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THE PARLIAMENT OF THE COMMONWEALTH
OF AUSTRALIA

SENATE

CFM SALE BILL 1996

REVISED EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Finance,
the Hon John Fahey, MP)

THIS MEMORANDUM TAKES ACCOUNT OF AMENDMENTS MADE BY THE HOUSE
OF REPRESENTATIVES TO THE BILL AS INTRODUCED



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CFM SALE BILL 1996

GENERAL OUTLINE

The CFM Sale Bill 1996 puts in place the necessary framework to give effect to the Government's decision to sell Commonwealth Funds Management Limited (CFM) and its subsidiaries.

The purpose of the Bill is to provide for:

- a flexible disposal strategy which allows for the establishment, under Ministerial direction, of CFM subsidiaries and the transfer of those subsidiaries to the Commonwealth (to create a transferred body) prior to sale and the transfer of appropriate CFM staff to a CFM subsidiary or to a transferred body;
- the sale of CFM and the transferred bodies. The Bill allows for the sales to take place on different days and to different buyers;
- continuity of employment terms and conditions and accrued entitlements for CFM staff transferring to CFM subsidiaries and transferred bodies. For the purposes of determining accrued long service leave and sick leave entitlements post sale, recognition will be given to periods of employment with CFM, CFM subsidiaries and transferred bodies; and
- the transfer, under Ministerial declaration, of specified assets, liabilities, rights and obligations of CFM bodies to specified transferees on specified days. This will allow for the sale or transfer of matters that do not constitute subsidiaries or transferred bodies to take place on different days to different recipients and for the relevant matters to vest in the specified transferees.

The Bill also makes amendments to various Commonwealth Acts and Regulations resulting from CFM no longer being a Commonwealth entity.

FINANCIAL IMPACT STATEMENT

Sale of CFM will produce an offset to outlays. For commercial reasons, the Government does not release details of the proceeds expected from individual asset sales. The proceeds from the sale of CFM are expected to be received in the 1996-97 financial year.

Apart from sale receipts, the CFM Sale Bill includes provisions which have financial impacts in the following areas:

- Dividends - there will be no further dividends from CFM to the Commonwealth as shareholder after the sale;
- Employee matters - primarily in relation to superannuation where no further employee contributions will be received from CFM. It should be noted that employer superannuation contributions are classified as financing transactions and do not affect the Budget outcome. Contributions made under the Occupational Health and Safety (Commonwealth Employment) Act 1991 and premiums payable to Comcare will also no longer be made; and
- exemption from certain State and territory taxes and fees during the sale process.

NOTES ON CLAUSES

PART 1 - PRELIMINARY

Clause 1 - Short title

1. Clause 1 provides for the Act to be cited as the *CFM Sale Act 1996*.

Clause 2 - Commencement

2. Subclause 2(1) provides, subject to this clause, for the Act to commence on the day it receives Royal Assent.
3. Subclause 2(2) provides for items 3 and 4 of Schedule 1 (amendments to the *Commonwealth Funds Management Limited Act 1990* (the CFM 1990 Act)) to be taken to have commenced immediately after the commencement of Part 2 of the CFM Act 1990.
4. Subclause 2(3) provides that, subject to subclause 2(4), items 1, 2, 5, 6, 7, 8, 9 and 11 of Schedule 1 (amendments to the CFM Act 1990) commence on a day or days to be proclaimed.
5. Subclause 2(4) provides for items of a Schedule that have not commenced under subclause 2(3) within 6 months of the Act receiving Royal Assent to commence on the first day after that period.
6. Subclause 2(5) provides that if this Act commences before the *Legislative Instruments Act 1996* commences, item 1 of Schedule 2 commences immediately after the commencement of that Act.

Clause 3 - Definitions

7. Subclause 3(1) defines terms used in the Bill.
8. Subclause 3(2) provides for the question of whether a body corporate is a subsidiary of another body corporate for the purposes of this Act to be determined in the same way that it would be determined under the Corporations Law.
9. Subclause 3(3) provides for the question of whether a body corporate is related to another body corporate for the purposes of this Act to be determined in the same way that it would be determined under the Corporations Law.

Clause 4 - Schedules

10. Clause 4 provides, subject to the relevant commencement provisions in clause 2, for each Act that is specified in a Schedule to the Bill to be amended or repealed as specified in the applicable items in the relevant Schedule and for any other item in a Schedule to have the effect that is specified.

PART 2 - TRANSFER OF CFM SUBSIDIARIES TO THE COMMONWEALTH

Clause 5 - What this Part is about

11. Clause 5 indicates that Part 2 of the Bill is about providing for CFM subsidiaries to be transferred from CFM to the Commonwealth so that they may be sold under Part 3.

Division 1 - Subsidiaries

Clause 6 - Subsidiaries to be established

12. Provides for the Minister to be able to direct CFM in writing to establish subsidiaries.

Clause 7 - CFM to transfer shares in subsidiaries to the Commonwealth

13. Provides for the Minister to be able to direct CFM in writing to transfer from CFM to the Commonwealth all of the shares in CFM subsidiaries, including subsidiaries that existed before the Act commenced.

Clause 8 - Exemption from stamp duty and other taxes

14. Clause 8 provides for an exemption from stamp duty or other tax under a law of a State or Territory in respect of the transfer of shares in a CFM subsidiary by CFM to the Commonwealth or anything done (including a transaction entered into or an instrument or document made, executed, lodged or given) because of, or for a purpose connected with or arising out of, the transfer.
15. The purpose of clause 8 is to provide a comprehensive exemption from stamp duty and other taxes under a law of a State or Territory in respect of all the transactions and agreements relating to the transfer of a CFM subsidiary to the Commonwealth. It is not intended to cover the subsequent sale by the Commonwealth of its shares in the transferred company.

Division 2 - Staff

Clause 9 - Transfer of staff from CFM

16. Subclause 9(1) provides for the Minister to be able to declare in writing that specified employees of CFM on a specified day cease to be employed by CFM and are taken to have become employed by a specified CFM subsidiary or a specified transferred body. That is, by a company that is a CFM subsidiary or was a specified subsidiary and the voting shares of which were transferred to the Commonwealth in accordance with a direction of the Minister under Part 3. Subclause 9(2) provides that a declaration under subclause 9(1) has effect.

17. Subclause 9(3) provides that the "transfer time" of an employee occurs immediately after the beginning of the day specified in the declaration.

