

EXPLANATORY STATEMENT

Select Legislative Instrument 2006 No. 298

Issued by the Authority of the Minister for Finance and Administration

Commonwealth Authorities and Companies Act 1997

Commonwealth Authorities and Companies Amendment Regulations 2006 (No. 2) (the Regulations)

The *Commonwealth Authorities and Companies Act 1997* (the Act) provides reporting, accountability and other rules for Commonwealth authorities and Commonwealth companies.

Subsection 49(1) of the Act provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Section 5 of the Act defines ‘government business enterprise’ as meaning a Commonwealth authority or Commonwealth company that is prescribed in the *Commonwealth Authorities and Companies Regulations 1997* (the Principal Regulations). Regulation 4 of the Principal Regulations provides that the Commonwealth authorities mentioned in the table in subregulation 4(1) and the Commonwealth companies mentioned in the table in subregulation 4(2) are prescribed.

Regulation 4A of the Principal Regulations provides that the Minister for Finance and Administration is prescribed as the Minister responsible for the Commonwealth companies mentioned in the table in subregulation 4A(1).

As a consequence of the sale of Telstra Corporation Limited (Telstra) and the renaming of the Defence Housing Authority, the Regulations will add the Telstra Sale Company Limited (TSCL) to the table in subregulation 4A(1), remove Telstra Corporation Limited (Telstra) from the table in subregulation 4(2) and change the name of the Defence Housing Authority in the table in subregulation 4(1).

Further details of the Regulations are in the Attachment.

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

In accordance with section 17 of the *Legislative Instruments Act 2003* we have consulted with the Department of Communications, Information Technology and the Arts. No further consultation was undertaken in relation to the Regulations as they are of a minor or machinery nature and do not substantially alter existing arrangements.

The Regulations have three different commencement dates. The TSCL amendment commences the day after the Regulations are registered and the amendment to de-prescribe Telstra commences on the ‘designated day’ as defined in section 3 of the

Telstra (Transition to Full Private Ownership) Act 2005. The amendment to change the name of the Defence Housing Authority commences on the day on which Schedule 1 to the *Defence Housing Authority Amendment Act 2006* commences (a day to be fixed by Proclamation or the first day 6 months after that Act receives Royal Assent).

ATTACHMENT

Details of the Commonwealth Authorities and Companies Amendment Regulations 2006 (No. 2)

Regulation 1 – Name of Regulations

This regulation provides that the title of the Regulations is the *Commonwealth Authorities and Companies Amendment Regulations 2006 (No. 2)*.

Regulation 2 – Commencement

This regulation provides for the commencement of the Regulations as follows:

- Regulations 1, 2, and 3 and Schedule 1 to commence the day after they are registered;
- Regulation 4 and Schedule 2 to commence on the designated day under section 3 of the *Telstra (Transition to Full Private Ownership) Act 2005*; and
- Regulation 5 and Schedule 3 to commence on the day on which Schedule 1 to the *Defence Housing Authority Amendment Act 2006* commences.

Regulation 3 – Amendment of Commonwealth Authorities and Companies Regulations 1997

This regulation provides that the *Commonwealth Authorities and Companies Regulations 1997* (the Principal Regulations) are amended as set out in Schedule 1.

Regulation 4 – Amendment of Commonwealth Authorities and Companies Regulations 1997

This regulation provides that the Principal Regulations are amended as set out in Schedule 2.

Regulation 5 – Amendment of Commonwealth Authorities and Companies Regulations 1997

This regulation provides that the Principal Regulations are amended as set out in Schedule 3.

Schedule 1

Item [1] – Schedule 1

This amendment updates the table of Commonwealth companies that the Minister for Finance and Administration is responsible for by adding the Telstra Sale Company Limited (TSCL).

- On 29 September 2006, TSCL was incorporated as a public company limited by shares. The Finance Minister is responsible for TSCL given his responsibility under the Administrative Arrangements Order for asset sales. Therefore, the Principal Regulations will be updated to include TSCL as a Commonwealth company for which the Finance Minister is responsible.

Schedule 2

Item [1] – Schedule 2

This amendment updates the table of Commonwealth companies which are government business enterprises by removing Telstra Corporation Limited (Telstra).

- From the “designated day”, as defined in section 3 of the *Telstra (Transition to Full Private Ownership) Act 2005*, the Commonwealth will no longer hold the majority of the voting shares in Telstra and therefore Telstra should no longer be named in the Principal Regulations.

Schedule 3

Item [1] – Schedule 3

This amendment updates the table of Commonwealth companies which are government business enterprises by changing the name of the Defence Housing Authority.

- Provisions in the *Defence Housing Authority Amendment Act 2006* will replace the name “Defence Housing Authority” with “Defence Housing Australia”. Accordingly, the references to “Defence Housing Authority” in the Principal Regulations will need to be replaced with references to “Defence Housing Australia”.