



New South Wales

New South Wales Lotteries Corporatisation Amendment Bill 2000

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *New South Wales Lotteries Corporatisation Act 1996* (the Act) so as to alter the corporate governance structure of the New South Wales Lotteries Corporation established by the Act. The proposed structure will clarify the accountability of the board of directors to the voting shareholders of the Corporation (being the Treasurer and another Minister appointed by the Premier as shareholder), and of the chief executive officer to the board of directors. The proposed structure is similar to those of energy services corporations under the *Energy Services Corporations Act 1995*.

The proposed amendments provide as follows:

- (a) the voting shareholders of the Corporation (rather than the Governor on the recommendation of the shareholders) are to appoint the directors of the Corporation,

- (b) the voting shareholders may remove a director at any time for any or no reason,
- (c) the chief executive officer is to be appointed by the board of directors after consultation with the voting shareholders (rather than by the Governor on the recommendation of the Minister administering the Act),
- (d) the board of directors (rather than the Minister administering the Act) may fix the conditions of employment of the chief executive officer after consultation with the voting shareholders,
- (e) the board of directors (rather than the Minister administering the Act) is to fix the remuneration of the chief executive officer,
- (f) the chief executive officer may be removed by the board of directors (rather than by the Governor on the recommendation of the Minister administering the Act) at any time for any or no reason, but only after consultation with the voting shareholders,
- (g) in the absence or illness of the chief executive officer, an acting chief executive officer may be appointed by the board of directors (rather than by the Minister administering the Act).

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Clause 3 is a formal provision giving effect to the amendments to the *New South Wales Lotteries Corporatisation Act 1996* set out in Schedule 1.

Schedule 1 Amendments

Schedule 1 [3] makes the amendments described above, and **Schedule 1 [1]** and **[2]** make consequential amendments.

Schedule 1 [4] inserts transitional provisions that continue the existing appointments of directors, the Chairperson, the chief executive officer and any acting chief executive officer.

First print



New South Wales

New South Wales Lotteries Corporatisation Amendment Bill 2000

Contents

	Page
1 Name of Act	2
2 Commencement	2
3 Amendment of New South Wales Lotteries Corporatisation Act 1996 No 85	2
Schedule 1 Amendments	3



New South Wales

New South Wales Lotteries Corporatisation Amendment Bill 2000

No. , 2000

A Bill for

An Act to amend the *New South Wales Lotteries Corporatisation Act 1996* so as to alter the corporate governance structure of New South Wales Lotteries Corporation; and for other purposes.

The Legislature of New South Wales enacts:	1
1 Name of Act	2
This Act is the <i>New South Wales Lotteries Corporatisation Amendment Act 2000</i> .	3 4
2 Commencement	5
This Act commences on a day or days to be appointed by proclamation.	6 7
3 Amendment of New South Wales Lotteries Corporatisation Act 1996 No 85	8 9
The <i>New South Wales Lotteries Corporatisation Act 1996</i> is amended as set out in Schedule 1.	10 11

Schedule 1	Amendments	1
	(Section 3)	2
[1]	Section 5 Establishment of New South Wales Lotteries Corporation as statutory SOC	3 4
	Omit “the board of directors, the chief executive officer,” from the note to the section.	5 6
[2]	Section 5	7
	Insert at the end of the note to the section:	8
	Schedules 8 and 9 to the <i>State Owned Corporations Act 1989</i> contain provisions dealing with the board of directors and the chief executive officer that are to be read in conjunction with Part 2A of this Act.	9 10 11
[3]	Section 11	12
	Omit the section. Insert instead:	13
	Part 2A Constitution and procedure	14
	11 Application of Part	15
	The provisions of this Part are in addition to and (except to the extent to which this Part provides) do not derogate from the provisions of the <i>State Owned Corporations Act 1989</i> .	16 17 18
	11A Board of directors	19
	(1) New South Wales Lotteries Corporation is to have a board of directors.	20 21
	(2) The board is to consist of:	22
	(a) the chief executive officer, and	23
	(b) one director appointed by the voting shareholders on the recommendation of a selection committee comprising:	24
	(i) 2 persons nominated by the portfolio Minister,	25 26
	and	27

-
- (ii) 2 persons nominated by the Labor Council of New South Wales, 1
2
being a person selected by the committee from a panel of 3 persons nominated by the Labor Council, and 3
4
- (c) at least 2 and not more than 5 other directors, to be appointed by the voting shareholders at their discretion. 5
6
- (3) The procedures for constituting a selection committee for the purposes of subsection (2) (b), for making nominations and for determining other matters relating to the selection process are to be determined by the regulations or (subject to the regulations) by the voting shareholders. 7
8
9
10
11
- (4) One of the directors referred to in subsection (2) (c) is (in and by the director's instrument of appointment or in and by another instrument executed by the voting shareholders) to be appointed as Chairperson of the board. 12
13
14
15
- (5) The board is accountable to the voting shareholders in the manner set out in Part 4 of the *State Owned Corporations Act 1989* and in the constitution of New South Wales Lotteries Corporation. 16
17
18
19
- (6) The voting shareholders may remove a director, or the Chairperson, from office at any time for any or no reason and without notice (but only at a duly convened meeting of the voting shareholders) and, in that event, the office of the director or Chairperson is taken to have become vacant for the purposes of Schedule 8 to the *State Owned Corporations Act 1989*. 20
21
22
23
24
25
- (7) Subject to subsections (8) and (9), Schedule 8 to the *State Owned Corporations Act 1989* has effect with respect to the constitution and procedures of the board. 26
27
28
- (8) The provisions of section 20J of the *State Owned Corporations Act 1989* and of clauses 2 (1) and (2) and 7 (1) (d) and (2) of Schedule 8 to that Act do not apply to New South Wales Lotteries Corporation or to the Chairperson. 29
30
31
32
- (9) The provisions of clause 6 of Schedule 8 to the *State Owned Corporations Act 1989* do not apply to the chief executive officer, and the chief executive officer is not entitled to remuneration under that clause, in his or her capacity as a director. 33
34
35
36
37