Clause 10 - Terms and conditions of transferred employees

18. Subclause 10(1) provides that an employee who is transferred to a CFM subsidiary or a transferred body by the Minister's declaration will be taken to have been engaged by that subsidiary or body on the same terms and conditions together with accrued entitlements of that employee that applied to the person immediately before the transfer. This is intended to ensure that staff transferring to a CFM subsidiary or transferred body continue to have the same core terms and conditions of employment and retain existing accrued entitlements.

19. Subclause 10(2) provides certainty that employees transferring to a CFM subsidiary or transferred body will be regarded as having continuous service for all purposes as if they had remained an employee of CFM.

20. Subclause 10(3) provides that the transferred employee is not entitled to receive any payment or other benefit merely because that employee stopped being an employee of CFM as a result of being transferred. This does not preclude the making of payments for reasons other than the mere act of ceasing employment with CFM.

Clause 11 - Variation of terms and conditions of employment

21. Subclause 11(1) provides for the terms and conditions of employment of a transferred employee to be varied by the transferred body after transfer but only in accordance with the existing terms and conditions of their employment or under a law or by an award, agreement or other determination. Subclause 11(2) provides that a variation includes omitting, adding to or substituting terms and conditions. These subclauses maintain the existing avenues for varying terms and conditions of employment.

Clause 12 - Statement of accrued benefits

22. Subclause 12(1) ensures that employees of CFM who are transferred to a transferred body will receive statements of their accrued entitlements before transfer. Subclause 12(2) provides that if there is any dispute between an employee and his or her employer in relation to accrued entitlements, the statement will constitute prima facie evidence of the entitlement. Subclause 12(3) ensures that an employee's transfer would not be considered invalid simply because the statement of entitlements had not been provided before transfer.

Division 3 - Application of Commonwealth Funds Management Limited Act 1990

Clause 13 - Application of the *Commonwealth Funds Management Limited Act 1990*

23. Clause 13 provides that the *Commonwealth Funds Management Limited Act 1990* will apply to a transferred body as set out in Division 3 of the Bill.

Clause 14 - Application of section 4

24. Section 4 of the *Commonwealth Funds Management Limited Act 1990* provides that a reference in that Act to a protected body operating in a State or Territory under a particular name includes a reference to the body engaging in conduct that, for the purposes of a law in force in the State or Territory, constitutes using the name, establishing a place of business or carrying on business under the name, in the State or Territory. Protected body in that Act means CFM or a subsidiary of CFM that is a trading corporation or a financial corporation within the meaning of paragraph 51(20) of the Constitution.

25. Clause 14 extends the provisions of section 4 of the *Commonwealth Funds Management Limited Act 1990* to a transferred body or a wholly-owned subsidiary of the transferred body under this Bill.

Clause 15 - Application of section 15

26. Section 15 of the *Commonwealth Funds Management Limited Act 1990* provides that where all the shares in CFM are beneficially owned by the Commonwealth certain provisions of the Corporations Law do not apply in relation to the company and certain other provisions apply as if:

- the Commonwealth were a holding company of CFM and held all the issued shares in CFM; and
- the Minister were a representative of the Commonwealth authorised under that Act.

27. Clause 15 of the Bill extends those provisions of the *Commonwealth Funds Management Limited Act 1990* to a transferred body under this Bill and provides that a reference to the commencement of Part 3 of that Act applies as if it were a reference to the transfer all of the shares in the CFM subsidiary by CFM to the Commonwealth.

Clause 16 - Application of Part 4

28. Part 4 of the *Commonwealth Funds Management Limited Act 1990* provides for protected bodies under that Act to be able to operate under protected company names or under protected business names and proscribes other persons from using the protected names.

29. Clause 16 of this Bill applies the provisions of Part 4 of the *Commonwealth Funds Management Limited Act 1990* to a transferred body under this Bill.

Clause 17 - Application of section 33

30. Section 33 of the *Commonwealth Funds Management Limited Act 1990* provides that for the application of Part IV of the *Public Service Act 1922* (which deals with the mobility rights of staff) to staff of CFM, CFM is taken to be a Commonwealth authority for the purposes of that Part.

31. Clause 17 of this Bill extends the provisions of section 33 to apply to transferred employees of a transferred body under this Bill.

Clause 18 - Application of section 34

32. Section 34 of the *Commonwealth Funds Management Limited Act 1990* provides for the preservation of certain rights of staff of CFM to apply for appointment to vacant offices in the Australian Public Service.

33. Clause 18 of this Bill provides that the preservation of the rights of those staff will continue if they become transferred employees of a transferred body for so long as the person continues to be employed by a transferred body or a CFM subsidiary.

Clause 19 - Application of Part 8

34. Part 8 of the *Commonwealth Funds Management Limited Act 1990* makes various miscellaneous provisions in relation to CFM, including:

- that the company is not to be taken to have been established for a public purpose;
- judicial notice must be taken of the company's seal; and
- payment of reasonable compensation for the acquisition of property.

35. Clause 19 of this Bill provides, with certain exceptions, for the application of those provisions to transferred bodies under this Bill from the time that the voting shares in the relevant CFM subsidiary are transferred from CFM to the Commonwealth. The provisions of Part 8 that will not apply to transferred bodies relate to:

- the provision of reports relating to periods immediately before the body was transferred;
- the provision of a Commonwealth guarantee in relation to borrowings by the transferred body; and
- prohibition of the transfer of shares in the bodies.

Division 4 - Application of other legislation

Clause 20 - Approved authority - Superannuation Act 1976

36. Subclause 20(1) provides that a transferred body will be an approved authority for the purposes of the *Superannuation Act 1976* and subclause 20(2) provides that the transferred body ceases to be an approved authority for the purposes of that Act on the body's sale day.

37. The purpose of clause 20 is to ensure that staff employed by CFM who are members of the Commonwealth Superannuation Scheme (the CSS) will continue to be members of that scheme if their employment is transferred to a transferred body while that body remains in Commonwealth ownership, but will cease being members when that body is sold.

Clause 21 - Approved authority - Superannuation Act 1990

38. Subclause 21(1) provides that a transferred body will be an approved authority for the purposes of the *Superannuation Act 1990* and subclause 21(2) provides that the transferred body ceases to be an approved authority for the purposes of that Act on the body's sale day.

39. The purpose of clause 20 is to ensure that staff employed by CFM who are members of the Public Sector Superannuation (the PSS) Scheme will continue to be members of that scheme if their employment is transferred to a transferred body while that body remains in Commonwealth ownership, but will cease being members when that body is sold.

Clause 22 - Commonwealth authority - Safety, Rehabilitation and Compensation Act 1988

40. Subclause 22(1) provides that a transferred body will be a Commonwealth authority for the purposes of the *Safety, Rehabilitation and Compensation Act 1988* and subclause 22(2) provides that the transferred body ceases to be a Commonwealth authority for the purposes of that Act on the body's sale day.

