

TREASURY CORPORATION (AMENDMENT) BILL 1988

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The Public Authorities (Financial Arrangements) Amendment Bill 1988 is cognate with this Bill.

The object of this Bill is to amend the Treasury Corporation Act 1983 so as—

- (a) to establish a board of directors of the Treasury Corporation; and
- (b) to vary the conditions of service of the Chief Executive of the Corporation; and
- (c) to extend the powers of the Corporation in relation to financial management; and
- (d) to make other provisions of a minor, consequential or ancillary nature.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act is to commence on a day or days to be appointed by proclamation.

Clause 3 is a formal provision that gives effect to the Schedule of amendments to the Principal Act.

Clause 4 contains an amendment to the Statutory and Other Offices Remuneration Act 1975 that is consequent on the amendment to be effected by Schedule 1 (7) (b).

Clause 5 is a saving provision that preserves the Chief Executive's entitlement to remuneration under the Principal Act pending the first determination of remuneration made under the Principal Act, as amended by the proposed Act.

SCHEDULE 1—AMENDMENTS

Schedule 1 (1) inserts definitions of "Board", "Chairperson" and "Deputy Chairperson" into section 3 of the Principal Act.

Treasury Corporation (Amendment) 1988

Schedule 1 (2) amends section 4 of the Principal Act as a consequence of the constitution of the proposed Board. The proposed Board is to determine the policies of the Corporation, but the Corporation is to remain subject to the control and direction of the Treasurer whose directions are to prevail over those of the Board. The Corporation is to have the right to request a review of any direction given by the Treasurer and, if the direction is maintained, to record its opinion as to the likely effect of the direction in the Corporation's annual report.

Schedule 1 (3) repeals section 4A of the Principal Act and replaces it with new sections 4A and 4AA.

Proposed section 4A provides for the constitution of a board of directors for the Treasury Corporation, consisting of—

- (a) the Secretary of the Treasury; and
- (b) another officer of the Treasury; and
- (c) the Chief Executive of the Corporation; and
- (d) up to 2 persons appointed by the Governor, on the recommendation of the Treasurer, to represent the interests of public authorities; and
- (e) up to 2 other persons appointed by the Governor on the recommendation of the Treasurer.

Proposed section 4AA specifies the functions of the proposed Board. These are to be—

- (a) to determine the policies of, and give directions to the Chief Executive in connection with the management of the affairs of, the Treasury Corporation; and
- (b) to determine, with the concurrence of the Treasurer, the remuneration (including travelling and subsistence allowances) that the Chief Executive is entitled to be paid; and
- (c) to perform such other functions as may be conferred or imposed on the Board.

Schedule 1 (4) (a) amends section 5 of the Principal Act so as to empower the Treasury Corporation to accept money for investment from the Government and from public authorities and other public bodies.

Schedule 1 (4) (b) further amends section 5 of the Principal Act so as to empower the Treasury Corporation to participate in, and give advice concerning, the management of the liabilities and assets of the Government and of public authorities and other public bodies.

Schedule 1 (5) substitutes section 8 of the Principal Act. The new section re-enacts the provisions of the old section in relation to the power of a public authority to deposit money with the Treasury Corporation for investment, and enacts further provisions (consequent on the amendment effected by Schedule 1 (4) (b)) empowering the Government, and public authorities and other public bodies, to participate with the Corporation in the management of their liabilities and assets.

Schedule 1 (6) (a) amends section 9A of the Principal Act so as to allow the Treasury Corporation, rather than the Treasurer, to approve requests for financial accommodation that are made by local government councils.

Schedule 1 (6) (b) further amends section 9A of the Principal Act so as to ensure that a local government council may obtain financial accommodation during any period both from the Treasury Corporation and from other sources.

Treasury Corporation (Amendment) 1988

Schedule 1 (7) (a) amends clause 2 of Schedule 1 to the Principal Act so as to provide for interim appointments as acting Chief Executive to be made by the Chairperson of the proposed Board.

Schedule 1 (7) (b) substitutes clause 5 of Schedule 1 to the Principal Act. The new clause provides that the Chief Executive's remuneration shall be determined by the proposed Board rather than, as is presently the case, by the Statutory and Other Offices Remuneration Tribunal.

Schedule 1 (8) amends clause 4 of Schedule 2 to the Principal Act so as to remove the existing entitlement of the Chief Executive to re-appointment to the Public Service after he or she ceases to be the Chief Executive. This amendment will apply to the current Chief Executive.

Schedule 1 (9) inserts new Schedules 3 and 4 into the Principal Act. The new Schedules contain provisions concerning the members and procedure of the proposed Board.

Proposed Schedule 3 contains the following provisions:

- (a) a definitions clause (clause 1);
- (b) a provision prohibiting the appointment of persons who are of or above the age of 70 years as appointed members of the proposed Board (clause 2);
- (c) a provision enabling acting members of the proposed Board to be appointed (clause 3);
- (d) a provision fixing the maximum term of office of an appointed member of the proposed Board at 5 years (clause 4);
- (e) a provision entitling an appointed member of the proposed Board to such remuneration (including travelling and subsistence allowances) as the Treasurer may determine (clause 5);
- (f) a provision specifying the circumstances under which an appointed member of the proposed Board shall be taken to have vacated office (clause 6);
- (g) a provision enabling a vacant office of an appointed member of the proposed Board to be filled (clause 7);
- (h) a provision requiring a member of the proposed Board to disclose his or her pecuniary interests in matters to be considered at any meeting of the Board (clause 8);
- (i) a provision excluding appointed members of the proposed Board from the operation of certain other Acts (clause 9);
- (j) a provision excluding members of the proposed Board, and other persons acting under the direction of the Board, from personal liability for the acts and omissions of the Board, its members and other such persons (clause 10).

Proposed Schedule 4 contains the following provisions:

- (a) a provision concerning the general procedure of the proposed Board (clause 1);
- (b) a provision fixing the quorum for a meeting of the proposed Board at 3 members, including the Chairperson (or Deputy Chairperson) and the Chief Executive (clause 2);
- (c) a provision specifying who shall preside at a meeting of the proposed Board and conferring a casting vote at any such meeting on the presiding member (clause 3);
- (d) a provision stating that a decision supported by a majority of the votes cast at a meeting of the proposed Board at which a quorum is present is a decision of the Board (clause 4);

Treasury Corporation (Amendment) 1988

- (e) a provision enabling the proposed Board to transact business by means of the circulation of papers or by means of telephone or television hook-up meetings (clause 5);
 - (f) a provision requiring the proposed Board to keep minutes of its proceedings (clause 6).
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