

Act 1994 No. 88

## WATER BOARD (CORPORATISATION) BILL 1994\*

NEW SOUTH WALES



### EXPLANATORY NOTE

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

The object of this Bill is to establish Sydney Water Corporation Limited (“the Corporation”) as a State owned corporation, within the context of the State Owned Corporations Act 1989, in relation to the supply of water, the provision of sewerage and stormwater drainage systems and the disposal of waste water in its area of operations.

The Bill provides for the transfer of assets, rights and liabilities of the Water Board to the Corporation and for the dissolution of the Water Board.

Detailed provision is made regarding the functions of the Corporation. A key feature is the scheme of operating licences, which will be issued to the Corporation to enable it to exercise its functions and which will regulate the exercise of its functions.

The Bill contains other provisions that are described below.

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### PART 1—PRELIMINARY

**Clause 1** specifies the short title of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

**Clause 3** contains definitions of terms used in the proposed Act, and also provides that words and expressions used in the proposed Act have the same meanings as they have in the State Owned Corporations Act 1989.

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\* Amended in committee—see table at end of volume.

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**PART 2—ESTABLISHMENT OF STATE OWNED CORPORATION**

**Clause 4** provides for the insertion of the name of Sydney Water corporation Limited in Schedule 1 to the State Owned Corporations Act 1989. This action is contemplated by the State Owned Corporations Act, and has the effect of making the Corporation a SOC.

**Clause 5** prohibits the sale or disposal of shares in the Corporation to persons other than eligible Ministers.

**Clause 6** provides that the Premier may not nominate as a voting shareholder of the Corporation the Minister who has oversight of the provisions of the proposed Act dealing with any operating licence granted to the Corporation. If a Minister who is a voting shareholder becomes responsible for the administration of the relevant provisions, the Premier is required, as soon as practicable, to revoke the Minister's nomination as a voting shareholder of the Corporation.

**PART 3—TRANSFER OF ASSETS, RIGHTS AND LIABILITIES**

**Clause 7** empowers the Minister to direct the transfer of the business undertaking of the Water Board to the Corporation. On the direction taking effect, the assets of the Water Board vest in the Corporation and the rights and liabilities of the Water Board become those of the Corporation.

**Clause 8** empowers the Minister to direct that specified assets, rights and liabilities be excluded from the business undertaking transferred to the Corporation. These are to be transferred instead to the Ministerial Holding Corporation constituted by the State Owned Corporations Act 1989 or another person nominated by the Minister on behalf of the Crown.

**Clause 9** empowers the Minister to direct the transfer, to the Corporation or a subsidiary of the Corporation, of other assets, rights or liabilities belonging to the State or an authority of the State and used by the Water Board.

**PART 4—AREA OF OPERATIONS**

**Clause 10** provides that the area of operations of the Corporation is the same as the area of operations of the Water Board immediately before its dissolution. Each operating licence is to describe in a schedule the area of operations, or the part of the area of operations, to which it relates.

The Governor may expand or reduce the area of operations by order and may specify in the order which systems or services the Corporation may carry out in the whole or any part of the area of operations as so varied.

The area of operations must not be reduced unless the Minister is satisfied that similar services to those provided by the Corporation in the area to be excised will be provided by a council, Hunter Water Corporation Limited, a public authority or a Water Supply Authority. Further, the area of operations must not be reduced, or expanded into the area within which a council, Hunter Water Corporation Limited, a public authority or a Water Supply Authority provides the same services as the Corporation, unless consultations have taken place between the Corporation and the other body concerning the proposed reduction or expansion and its implications.

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**Clause 11** provides that an order made for the purposes of the Part may include provisions to facilitate the giving of effect to the order, such as provisions concerning the transfer of assets, staff and records.

#### **PART 5—OPERATING LICENCES**

**Clause 12** states that the Governor may grant one or more operating licences to the Corporation to enable the Corporation, in the area of operations, to provide and maintain systems and services for:

- storing or supplying water; or
- providing sewerage services; or
- providing stormwater drainage services; or
- disposing of waste water.

Operating licences may enable the Corporation to provide all or any of the systems or services in the same or different parts of the area of operations.

While an operating licence is in force, the Corporation is authorised, on behalf of the Water Administration Ministerial Corporation and despite any provision of the Water Administration Act 1986, to exercise the right of the Water Administration Ministerial Corporation to the use and flow, and to the control, of water for the purposes mentioned above and the purposes of extraction and transportation of water.