41. The purpose of clause 22 is to ensure that staff employed by a CFM subsidiary that is transferred to Commonwealth ownership will continue to be covered by the *Safety, Rehabilitation and Compensation Act 1988* while the company remains in Commonwealth ownership, but will cease being covered by that Act when that company is sold.

Clause 23 - Public authority of the Commonwealth - Long Service Leave (Commonwealth Employees) Act 1976

42. Subclause 23(1) provides that a transferred body will be a public authority of the Commonwealth for the purposes of the *Long Service Leave (Commonwealth Employees) Act 1976* and subclause 23(2) provides that the transferred body ceases to be a public authority of the Commonwealth for the purposes of that Act on the body's sale day.

43. The purpose of clause 23 is to ensure that staff employed by a CFM subsidiary that is transferred to Commonwealth ownership will continue to be covered by the *Long Service Leave (Commonwealth Employees) Act 1976* while the company remains in Commonwealth ownership, but will cease being covered by that Act when that company is sold.

PART 3 - SALE OF CFM BODIES

Clause 24 - What this Part is about

44. Clause 24 indicates that Part 3 of the Bill is about providing for the sale of CFM and of CFM subsidiaries that have been transferred from CFM to the Commonwealth. The sales are to be effected by selling the shares in CFM and the transferred bodies on the same or different days.

45. The purpose of Part 3 of the Bill is to enable CFM and any subsidiaries of CFM to be sold separately.

Division 1 - Preliminary

Clause 25 - Sale day for CFM

46. Subclause 25(1) requires the Minister to declare a particular day to be the sale day for CFM by notice in the *Gazette*. The day is the first day after Royal Assent on which, in the opinion of the Minister, a majority of the voting shares in CFM are or were acquired by a person or persons other than the Commonwealth or a nominee of the Commonwealth. Subclause 25(2) provides that the declaration has effect and subclause 25(3) provides that the notice must be published within 21 days after the sale day.

47. Section 47 of the *Commonwealth Funds Management Limited Act 1990* provides that the shareholding in CFM may not be transferred to a person other than the Commonwealth, a body corporate established for a public purpose by a law of the Commonwealth or a Minister. There are similar provisions in CFM's memorandum of association and in the "Overriding Principle" in CFM's articles of association. The memorandum of association and the articles of association also provide that the constraint on the transfer of CFM's shares may not be amended nor the "Overriding Principle" deleted unless an amendment to the *Commonwealth Funds Management Limited Act 1990* expressly authorises the issue of the original capital or any new capital to a person other than those specified.

48. Schedule 1 to the Bill provides in item 10 for section 47 to be repealed and the item will take effect from the day on which the Bill receives Royal Assent. Subclause 25(4) provides that for the purposes of the memorandum and articles of association of CFM Clause 25 is taken to constitute the kind of amendment to the *Commonwealth Funds Management Limited Act 1990* referred to in the memorandum and the definition of the "Overriding Principle". This will enable the memorandum and articles to be amended to remove the constraints on the transfer of CFM's shares.

Clause 26 - Sale day for transferred body

49. Subclause 26(1) requires the Minister to declare a particular day to be the sale day for a transferred body by notice in the *Gazette*. The day is the first day after Royal Assent on which, in the opinion of the Minister, a majority of the voting shares in the transferred body are or were acquired by a person or persons other than the Commonwealth or a nominee of the Commonwealth. Subclause 26(2) provides that the declaration has effect and subclause 26(3) provides that the notice must be published within 21 days after the sale day.

Division 2 - Long service leave

Clause 27 - What this Division is about

50. Clause 27 indicates that Division 2, except for Subdivision 2F, is about the long service leave that may be granted to an employee of a CFM body (that is, an employee of CFM or of a transferred body) who had less than 10 years service when the body was sold and who continued after the sale to be employed by that body or a related body. Subdivision 2F is about employees who had 10 years service or more.

Subdivision 2A - Preliminary

Clause 28 - Definitions

51. Subclause 28(1) provides that expressions used in Division 2 that are also used in the *Long Service Leave (Commonwealth Employees) Act 1976* (Long Service Leave Act) have the same meaning as in that Act. Subclause 28(2) provides in particular that:

- 'combined service period' of an employee of a CFM body is to be the total of the employee's service for the purposes of the Long Service Leave Act immediately before the body's sale day and the period after the sale day during which the employee continues to be an employee of that body or a related body;
- 'post sale long service leave rights' are the long service leave rights an employee acquires on or after the body's sale day; and
- 'law' means a law of the Commonwealth, State or Territory or regulations made under such laws.

Clause 29 - References to Long Service Leave Act

52. This clause provides that for the purposes of the application of Part 3 of the Bill references in Division 2 to the 'Long Service Leave Act' are to be construed to be references to the *Long Service Leave (Commonwealth Employees) Act 1976* as in force immediately before the relevant body's sale date.

Clause 30 - Division not to affect an employee's future long service leave rights

53. Clause 30 provides that the provisions of this Division do not affect an employee's post-sale long service leave rights.

Subdivision 2B - Long service leave for employees who attain at least 10 years service

Clause 31 - What this Subdivision is about

54. Clause 31 indicates that Subdivision 2B is about long service leave that may be granted to an employee of a CFM body who had less than 10 years service when the CFM body was sold and who as an employee of the CFM body or a related body attains at least 10 years service. The Subdivision also deals with employees who reach minimum retiring age or are retrenched.

Clause 32 - Employees who attain 10 years service

55. Subclause 32(1) provides that a CFM body or a related body may grant an employee long service leave on full salary for up to the period of the employee's long service leave credit under subclauses 43(1) if:

- the employee was an employee of the CFM body immediately before the body's sale day and at that time the employee had less than 10 years service for the purposes of the Long Service Leave Act; and
- the employee continued to be employed by the CFM body or a related body until the employee's combined service period was at least 10 years.

56. Subclause 32(2) allows for an employee to request and the CFM body or related body to grant long service leave on half salary for twice the period to which the employee would otherwise be entitled.

Clause 33 - Employees reaching minimum retiring age or being retrenched

57. Subclause 33(1) provides that a CFM body or a related body may grant an employee long service leave on full salary for up to the period of the employee's long service leave credit under subclause 43(1) if:

- the employee was an employee of the CFM body immediately before the body's sale day and at that time the employee had less than 10 years service for the purposes of the Long Service Leave Act; and
- the employee continued to be employed by the CFM body or a related body from and after the body's sale day;

if the employee stops being an employee on or after reaching minimum retirement age or is retrenched, provided the employee has a combined service period of at least one year.

