

Gas Supply Amendment Bill 2008

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Gas Supply Act 1996* to ensure the continuity of supply of natural gas to customers by enabling the Minister for Energy to approve market operations rules with respect to the establishment and operation of a wholesale natural gas market scheme.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent to the proposed Act.

Clause 3 is a formal provision that gives effect to the amendments to the *Gas Supply Act 1996* set out in Schedule 1.

Clause 4 provides for the repeal of the proposed Act after all the amendments made by the proposed Act have commenced.

Schedule 1 Amendments

Schedule 1 [1] omits a redundant provision.

Schedule 1 [2] provides that it is an object of the *Gas Supply Act 1996* (the ***Principal Act***) to facilitate the continuity of supply of natural gas to customers.

Schedule 1 [4] inserts proposed section 33K (1) (d1) into the Principal Act to enable the Minister for Energy (the ***Minister***) to approve rules under section 33K with respect to the establishment and operation of a wholesale natural gas market scheme to ensure the continuity of supply of natural gas to customers. The rules will apply to the owners and operators of natural gas transmission pipelines, shippers of natural gas and authorised reticulators and suppliers (the ***scheme participants***).

Schedule 1 [5] provides that any such rule may make provision for or with respect to interruptions in the supply of natural gas and the functions of the scheme regulator (being the person identified as such in the rules) with respect to ensuring compliance with the rules, which may include the power to make orders against scheme participants and the power to impose civil penalties of up to \$50,000 on scheme participants. The rules may also make provision for or with respect to the costs payable by a scheme participant if the scheme regulator makes an order against the scheme participant or imposes a civil penalty on the scheme participant and the recovery of any such costs or civil penalty.

Schedule 1 [8] sets out the definitions of ***natural gas transmission pipeline*** and ***shipper of natural gas***. **Schedule 1 [3]** makes a consequential amendment.

Schedule 1 [6] amends section 33K (5) (c) to provide that the Minister is not required to make available a copy of a rule with respect to the establishment and operation of a wholesale natural gas market scheme to each supplier or reticulator as is the case with other rules approved under section 33K.

Schedule 1 [7] inserts proposed section 33K (5) (d) that requires the Minister to make available on the internet site of the Department of Water and Energy, a copy of any rule approved by the Minister under section 33K.

Schedule 1 [13] clarifies that proposed section 33K (5) (d) does not apply to a rule approved by the Minister before the commencement of that proposed paragraph.

Schedule 1 [9] clarifies that a person may be convicted of an offence under section 33L of the Principal Act of contravening market operations rules even though that person may have been required to pay a civil penalty under market operations rules in respect of the same act or omission.

Schedule 1 [10] inserts proposed section 33LA into the Principal Act, which provides that the scheme operator under rules approved in respect of a matter under proposed section 33K (1) (d1) or an officer or employee of the scheme operator does not incur any civil monetary liability for an act or omission in the exercise of a function under the rules unless the act or omission is done or made in bad faith or through negligence. The proposed section also provides that the operator of a natural gas transmission pipeline, or an officer or employee of the operator, does not incur any civil monetary liability in respect of a disclosure of information to the scheme operator in compliance with, or in purported compliance with, a requirement under the rules unless the disclosure is made in bad faith or through negligence. The civil monetary liability for an act, omission or disclosure done or made through negligence is not to exceed the prescribed maximum amount. The scheme operator may enter into an agreement with a person varying or excluding the operation of a provision of the proposed section. The proposed section does not apply to any liability of an officer or employee of the scheme operator to the scheme operator or to any liability for death or bodily injury.

Schedule 1 [11] and [14] update references to a renamed Act and Department.

Schedule 1 [12] amends Schedule 2 to the Principal Act to enable savings and transitional regulations to be made as a consequence of the enactment of the proposed Act.