**Clause 13** provides that an operating licence is subject to terms and conditions determined by the Governor. However, an operating licence must (except to the extent that the Governor otherwise directs in an order under clause 10) include terms or conditions requiring the Corporation:

- to provide, construct, operate, manage and maintain efficient, co-ordinated and commercially viable systems and services for supplying water, providing sewerage services and disposing of waste water; and
- to provide, operate, manage and maintain a stormwater drainage service within the capacity of the stormwater drainage service included in the business undertaking transferred to it; and
- to ensure that the systems and services meet quality and performance standards specified in the operating licence in relation to water quality, service interruptions, pricing and other matters determined by the Governor.

The requirement to provide, operate, manage and maintain a stormwater drainage service is not to be included in an operating licence if the Minister is satisfied that the service is provided by another appropriate body.

**Clause 14** provides that an operating licence must also include terms and conditions requiring the Corporation to establish and regularly consult with one or more Customer Councils appointed by it in relation to the provision of the systems and services.

**Clause 15** provides that an operating licence may only be amended in the manner specified in the operating licence. Provision is made for the tabling in Parliament of written notice of amendments to an operating licence and for the disallowance of amendments by either House of Parliament.

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**Clause 16** states that an operating licence is to be for a maximum of 5 years and may be renewed for a maximum of 5 years at a time.

**Clause 17** states that an operating licence applies to the whole or a part of the area of operations, as specified in the operating licence.

**Clause 18** provides that, if the Minister is of the opinion that the Corporation has contravened an operating licence, the Minister may require the Corporation to rectify the contravention within a specified time. If, in the opinion of the Minister, the Corporation contravenes an operating licence and whether or not a notice calling for rectification has been served, the Governor may direct that the Corporation be served with a letter of reprimand or pay a penalty (not exceeding \$1 million). The giving of a direction does not prevent the making of another direction by the Governor under the clause if the contravention continues or a fresh contravention occurs.

**Clause 19** deals with cancellation of an operating licence. A licence may be cancelled by the Governor only if

- there is an unauthorised cessation in the provision of services, or any of them, by the Corporation; or
- the Corporation is, in the opinion of the Minister, in material default in complying with the operating licence and has not, within the time specified by the Minister, either remedied the default or shown cause, in a manner satisfactory to the Minister, why the operating licence should not be cancelled; or
- the Corporation is insolvent; or
- the Corporation has been convicted on more than 3 occasions within 12 months of criminal offences punishable by a fine of at least \$10,000 or, if the Corporation were a natural person, penal servitude or imprisonment for 12 months or more.

If an operating licence is cancelled, the Governor may, by order, vest in the Crown or another person the assets and rights of the Corporation that will enable the Crown or other person to provide immediately the services covered by the operating licence, or any of them, for the benefit of the Corporation's customers. The order may make provision for the Crown or another person to assume liabilities of the Corporation or for the Crown to pay the whole or any part of the Corporation's liabilities.

## PART 6—PROVISIONS RELATING TO THE CORPORATION

### Division I—Objectives of Corporation

**Clause 20** sets out the principal objectives of the Corporation. These are as follows:

- (a) in accordance with section 8 of the State Owned Corporations Act 1989, to be a successful business with the aims described in the clause;
- (b) to protect the environment by conducting its operations under any operating licence with reference to the principles of ecologically sustainable development enumerated in section 6 (2) of the Protection of the Environment Administration Act 1991;
- (c) to protect public health by supplying safe drinking water in compliance with the requirements of any operating licence.

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**Division 2—Provisions relating to works**

**Clause 21** provides that the Corporation owns all works that it installs in or on land or in water and all works in or on land or in water that are vested in or transferred to it (whether or not it owns the land). The Corporation is empowered to maintain and manage its works in a manner that will ensure that the works operate efficiently. The Corporation may sell or otherwise deal with its works.

**Clause 22** provides that authorised persons may enter land on behalf of the Corporation for any of the purposes specified in the clause.

**Clause 23** provides for the issue of certificates of authority for the purposes of the proposed Act. The Minister may, by order, impose conditions or restrictions on certificates of authority.

**Clause 24** makes provision as to the manner in which a power to enter land may be exercised.

**Clause 25** provides that, if damage is caused in the exercise of functions under the Division, compensation is to be provided and may be made by reinstatement, repair, construction of works or payment. If a sewer is installed, compensation is payable only in specified circumstances.

