



MEDIA RELEASE

FOR IMMEDIATE RELEASE

5 June 2012

Milestone Reached by Local Government

A special meeting of the Local Government Association of Tasmania today resolved to support the formation of a single water and sewerage corporation in Tasmania, subject to agreement by the State Government and to a number of requirements associated with governance and transitional arrangements.

The in-principle decision included corporations law providing the basis of the Corporation's formation and that it should be guided by ASX Corporate Governance Principles. It was proposed to remove fundamental requirements for State Government oversight and involvement with the operations and authority of the Corporation, including the requirement for oversight by the GBE Scrutiny Committee.

President of the Local Government Association of Tasmania, Mayor Barry Easter said owner councils resolved that there be two formal meetings per annum of ALL owner councils, and four regional shareholder meetings per annum to allow for quarterly briefings for each region. "Today's meeting determined that an arrangement of one vote per council should apply unless a poll is requested, at which point voting would be based on the set asset contributions made by each council. The meeting agreed that the circumstances under which a poll is to be requested needed further clarification and sign off by councils."

"The councils decided that the present arrangements for owner representatives be terminated and be replaced by a system of representation involving one delegate per council. The new Board for the single Corporation should have seven independent directors and be skills-based. Selection of the Board would be undertaken by a selection committee comprising eight Local Government members (two north-west, two north and four south), with the Chairman of the Board joining the selection committee once appointed. The selection committee would be responsible for the direct appointment of Board members," Mayor Easter said.

"It was agreed that future distribution entitlements would be in accordance with a proposal formulated by the current Chair of the Board which would see all councils in an improved financial position over their present arrangements. Present priority distribution arrangements should continue to the legislated end date."

"Owner councils also sought from the State Government a commitment to meet costs associated with the preparation of legislation, incorporation of the new entities and wind up costs of the current organisations. Councils will also be seeking that the State Government waive such charges as stamp duty in the same way that occurred in the first round of reform, which involved moving from 29 councils to 3 corporations," he said.

“The meeting reaffirmed its previous position to seek legislative protection against the privatisation of the single entity through a requirement for a referendum of the Tasmanian people involving a 75% affirmative vote.”

“Council support for these measures was also dependent on the opportunity to review and approve all instruments of governance (including the draft legislation, draft constitution, draft shareholders' letter of expectation, and draft shareholders' agreement) to ensure the requirements of the councils are met.”

“I applaud the maturity of the debate and the leadership of councils in dealing with these important decisions that will have an impact on generations of Tasmanians to come. I look forward to working with the Government in bringing these proposals to reality and allowing the Corporation to function efficiently and effectively in the future,” Mayor Easter said.

Ends....

**For media enquiries, please contact
LGAT President, Mayor Barry Easter on 0408 334 936.**