

FACT SHEET

Water and Sewerage Tasmania Bill 2017

- The *Water and Sewerage Tasmania Bill 2017* establishes Water and Sewerage Tasmania (the Corporation) as a Government Business Enterprise responsible for the provision of water and sewerage functions and services in Tasmania. The Bill allows for the transfer of all assets, obligations, liabilities and employees of the Tasmanian Water & Sewerage Corporation trading as TasWater (the council-owned company) to the Corporation. The Bill also provides for a series of payments to councils.
- The objectives of the Corporation are to efficiently and effectively provide water and sewerage functions and services in Tasmania and to ensure the sustainable, efficient and effective investment in water and sewerage infrastructure.
- The Bill prohibits the privatisation of the Corporation. The Bill also prohibits the Corporation from selling, leasing or otherwise disposing of its land, or its water and sewerage infrastructure unless, in the case of its infrastructure, the transaction relates to the maintenance, repair, replacement or upgrading of infrastructure.
- The Bill provides that the Treasurer and the Minister for Primary Industries and Water have the power to jointly give directions to the Corporation. The directions may relate to the exercise or performance by the Corporation of its functions or powers and the achievement of the Corporation's objectives. The Corporation is required to publish any directions on its website, and in its annual report.
- The Bill requires the Corporation to develop a ten year infrastructure investment plan to promote efficient long term investment in water and sewerage infrastructure. The infrastructure investment plan must be approved by both the Treasurer and the Minister for Primary Industries and Water and then must be publicly released.
- The Bill provides that councils will receive seven annual payments of \$20 million from the Consolidated Fund from 1 July 2018 to 30 June 2025. Each council will be paid a share of the \$20 million payment in the proportions listed in Schedule 1 of the Bill.
- The Bill provides that, for every year after this period, the Corporation is to pay the equivalent of one half of its profit in the previous financial year to councils, except potentially in one circumstance. If the Board considers that this payment would prevent the Corporation from meeting its objectives and statutory obligations, its obligations under its corporate plan or any directions, or it would result in its liabilities exceeding its assets or materially prejudice its ability to pay its creditors, the Board may propose an alternative lower amount, defined as an adjusted total payment.
- The Corporation must publish, in its annual report, the value of half of its profit and, if relevant, an adjusted total payment. If the Board publishes an adjusted total payment, the Board must also include a statement of reasons for the adjusted total payment.
- Through a disallowable order made by the Treasurer, Parliament has the opportunity to decide whether the Corporation is to pay to councils one half of its profit or the adjusted total payment. The Bill provides that councils will always receive half the Corporation's profit, unless both Houses of Parliament agree to the councils receiving the alternative amount.

- The Bill contains a number of provisions for the transfer of employees, assets, rights, obligations and liabilities from the council-owned company to the Corporation.
- The Bill provides that all employees are to be transferred to the new government business before the day when all the rights, assets and liabilities are transferred. The terms and conditions of employment, including recognition of entitlements such as long service leave, are retained following the transfer.
- From the transfer day, the new government business is responsible for water and sewerage services and functions in Tasmania and those services and functions are no longer the responsibility of the council-owned company.
- The transfer day will be the day the Treasurer declares, by notice, to be the transfer day.
- From the transfer day, the Bill provides that:
 - all rights, assets and liabilities of the council-owned company are transferred from the council-owned company to the Corporation;
 - a reference in any Act, instrument, contract, arrangement or understanding that refers to the council-owned company is taken to be a reference to the Corporation;
 - any legal or other proceedings that relate to the council-owned company, or which are commenced by or against the council-owned company, are taken to be proceedings commenced or pending against the Corporation; and
 - any judgment or court order affecting the council-owned company or any of its predecessors may be enforced against the Corporation.
- The Bill contains specific transitional arrangements for environment protection notices and permits under the *Environmental Management and Pollution Control Act 1994*, so that an environment protection notice that was in force in relation to the council-owned company remains in effect.
- The Bill provides that the Board, employees and management of the council-owned company must provide the Treasurer with assistance and information in relation to the transfer.
- The Bill requires that the Corporation will be responsible to pay all the reasonable costs incurred by the council-owned company for its remaining tasks after it ceases to provide water and sewerage services, including the costs of its Board, the costs relating to the preparation and audit of its final annual report and any costs associated with its deregistration under the Corporations Act.
- The Bill also repeals the *Water and Sewerage Corporation Act 2012*.