

TASMANIA

**WATER AND SEWERAGE CORPORATION BILL
2012**

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**WATER AND SEWERAGE CORPORATION BILL
2012**

*(Brought in by the Minister for Finance, the Honourable Scott
Bacon)*

A BILL FOR

An Act to provide for the establishment of the Tasmanian Water and Sewerage Corporation, for the transfer to that Corporation of the assets and liabilities of the four corporations established under the *Water and Sewerage Corporations Act 2008*, for the repeal of that Act and for related matters

Be it enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:

PART 1 – PRELIMINARY

1. Short title

This Act may be cited as the *Water and Sewerage Corporation Act 2012*.

2. Commencement

The provisions of this Act commence on a day or days to be proclaimed.

3. Purposes of Act

The purposes of this Act are to –

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- (a) provide for matters relating to the establishment and governance of a Corporation, having as its primary purpose the provision of water and sewerage services in Tasmania; and
- (b) vest the water and sewerage assets, rights and liabilities of the Regional Corporations and the Common Services Corporation in the Corporation; and
- (c) make provision for the transfer of water and sewerage employees of the Regional Corporations and the Common Services Corporation to the Corporation.

4. Interpretation

In this Act, unless the contrary intention appears –

Auditor-General has the same meaning as in the *Financial Management and Audit Act 1990*;

Board means the board of directors of the Corporation;

borrowing means any borrowing, loan, temporary accommodation, advance or other form of raising funds in relation to which the principal is repayable;

chief executive officer means the person appointed under section 15;

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Common Services Corporation means the Tasmanian Water and Sewerage Corporation (Common Services) Pty Ltd (ACN 133 654 912) registered under the Corporations Act;

Commonwealth Tax Act means the *Income Tax Assessment Act 1936* of the Commonwealth and any other enactments of the Commonwealth relating to income tax;

constitution means the constitution of the Corporation or any subsidiary of the Corporation;

Corporation means the corporation incorporated in accordance with section 5;

director means a director of the Corporation;

dispose means, in relation to any property, to sell, transfer, assign, create a security interest over, declare oneself a trustee of, or part with any benefit of, or otherwise dispose of, that property, or any interest in it, or any part of it;

document includes part of a document;

elected government official means a person who is, or has been elected as, a Member of Parliament of Tasmania or a councillor within the meaning of the *Local Government Act 1993*;

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GBE Treasurer’s Instruction means a Treasurer’s Instruction within the meaning of the *Government Business Enterprises Act 1995*;

guarantee means a guarantee, indemnity, letter of credit, letter of comfort or other assurance or assumption of responsibility given at any time for a debt or liability of another person or the solvency or financial condition of that person;

legal or other proceeding includes arbitration proceedings and mediation proceedings;

member, in relation to the Corporation, means a member of the Corporation within the meaning of the Corporations Act;

principal objectives, in relation to the Corporation, means the principal objectives of the Corporation specified in section 6;

Regional Corporation means any of the following companies registered under the Corporations Act:

- (a) Tasmanian Water and Sewerage Corporation (Northern Region) Pty Ltd (ACN 133 655 062);
- (b) Tasmanian Water and Sewerage Corporation (North-Western Region) Pty Ltd (ACN 133 655 008);

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- (c) Tasmanian Water and Sewerage Corporation (Southern Region) Pty Ltd (ACN 133 654 976);

regulations means regulations made and in force under this Act;

shareholders' letter of expectation means a letter issued by the members of the Corporation to the Board under section 12;

subsidiary has the same meaning as in the Corporations Act;

transfer day means a day specified by the Minister under section 28 to be the day on which a transfer order takes effect;

transfer order means an order contained in a notice published in the *Gazette* under section 28(1);

transferred employee means a person who becomes an employee of the Corporation on the transfer day by the operation of section 28(1);

water and sewerage functions means –

- (a) in the case of water, any function associated with –
- (i) the collection or storage of that water, including by way of bulk supply; and

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- (ii) the treatment of that water; and
 - (iii) the conveyance and reticulation of that water; and
 - (iv) the supply of that water; and
- (b) in the case of sewerage, any function associated with –
 - (i) the collection or storage of sewage; and
 - (ii) the conveyance and reticulation of sewage; and
 - (iii) the treatment of sewage; and
- (c) any other functions associated with the functions referred to in paragraph (a) or (b), which may include those associated with stormwater and the re-use of sewage; and
- (d) any other functions as may be prescribed by the regulations.

PART 2 – CORPORATION

Division 1 – Establishment and principal objectives of Corporation

5. Formation of Corporation

The councils are to form, or participate in the formation of, a proprietary company limited by shares that is to be incorporated under the Corporations Act.

6. Principal objectives of Corporation

- (1) The principal objectives of the Corporation are as follows:
 - (a) to efficiently provide water and sewerage functions in Tasmania;
 - (b) to encourage water conservation, the demand management of water and the re-use of water on an economic and commercial basis;
 - (c) to be a successful business and, to this end –
 - (i) to operate its activities in accordance with good commercial practice; and
 - (ii) to deliver sustainable returns to its members.

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- (2) Each of the principal objectives of the Corporation is of equal importance.

