

Explanatory note

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

Overview of Bill

The *Growth Centres (Development Corporations) Act 1974* currently provides that development corporations constituted for the purpose of that Act consist of:

- (a) not less than 4 persons appointed by the Governor, and
- (b) the chief executive of the development corporation, and
- (c) unless the Director-General of the Department of Planning is acting as the chief executive—that Director-General.

These persons act as the governing body of the development corporation (informally known as the board of the development corporation).

The object of this Bill is to amend the *Growth Centres (Development Corporations) Act 1974* to provide that:

- (a) development corporations may be governed by a board or be governed by a chief executive, and
- (b) the Growth Centres Commission is to be converted to a development corporation governed by a chief executive.

The Bill also makes a number of law revision amendments.

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 the date of assent to the proposed Act.

Clause 3 is a formal provision that gives effect to the amendments to the *Growth Centres (Development Corporations) Act 1974* set out in Schedule 1.

Clause 4 provides for the repeal of the proposed Act after all the amendments made by the proposed Act have commenced. Once the amendments have commenced the proposed Act will be spent and section 30 of the *Interpretation Act 1987* provides that the repeal of an amending Act does not affect the amendments made by that Act.

Schedule 1 Amendments

Schedule 1 [1] and [2] insert and amend a number of definitions in section 3 (1) of the *Growth Centres (Development Corporations) Act 1974* (**the Principal Act**).

Schedule 1 [3] makes law revision amendments.

Schedule 1 [4] repeals and replaces Part 2 of the Principal Act to give effect to paragraph (a) of the object of the proposed Act outlined in the Overview above.

Proposed section 4 deals with the constitution of development corporations and growth centres. These corporations and growth centres are constituted by the proposed Act by being specified from time to time in Schedule 1 to the Principal Act. A development corporation is a body corporate with the corporate name specified in column 1 of that Schedule. The growth centre in respect of which a development corporation is constituted is the area of land described in column 2 of that Schedule in relation to the development corporation. Proposed section 4 (4) makes it clear that a development corporation is to be either a chief executive governed development corporation or a board governed development corporation as specified from time to time in column 3 of that Schedule.

Proposed section 5 provides for the constitution of new development corporations, the dissolution, amalgamation, change of name and nature of governance of development corporations and the establishment, abolition and alteration of growth centres. This is achieved by way of an order of the Governor, published in the Gazette, appropriately amending Schedule 1 to the Principal Act.

Proposed section 6 deals with the governance of development corporations. It provides that the affairs of a development corporation are to be managed and controlled by:

- (a) if the development corporation is a chief executive governed development corporation—the chief executive of the development corporation, or

(b) if the development corporation is a board governed development corporation—the chief executive, subject to and in accordance with any directions given to the chief executive by the board of the development corporation.

The proposed section also provides that in the exercise of its functions, a development corporation is, except where it makes a recommendation to the Minister administering the Principal Act (*the Minister*), subject to the control and direction of the Minister. (Currently, the Minister for Planning is responsible for the general administration of the Principal Act. However, the Minister for the Central Coast is responsible for the administration of the Act in so far as it relates to the Festival Development Corporation.)

Proposed section 6A deals with development corporation boards. The proposed section provides that there is constituted a development corporation board for each board governed development corporation. The board is to consist of:

- (a) not less than 4 persons appointed by the Governor, and
- (b) the chief executive of the development corporation, and
- (c) if a person is appointed as the chief executive—the Director-General of the Department of Planning (*the Director-General*) (or a person nominated by that Director-General).

Proposed section 6B deals with chief executives of development corporations. The proposed section provides that the Minister is to appoint a chief executive for each development corporation.

Schedule 1 [9]–[16] make consequential amendments to provisions of the Principal Act. **Schedule 1 [17]** is a consequential amendment inserts an updated provision relating to protection from personal liability (formerly clause 14 of Schedule 2 to the Principal Act) into the main body of the Principal Act. **Schedule 1 [19]–[24]** make consequential amendments and law revision amendments to Schedule 2 (Provisions relating to the constitution and procedure of development corporations) to the Principal Act.

Schedule 1 [18] repeals Schedule 1 to the Principal Act and replaces it with proposed Schedules 1 and 1A.

Proposed Schedule 1 repeats matter relating to the four existing growth centres and inserts information relating to their corresponding existing development corporations (being the Hunter Development Corporation, the Festival Development Corporation, the Cooks Cove Development Corporation and the Growth Centres Commission). The proposed Schedule gives effect to paragraph (b) of the object of the proposed Act outlined in the Overview above by providing that the Growth Centres Commission is to be a chief executive governed development corporation. The remaining bodies are to be board governed development corporations.

Proposed Schedule 1A contains provisions dealing with orders dissolving, amalgamating or changing the name or nature of governance of development corporations. **Schedule 1 [5]–[8]** make consequential amendments.

Schedule 1 [26] makes an amendment to allow regulations of a savings or transitional nature consequent on the enactment of the proposed Act to be made.

Schedule 1 [27] inserts a number of savings and transitional provisions and validation provisions into Schedule 6 to the Principal Act. **Schedule 1 [25]** makes a consequential amendment.