

SMALL BUSINESS DEVELOPMENT CORPORATION
AMENDMENT BILL 1997

EXPLANATORY MEMORANDUM



GENERAL OUTLINE

This Bill seeks to amend the *Small Business Development Corporation (SBDC) Act 1983* to accommodate specific recommendations of the Report of the Small Business Development Corporation Review 1995. The amendments will increase the number of Board Members from 6 to 8 (including one ex-officio member). The Bill includes additional administrative amendments to conform with advice from Parliamentary Counsel, the Public Sector Management Office and State Treasury.

Section 3

Amendments to Section 3 clarify that the definition of Managing Director means the Chief Executive Officer of the Corporation. Under these amendments the Managing Director is now appointed by the Premier under contract, in accordance with the *Public Sector Management Act 1994*, and no longer by the Governor. The amendments remove definitions which are now redundant by virtue of the *Interpretation Act 1983*, as advised by Parliamentary Counsel.

Section 5

Section 5(1)(b) will amend the Act to expand the Small Business Development Corporation Board from six to eight members, with no fewer than two members representing the interests of regional small business. This conforms with a commitment under the Coalition Business Policy (November 1996).

In addition, Parliamentary Counsel has advised of the need to insert Section 5(1)(a) for the purpose of subsection (1)(b) to define "metropolitan region" in line with the *Metropolitan Region Town Planning Scheme Act 1959*. The Public Sector Management Office has advised that this change is in line with the Machinery of Government Guidelines, and the *Financial Administration and Audit Act, 1985*.

Section 11

To conform with common practice, State Treasury has requested the insertion of a Section 11A, Section 11B and Section 11C to outline the areas of powers of delegation; areas in which the Minister may give directions; and areas where the Minister must have access to information.

Section 12

Amendments reflect advice from Parliamentary Counsel that Section 12 of the Act should be repealed and that the Act make reference to the appointment of a Chief Executive Officer under

the Public Sector Management Act.

Section 18

Parliamentary Counsel suggested Section 18 be repealed and substituted with a more modern formulation on secrecy provisions, including an increase in the penalty from \$2,500 to \$10,000. The amendment allows for the Act to be read in conjunction with Section 58C of the *Financial Administration and Audit Act 1985* in addition to other relevant legislation.