**Clause 26** confers power on the Corporation to open the surface of a public road or public reserve subject to conditions such as restoration and removal of rubbish.

**Clause 27** specifies the procedure to be adopted by the Corporation if it wishes to alter the position of anything in or under a public road that does not belong to the Corporation and is used as a conduit for a substance, energy or signals.

**Clause 28** provides that land in or on which a work of the corporation is installed is taken to be the subject of a covenant in favour of the Corporation under which the owner of the land from time to time must ensure, among other things, that the work and its operation are not interfered with. Persons must not place structures in a manner that interferes with the operation of the Corporation's works and are liable to compensate the Corporation for loss or damage that results if they do so.

**Clause 29** specifies other circumstances in which persons involved in causing damage to the Corporation's works are liable to compensate the Corporation.

**Clause 30** deals with the procedure to be followed if interference to works is caused by trees.

**Division 3—Acquisition of land**

**Clause 31** provides that the Corporation may acquire land by compulsory process under the Land Acquisition (Just Terms Compensation) Act 1991 for the purposes of the proposed Act. The Corporation cannot give a proposed acquisition notice under the Land Acquisition (Just Terms Compensation) Act 1991 without the Minister's approval.

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**Division 4—Offences**

**Clause 32** creates offences relating to the illegal use or diversion of water.

**Clause 33** prohibits discharge of any substance into a work owned by the Corporation without its written agreement or otherwise than in accordance with a customer or other contract or arrangement.

**Clause 34** provides that prosecution or conviction of a person for an offence against the proposed Act does not limit other rights of the Corporation in relation to such matters as the recovery of damages or expenses incurred because of the offence.

**Clause 35** provides that certain persons involved in the commission of an offence against the proposed Act are themselves guilty of an offence and liable to the same penalty as the principal offender.

**Clause 36** provides for proceedings for an offence against the proposed Act to be taken before a Local Court or the Supreme Court in its summary jurisdiction. Such proceedings may only be taken within 12 months after an offence is committed.

**Division 5—Customer contracts**

**Clause 37** requires the initial terms and conditions of a customer contract relating to the provision by the Corporation of water supply and sewerage services to customers to be set out in an operating licence or licences. The terms and conditions, or a summary of them, must be published in a daily newspaper circulating in the area of operations, and must include particulars of the Corporation's contract charges or the manner of their calculation (except to the extent that the contract charges relate to a government monopoly service within the meaning of the Government Pricing Tribunal Act 1992).

**Clause 38** provides that an owner of land connected to a water or sewer main owned by the Corporation is taken to have entered into a customer contract with the Corporation for the provision of services on the terms and conditions set out in the operating licence or licences, as varied from time to time in accordance with clause 42. In addition, if a customer contract contains provisions as to the imposition and payment of availability charges or stormwater drainage charges (as to which, see notes on clauses 47 and 48 below), a person by whom those charges are payable is also taken to have entered into a customer contract. A customer contract is not unjust, unconscionable, harsh or oppressive for the purposes of any law.

**Clause 39** provides that an owner of land is not to be taken to have entered into a customer contract under clause 38 'in respect of an unauthorised water or sewer main connection.

**Clause 40** provides that Division 5 does not apply to a contract or other arrangement the terms and conditions of which have been specifically agreed to by a customer and the Corporation or by a person and a Water Supply Authority.

**Clause 41** provides that the jurisdiction of a consumer claims tribunal under the Consumer Claims Tribunals Act 1987 extends to the hearing and determination of claims relating to the provision of services by the Corporation under a customer contract.

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**Clause 42** states that the Corporation may, with the Governor's approval, vary the terms and conditions of a customer contract by notice published in a daily newspaper circulating in the Corporation's area of operations at least 6 months before the variation takes effect or within a shorter period approved by the Minister. A copy of the notice is to be given to customers with the next account for service charges issued after the publication date. The clause does not apply to a variation of the level of fees or charges which is in accordance with a determination of the Government Pricing Tribunal.

**Division 6—Fees and charges**

**Clause 43** provides that the Corporation may impose fees and charges for services or things provided by it, including availability charges and stormwater drainage area charges. Fees and charges may be fixed by reference to any factors or combination of factors, such as the nature of the service or thing provided, the place where it is provided, usage or estimated usage of the service or thing, land value, land size or any other factor specified in an operating licence or prescribed by the regulations.