58. Subclause 33(2) provides that long service leave granted under subclause 33(1) must be taken so that the leave period ends immediately before the employee ceases to be an employee.

59. Subclause 33(3) allows for an employee to request and the CFM body or related body to grant long service leave on half salary for twice the period to which the employee would otherwise be entitled.

Clause 34 - Rate of salary

60. Clause 34 provides that, for the purposes of clauses 32 and 33, section 20 of the Long Service Leave Act, modified as provided in paragraph 34(b), is applied to calculate the rate of salary to be used in working out the full salary of an employee.

Subdivision 2C - Payments in lieu of long service leave

Clause 35 - What this Subdivision is about

61. Clause 35 indicates that Subdivision 2C provides for payments to be made in respect of long service leave to an employee of a CFM body or a related body who has not taken all his or her long service leave credit under Subdivision 2B.

Clause 36 - Employees who attain 10 years service

62. Clause 36 provides that a CFM body or a related body must pay an employee an amount equal to full salary in respect of the employee's long service leave credit under subclause 43(2), if:

- the employee was an employee of the CFM body immediately before the body's sale day and at that time the employee had less than 10 years service for the purposes of the Long Service Leave Act; and
- the employee continued to be employed by the CFM body or a related body until the employee's combined service period was at least 10 years.

Clause 37 - Employees reaching minimum retiring age or being retrenched

63. Subclause 37(1) provides that a CFM body or a related body must pay an employee an amount equal to full salary in respect of the employee's long service leave credit under subclause 43(2) if:

- the employee was an employee of the CFM body immediately before the body's sale day and at that time the employee had less than 10 years service for the purposes of the Long Service Leave Act; and
- the employee continued to be employed by the CFM body or a related body from and after the body's sale day;

if the employee stops being an employee on or after reaching minimum retirement age or is retrenched, provided the employee has a combined service period of at least one year.

Clause 38 - Employee stops employment because of ill-health

64. Subclause 38(1) provides that a CFM body or a related body must pay an employee an amount equal to full salary in respect of the employee's long service leave credit under subclause 43(2) if:

- the employee was an employee of the CFM body immediately before the body's sale day and at that time the employee had less than 10 years service for the purposes of the Long Service Leave Act; and
- the employee continued to be employed by the CFM body or a related body from and after the body's sale day; and
- if the employee stops being an employee because of ill-health and the body was satisfied that the ill-health justified the employee's leaving the body,

provided the employee has a combined service period of at least one year.

Clause 39 - Employee may request non-payment or reduced payment

65. Subclause 39(1) provides that an employee may give written notice to a CFM body or a related body before the employee ceases to be an employee of that body, either requesting that the body:

- not make a payment under clauses 36, 37 or 38; or
- that a payment be made under that clause of a lesser amount than would otherwise be payable under that clause.

66. Subclause 39(2) requires a related body to comply with such a request.

Clause 40 - Rate of salary

67. Clause 40 provides that, for the purposes of Subdivision 2C, section 21 of the Long Service Leave Act, modified as provided in paragraph 40(b), is applied to calculate the rate of salary to be used in working out the full salary of an employee.

Subdivision 2D - Payments on the death of an employee

Clause 41 - What this Subdivision is about

68. Clause 41 indicates that Subdivision 2D provides for payments to be made in respect of long service leave to the dependants or the legal personal representative of an employee of a CFM body or a related body who has died.

Clause 42 - Payments on death of an employee

69. Subclause 42(1) provides that a CFM body or a related body must make a payment to a dependant or 2 or more dependants of an employee if:

- the employee was an employee of the CFM body immediately before the body's sale day and at that time the employee had less than 10 years service for the purposes of the Long Service Leave Act; and
- the employee continued to be employed by the CFM body or a related body from and after the body's sale day until the employee's death; and
- the employee's combined service period was at least one year.

70. Subclause 42(1A) provides that payment must be made to the legal personal representative of an employee who has died if the employee had no dependants

71. Subclause 42(2) limits the total amount of the payments to the dependants to the amount that would have been payable to the employee under clause 37 if on the day of the employee's death he or she had stopped being an employee of the body on or after reaching minimum retiring age.

72. Subclause 42(3) provides for the application of section 23 of the Long Service Leave Act, modified as provided in the subclause, where subclause 42(1) applies.

Subdivision 2E - Long service leave credit**Clause 43 - Employee's long service leave credit for the purposes of Subdivisions 2B and 2C**

73. Subclause 43(1) provides for the long service leave credit of an employee to be equal to the long service leave credit that the employee would have under the Long Service Leave Act for the period starting when the employee started his or her period of service for the purposes of that Act and ending on:

- CFM's sale day - where the employee was employed by CFM immediately before its sale day; or
- the transferred body's sale day - where the employee was employed by a transferred body immediately before that body's sale day,

if the employee had been retrenched on the relevant sale day.

74. Subclause 43(2) specifies that, for the purposes of clauses 36, 37 and 38, an employee's long service leave credit is the credit under subclause 43(1) reduced by any amount of leave already taken under clauses 32 or 33.

Subdivision 2F - Saving - Long Service Leave Act

Clause 44 - Saving - Accrued rights under the Long Service Leave Act

75. Subclause 44(1) provides:

- for accrued long service leave credits of an employee of a CFM body to be retained even though the employee ceases to be employed in Government Service for the purposes of the Long Service Leave Act, provided the employee:
 - (a) continues to be employed by the CFM body or a related body; and
 - (b) was an employee of the CFM body immediately before the body's sale day and his or her period of service for the purposes of the Long Service Leave Act was at least 10 years; but
- that such an employee will not be entitled to receive any payment simply because the employee ceases to be in Government Service.

76. Subclause 44(2) provides for the application of the Long Service Leave Act after the CFM body's sale day as if the employing CFM body or related body were an approving authority for the purposes of the Long Service Leave Act.

Division 3 - Superannuation

Clause 45 - What this Division is about

77. Clause 45 indicates that Division 3 provides for certain legislation dealing with superannuation to continue to operate in relation to a CFM body after it is sold.

Clause 46 - Deferred benefits under the *Defence Force Retirement and Death Benefits Act 1973*

78. Subclause 46(1) provides for an employee of a CFM body:

- to whom, immediately before the body's sale day, deferred benefits were applicable under section 78 of the DFRDB Act 1973; and
- who continues to be employed by the CFM body or a related body after the sale day,

to be able to continue to count the period of employment with the CFM body for the purpose of obtaining deferred benefits available under the DFRDB Act 1973.