7. Status of Corporation

- (1) Unless this or any other Act expressly provides otherwise, the Corporation or any subsidiary of the Corporation –
- (a) is not and does not represent the councils or the Crown; and
 - (b) is not exempt from any rate, tax, duty or other impost imposed by or under any law of the State or the Commonwealth merely because a council or the Corporation has beneficial ownership of shares in it.
- (2) The Crown is not liable for any debt, liability or obligation of the Corporation or any subsidiary of the Corporation.
- (3) A council is not liable for any debt, liability or obligation of the Corporation or any subsidiary of the Corporation unless –
- (a) that council gives a guarantee or indemnity under section 26 in relation to that debt, liability or obligation; or
 - (b) the constitution of the Corporation expressly provides otherwise.

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8. Application of Corporations Act

- (1) The Corporation or any subsidiary of the Corporation and each director, secretary, other officer or employee of the Corporation or any subsidiary of the Corporation is declared to be an excluded matter for the purposes of section 5F of the Corporations Act in relation to –
 - (a) the following provisions of the Corporations Act:
 - (i) Part 2M.4;
 - (ii) Chapter 6;
 - (iii) Chapter 6A;
 - (iv) Chapter 6B;
 - (v) Chapter 6C;
 - (vi) Chapter 6CA;
 - (vii) Chapter 6D;
 - (viii) Chapter 7;
 - (ix) Chapter 8; and
 - (b) any other provisions of the Corporations legislation to the extent specified by the regulations for the purposes of this subsection.
- (2) The appointment and removal of directors of the Corporation (other than the disqualification of a person from managing a Corporation) are

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declared to be excluded matters for the purposes of section 5F of the Corporations Act in relation to Chapter 2D of that Act.

- (3) To the extent that any provision of this Act or the regulations is incapable of concurrent operation with the Corporations legislation, that provision is declared to be a Corporations legislation displacement provision for the purposes of section 5G of the Corporations Act.
- (4) The regulations may declare the Corporation or any subsidiary of the Corporation and any matter relating to the Corporation or subsidiary to be an applied Corporations legislation matter for the purposes of Part 3 of the *Corporations (Ancillary Provisions) Act 2001* in relation to –
 - (a) the whole of the Corporations legislation; or
 - (b) an Act, regulations or other instrument forming part of the Corporations legislation; or
 - (c) a provision or provisions of the Corporations legislation or of an Act, regulations or other instrument forming part of the Corporations legislation.
- (5) A provision of the Corporations legislation that is the subject of any declaration in the regulations has effect, subject to the following modifications:
 - (a) the provision applies as if the Corporation or any subsidiary of the

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Corporation were a proprietary company and a company limited by shares;

- (b) the provision applies as if shares in the Corporation or any subsidiary of the Corporation held by the members were shares held in the Corporation or subsidiary as a proprietary company and a company limited by shares;
 - (c) such other modifications as may be prescribed by the regulations.
- (6) Without limiting subsections (4) and (5), any regulations referred to in subsection (4) –
- (a) may specify modifications to the definitions and other interpretative provisions of the Corporations legislation relevant to any provision of the Commonwealth legislation that is the subject of the declaration; and
 - (b) may provide for the Australian Securities and Investments Commission (ASIC) to exercise a function under any provision of the Corporations legislation that is the subject of the declaration, but only if –
 - (i) ASIC is to exercise that function pursuant to an agreement of the kind referred to in section 11(8) or (9A)(b) of the *Australian Securities and Investments Commission Act 2001* of the Commonwealth; and

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- (ii) ASIC is authorised to exercise that function under section 11 of that Act; and
 - (c) may specify that a reference to ASIC in any provision of the Corporations legislation that is the subject of the declaration is to be read as a reference to another person; and
 - (d) may identify the provisions of the Corporations legislation to which the declaration relates by reference to that legislation as in force at a particular time; and
 - (e) may specify a court of this State (other than the Supreme Court) to exercise any function conferred on a court or the Supreme Court by any provision of the Corporations legislation to which the declaration relates.
- (7) Subsection (6) does not apply to any provision of the Corporations legislation that applies to the Corporation or any subsidiary of the Corporation as a law of the Commonwealth.
- (8) Words and expressions used in this section and also in Part 3 of the *Corporations (Ancillary Provisions) Act 2001* have the same meanings as they have in that Part.

Division 2 – Share capital and ownership of Corporation

9. Share capital

The Corporation is to have share capital and one or more classes of shares as provided in its constitution.

10. Ownership and restrictions on sale and issue of securities

- (1) Only councils may hold one or more shares or other securities in the Corporation.
- (2) Each member of the Corporation is to at all times hold an equal number of shares, and an equal number of other securities in the Corporation, as each other member of the Corporation.
- (3) A member of the Corporation must not dispose of the shares or other securities in the Corporation held by that member.
- (4) The Corporation must not, and must ensure that any subsidiary of the Corporation does not –
 - (a) offer shares or other securities in the Corporation or any subsidiary of the Corporation for subscription, or invite any person to subscribe for any such shares or other securities; or
 - (b) grant options over unissued shares or other securities in the Corporation or any subsidiary of the Corporation; or

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- (c) allot or issue shares or other securities in the Corporation or any subsidiary of the Corporation –

other than to existing members pro rata to their existing shareholdings.

