



5 July 2017

Mr Andrew Wall MLA
The Chair
Select Committee on Estimates 2017-2018
ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Mr Wall

I refer to the Select Committee on Estimates 2017-2018 hearing at 11.15am on Tuesday 20 June 2017. Following review of the proof transcript I would like to clarify three of my answers to correct the record.

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MR COE: Are there any staff members of Icon Water who also work for ActewAGL?

Mr Knox: If I understand the question, all Icon Water employees are solely employed for the purposes of running Icon Water full stop. That is what I can extract from the question. Is that correct?

In relation to the above response, Icon Water advises that there are employees of Icon Water Limited who have been seconded to work for the ActewAGL Distribution partnership or the ActewAGL Retail partnership. Secondments of this nature were contemplated at the time of formation of the joint venture as reflected in Part 4 of the *ACTEW/AGL Partnership Facilitation Act 2000*. In addition there is one Icon Water employee who, while working predominantly for Icon Water does provide related services to ActewAGL.

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MR PETERSSON: As 50 per cent of ActewAGL, where do you draw the line on commenting on what they do? Do you just let the directors that have been appointed to the ACTEW board operate independently, or would their decision-making come back to Icon Water in any sense?

Mr Knox: They discharge their responsibilities in their role on the ActewAGL board, but there are governance arrangements that are in place. We have two subsidiary boards under Icon Water, ActewAGL Retail and ActewAGL Distribution, and they reflect the partnership interests in the ActewAGL joint venture. We have an investment strategy over the top of that, and KPIs have been established. And we have other governance arrangements whereby, if the business is going to undertake an investment in a certain area and it warrants briefing the Icon Water board, that comes back up through to the Icon Water board.

In relation to the above response, Icon Water advises that the two subsidiary boards under Icon Water are Icon Retail Investments Limited (being the partner in the ActewAGL Retail partnership) and Icon Distribution Investments Limited (being the partner in the ActewAGL Distribution partnership).

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THE CHAIR: And it is a fifty-fifty ownership of the two partnerships?

Mr Knox: That is correct, yes.

THE CHAIR: And then anything that sits below those continues on a fifty-fifty ownership basis?

Mr Knox: Correct, yes.

THE CHAIR: Why aren't those other interests highlighted in the organisational chart at this point?

Mr Barr: They are not formed yet.

THE CHAIR: Okay.

Mr Knox: We are in the process of forming them at the moment.

THE CHAIR: They are in process. Sorry.

In relation to the above response, Icon Water advises that the ActewAGL Retail partnership holds the issued shares in one company as a partnership asset. The ActewAGL Distribution partnership intends to incorporate a company but this company has not yet been formed.

I formally request the record to be corrected to reflect the information above.

Yours sincerely



John Knox
Managing Director