79. Subclause 46(2) provides that subclause (1) is subject to the provisions of Division 3 of Part IX of the DFRDB Act 1973.

**Clause 47 - Period of eligible employment for the purposes of Division 3 of Part IX of the
*Defence Force Retirement and Death Benefits Act 1973***

80. Subclause 47(1) provides that if a period of employment of a person by a CFM body was, immediately before the body's sale day, a period of eligible employment for the purposes of Division 3 of Part IX of the DFRDB Act 1973, it continues to be a period of eligible employment for the purposes of that Division.

81. Subclause 47(2) provides subclause 42(1) applies even if employment by the CFM body ceases to be eligible employment for the purposes of Division 3 of Part IX of the DFRDB Act 1973 on the body's sale day.

Clause 48 - Continuing application of the *Crimes (Superannuation Benefits) Act 1989*

Continuing application of Act

82. Subclause 48(1) provides for the *Crimes (Superannuation Benefits) Act 1989* (Crimes Act 1989) to continue to apply to an employee of a CFM body who commits a corruption offence before the sale of that body. The Crimes Act 1989 will continue to apply in relation to that person after the CFM body is sold as if the body continued to be a Commonwealth authority after sale. Commonwealth authority in this part has the same meaning as in the Crimes Act 1989.

Limitation on superannuation orders

83. Subclause 48(2) prevents a superannuation order being made under the Crimes Act 1989 in relation to employer superannuation contributions made by a CFM body after the body's sale day.

Superannuation schemes

84. Subclause 48(3) provides that a superannuation scheme to which a CFM body contributes as an employer after the body's sale day is not a superannuation scheme for the purposes of the Crimes Act 1989 in relation to a corruption offence committed after the sale day, and an employer's contributions to that scheme may not therefore be the subject of a superannuation order.

Paragraph 19(3)(d) orders

85. Subclause 48(4) provides that where, after a CFM body is sold, a superannuation order is made which affects an employee's entitlements under a Commonwealth superannuation scheme; and where employer contributions in relation to that person's membership of the scheme have been paid into the Consolidated Revenue Fund but no corresponding benefits have been paid to the person, then the order can only specify that an amount paid into the Consolidated Revenue Fund by the employer before the body's sale day belongs to the Consolidated Revenue Fund.

Paragraph 19 (4) (b) orders

86. Subclause 48(5) provides that where an employee of a CFM body committed a corruption offence before the body's sale day and that person was paid benefits before or after the body's sale day then a superannuation order made under paragraph 19(4)(b) of the Crimes Act 1989 may only specify that an amount equal to the total benefits paid out of Consolidated Revenue Fund be repaid to the Commonwealth. The effect of this clause is to restrict the amount repayable to the Commonwealth under the relevant superannuation order to the amount which has been paid to the employee out of the Consolidated Revenue Fund.

Interpretation

87. Subclause 48(6) provides for expressions used in this clause which also appear in the Crimes Act 1989 to have the same meaning as in that Act.

Division 4 - Safety, Rehabilitation and Compensation Act 1988

Clause 49 - What this Division is about

88. This clause explains that Division 4 is about how the *Safety, Rehabilitation and Compensation Act 1988* continues to operate in relation to a CFM body after the body is sold. The Division is intended to ensure that any matters that were covered by the Act before a CFM body's sale day continue to be covered by that Act and that a CFM body's obligations in relation to those matters are retained.

Clause 50 - Definitions

89. This clause provides for the expressions used in Division 4 to have the same meaning as in the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act 1988).

Clause 51 - Continued application of the SRC Act 1988

90. Clause 51 provides that if a CFM body ceases to be a Commonwealth authority for the purposes of the SRC Act 1988, that Act nevertheless continues to apply in relation to the body to the extent and in the way that is provided for in Division 4.

Clause 52 - Continued application to certain employees

91. Subclause 52(1) provides for the continued application of the SRC Act 1988 on and after the sale day of a CFM body in relation to injuries suffered by, or loss or damage to property incurred by, an employee of the body before the body's sale day, if the employee was an employee of the body immediately before the sale day.

92. To clarify how the SRC Act 1988 would apply to a CFM body on and after the sale day, subclause 52(2) provides that Act continues to apply as if the CFM body continued to be a Commonwealth Authority and the Chief Executive Officer of the body continued to be the Principal Officer.

Clause 53 - Transitional provisions relating to Division 4A of Part VII

93. Division 4A of Part VII of the SRC Act 1988 relates to premiums payable by Commonwealth authorities and Departments to Comcare.

94. Subclause 53(1) provides that on and after the sale day of a CFM body, Division 4A applies to the body as if it continues to be a Commonwealth authority. However, it provides that the body is not required to pay a premium under Division 4A in respect of that part of a financial year that occurs after the body is sold and Division 4A applies as if subsection 96H(1) of the SRC Act 1988 were amended as indicated in paragraph 53(1)(c).

95. Subclause 53(2) makes provision for the payment of unpaid premiums payable by a CFM body under the SRC Act 1988 after the body has been sold. It provides that if an amount of premium payable by the body to Comcare in respect of the period before the sale day of a CFM body remains unpaid 60 days after the sale day, the amount is a debt due to the Commonwealth and payable to Comcare.

Clause 54 - CFM body to co-operate with the Commonwealth

96. Clause 54 provides for a CFM body after its sale day to be a relevant employer for the purposes of section 40 of the SRC Act 1988 and requires the CFM body on and after its to co-operate with the Commonwealth to enable the Commonwealth to fulfil its continuing obligations under the specified provisions of the of the SRC Act 1988.

Clause 55 - Notification of amount of salary paid to employees of a CFM body

97. Clause 55 requires that the Commission for the Safety, Rehabilitation and Compensation of Commonwealth employees be notified within 28 days after the sale day of the amount of pay, salary or wages paid to employees of a CFM body (that was a Commonwealth authority under the SRC Act 1988 immediately before the body's sale day) for that part of the financial year ending on the day before the sale day. The actual wage and salary bill is relevant to the calculation of any refund of the premium to the CFM body or amount payable to Comcare as provided for in clause 53.

Division 5 - Occupational Health and Safety (Commonwealth Employment) Act 1991

Clause 56 - Refund of contribution paid under the *Occupational Health and Safety (Commonwealth Employment) Act 1991*

98. Clause 56 provides that if a CFM body has paid a contribution to the cost of the administration of the *Occupational Health and Safety (Commonwealth Employment) Act 1991* under section 67H of that Act, the CFM body is entitled to be paid a refund if the body's sale day occurs part way through the financial year. The amount of any refund is to be worked out using the formula included in subclause 56(1) and subclause 56(2) provides that the amount must be paid out of the Consolidated Revenue Fund which is appropriated accordingly.

