



New South Wales

State Owned Corporations Legislation Amendment (Staff Directors) Bill 2013

Explanatory note

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

Overview of Bill

The object of this Bill is to remove any requirement under the *State Owned Corporations Act 1989* or other legislation relating to State owned corporations (*SOCs*) for a staff director (including a director nominated by Unions NSW).

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.

Schedule 1 Amendment of State Owned Corporations Act 1989

Schedule 1 [1] amends section 20J of the Act which contains the default provisions relating to the board of directors of a statutory SOC (those provisions are displaced by any specific provisions relating to directors in the various Acts that establish particular statutory SOC). The amendment removes the requirement that one of the

directors of a statutory SOC is to be a staff director selected in accordance with the procedure in the foundation charter of the SOC or (in the absence of any such procedure) in accordance with Schedule 8 to the Act. The amendment does not reduce the number of directors that may be appointed to the board of directors.

Schedule 1 [2] amends section 38 of the Act to make a consequential amendment.

Schedule 1 [3] amends Schedule 2 to the Act to remove the requirement that the constitution of a company SOC contain provision for one of the directors to be a staff director.

Schedule 1 [4] amends Schedule 8 to the Act to remove the provision relating to the procedure for the selection of a staff director of a statutory SOC, namely, the selection of a director from among members of staff of the SOC by a selection committee comprising persons nominated by voting shareholders and Unions NSW.

Schedule 1 [5] amends Schedule 11 to the Act to enable regulations of a savings or transitional nature to be made consequent on the enactment of the proposed Act.

Schedule 1 [6] amends Schedule 11 to the Act to remove spent provisions relating to staff directors arising from a 1995 amending Act.

Schedule 1 [7] amends Schedule 11 to the Act to provide that existing staff directors (including directors of SOCs appointed under legislation referred to in Schedule 2 below) continue to hold office until a date determined by the Governor or voting shareholders (unless they sooner cease to hold office).

Schedule 2 Amendment of other State owned corporations legislation

The Schedule amends the various Acts that establish statutory SOCs and that have a requirement for a staff director (including a director nominated by Unions NSW). The amendments remove the requirement without reducing the number of directors that may be appointed to the board of directors. The legislation establishing other statutory SOCs that do not have a requirement for a staff director is not affected (Landcom, Sydney Water Corporation and Forests NSW).

Amendment of Energy Services Corporations Act 1995

Subschedule 2.1 removes the requirement that one of the directors of an energy services statutory SOC is to be a staff director selected from a panel of persons nominated by Unions NSW and recommended for appointment by a selection committee comprising persons nominated by both the portfolio Minister and Unions NSW.

Amendment of Hunter Water Act 1991

Subschedule 2.2 removes the requirement that one of the directors of the Hunter Water Corporation (a statutory SOC) is to be a staff director selected from a panel of persons nominated by Unions NSW and recommended for appointment by a

selection committee comprising persons nominated by both the voting shareholders and Unions NSW.

Amendment of Ports and Maritime Administration Act 1995 and Ports and Maritime Administration Regulation 2012

Subschedule 2.3 removes the requirement that one of the directors of a Port Corporation statutory SOC is to be a staff director elected by employees of the Port Corporation. Subschedule 2.4 repeals provisions of the regulation under that Act relating to the election of staff directors.

Amendment of State Water Corporation Act 2004

Subschedule 2.5 removes the requirement that one of the directors of State Water Corporation (a statutory SOC) is to be a staff director selected from a panel of persons nominated by Unions NSW and recommended for appointment by a selection committee comprising persons nominated by both the voting shareholders and Unions NSW.

Amendment of Superannuation Administration Authority Corporatisation Act 1999

Subschedule 2.6 removes the requirement that one of the directors of the Superannuation Administration Corporation (a statutory SOC called Pillar) is to be a staff director selected from a panel of persons nominated by Unions NSW and recommended for appointment by a selection committee comprising persons nominated by both the portfolio Minister and Unions NSW.