Fees and charges may be imposed by customer contracts or other means. However, fees and charges imposed by a customer contract can only be altered in accordance with the contract or as permitted by the relevant operating licence. Further, compulsory fees and charges may only be imposed by a customer contract (except to the extent that an operating licence or the regulations otherwise permit).

An operating licence may regulate the imposition of fees and charges and may specify, among other things, the fees and charges that may or may not be imposed. An operating licence may require the Corporation to fix fees or charges on a basis that is consistent with that employed by the Water Board before the transfer of the business undertaking or on some other basis stipulated in the operating licence.

The proposed section has effect subject to the Government Pricing Tribunal Act 1992.

**Clause 44** provides that a new owner of land is liable for contract charges unpaid by the owner's predecessor in title as if the new owner had been a party to a customer contract with the Corporation for provision of the services to which the unpaid charges relate.

**Clause 45** permits an occupier of land to pay outstanding contract charges, availability charges or stormwater drainage area charges if not paid by the owner of the land and to recover the amount involved from the owner or to deduct it from the rent or licence or other occupation fee payable to the owner.

**Clause 46** provides that, after the transfer of the business undertaking to the Corporation, fees or charges imposed by the Corporation are not to be a charge on the land to which they relate unless otherwise provided by the proposed Act.

**Clause 47** provides that the Corporation may and, if required by an operating licence must, require an owner of land to which a water or sewer main is available but is not connected to pay an availability charge in relation to the land. Despite clause 46, an availability charge is a charge on the land to which it relates. An operating licence may require the Corporation to stop imposing availability charges.

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**Clause 48** provides for the declaration of stormwater drainage areas. The Corporation may, and if required by an operating licence must, make and levy stormwater drainage area charges on owners of land in stormwater drainage areas in the area of operations. Despite clause 46, a stormwater drainage area availability charge is a charge on the land to which it relates.

**Clause 49** requires the Corporation, on the making of applications to it, to certify whether any amounts payable to it in relation to particular land have been paid and, if not, to state the amount owing and whether or not it is charged on the land.

**Clause 50** provides that the Corporation may not levy service charges on land that is described in Part 1 of Schedule 1 to the proposed Act unless it is land described in Part 2 of that Schedule. This continues the service charge exemptions under the Water Board Act 1987.

**Clause 51** provides that the Corporation may enter into special arrangements with the Valuer-General (but not in contravention of an operating licence) for the provision of valuations for the purposes of the proposed Act. An operating licence may require the Corporation to terminate or vary any such special arrangement.

#### **Division 7—Development**

**Clause 52** contains definitions of certain terms used in the Division.

**Clause 53** describes compliance certificates that may be issued by the Corporation in relation to development.

**Clause 54** provides that an approval given in relation to land in the area of operations may be subject to a condition that a compliance certificate be obtained from the Corporation. Nothing in the clause affects the imposition of conditions on approvals under the Environmental Planning and Assessment Act 1979 or any other Act.

**Clause 55** provides for the making of applications for compliance certificates by developers.

**Clause 56** makes provision for the grant of compliance certificates by the Corporation. Before granting a compliance certificate, the Corporation may serve a notice under clause 57 on the developer and require compliance with that notice.

**Clause 57** provides that a notice served under the clause may require the developer concerned, before an application for a compliance certificate is dealt with, to do any one or more of the following:

- (a) to pay an amount, assessed by the Corporation, to cover the whole or part of relevant costs (as defined in clause 58) of certain works and systems;
- (b) to enter into one or more agreements providing for one or more of the following:
  - (i) the payment of such an amount to the Corporation;
  - (ii) the construction, or the construction and manner of construction, of specified works;
  - (iii) the transfer of works to the Corporation;
- (c) to provide security for due performance of an agreement;
- (d) to attend to additional or ancillary matters to give effect to any one or more of the above.

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The clause has effect subject to the Government Pricing Tribunal Act 1992.

**Clause 58** describes the meaning of relevant costs for the purposes of clause 57.

**Clause 59** provides that compliance certificates may be issued unconditionally or subject to conditions.

**Clause 60** provides that compliance certificates may be issued progressively in relation to the stages of a development.

**Clause 61** requires consent authorities (except in specified circumstances) to notify the Corporation of development applications or building applications relating to the area of operations or a special area that may increase the demand for water or removal of waste water or that may damage or interfere with the Corporation's works or operations or with the quality of water from which it draws its supply in a special area. The consent authority must have regard to any submissions made by the Corporation when deciding whether to consent to an application or to attach conditions to it.