Division 6 - Mobility Rights

Clause 57 - Cessation of mobility rights

99. This clause extinguishes the mobility rights of employees of CFM bodies on the relevant body's sale day under Part IV of the *Public Service Act 1922* and the repealed *Officers' Rights Declarations Act 1928*.

100. Access to mobility arrangements under Part IV of the *Public Service Act 1922* has not been available to new staff of CFM since it was converted to a public company in 1991. However, a small number of CFM staff may have acquired mobility rights before CFM was converted to a public company and their rights had been preserved. The most significant of these rights was the opportunity to have special consideration given to reappointment to the Australian Public Service in the event of redundancy.

101. Clause 57 applies to relevant CFM employees and to relevant transferred employees whose employment is transferred to a CFM subsidiary or a specified transferred body in accordance with a declaration under clause 9 of this Bill on the particular body's sale day.

Division 7 - Prosecutions

Clause 58 - Continuing application of the *Director of Public Prosecutions Act 1983*

102. This clause ensures that the *Director of Public Prosecutions Act 1983* continues to apply to acts or omissions that occurred before the sale day of the relevant CFM body and that civil remedies in relation to those matters can continue to be pursued. This provision is required because the DPP Act will no longer apply to a CFM body as a Commonwealth authority from the particular body's sale day.

Division 8 - Imputation

Clause 59 - Franking account surpluses

103. Subclause 59(1) provides that if, immediately before sale day, CFM had franking surpluses then the franking surpluses will be reduced to nil at the beginning of CFM's sale day. Subclause 59(2) provides that if, on or after CFM's sale day there arises a franking credit or debit of CFM and that franking credit or debit is to any extent attributable to a period or an event that took place before CFM's sale day, that credit or debit is to that extent taken not to have arisen. However, subclause 59(3) provides that if:

- a franking debit arises on or after CFM's sale day is to some extent attributable to a period or event before the sale day; and
- immediately before the sale day, CFM had a franking surplus that was less than the corresponding pre-sale component of the debit,

subclause 59(1) does not apply to reduce the franking surplus to nil and subclause 59(2) does not apply to the debit. Subclause 59(4) provides for the expressions indicated in the subclause to have the same meaning in clause 69 as in Part IIIAA of the *Income Tax assessment Act 1936*.

104. The purpose of clause 59 is to reduce any franking surpluses in CFM's franking accounts to nil at the beginning of CFM's sale day so as to ensure that those surpluses do not pass with CFM to the purchaser of CFM.

Division 9 - Miscellaneous

Clause 60 - CFM body not to be an agency of the Commonwealth etc

105. This clause is intended to ensure that on and after its sale day a CFM body is not to be taken for the purposes of law to be a Commonwealth authority or established for a public purpose or a public authority or an agency of the Crown. This will prevent a CFM

body from being subject to Acts or instruments made under Acts which are expressed to apply to those authorities or for those purposes after the body has been sold unless a law expressly provides that it does apply to the CFM.

Clause 61 - Regulations connected with the sale of a CFM body

106. This clause enables regulations made pursuant to other Acts, which include a declaration that they are connected with the sale of a CFM body, to take effect on the sale day even if it is not practicable to have the regulations made before the sale day.

Clause 62 - Certain provisions of the *Commonwealth Funds Management Limited Act 1990* cease to apply to CFM bodies

107. Subclauses 62(1) and 62(2) provide for the sections and Parts of the *Commonwealth Funds Management Limited Act 1990* (CFM Act 1990) specified in those subclauses to cease to apply to CFM and to a transferred body on the sale day of CFM and on the sale day of a transferred body, respectively. Division 3 of Part 2 of the Bill provides for the provisions of the CFM Act 1990 specified in subclause 62(2) to apply to a transferred body before the body's sale day.

PART 4 - TRANSFER OF ASSETS, LIABILITIES, RIGHTS AND OBLIGATIONS OF CFM BODIES

Clause 63 - What this Part is about

108. This clause explains that Part 4 is about the transfer of assets, liabilities, rights obligations of CFM bodies which are to be effected by way of Ministerial declaration.

Division 1 - Preliminary

Clause 64 - Definitions

109. This clause provides definitions for the Part.

Division 2 - Transfer of assets

Clause 65 - Transfer of assets

110. Subclause 65(1) provides that the Minister may declare in writing that a specified asset of a CFM body, except shares in the CFM body, vests in a specified transferee on a specified day without any conveyance, transfer or assignment. Subclause 65(2) provides that such a declaration has effect according to its terms and subclause 65(3) requires the Minister as soon as practicable, but no later than 21 days after making the declaration, to publish the declaration in the *Gazette*. Subclause 65(4) provides that any consideration that is payable for the transfer of an asset under the clause will be payable to the Commonwealth and not to the CFM body.

Clause 66 - References to CFM body in instruments relating to transferred assets.

111. This clause enables an instrument relating to an asset of a CFM body that is specified in a declaration to have effect after the asset vests in the specified transferee as if a reference in the instrument to the CFM body were a reference to the specified transferee.

Clause 67 - Transferees are successors in law of CFM body.

112. This clause provides that the specified transferee becomes the CFM body's successor in law in relation to the transferred asset immediately after the asset vests in the specified transferee.

Division 3 - Transfer of rights and obligations**Clause 68 - Transfer of rights and obligations**

113. Subclause 68(1) provides that the Minister may declare in writing that the rights and obligations of a CFM body under a specified contract on a specified day:

- stop being rights and obligations of the CFM body; and
- become rights and obligations of the specified transferee.

114. Subclause 68(2) provides that such a declaration has effect according to its terms and subclause 68(3) requires the Minister as soon as practicable, but no later than 21 days after making the declaration, to publish the declaration in the *Gazette*.

Clause 69 - References to CFM body in instruments relating to transferred rights and obligations.

115. This clause enables an instrument relating to a contract of a CFM body that is specified in a declaration to have effect after the rights and obligations of the CFM body become rights and obligations of the specified transferee as if a reference in the instrument to the CFM body were a reference to the specified transferee.

Clause 70 - Transferees are successors in law of CFM body.

116. This clause provides that the specified transferee becomes the CFM body's successor in law in relation to the transferred rights and obligations immediately after they become rights and obligations of the specified transferee.