- (5) In this section –

- (a) a reference to securities includes a reference to securities of a kind specified in section 92(3) of the Corporations Act; and
- (b) a reference to shares includes a reference to shares of a kind specified in section 254A(1) of the Corporations Act.

Division 3 – Corporate governance of Corporation

11. Constitution of Corporation

- (1) The Corporation is to have a constitution.
- (2) The members of the Corporation are to ensure that the constitution of the Corporation at all times contains –
 - (a) provisions setting out the rights attaching to each class of shares; and
 - (b) provisions to the effect of the provisions set out in Schedule 1; and
 - (c) such other provisions as are prescribed by the regulations.

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- (3) The constitution of the Corporation –
- (a) is not to be adopted, modified or repealed unless and until a resolution approving the adoption, modification or repeal has been passed by members in accordance with the requirements of the Corporations Act; and
 - (b) is not to be inconsistent with this Act or the regulations.
- (4) The Corporation is to make available to the public the constitution of the Corporation following its adoption or modification as soon as practicable following its approval under subsection (3)(a).
- (5) Each of the provisions that are to be included in the constitution of the Corporation under this section is also to be included in the constitution of any subsidiary of the Corporation.

12. Shareholders' letter of expectation

- (1) As soon as practicable after the day on which the Corporation is incorporated, the members of the Corporation are to provide the shareholders' letter of expectation to the Board.
- (2) The shareholders' letter of expectation is to specify –
 - (a) the strategic priorities of the Corporation; and

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- (b) the high-level expectations of members for the performance of the business of the Corporation and any subsidiary of the Corporation.
- (3) The shareholders' letter of expectation of the Corporation is not to be inconsistent with this Act, the regulations or the constitution of the Corporation.
- (4) The members of the Corporation may at their own discretion, or on the application of the Board, initiate the process contained within the constitution of the Corporation to –
 - (a) amend the shareholders' letter of expectation; or
 - (b) revoke the shareholders' letter of expectation and substitute another shareholders' letter of expectation.
- (5) Before or while preparing a shareholders' letter of expectation or an amendment to a shareholders' letter of expectation, the members of the Corporation are to consult with the Board.

13. Corporate plan

- (1) For each financial year, the Corporation must have a corporate plan for the Corporation and any subsidiary of the Corporation.
- (2) The corporate plan is to –
 - (a) cover the period specified in the shareholders' letter of expectation; and

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- (b) be in a form and contain the information specified in the shareholders' letter of expectation; and
 - (c) use the matters specified in section 12(2) in its development; and
 - (d) be adopted or amended in accordance with the procedure set out in the shareholders' letter of expectation.
- (3) The Corporation is to comply with the corporate plan.

14. Board of Corporation

- (1) The Board is to ensure that its directors have the experience and skills necessary to enable the Corporation to achieve its principal objectives.
- (2) The appointment of the Board and removal of directors is to be in accordance with the constitution.
- (3) None of the following persons may be appointed as a director of the Corporation or any subsidiary of the Corporation:
 - (a) any person who has served as an elected government official at any time within the 3 years preceding the intended date of appointment;
 - (b) any person who holds office as an elected government official or who is currently an employee of any council.

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15. Chief executive officer

The chief executive officer of the Corporation is to be appointed by, and may be removed by, the Board.

Division 4 – Operations of Corporation

16. Operation and management

- (1) All decisions relating to the operation of the Corporation are to be made by or under the authority of the Board.
- (2) The Board may, by written notice, delegate to any person any of its functions or powers, other than this power of delegation.
- (3) The chief executive officer of the Corporation is, subject to subsection (1), responsible for the day-to-day management of the operation of the Corporation in accordance with the general policies and specific directions of the Board.

17. Staff

- (1) The Corporation may employ such staff as it requires to exercise its functions.
- (2) The Corporation may fix the salary, wages and conditions of its staff in so far as they are not fixed by or under any Act or law.

18. Borrowings

- (1) Except where approved by the Minister, the Corporation or any subsidiary of the Corporation must not borrow from any person other than the Tasmanian Public Finance Corporation.
- (2) The terms and conditions of any borrowing undertaken under subsection (1) are to be in accordance with any guidelines issued by the Treasurer.
- (3) Subject to subsection (4), the Treasurer may issue guidelines relating to borrowing undertaken under subsection (1).
- (4) The Treasurer is to consult with councils and the Corporation before issuing any guidelines under subsection (3).

19. Acquisition and disposal of assets, investments and liabilities

- (1) Neither the Corporation nor any subsidiary of the Corporation may, without the prior written and unanimous approval of the members of the Corporation, acquire or dispose of any assets or investments, including shares in a company, other than in the ordinary course of the business of the Corporation or the subsidiary, as the case may be.
- (2) Neither the Corporation nor any subsidiary of the Corporation may acquire or dispose of any assets or liabilities in contravention of any requirements of the regulations.