**Clause 62** provides for the recovery by the Corporation of money owing to it as the result of the service of a notice under clause 57.

#### **Division 8—Special areas**

**Clause 63** defines “**joint sponsors**” (being the Director-General of National Parks and Wildlife, the Director-General of the Department of Conservation and Land Management and the Corporation) and “**public agency**” for the purposes of the Division.

**Clause 64** enables the Governor, on the Minister's recommendation, by order to declare an area of land (for example, a catchment area) to be a special area. The Minister may not recommend the making of such an order unless the Minister is satisfied that the making of the order is necessary to protect the quality of stored waters or to maintain the ecological integrity of the land involved, consistent with fulfilment of the Corporation's obligations under any operating licence, or both.

**Clause 65** provides that the Corporation must not dispose of any land in a special area that it owns or is vested in it unless to or in favour of a statutory body or as authorised by an Act of Parliament. A transitional provision in Schedule 8 protects the position of persons who have existing arrangements with the Water Board involving dealings with land in special areas.

**Clause 66** provides that the approval of the Corporation must be obtained to any action proposed to be taken under the Crown Lands Act 1989 in relation to a special area. It also gives the Corporation, in relation to a special area, the same powers as a manager of a reserve trust under that Act.

**Clause 67** requires notice to be given to the Corporation, and enables the Corporation to make representations, if powers are to be exercised by a public agency in a special area.

**Clause 68** provides for the making of regulations in relation to special areas.

**Clause 69** provides for the preparation and submission to the Minister of plans of management for each special area by the joint sponsors.

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**Clause 70** requires the Corporation to carry out and give effect to a plan of management adopted under the proposed Act for a special area.

**Division 9—Controlled areas**

**Clause 71** enables the Governor, on the Minister's recommendation, by order to declare an area of land to be a controlled area. An order applies only while the land concerned is owned by or vested in the Corporation. Certain lands referred to in Schedule 1 to the Water Board (Special Areas) Regulation 1989 immediately before the commencement of the clause (namely, Prospect Reservoir and surrounding land and certain land in or on which water transfer structures such as tunnels, pipelines, water mains and drainage tunnels are located) are taken to be controlled areas for the purposes of the proposed Act.

**Clause 72** provides for the making of regulations in relation to controlled areas.

**Division 10—Activities outside area of operations**

**Clause 73** provides that, if an operating licence has been issued to the Corporation, the Corporation can exercise, outside the area of operations, on behalf of the Water Administration Ministerial Corporation and despite any provision in the Water Administration Act 1986, the right of the Water Administration Ministerial Corporation to the use and flow, and to the control, of water. This right may be exercised only for the purposes specified in the clause.

**Division 11—Other matters**

**Clause 74** provides that the Corporation may enter into contracts or arrangements with other persons for the provision of systems or services covered by an operating licence. Any such person may, for the purposes covered by the contract or arrangement, exercise on behalf of the Water Administration Ministerial Corporation and despite any provision in the Water Administration Act 1986, the right of the Water Administration Ministerial Corporation to the use and flow, and to the control, of water.

**PART 7—MISCELLANEOUS**

**Clause 75** provides that a reference to a company by a specified name (such as Sydney Water Corporation Limited) includes references to the company under a changed name.

**Clause 76** provides for the alteration of Schedule 2 to the State Owned Corporations Act 1989 (so far as the board of the Corporation is concerned) in the manner set out in Schedule 2 to the proposed Act.

**Clause 77** provides for the alteration of Schedule 3 to the State Owned Corporations Act 1989 (so far as subsidiaries are concerned) in the manner set out in Schedule 3 to the proposed Act.

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**Clause 78** declares that the Water Board is an authority to which Schedule 4 to the State Owned Corporations Act 1989 applies so as to provide protection of superannuation and other entitlements of eligible employees. This declaration is contemplated by clause 1 of the Schedule. Provision is also made as to protection of unbroken service with the Corporation that is continuous with service with the Water Board for the purposes of the Transferred Officers Extended Leave Act 1961.

**Clause 79** provides that the proposed Act binds the Crown.

**Clause 80** prohibits persons who do not hold appropriate licences, supervisor certificates or certificates of registration, or who are not appropriately supervised, from doing any water supply, sewerage or stormwater drainage work that is to be connected with works owned by the Corporation. This offence attracts a maximum penalty of 100 penalty units (currently, \$10,000). The prohibition does not apply to employees of the Corporation carrying out work on its behalf or to any other person the Corporation authorises to carry out the work. Regulations may be made under the proposed Act concerning the performance of such work.

