

2009

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**FINANCIAL MANAGEMENT (BOARD COMPOSITION)
AMENDMENT BILL 2009**

EXPLANATORY STATEMENT

Authorised by:

Mr Brendan Smyth MLA

FINANCIAL MANAGEMENT (BOARD COMPOSITION) AMENDMENT BILL 2009

Overview of Bill

The purpose of this Bill is to put in place certain requirements relating to the appointment of public servants to boards of territory authorities.

Notes on key clauses

Clause 4

This clause provides, in section 4A, that the maximum number of public servants who shall be appointed to a board of an authority shall not exceed 20 per cent of the total number of members who are appointed to that board.

This clause also recognises that there may be situations where special circumstances apply with respect to a particular board. Hence, section 4B provides that, where the Minister believes there are sound reasons for appointing more public servants than would be permitted by the ceiling of 20 per cent established in section 4A, the Minister shall bring a proposal to the Legislative Assembly. The Legislative Assembly shall determine whether the circumstances warrant the ceiling being exceeded.

An instance where special circumstances would be applied is in the instance of Rhodium Asset Solutions. The ACT Government decided that this entity would be wound up. As a consequence, the Government decided to appoint three public servants to comprise the board during the period in which this entity is wound up.

Clause 5

Clause 5 provides that no public servant who is appointed to a territory authority shall be appointed as either the chair or the deputy chair.

Clause 6

Clause 6 will revoke Notifiable Instrument NI2009-310, which the Minister for Tourism, Sport and Recreation promulgated on 29 June 2009.