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20. Sale or disposal of main undertakings

- (1) The Corporation must not dispose of the main undertakings of the Corporation, or permit the disposal of the main undertakings of any subsidiary of the Corporation.
- (2) The main undertakings of the Corporation are as specified in the most recent corporate plan of the Corporation.

Division 5 – Distributions and payments to councils

21. Distribution of dividends

- (1) The Board or the board of directors of any subsidiary of the Corporation must determine a dividend policy for the Corporation or subsidiary.
- (2) The dividend policy of the Corporation or of any subsidiary of the Corporation is to –
 - (a) establish the aggregate amount, and the basis of determining the aggregate amount, of dividends payable to members in respect of any period; and
 - (b) be determined having due regard to the provisions of the shareholders' letter of expectation; and
 - (c) be consistent with good commercial practice; and
 - (d) require adequate provision to be made for expected future capital requirements

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and operational expenditure before the payment of any dividend to members.

- (3) In setting out the rights attaching to each class of shares for the purposes of section 11(2)(a), the constitution of the Corporation is to provide for the allocation of the aggregate amount of dividends amongst members.

22. Payment of guarantee fees

- (1) The Corporation or any subsidiary of the Corporation is liable to pay guarantee fees determined pursuant to subsection (2).
- (2) If the Corporation or any subsidiary of the Corporation borrows money in accordance with section 18 –
- (a) Division 1 of Part 11 of the *Government Business Enterprises Act 1995* (other than section 78(1)) and, unless the Corporation or subsidiary has received a notice from the Treasurer to the contrary, each GBE Treasurer’s Instruction given in relation to any matter the subject of that Division applies by virtue of this Act in relation to the Corporation or subsidiary as if –
- (i) the Corporation or subsidiary were a Government Business Enterprise specified in Schedule 3 to the *Government Business Enterprises Act 1995*; and

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- (ii) each reference to financial accommodation in that Division of the *Government Business Enterprises Act 1995* were a reference to money borrowed from the Tasmanian Public Finance Corporation in accordance with section 18; and
 - (iii) each reference to the Consolidated Fund in the *Government Business Enterprises Act 1995* were a reference to a council; and
- (b) the Corporation or subsidiary is to pay the aggregate guarantee fee, determined by the Treasurer pursuant to the application of paragraph (a), to councils in the amount and in the manner outlined in the constitution.

23. Payment of tax equivalents

- (1) The Corporation or any subsidiary of the Corporation is liable to pay an aggregate income tax equivalent in respect of each financial year, determined pursuant to the application of this section, to councils in the amount and in the manner outlined in the constitution.
- (2) Despite subsection (1), the Corporation or any subsidiary of the Corporation is not liable to pay an income tax equivalent to the extent to which it is liable to pay income tax under the Commonwealth Tax Act.

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- (3) Division 3 of Part 10 of the *Government Business Enterprises Act 1995* and, unless the Corporation or any subsidiary of the Corporation has received a notice from the Treasurer to the contrary, each GBE Treasurer's Instruction given in relation to any matter the subject of that Division applies by virtue of this Act to the liabilities and payments that arise under subsection (1) as if –
- (a) the Corporation or subsidiary were a prescribed Government Business Enterprise as defined in section 67 of the *Government Business Enterprises Act 1995*; and
 - (b) a reference to section 68 of the *Government Business Enterprises Act 1995* were a reference to subsection (1); and
 - (c) each reference to the Consolidated Fund were a reference to a council.

Division 6 – Other provisions

24. Accounts, records, financial statements and audits

- (1) The Corporation must maintain financial records that accurately reflect and record the transactions and financial position and performance of the business of the Corporation and any subsidiary of the Corporation.
- (2) Within 45 days after the end of a financial year, the Board is to –

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- (a) prepare the financial statements of the Corporation relating to that financial year; and
 - (b) if the Corporation has subsidiaries, prepare consolidated financial statements in respect of the Corporation and all its subsidiaries relating to that financial year; and
 - (c) in accordance with the *Audit Act 2008*, provide the Auditor-General with the Corporation's financial statements and the consolidated financial statements.
- (3) Subject to subsection (1), the members of the Corporation may direct the Board to include in the financial statements any financial information that the members consider appropriate.
- (4) The provisions of Chapter 2M of the Corporations Act apply to the Corporation as if it were a large proprietary company (within the meaning given to that term by that Act) for the purposes of that Chapter.
- (5) The Auditor-General is to be the auditor of the Corporation for the purposes of the Corporations Act.
- (6) The Auditor-General must provide the Board and a representative or representatives nominated by the members of the Corporation with a copy of his or her opinion in respect of the financial statements of the Corporation provided under section 19 of the *Audit Act 2008*.

25. Provision of information

- (1) The Board is to provide to the members of the Corporation a copy of the annual report of the Corporation, by no later than 3 months after the end of the financial year to which the annual report relates.
- (2) The Board is to make the annual report of the Corporation available to the public no later than 5 months after the end of the financial year to which the annual report relates, or immediately after the annual general meeting held to adopt the annual report, whichever occurs first.