11B Chief executive officer	1
(1) The chief executive officer of New South Wales Lotteries Corporation is to be appointed by the board after consultation with the voting shareholders.	2 3 4
(2) The board may remove a person as chief executive officer at any time for any or no reason and without notice, but only after consultation with the voting shareholders.	5 6 7
(3) The chief executive officer is entitled to be paid such remuneration (including travelling and subsistence allowances) as the board may determine.	8 9 10
(4) The board may, after consultation with the voting shareholders, fix the conditions of employment of the chief executive officer in so far as they are not fixed by or under any other Act or law.	11 12 13
(5) The <i>Public Sector Management Act 1988</i> (Part 8 included) does not apply to the chief executive officer.	14 15
(6) Subject to subsection (7), Schedule 9 to the <i>State Owned Corporations Act 1989</i> has effect with respect to the chief executive officer.	16 17 18
(7) The provisions of section 20K of the <i>State Owned Corporations Act 1989</i> , and of clauses 2, 3 and 6 of Schedule 9 to that Act, do not apply to the chief executive officer.	19 20 21
11C Acting chief executive officer	22
(1) The board may, from time to time, appoint a person to act in the office of chief executive officer during the illness or absence of the chief executive officer.	23 24 25
(2) The board may remove a person from office as acting chief executive officer at any time for any or no reason and without notice.	26 27 28
(3) A person, while acting in the office of chief executive officer:	29
(a) has all the functions of the chief executive officer and is taken to be the chief executive officer, and	30 31
(b) is entitled to be paid such remuneration (including travelling and subsistence allowances) as the board may determine.	32 33 34

(4) For the purposes of this section, a vacancy in the office of a chief executive officer is regarded as an absence from office of the chief executive officer.	1 2 3
(5) Clause 5 of Schedule 9 to the <i>State Owned Corporations Act 1989</i> does not apply to an acting chief executive officer of New South Wales Lotteries Corporation.	4 5 6
[4] Schedule 4 Savings, transitional and other provisions	7
Insert after Part 2 of the Schedule:	8
Part 3 Provisions consequent on enactment of New South Wales Lotteries Corporatisation Amendment Act 2000	9 10 11
11 Continuation of appointment of directors	12
(1) A person holding office as a director of New South Wales Lotteries Corporation immediately before the commencement of section 11A:	13 14 15
(a) continues to hold office for the residue of his or her term, and	16 17
(b) is taken to have been appointed under section 11A.	18
(2) The remuneration determined for a director immediately before the commencement of section 11A is taken to be the remuneration determined for a director under that section.	19 20 21
12 Continuation of appointment of Chairperson	22
A director of New South Wales Lotteries Corporation holding office as Chairperson of the Board immediately before the commencement of section 11A:	23 24 25
(a) continues to hold office as Chairperson, and	26
(b) is taken to have been appointed as Chairperson under that section.	27 28

13	Continuation of appointment of chief executive officer	1
(1)	A person appointed as chief executive officer of New South Wales Lotteries Corporation immediately before the commencement of section 11B:	2 3 4
(a)	continues to hold office as chief executive officer for the residue of his or her term of office, and	5 6
(b)	is taken to have been appointed under that section, and	7
(c)	despite section 11B (5), continues as chief executive officer to be a person to whom Division 5 of Part 2A of the <i>Public Sector Management Act 1988</i> applies.	8 9 10
(2)	The conditions of employment (including remuneration) of the chief executive officer immediately before the commencement of section 11B are taken to be the conditions fixed for the chief executive officer under that section.	11 12 13 14
(3)	However, a chief executive officer who was receiving remuneration as a director under clause 6 of Schedule 8 to the <i>State Owned Corporations Act 1989</i> immediately before the commencement of section 11B ceases to be entitled to receive such remuneration on the commencement of that section.	15 16 17 18 19
14	Continuation of appointment of acting chief executive officer	20
(1)	A person appointed as acting chief executive officer of New South Wales Lotteries Corporation immediately before the commencement of section 11C:	21 22 23
(a)	continues to hold office during the absence or illness of the chief executive officer, and	24 25
(b)	is taken to have been appointed under that section.	26
(2)	The remuneration determined for an acting chief executive officer immediately before the commencement of section 11C is taken to be the remuneration determined for the acting chief executive officer under that section.	27 28 29 30