

## EXPLANATORY STATEMENT

Subject - *Finance Minister's (CAC Act Procurement) Directions 2012*

The *Finance Minister's (CAC Act Procurement) Directions 2012* (2012 Procurement Directions) replace the *Finance Minister's (CAC Act Procurement) Directions 2009* (2009 Procurement Directions).

The 2009 Procurement Directions referred to the *Commonwealth Procurement Guidelines* (CPGs), which were replaced by the *Commonwealth Procurement Rules* (CPRs) on 1 July 2012.

The 2012 Procurement Directions are intended to apply the CPRs to the relevant *Commonwealth Authorities and Companies Act 1997* (CAC Act) bodies to the same extent that the 2009 Procurement Directions applied the former CPGs to the relevant CAC Act bodies.

The relevant CAC Act bodies are listed in Schedule 1 to the *Commonwealth Authorities and Companies Regulations 1997*. The relevant CAC Act bodies at 1 July 2012 are also outlined in Attachment A to this Explanatory Statement.

The 2012 Procurement Directions require relevant CAC Act bodies to apply all CPRs when undertaking procurement at or above the relevant procurement threshold.

For relevant CAC Act bodies, the procurement threshold, other than for procurement of construction services, is \$400,000. The procurement threshold for procurement of constructions services is \$9 million.

The 2012 Procurement Directions do not require relevant CAC Act bodies to apply the CPRs for procurement below the relevant threshold (however, relevant CAC Act bodies may choose to apply the CPRs for procurement below the relevant threshold).

The 2012 Procurement Directions is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*, although neither section 42 (disallowance) or Part 6 (sunsetting) of that Act apply to the 2012 Procurement Directions (CAC Act subsection 47A (6A) applies).

The 2012 Procurement Directions commence on the day of their registration (on the Federal Register of Legislative Instruments).

Authority: Subsection 47A(2) of the *Commonwealth Authorities and Companies Act 1997*.

## **Attachment A to the Explanatory Statement**

### **Commonwealth authorities subject to section 47A of the CAC Act**

- 1 Australian Institute of Health and Welfare
- 2 Australian Institute of Marine Science
- 3 Australian Maritime Safety Authority
- 4 Australian National Maritime Museum
- 5 Australian Nuclear Science and Technology Organisation
- 6 Australian War Memorial
- 7 Comcare
- 8 Commonwealth Scientific and Industrial Research Organisation
- 9 Director of National Parks
- 10 Export Finance and Insurance Corporation
- 11 Grains Research and Development Corporation
- 12 National Gallery of Australia
- 13 National Museum of Australia
- 14 Reserve Bank of Australia
- 15 Sydney Harbour Federation Trust
- 16 Tourism Australia

### **Wholly-owned Commonwealth company subject to section 47A of the CAC Act**

- 17 Aged Care Standards and Accreditation Agency Ltd