26. Guarantee or indemnity

- (1) On the written request of the Corporation or any subsidiary of the Corporation, any council, in writing, may guarantee, give an indemnity in relation to, or guarantee and give an indemnity in relation to –
 - (a) the repayment of any money lent or agreed to be lent to the Corporation or subsidiary; or
 - (b) the performance of an obligation undertaken by the Corporation or subsidiary or which the Corporation or subsidiary has agreed to undertake (whether that obligation is monetary or otherwise).
- (2) A guarantee or an indemnity –

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- (a) may include a guarantee of, or an indemnity relating to, any interest and other charges payable in respect of money lent or agreed to be lent or in respect of or arising from an obligation undertaken or agreed to be undertaken; and
 - (b) is subject to any conditions determined by the relevant council and specified in the guarantee or indemnity.
- (3) This section has effect regardless of whether the loan or obligation was undertaken, agreed to be undertaken or required to be repaid or performed, in Tasmania or elsewhere.

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**PART 3 – TRANSFER OF WATER AND SEWERAGE
ASSETS, RIGHTS, LIABILITIES AND EMPLOYEES**

27. Interpretation and application

In this Part –

asset means, in relation to a transferor, property of any kind, whether tangible or intangible, real or personal, present or future, whether arising from, accruing under, created or evidenced by or the subject of, an instrument or otherwise and whether liquidated or unliquidated, actual, contingent or prospective, to the extent that it relates, directly or indirectly, to the water and sewerage functions of that transferor and includes, without limitation, any –

- (a) legal or equitable estate or interest in real or personal property; and
- (b) chose in action; and
- (c) money, documents or securities; and
- (d) infrastructure; and
- (e) plant and equipment; and
- (f) National Tax Equivalent Regime carry forward losses; and

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directly or indirectly, to the water and
sewerage functions of that transferor;

State tax means any of the following if
imposed by any Act or law of Tasmania:

- (a) a fee, including an application fee
and registration fee;
- (b) a tax, including a duty;
- (c) a charge;

transferee means a council, the Corporation or
any subsidiary of the Corporation to
which any employees, assets, rights or
liabilities are transferred under
section 28;

transferor means a council, the Corporation,
or a Regional Corporation or Common
Services Corporation, or any subsidiary
of any of them, or the Crown, from
which any employees, assets, rights or
liabilities are transferred under
section 28, or any person prescribed by
the regulations.

28. Notice of transfer

- (1) The Minister may, by notice published in the
Gazette, order the transfer to a specified
transferee of such of a specified transferor's –
 - (a) assets, rights and liabilities; and

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-
- (a) the transfer pursuant to this section of any contract, property, right or obligation; or
 - (b) anything the Minister certifies as having been done as a consequence of that transfer.

29. Confirmation of transfer

(1) If any dispute arises –

- (a) as to whether an asset, right, liability or employee is transferred under a transfer order; or
- (b) as to whether any, or any part of any, contract or document relates to an asset, right, liability or employee transferred under a transfer order –

the Minister may determine the matter and is to provide the concerned parties with written notice of that determination.

(2) The determination of the Minister under subsection (1) is final and binding on the transferor and transferee concerned.

30. Vesting of assets, rights and liabilities in transferee

(1) When any assets, rights or liabilities are transferred under section 28, the following provisions have effect:

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rights or liabilities that are the subject of the transfer order, may be enforced by or against the transferee;

- (f) any document relating to legal or other proceedings, relating to the assets, rights or liabilities that are the subject of the transfer order, that has been served on or by a transferor or a predecessor of the transferor before the transfer is taken, when appropriate, to have been served on or by the transferee;
- (g) any act, matter or thing done or omitted to be done, in relation to the assets, rights or liabilities that are the subject of the transfer order, before the transfer by, to or in respect of the transferor or a predecessor of the transferor is (to the extent to which that act, matter or thing has any force or effect) taken to have been done or omitted to be done by, to or in respect of the transferee;
- (h) a reference in any Act, in any instrument made under any Act, in any contract, agreement, arrangement or undertaking, or in any document of any kind, to –
 - (i) the transferor; or
 - (ii) any predecessor of the transferor –

to the extent to which the reference relates to the assets, rights or liabilities that are the subject of

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transferring the whole of the interests of the transferor in that land.

- (2) If the interest transferred is not a separate interest, the order operates to create the interest transferred in such terms as are specified in the order.
- (3) This clause does not limit any other provision of this Act.

32. Transfer of interests in part of land

- (1) In this section –

non-transferred part of the land, in relation to an area of land, means a part of the land that is a part to which an interest transferred in accordance with subsection (2) does not relate;

Recorder means the Recorder of Titles appointed pursuant to section 4(1) of the *Land Titles Act 1980*;

transferred part of the land, in relation to an area of land, means a part of the land that is a part to which an interest transferred in accordance with subsection (2) relates.

- (2) A transfer order may transfer an interest, or all of the interests, of the transferor in respect of part of an area of land vested in the transferor.

