

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Finance and Deregulation

Commonwealth Authorities and Companies Amendment Act 2008

Proclamation

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

The *Commonwealth Authorities and Companies Amendment Act 2008* (CAC Amendment Act), which amends the CAC Act, received Royal Assent on 26 May 2008. Subsection 2(1) of the CAC Amendment Act provides that all provisions of the CAC Amendment Act, other than items 42, 51 and 52 of Schedule 1, commenced on 1 July 2008. Items 51 and 52 commenced upon the commencement of section 3 of the *Legislative Instruments Act 2003* on 1 January 2005.

Item 42 of Schedule 1 to the CAC Amendment Act commences on a day to be fixed by Proclamation that is published in the *Gazette*. However, if the date of commencement of item 42 is not fixed within 12 months beginning on the date of Royal Assent, item 42 is repealed on the following day.

The purpose of the Proclamation is to fix 1 July 2009 as the day on which item 42 commences.

Item 42 inserts a provision into the CAC Act making it a criminal offence for a person to use a Commonwealth authority credit card or credit voucher to obtain cash, goods or services otherwise than for the authority. The punishment for contravening this provision is imprisonment for seven years, consistent with the equivalent provision in the *Financial Management and Accountability Act 1997*. This provision also allows a Commonwealth credit card or credit voucher to be used otherwise than for the authority in accordance with the *Commonwealth Authorities and Companies Regulations 1997*.

Commonwealth authorities were consulted on the amendments to the CAC Act and were aware that item 42 would commence subsequent to the remainder of the CAC Amendment Act.

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