Air Force Canteen Service Amendment Regulations 2005 (No. 1).

Regulation 1 identifies these Regulations as the *Army and Air Force Canteen Service Amendment Regulations 2005 (No. 1)*.

Regulation 2 provides that the Regulations commence on the day after they are registered on the Federal Register of Legislative Instruments.

Regulation 3 provides that the amendments to the *Army and Air Force Canteen Service Regulations 1959* (the Principal Regulations) are contained in Schedule 1.

Schedule 1

Item 1 amends regulation 3 by inserting a definition of "Finance Minister" to mean the Minister administering the *Financial Management and Accountability Act 1997*.

Item 2 amends subregulation 22(1) by omitting "Treasurer" and inserting "Finance Minister".

Item 3 inserts a note to subregulation 22(1) to advise that the Finance Minister's powers under the subregulation may be delegated to an official as prescribed in regulation 29.

Item 4 inserts a new regulation 29, which provides that the Finance Minister may delegate any of his powers or functions by written instrument to an official within the meaning of the *Financial Management and Accountability Act 1997*. Subregulation 29(2) provides however, that the official must comply with the Finance Minister's directions when exercising any delegated powers or functions.