

FACT SHEET

Water and Sewerage Corporation Amendment (Crown Involvement Facilitation) Bill 2018

- The Water and Sewerage Corporation Amendment (Crown Involvement Facilitation) Bill 2018 amends the *Water and Sewerage Corporation Act 2012* (the Principal Act) to facilitate certain resolutions by the members of the Tasmanian Water & Sewerage Corporation Pty Limited (the corporation). These resolutions implement the measures in the memorandum of understanding signed on 1 May 2018 by the Crown, the corporation and the Chief Owners' Representative of the council shareholders.
- The proposed resolutions are to issue shares in the corporation to the Crown and to make changes to the corporation's constitution and the shareholders' letter of expectation to implement or enable the implementation of the memorandum of understanding.
- Section 11(2) of the Principal Act requires, amongst other matters, that the constitution of the corporation contains a prohibition on members exercising their powers in a manner that is inconsistent with the requirements of the Principal Act. The constitution of the corporation includes a rule to this effect (Rule 2.3(b)).
- Section 10(1) of the Principal Act provides that only councils may own shares in the corporation.
- The Bill includes a new section 43A in the Principal Act that ensures the validity of resolutions by members that contemplate that the Crown will own shares in the corporation, notwithstanding any other provision of the Principal Act, the constitution of the corporation or other law.
- The resolutions are to be made after the commencement of the Act and before the introduction of the Water and Sewerage Legislation (Corporate Governance and Pricing) Amendment Bill 2018.
- The Corporate Governance and Pricing Bill, amongst other matters, allows the Crown to own shares in the corporation.
- The Bill provides that the resolutions are subject to a requirement that ownership and governance changes in the corporation occur after the commencement of the Corporate Governance and Pricing Act. The relevant ownership and governance changes include the issue of shares in the corporation to the Crown, amendments to the corporation's constitution and amendments to the shareholders' letter of expectation to implement or enable the implementation of the memorandum of understanding.