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- (3) A transfer order that transfers an interest in part of an area of land in accordance with subsection (2) must –
- (a) contain a plan that –
 - (i) identifies the interest and the transferred part of the land to which the interest relates; and
 - (ii) describes the size and boundary of the transferred part of the land; and
 - (iii) describes the boundary of the non-transferred part of the land; or
 - (b) otherwise describe the interest.
- (4) Without limiting the interests that may be transferred by a transfer order, a transfer order that transfers an interest in part of an area of land in accordance with subsection (2) may, in the terms specified in the order, do either or both of the following:
- (a) create or amend an interest, in favour of the transferee, that burdens the non-transferred part of the land;
 - (b) create or amend an interest, in favour of the transferor, that burdens the transferred part of the land.

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- (5) A transferee to whom an interest in respect of a part of an area of land is transferred by a transfer order in accordance with subsection (2) must lodge a caveat under section 133 of the *Land Titles Act 1980* in relation to the interest.
- (6) A transferee to whom an interest in respect of a part of an area of land is transferred by a transfer order in accordance with subsection (2) must lodge with the Recorder, together with an application under section 138A of the *Land Titles Act 1980* in relation to the interest –
- (a) a copy of the transfer order; and
 - (b) a plan, prepared by a registered surveyor in accordance with the requirements of the Recorder, that identifies the transferred part of the land and the non-transferred part of the land; and
 - (c) any other documents that the Recorder may require.
- (7) The Recorder must register the transfer of an interest referred to in an application under section 138A of the *Land Titles Act 1980* made in accordance with subsection (6), if the Recorder is satisfied that –
- (a) the plan lodged in accordance with subsection (6)(b) conforms with the transfer order lodged with the Recorder under subsection (6)(a); and

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- (10) The transfer of an interest in a part of an area of land in accordance with subsection (2) is not to be taken to be a subdivision of the land for the purposes of the *Land Use Planning and Approvals Act 1993* and no permit is required under that Act to be granted in relation to the transfer of such an interest.
- (11) Part 3 of the *Local Government (Building and Miscellaneous Provisions) Act 1993* does not apply in relation to the transfer of an interest in accordance with subsection (2).

33. No compensation payable

No compensation is payable to any person or body in connection with a transfer except to the extent (if any) to which the transfer order giving rise to the transfer so provides.

34. Consideration for vesting

- (1) The Minister may, by notice published in the *Gazette*, specify the consideration on which a transfer is made and the value or values at which the assets, rights or liabilities are transferred.
- (2) A notice under subsection (1) is not a statutory rule for the purposes of the *Rules Publication Act 1953*.

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36. General preservation of conditions of employment

- (1) A transferred employee –
 - (a) is to be paid by way of remuneration (excluding any bonus payments) by the transferee an amount per annum no less than the amount he or she received from the transferor per annum (excluding any bonus payments) immediately before becoming a transferred employee; and
 - (b) is, subject to any determination made under section 35(3), to be employed by the transferee from the transfer day in accordance with any awards, agreements and determinations which would have applied to him or her had he or she not been transferred but instead remained as an employee of the transferor; and
 - (c) retains any rights to annual leave, long-service leave, sick leave, and other forms of leave, accrued or accruing during his or her employment with the transferor, and may claim any such entitlements as against the transferee.
- (2) Nothing in this section prevents any of the terms of employment of a transferred employee being altered by an award, industrial agreement or law after he or she becomes a transferred employee.

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other benefits in respect of all transferred employees.

- (6) Except where approved by the members of the Corporation, the Corporation or any subsidiary of the Corporation must not establish a superannuation scheme.

38. No dual benefits or payment-out on transfer

- (1) Transferred employees are not entitled to receive any payment or other benefit merely because they cease to be employees of the transferor.
- (2) Transferred employees are not entitled to claim, either under this Act or under any other Act, dual benefits of the same kind for the same period of service.

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PART 4 – MISCELLANEOUS

39. Delegation

The Minister may, by written notice, delegate to any person any of his or her functions or powers under this Act, other than this power of delegation.

40. Regulations

- (1) The Minister is to consult with councils and the Corporation on the content of any regulations proposed to be made under this section.
- (2) The Governor may make regulations for the purposes of this Act.
- (3) Without limiting subsection (2), the regulations may provide that any act or thing, or kind of act or thing, of or relating to the Corporation or any subsidiary of the Corporation is authorised for the purposes of Part IV of the *Competition and Consumer Act 2010* of the Commonwealth.
- (4) The regulations may be made so as to apply differently according to such factors as are specified in the regulations.
- (5) The regulations may authorise any matter to be from time to time determined, applied, approved or regulated by any person or body specified in the regulations.
- (6) The regulations may contain provisions of a savings or transitional nature consequent on the

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enactment of the relevant provision or provisions of this Act.

- (7) Regulations made under subsection (6) may take effect on the day on which the relevant provision or provisions of this Act commences or commence or a later day.

41. Administration of Act

Until provision is made in relation to this Act by order under section 4 of the *Administrative Arrangements Act 1990* –

- (a) the administration of this Act is assigned to the Minister for Finance; and
- (b) the department responsible to that Minister in relation to the administration of this Act is the Department of Treasury and Finance.

42. Staged repeal of *Water and Sewerage Corporations Act 2008*

- (1) A provision of the *Water and Sewerage Corporations Act 2008* is repealed to the extent, and from the day, fixed by proclamation in respect of that provision.
- (2) The *Water and Sewerage Corporations Act 2008* is repealed on a day fixed by proclamation, being a day after the last day fixed under subsection (1).

