**EXPLANATORY STATEMENT**

**Issued by the Authority of the Minister for Finance**

*Public Works Committee Act 1969*

*Public Works Committee Amendment (CEA Technologies Pty Limited)
Regulations 2025*

The *Public Works Committee Act 1969* (PWC Act) provides for the establishment of the Parliamentary Standing Committee on Public Works (PWC) to inquire into and report on public works referred to it by the Parliament. In general, a public work, the estimated cost of which exceeds $15 million, must be referred to the PWC, and subsequently approved by the Parliament, before works may commence.

Section 40(1) of the PWC Act provides that the Governor-General may make regulations, not inconsistent with the PWC Act, prescribing all matters that are required or permitted to be prescribed or necessary or convenient to be prescribed for carrying out or giving effect to the PWC Act.

Subsection 6A(1) of the PWC Act provides that the PWC Act applies to every authority of the Commonwealth. An authority of the Commonwealth includes an incorporated company over which the Commonwealth is in a position to exercise control.

Subsection 6A(2)(a) provides that the PWC Act does not apply to an authority of the Commonwealth in respect to which a declaration referred to in subsection 6A(3) is in force. Subsection 6A(3) states that where the Governor-General is satisfied that an authority of the Commonwealth is engaging in trading or other activities, or is providing services, in competition with another body or other bodies, or with persons, the Governor-General may make regulations declaring that the Act does not apply to that authority.

Section 7 of the *Public Works Committee Regulation 2016* (PWC Regulation 2016) declares those authorities to which the PWC Act does not apply.

**Purpose and operation of the Regulations**

The purpose of the *Public Works Committee Amendment (CEA Technologies Pty Limited) Regulations 2025* (the Regulations) is to amend the *Public Works Committee Regulation 2016,* to declare CEA Technologies Pty Ltd (CEA Technologies), together with wholly-owned subsidiaries of CEA Technologies and wholly-owned subsidiaries of wholly-owned subsidiaries of CEA Technologies, to be authorities of the Commonwealth to which the PWC Act does not apply.

On 28 January 2025, the Commonwealth acquired majority ownership of CEA Technologies, which established it as an authority of the Commonwealth and subject to the PWC Act.

CEA Technologies is an independent non-wholly-owned Commonwealth company that operates on a commercial basis at arm’s-length from Government. It does not receive funding directly from Government, including appropriations from the Parliament, other than through commercial revenue generated through the sale of its products and services.

CEA Technologies participates in defence industry and pursues commercial, including export, opportunities. It could be disadvantaged compared to its competitors if it is subject to the administrative requirements of the PWC Act. The Regulations would remove this potential disadvantage.

Details of the Regulations are set out at Attachment A. A Statement of Compatibility with Human Rights is at Attachment B.

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

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

**Consultation**

In accordance with section 17 of the *Legislation Act 2003*, consultation has taken place with the Capability Acquisition and Sustainment Group of the Department of Defence which confirmed it had no comment on the Regulations. Consultation has also taken place with CEA Technologies throughout the Commonwealth’s acquisition process, including on the proposed exemption from the PWC Act through the Regulations. Broader consultation was not undertaken given that the impact of the Regulations is limited to CEA Technologies and the Department of Defence, as a shareholder department of CEA Technologies.

**ATTACHMENT A**

**Details of the *Public Works Committee Amendment (CEA Technologies Pty Limited) Regulations 2025***

Section 1 - Name of Regulations

This section provides that the title of the Regulations is the *Public Works Committee Amendment (CEA Technologies Pty Limited) Regulations 2025*.

Section 2 - Commencement

This section provides for the Regulations to commence on the day after registration.

Subsection 2(2) confirms that column 3 in the commencement table under subsection 2(1) does not form part of the Regulations. This allows the commencement date to be published in column 3.

Section 3 - Authority

This section provides that the Regulations are made under the *Public Works Committee
Act 1969*.

Section 4 - Schedule(s)

Section 4 provides that each instrument that is specified in the Schedule to the Regulations is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to the Regulations has effect according to its terms.

Schedule 1 - Amendments

Item [1] - section 7 (after table item 10)

This item amends the *Public Works Committee Regulation 2016 by* inserting new items 10A, 10B and 10C to the table in section 7 of the *Public Works Committee Regulation 2016* to add CEA Technologies Pty Limited, together with a wholly owned subsidiary of CEA Technologies Pty Limited and a wholly-owned subsidiary of a wholly-owned subsidiary of CEA Technologies Pty Limited, to the list of authorities of the Commonwealth to which the PWC Act is declared not to apply.

**ATTACHMENT B**

**Statement of Compatibility with Human Rights**

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

***Public Works Committee Amendment (CEA Technologies Pty Limited) Regulations 2025***

This Disallowable Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Overview of the legislative instrument**

The *Public Works Committee Amendment (CEA Technologies Pty Limited) Regulations 2025* amends the *Public Works Committee Regulation 2016* to declare CEA Technologies Pty Limited and its subsidiaries to be authorities of the Commonwealth to which the Act does not apply.

**Human rights implications**

This Disallowable Legislative Instrument does not engage any of the applicable rights or freedoms.

The amendments are intended to reduce the compliance overheads for CEA Technologies Pty Limited and its subsidiaries, including administrative burden, compliance costs and delays, not experienced by competitors.

**Conclusion**

This Disallowable Legislative Instrument is compatible with human rights as it does not raise any human rights issues.