Division 4 - Transfer of liabilities**Clause 71 - Transfer of liabilities**

117. Subclause 71(1) provides that the Minister may declare in writing that a specified liability of a CFM body (except for a liability under a contract) on a specified day:

- stops being a liability of the CFM body; and
- becomes a liability of the specified transferee.

118. Subclause 71(2) provides that such a declaration has effect according to its terms and subclause 71(3) requires the Minister as soon as practicable, but no later than 21 days after making the declaration, to publish the declaration in the *Gazette*.

Clause 72 - References to CFM body in instruments relating to transferred liabilities.

119. This clause enables an instrument relating to a liability of a CFM body that is specified in a declaration to have effect after the liability becomes a liability of the specified transferee as if a reference in the instrument to the CFM body were a reference to the specified transferee.

Clause 73 - Transferees are successors in law of CFM body.

120. This clause provides that the specified transferee becomes the CFM body's successor in law in relation to the transferred liability immediately after it becomes a liability of the specified transferee.

Division 5 - Tax exemption and income tax treatment

Clause 74 - Exemption from stamp duty and other taxes

121. Subclause 74(1) provides for an exemption from stamp duty or other tax under a law of the Commonwealth, a State or a Territory in respect of an 'exempt matter' or anything done (including a transaction entered into or an instrument or document made, executed, lodged or given) because of, or for a purpose connected with or arising out of, an exempt matter.

122. Subclause 74(2) defines 'exempt matter' to cover the transfer of an asset under clause 65, or the transfer of rights and obligations under clause 68 or the transfer of a liability under clause 71.

123. The purpose of clause 74 is to provide a comprehensive exemption from stamp duty and other taxes under a law of the Commonwealth, a State or a Territory in respect of all the transactions relating to the transfer of assets, rights and obligations and liabilities by the Commonwealth from a CFM body to a specified transferee. It is not intended to cover the sale by the Commonwealth of its shares in a CFM body.

Clause 75 - Application of the *Income Tax Assessment Act 1936* in relation to certain transfers.

124. Clause 75 regulates the operation of the *Income Tax Assessment Act 1936* (the Tax Act) to the transfer of assets, liabilities, rights or obligations from a CFM body to a specified transferee under Part 4 or in some other manner (eg, by agreement between the parties).

125. Subclauses 75(1) and 75(2) ensure that the Tax Act applies to the recipient (a specified transferee) of the item in such a way that the recipient takes the item exactly as it stood in the hands of the CFM body to which it belonged immediately before the transfer. For example an asset that has been received by a recipient is taken with its accumulated depreciation. After that asset has been transferred to the recipient any income produced by the asset is income of the recipient and the recipient can claim in respect of that asset the deductions that are associated with the asset.

126. The provisions also ensure that the disposal of the transferring items does not give rise to the deemed receipt of income or result in a loss pursuant to the provisions of the Tax Act.

127. Subclause 75(4) provides that subclause 75(2) does not affect the nature or effect of the transfer for purposes other than the Tax Act. That is, it does not, for example, affect the validity of the recipient's title to the asset, liability, right or obligation.

Division 6 - Miscellaneous

Clause 76 - Transfers of CFM land may be registered

128. Subclause 76(1) provides for the clause to apply where land vests in a specified transferee and there is lodged with a land registration official a certificate identifying the land and stating that a right, title and interest has become vested in the specified transferee. Subclause 76(2) allows the land registration official to register the land or the interest in the land in the way that transfers are normally registered and subclause 76(3) provides that a certificate referred to in subclause 76(1) is prima facie taken to be such. Subclause 76(4) defines who is a land registration official for the purposes of the clause.

129. The purpose of clause 76 is to enable transfers of rights, titles and interests in land that are transferred by declaration of the Minister under clause 64 to be registered and otherwise dealt with in the way that transfers of those matters would ordinarily be dealt with.

Clause 77 - *Lands Acquisition Act 1989* does not apply to this Part

130. Clause 77 provides that the *Lands Acquisition Act 1989* does not apply to anything done under Part 4 of the Bill. The clause has the effect of excluding the transfer of land from a CFM body to a specified transferee from the operation of that Act.

Clause 78 - Certificates in relation to assets other than land

131. Subclause 78(1) provides for the clause to apply where an asset other than land vests in a specified transferee under clause 65 and there is lodged with an assets official a certificate identifying the asset and stating that the asset has become vested in the specified transferee. Subclause 78(2) allows the assets official to deal with and give effect to the certificate as if it were a proper instrument for transactions in relation to assets of that kind and to make such entries as are necessary in the register relating to assets of that kind. Subclause 78(3) provides that a certificate referred to in subclause 78(1) is prima facie taken to be such. Subclause 78(4) defines who is an assets official for the purposes of the clause.

132. The purpose of clause 78 is to enable transfers of assets other than land that are transferred by declaration of the Minister under clause 64 to be registered and otherwise dealt with in the way that transfers of assets of those kinds would ordinarily be dealt with.

PART 5 - MISCELLANEOUS

Clause 79 - Compensation - constitutional safety net

133. The purpose of subclause 79(1) is to provide that if the operation of the Act were to result in the acquisition of property otherwise than on just terms, the Commonwealth would be liable to pay reasonable compensation.

134. Subclause 79(2) provides that where an amount of compensation cannot be agreed, proceedings may be brought against the Commonwealth for such reasonable amount of compensation as the Federal Court of Australia determines.

135. Subclause 79(3) provides for any damages or compensation recovered, or other remedy given, in any proceeding concerning the same event or transaction that is begun otherwise than under clause 79 to be taken into account in assessing compensation payable in a proceeding begun under that clause. Subclause 79(4) defines 'acquisition of property' and 'just terms' as having the same meanings as in paragraph 51(xxxi) of the Constitution.

136. The intention of these provisions is to ensure that a provision of the Act will not be invalid on constitutional grounds because it contains provisions which might be construed to provide for an acquisition of property other than on just terms.

Clause 80 - Operation of this Act does not place a person in breach of contract etc.

137. Clause 80 is intended to make it clear that the operation of the Bill cannot:

- place a person in breach of contract or confidence;
- make them guilty of a civil wrong;
- place them in breach of a contractual provision prohibiting, restricting, or regulating the disclosure of information or the assignment or transfer of any asset, liability, right or obligation; or
- release any surety from any of the surety's obligations in relation to a liability or obligation that is transferred to the Commonwealth or an airport-lessee company under the Bill.

Clause 81 - Commonwealth records

138. Subclause 81(1) provides that where an asset of a CFM body or the Commonwealth is a Commonwealth record (within the meaning of the *Archives Act 1983*) that record can not be transferred or otherwise dealt with except in accordance with the *Archives Act 1983*.