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43. Transitional provisions

- (1) If an environment protection notice, within the meaning of the *Environmental Management and Pollution Control Act 1994*, is the subject of a transfer order, the notice is taken to –
 - (a) be an environment protection notice served under the *Environmental Management and Pollution Control Act 1994* on the transferee referred to in the transfer order; and
 - (b) continue on the same terms and conditions as specified in the notice immediately before the day specified in the transfer order as the day on which the order takes effect, as if a reference, in the notice, to the transferor referred to in that order were a reference to the transferee referred to in that order.

- (2) If a permit is taken to have been granted under clause 3 of Schedule 6 to the *Environmental Management and Pollution Control Act 1994* in respect of scheduled premises which –
 - (a) are under the control of the transferor referred to in a transfer order; and
 - (b) are the subject of such an order –the permit is taken to –
 - (c) be a permit granted under the *Land Use Planning and Approvals Act 1993* in respect of scheduled premises which, by

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virtue of the transfer order, come under the control of the transferee; and

- (d) continue on the same terms and conditions as specified in the permit.

44. Consequential amendments

The legislation specified in Schedule 2 is amended as specified in that Schedule.

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**SCHEDULE 1 – PROVISIONS FOR INCLUSION IN
CONSTITUTION OF CORPORATION**

Section 11(2)

Provisions to the effect of the following provisions are to be included in the constitution of the Corporation. Words and expressions used in these provisions have the same meaning as in this Act or, if applicable, the Corporations Act.

1. Entrenchment

- (1) Any special resolution of the company that purports to modify or repeal the constitution or a provision of the constitution in breach of the requirements of subclause (2) does not have any effect.
- (2) The constitution or a provision of the constitution may not be modified or repealed –
 - (a) in a way that would result in the constitution being inconsistent with the provisions of the *Water and Sewerage Corporation Act 2012* or any regulations made under it; or
 - (b) unless the provisions of section 11 of the *Water and Sewerage Corporation Act 2012* have been complied with.

2. Act to prevail

- (1) The provisions of the *Water and Sewerage Corporation Act 2012* prevail over any inconsistent provisions of the constitution of the company.
- (2) The company, its directors and members are expressly prohibited from exercising any of their powers in contravention of, or in a manner inconsistent with, any requirement of the *Water and Sewerage Corporation Act 2012*.

3. Subsidiaries

- (1) The company may not –
 - (a) form, or participate in the formation of, any company, trust, managed investment scheme, other body corporate, partnership or joint venture; or
 - (b) acquire –
 - (i) any shares or other securities in a company; or
 - (ii) any interest, including any units, in any trust; or
 - (iii) any interest in any managed investment scheme; or
 - (iv) any interest in any other body corporate; or

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- (v) any interest in any partnership or joint venture –

without the prior approval of the members of the first-mentioned company.

- (2) The company is, to the maximum extent practicable, to ensure that every subsidiary complies with its constitution (if any) and with the requirements of the *Water and Sewerage Corporation Act 2012*.

4. Replaceable rules not to apply

The replaceable rules applicable to a proprietary company contained in the Corporations Act from time to time do not apply to the company.

SCHEDULE 2 – CONSEQUENTIAL AMENDMENTS

Section 44

Audit Act 2008

1. Section 4(1) is amended by omitting paragraph (g) from the definition of *State entity* and substituting:

- (g) the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012*;

Drains Act 1954

1. Section 22(1) is amended as follows:

- (a) by inserting “the” after “drainage trust or”;

- (b) by omitting “*Water and Sewerage Corporations Act 2008*” and substituting “*Water and Sewerage Corporation Act 2012*”;

- (c) by omitting “relevant”.

Land Use Planning and Approvals Act 1993

1. Section 3(1) is amended by omitting the definition of *Regional Corporation*.

2. Section 60P(1) is amended by omitting paragraph (f) and substituting the following paragraph:

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- (f) the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012*;

- 3. Section 60R(2) is amended by omitting paragraph (c) and substituting the following paragraph:
 - (c) the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012*; and

- 4. Section 60V(2) is amended by omitting paragraph (d) and substituting the following paragraph:
 - (d) the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012*;

- 5. Section 60X(6)(a) is amended by omitting subparagraph (ii) and substituting the following subparagraph:
 - (ii) the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012*; and

Tasmanian Planning Commission Act 1997

1. Section 5(1) is amended by omitting paragraph (h) and substituting the following paragraph:
 - (h) a person, nominated by the Minister, who is either the chairperson of the Corporation, within the meaning of the *Water and Sewerage Corporation Act 2012*, or a person who is recommended by that chairperson.

2. Clause 8(2) of Schedule 2 is amended by omitting paragraph (h) and substituting the following paragraph:
 - (h) referred to in section 5(1)(h) is to be a person nominated by the Minister on the recommendation of the chairperson of the Corporation, within the meaning of the *Water and Sewerage Corporation Act 2012*.

