

WATER BOARDS AMENDMENT BILL 2002

EXPLANATORY MEMORANDUM

This bill will permit the payment of remuneration and allowances to members of Water Boards out of the Water Fund.

The existing section 29 of the Act states that “(t)he Board may, if it thinks fit, grant an allowance to the Chairman from the Water Fund to defray his necessary personal expenses.”

However, the Act currently makes no provision for the payment of remuneration or allowances to other members of the Water Boards.

As with directors of other statutory authorities, members of the Water Boards are subject to the *Statutory Corporations (Liability of Directors) Act 1996*, which outlines the duties that persons who control the affairs of a statutory corporation owe to the corporation. Part 3 of this Act, which imposes additional duties and prescribes penalties that apply to directors of certain statutory authorities, also applies to the Water Boards.

The Water Boards are the only agencies subject to Part 3 of the *Statutory Corporations (Liability of Directors) Act 1996* that do not have provisions in their enabling legislation which permit the payment of remuneration or allowances to members.

Remunerating and/or paying allowances to members is likely to assist in attracting quality nominations, recognises the value of their time and effort and provides greater incentives for them to contribute to the board's operations in a meaningful way.

Under the changes proposed in this Bill, payment of remuneration and allowances to members of Water Boards out of the Water Fund will be permitted, subject to the relevant Minister's determination in consultation with the Minister for Public Sector Management.

Clause 1: Short title

This clause contains the short title and citation.

Clause 2: Commencement

This clause provides that the Act commences on the day that it receives the Royal Assent.

Clause 3: **The Act amended**

This clause identifies that the amendments contained in this Act are to the *Water Boards Act 1904*.

Clause 4: **Section 29 replaced**

This clause proposes to repeal the existing section 29 of the Act and replace it with new subclauses (1) and (2).

Subclause (1) provides for each member to be paid from the Water Fund such remuneration and allowances as the Minister, on the recommendation of the Minister for Public Sector Management, determines in the case of that member.

Subclause (2) clarifies that remuneration is not to be paid to a member who holds a full-time office or position that is remunerated out of moneys appropriated by Parliament.

Clause 5: **Section 111 amended**

This clause amends section 111(1) to insert a new paragraph after paragraph (f), to allow payment of remuneration and allowances from the Water Fund.