139. Subclause 81(2) provides that, where a CFM body is sold under Part 3 of the Act, a Commonwealth record must not be transferred to the purchaser unless the Australian Archives has given permission for the transfer under paragraph 24(2)(b) of the *Archives Act 1983*.

Clause 82 - Regulations

140. Clause 82 provides for the Governor-General to make regulations prescribing all matters required or permitted by the Bill and necessary or convenient to be prescribed for carrying out or giving effect to the Bill when enacted.

**SCHEDULE 1 - AMENDMENT OF THE COMMONWEALTH FUNDS
MANAGEMENT LIMITED ACT 1990**

141. It is necessary to retain some of the provisions of the *Commonwealth Funds Management Limited Act 1990* (the CFM Act 1990) so as to preserve the basis of the company's incorporation.

142. However, clause 4 of the Bill provides, subject to clause 2, for some provisions of the CFM Act 1990 to be amended or repealed as set out in the applicable items of Schedule 1. Clause 2 specifies when the amendments in Schedule 2 are to commence or are to be taken to have commenced. The provisions of the Act that are to be repealed or amended are described below:

- Item 1. This item provides for some definitions in subsection 3(1) of the CFM Act 1990 to be repealed on a day or days to be fixed by proclamation or after the end of a period of 6 months from the day that the Bill receives Royal Assent.
- Item 2. Section 4 of the CFM Act 1990 which specifies circumstances which establish whether a body is operating under a particular name in a State or Territory for the purpose of protection of company and business names. This item will repeal section 4 on a day or days to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent.
- Item 3. This item amends subsection 7(1) of the Act to clarify that CFM's share capital is an authorised and issued share capital. This item is to be taken to have commenced immediately after the commencement of Part 2 of the CFM Act 1990.
- Item 4. This item amends subsection 7(2) of the Act to provide that only the amount of CFM's issued capital is equal to the amount ascertained under subsection 8(2) of the the CFM Act 1990. This item is also to be taken to have commenced immediately after the commencement of Part 2 of the CFM Act 1990.
- Item 5. Section 15 of the CFM Act 1990 deemed the Commonwealth to be a holding company for the purposes of the requirements as to the number of shareholders and directors of CFM under the *Companies Act 1981* (now the Corporations Law). Clause 15 of the Bill provides for section 15 of that Act also to apply to CFM subsidiaries that are transferred to the Commonwealth. This item will repeal section 15 on a day or days to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent.
- Item 6. Part 4 of the CFM Act 1990 protected company and business names. Clause 16 of the Bill provides for Part 4 of that Act also to apply to CFM subsidiaries that are transferred to the Commonwealth and to wholly-owned subsidiaries of those transferred bodies. This item will repeal Part 4 and the item will take effect on a day or days to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent.

Part 5 of the CFM Act 1990 provided for the exemption from certain taxes of various matters related to the conversion of the former Superannuation Fund Investment Trust (SFIT) to CFM. This item will also repeal Part 5 from a date to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent.

- Item 7. Sections 33 and 34 of the CFM Act 1990 provided for mobility rights under Part IV of the *Public Service Act 1922* and certain rights of entry into the Australian Public Service, respectively, to continue for staff of SFIT after the transition of SFIT to CFM. Clauses 17 and 18 of the Bill provide for continuation of those rights in respect of those staff if their employment is transferred to a transferred body.

This item will repeal sections 33 and 34 and the item will take effect on a day or days to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent.

- Item 8. Part 7 of the CFM Act 1990 dealt with the transfer of certain assets and liabilities from SFIT to the Board of Trustees of the Commonwealth Superannuation Scheme (the CSS) and for financial adjustments in respect of certain assets and liabilities taken over by CFM. Part 7 is no longer necessary and this item will repeal the Part on a day or days to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent.

- Item 9. The sections dealt with by this item provided: for CFM not to be a Commonwealth authority (section 39); for compensation for acquisition of property (section 41); for the *Lands Acquisition Act 1989* not to apply (section 42); for CFM to have any additional powers and functions conferred by the States and Territories (section 43); for CFM to complete SFIT's reporting obligations (section 44); and for a Commonwealth guarantee for the first \$20 million borrowed by CFM for working capital purposes (section 46). (CFM borrowed and has since repaid the \$20 million).

Clause 19 of the Bill provides for some of the sections (ie, sections 39, 41, 42 and 43) of the Act to apply to CFM subsidiaries that are transferred to the Commonwealth.

This item will repeal the sections and the item will take effect on a day or days to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent.

- Item 10. Section 47 of the CFM Act 1990 provides that the shareholding in CFM may not be transferred to a person other than the Commonwealth, a body corporate established for a public purpose by a law of the Commonwealth or a Minister.

This item repeals the section and the item will take effect from the day on which the Bill receives Royal Assent.

- Item 11. This item repeals the subsection 48(2) which provided a power to prescribe additional protected names for a period of 6 months after the transition of CFM to a company. The item will take effect on a day or days to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent on a day or days to be proclaimed or after the end of a period of 6 months from the day that the Bill receives Royal Assent.

SCHEDULE 2 - AMENDMENTS OF OTHER ACTS***Legislative Instruments Act 1996***

- Item 1 This item omits CFM from Schedule 3 of that Act and will remove CFM from the operation of the Act from the date that this Bill receives Royal Assent if that occurs after the commencement of that Act. If that Act commences after the commencement of this Bill this item will commence immediately after the commencement of that Act.

Military Superannuation and Benefits Act 1991

- Item 2 This item repeals section 41 of that Act which provides that CFM is appointed investment manager of moneys of the MSBS Fund and that appointment may be terminated by the MSBS Board. The section will be repealed from the day that this Bill receives Royal Assent.

Superannuation Act 1976

- Item 3 This item amends subsection 42(3) of that Act by omitting reference to subsection 42(4) of the Act which is repealed by item 4 of this schedule.
- Item 4 This item repeals subsection 42(4) of the Act which provided for CFM to have a legislative monopoly over the investment management of the money of the CSS Fund until 30 June 1995.
- Item 5 This item amends subsection 42(4A) of that Act by omitting reference to CFM.

Items 3, 4 and 5 will take effect from the day that this Bill receives Royal Assent.

Superannuation Act 1990

- Item 6 This item repeals subsection 33 of the Act which provided for CFM to have a legislative monopoly over the investment management of the money of the PSS Fund until 30 June 1995. The item will take effect from the day that this Bill receives Royal Assent.

