

1998

THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY

TERRITORY OWNED CORPORATIONS (AMENDMENT) BILL
(NO.2) 1998

EXPLANATORY MEMORANDUM

Circulated by the authority of the Shadow Treasurer

Ted Quinlan, MLA

Territory Owned Corporations (Amendment) Bill (No.2) 1998

Summary

This Bill formalises arrangements whereby the Shareholders of Territory Owned Corporations must, in most cases, consult with the Assembly Committee responsible for the scrutiny of Public Accounts, before appointing members to the Board of any Territory Owned Corporation.

Financial Implications

This Bill has no significant financial implications

Commencement

Sections 1,2 & 3 of the Bill commence on notification in the *Gazette*. The remaining provisions commence on the first day after the end of the period of 3 months commencing on the day on which this Act is notified in the *Gazette*.

The delay in the commencement of the remaining sections is to allow each Territory Owned Corporation to change their Articles of Association to reflect the new legislation.

Principal Act

Clause 3 - In this Act, "Principal Act" means the *Territory Owned Corporations Act 1990*.

Directors

Section 4 prohibits the Shareholders from appointing or consenting to appoint a director/s to any Territory Owned Corporation or its subsidiary without first consulting with the Committee responsible for the scrutiny of Public Accounts (currently the Chief Minister's Portfolio Committee Incorporating the Public Accounts Committee).

Section 4 (3) Amendment to Section 12 of the Principal Act

If the number of directors of a Territory Owned Corporation or subsidiary falls below the number required by either the TOC's own Articles or the Corporations Law, the Shareholders are able to appoint the minimum number of directors required to meet obligations under Corporations Law or the TOC Articles without first consulting with the relevant Committee.

Section 5 - Schedule 3

When an appointment is made under section 12(3) of the *Territory Owned Corporations Act 1990*, and the shareholders have not complied with subsection 12(2) the director/s appointed holds office for a period of 90 days or until he/she ceases to hold office for any other reason. .