**Clause 81** makes provision as to the service of notices under the proposed Act.

**Clause 82** specifies that the Corporation must comply with the requirements of Schedule 4 to the proposed Act as to the annual report of its operations in addition to meeting relevant requirements of the State Owned Corporations Act 1989 and the Corporations Law concerning annual reports.

**Clause 83** provides that the Freedom of Information Act 1989 applies to the Corporation and any subsidiaries of the Corporation as if they were public authorities.

**Clause 84** provides that, despite the State Owned Corporations Act 1989, section 23 of the Independent Commission Against Corruption Act 1988 (dealing with power to enter public premises) applies to the Corporation and its subsidiaries and to persons who are public officials because of their connection with the Corporation or its subsidiaries.

**Clause 85** empowers the Governor-in-Council to make regulations for the purposes of the proposed Act.

**Clause 86** repeals the Water Board Act 1987 and all regulations and by-laws under that Act and the Metropolitan Water, Sewerage, and Drainage Act 1924 except as provided in Schedule 8.

**Clause 87** is a formal provision giving effect to the amendments to the Government Pricing Tribunal Act 1992 set out in Schedule 5.

**Clause 88** is a formal provision giving effect to the amendments of Acts set out in Schedule 6.

**Clause 89** is a formal provision giving effect to the amendments of regulations set out in Schedule 7.

**Clause 90** is a formal provision giving effect to the savings, transitional and other provisions in Schedule 8.

**Clause 91** provides for the review of the proposed Act within 5 years after its commencement.

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**SCHEDULES**

**Schedule 1** describes land that is exempt from service charges, and land that is excepted from that exemption, in accordance with clause 50.

**Schedule 2** modifies the operation of Part 2 (Articles) of Schedule 2 (Provisions to be included in Memorandum or Articles of Association of State Owned Corporations) to the State Owned Corporations Act 1989, as regards the Corporation, by making provision for a board consisting of specified members selected in a specified manner, including a director with industrial relations experience, and for certain procedural matters to do with the selection of that director.

**Schedule 3** modifies the operation of Part 2 (Articles) of Schedule 3 (Provisions to be included in Memorandum or Articles of Association of Subsidiaries) to the State Owned Corporations Act 1989, as regards the Corporation, so that the prior approval of the voting shareholders for the appointment of directors is needed only for directors appointed by or on behalf of the Corporation, and for the transfer of shares is needed only for shares held by Ministers or held by or on behalf of the Corporation.

**Schedule 4** sets out requirements to be complied with in relation to the Corporation's annual report in accordance with clause 82. These include certain of the requirements currently applying to statutory bodies under the Annual Reports (Statutory Bodies) Act 1984 and regulations made under that Act.

**Schedule 5** amends the Government Pricing Tribunal Act 1992 by introducing provisions relating to the determination of maximum prices for government monopoly services provided by specified government agencies and by including the Corporation (in place of the Water Board) in the Schedule of government agencies in respect of which the Government Pricing Tribunal has a standing reference.

**Schedule 6** makes consequential amendments to various Acts, including amendments to the Valuation of Land Act 1916 to set out the special arrangements for provisions of valuations to the Corporation as referred to in the note to clause 51 above.

**Schedule 7** makes consequential amendments to various regulations.

**Schedule 8** contains savings, transitional and other provisions.

These include provisions dealing with the dissolution of the Water Board and the vacation of office by Board members. Compensation is payable to members vacating office on the dissolution of the Water Board under Part 8 of the Public Sector Management Act 1988 unless the former member is immediately appointed to the service of the Corporation or one of its subsidiaries. On dissolution of the Water Board, the Corporation is taken for all purposes to be the same legal entity as the Water Board. This provision does not affect a transfer of assets, rights and liabilities under the proposed Act.

Provision is also made for the Governor, on the Minister's recommendation, by order to declare an area of land to be part of the outer catchment of the Corporation. Such an order may be amended or repealed by a State environmental planning policy or a regional environmental planning policy made under the Environmental Planning and Assessment Act 1979. Consent authorities in outer catchment areas must notify the Corporation of any development application that may adversely affect the quality of water from which the Corporation draws its supply and must have regard to any submissions made by the Corporation concerning the development application.

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