Tasmanian Public Finance Corporation Act 1985

1. Section 3(1) is amended by omitting paragraph (d) from the definition of *participating authority* and substituting:
 - (d) the Corporation, or a subsidiary of the Corporation, within the meaning of the *Water and Sewerage Corporation Act 2012*; or

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Water Management (Watercourse Authority Exemption)
Order 2009

1. Clause 4 is amended by omitting paragraphs (a) and (b) and substituting the following paragraphs:
 - (a) the following bodies corporate under the Corporations Act:
 - (i) Cressy Longford Irrigation Scheme Ltd. (ACN 097 994 100);
 - (ii) Shannon Clyde Water Company Ltd. (ACN 132 740 437);
 - (b) the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012*;

Water Management Act 1999

1. Section 3(1) is amended by omitting paragraph (h) from the definition of *water entity* and substituting:
 - (h) the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012* –
2. Section 166(1) is amended by omitting paragraph (f) and substituting the following paragraph:

- (f) the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012*.

Water Management Regulations 2009

1. Regulation 11 is amended as follows:

- (a) by omitting from subregulation (1) “a Regional” and substituting “the”;
- (b) by inserting in subregulation (1) “by a Regional Corporation that was transferred to that Regional Corporation” after “it”;
- (c) by omitting from subregulation (2)(a) “Regional”;
- (d) by omitting the definition of *bulk water authority* from subregulation (4) and substituting the following definitions:

bulk water authority means Hobart Water (ABN 95 327 914 139), Esk Water (ABN 41 913 557 456) and Cradle Coast Water (ABN 44 792 170 681);

Corporation has the same meaning as in the *Water and Sewerage Corporation Act 2012*;

- (e) by omitting the definitions of *prescribed maximum* and *Regional Corporation*

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from subregulation (4) and substituting the following definitions:

prescribed maximum means –

- (a) for the financial year ending on 30 June 2012, \$2 375 000; and
- (b) for the financial year ending on 30 June 2013, \$2 375 000 indexed in accordance with the average CPI figure for Hobart for the 4 quarters ending on 31 December 2012; and
- (c) for a subsequent financial year, the prescribed maximum for the financial year ending on 30 June immediately preceding that subsequent financial year, indexed in accordance with the average CPI figure for Hobart for the 4 quarters ending on 31 December in that subsequent financial year;

Regional Corporation has the same meaning as in the *Water and Sewerage Corporation Act 2012*.

***Water and Sewerage Industry (Community Service
Obligation) Act 2009***

1. Section 3(1) is amended by omitting “a Regional Corporation within the meaning of the *Water and Sewerage Corporations Act 2008*” from the definition of *relevant regulated entity* and substituting “the Corporation within the meaning of the *Water and Sewerage Corporation Act 2012*”.

Water and Sewerage Industry Act 2008

1. Section 3 is amended as follows:
 - (a) by omitting the definition of *Common Services Corporation*;
 - (b) by omitting “*Water and Sewerage Corporations Act 2008*” from the definition of *Corporation* and substituting “*Water and Sewerage Corporation Act 2012*”;
 - (c) by omitting the definition of *disqualified corporation*;
 - (d) by omitting the definition of *Regional Corporation*.
2. Section 56ZP is amended by omitting “a Corporation” twice occurring and substituting “the Corporation”.

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3. After section 67, the following section is inserted in Division 5:

67A. Preservation of price determinations and price and service plans

- (1) The price determination made by the Regulator under section 66 of the *Water and Sewerage Industry Act 2008* that applied to a regulated entity immediately before the transfer day applies, on and after that day, to the Corporation in respect of the regulated services specified in the determination as if it had been made under section 66 of the *Water and Sewerage Industry Act 2008* in relation to the Corporation.
- (2) A price and service plan approved by the Regulator under section 65(5) of the *Water and Sewerage Industry Act 2008* in relation to a regulated entity and in force immediately before the transfer day applies, on and after that day, to the Corporation as if it had been approved under section 65(5) of the *Water and Sewerage Industry Act 2008* in relation to the Corporation.
- (3) In this section –

transfer day has the same meaning as in the *Water and Sewerage Corporation Act 2012*.

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4. Section 90(1) is amended by omitting “a Regional Corporation or the Common Services Corporation” and substituting “the Corporation”.

5. Section 105 is amended as follows:
 - (a) by omitting from subsection (1) “a corporation” and substituting “the Corporation”;
 - (b) by omitting from subsection (1) “corporation” second occurring and substituting “Corporation”;
 - (c) by omitting from subsection (1) “corporation” third occurring and substituting “Corporation”;
 - (d) by omitting from subsection (1)(a) “corporation” and substituting “Corporation”;
 - (e) by omitting from subsection (1)(b) “corporation” and substituting “Corporation”;
 - (f) by omitting from subsection (1)(c) “corporation’s” and substituting “Corporation’s”;
 - (g) by omitting from subsection (2) “corporation” and substituting “Corporation”;
 - (h) by omitting from subsection (3) “a corporation’s” and substituting “the Corporation’s”;

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- (i) by omitting from subsection (3) “corporation” and substituting “Corporation”;
- (j) by omitting from subsection (4) “a corporation” and substituting “the Corporation”;
- (k) by omitting from subsection (4) “corporation” second occurring and substituting “Corporation”.