

ELECTRICITY BILL 1994

EXPLANATORY NOTES

GENERAL OUTLINE

OBJECTIVE OF THE LEGISLATION

The objective of this Bill is to set the framework for all participants (both private sector as well as Government-owned entities) within the electricity industry so as to encourage the efficient, economical and environmentally sound provision of electricity. The Bill sets out the conditions under which these participants may operate.

In addition the Bill provides the framework for the purchase and sale of electricity. This is to accommodate the national electricity industry reform process being overseen by the Council of Australian Governments (CoAG) and the National Grid Management Council (NGMC) which requires the development of a competitive electricity market involving generators, distributors and major customers. Details of the operation of the proposed electricity market will be covered by regulations under the Bill.

Regulation of the electricity industry is provided for as is the regulation of the use of electricity. Safety in relation to the use of electricity is also addressed.

The Bill also provides for certain Government owned entities established under the *Government Owned Corporations Act 1993* to be participants in the electricity industry.

REASONS FOR THE BILL

The umbrella legislation dealing with corporatisation of government entities is the *Government Owned Corporations Act 1993*. Accordingly,

the current Government entities within the electricity industry are being corporatised by regulation under that Act.

However, because of the complex nature of the structure of the electricity industry and the relationships to be created as well as the development of the competitive electricity market, the need for specific complementary legislation was considered necessary.

The opportunity has been taken to address the possible development of the electricity industry into the foreseeable future which could involve private sector participants as well as government-owned entities.

BASIC CONCEPTS OF THE BILL

Participation in the Electricity Industry

The Bill provides for entry into the electricity industry by—

- authorising persons to connect generating plant to a transmission grid or supply network;
- authorising persons to operate transmission grids;
- establishing a system of authorities for supply;
- allowing approvals for generation, transmission or supply outside the general industry authorities in special circumstances.

Generation

A person who generates electricity may apply for and be given an authority to connect supply to a transmission grid or supply network. The purpose of the authority is to ensure that—

- the person is a suitable person; and
- the technical and safety aspects of connection to a transmission grid or supply network are assured.

The Bill will allow any person who complies with the legislation to obtain a generator authority irrespective of the existing generating capacity. This is to encourage private participation and competition in electricity generation.

The commercial viability of any person is not relevant to the issuing of an authority to that person.

Transmission

Transmission Entities

A person may apply for and be given an authority to operate a transmission grid and, if appropriate, to connect to another transmission grid. The purpose of the authority is to ensure that—

- the transmission entity is a suitable person; and
- the transmission grid will be operated to provide connection for persons wishing to connect to the transmission grid; and
- the technical and safety aspects of operation of the grid are assured.

Obligation to Transmit

As the operation of transmission grids is vital to the integrity of the electricity system of the State, a transmission entity is under a positive obligation to—

- operate and protect its grid with sufficient capacity to cater for demand for electricity by persons authorised to connect to the grid; and
- provide access to the grid on non-discriminatory terms to persons who are authorised to connect to the grid or take electricity.

As a consequence of a transmission entity having an obligation to transmit, the entity could incur large capital expenditure to meet the obligation. To provide a measure of financial protection (a reasonable return on assets), the Regulator may take into account the capacity of existing transmission grids when considering an application for a transmission authority.

Prohibition on Electricity Trading

As transmission entities have an obligation to provide services to all users on non-discriminatory terms, they are prohibited under the Bill from buying and selling electricity themselves. This is to ensure that they carry out their obligation fairly.

Supply

Obligation to Supply

As the supply of electricity is considered an essential service in modern society, the Bill places on persons who are given the right to supply electricity in specified areas of the State an obligation to supply.

The obligation is to supply electricity of appropriate quality to persons who want to buy it. The obligation does not require the supply of electricity if it is not technically and economically practicable.

Generally, the obligation requires electricity to be supplied on nondiscriminatory terms.

As part of the development of competitive electricity markets, major customers should be able to buy electricity at negotiated prices. Accordingly, provision is made that a regulation may lift the requirement not to discriminate.

Person Authorised to Supply Electricity

To ensure that electricity is supplied to consumers within the State, authorities to supply will be issued. There are two categories of authority to supply.

Supply Entities

Supply entities are to be given their authority to supply by the Regulator. The authority places on the supply entity an obligation to supply in the supply area stated in the authority.

Authorised Suppliers

A supply entity may give to an authorised supplier an authority to supply. The authority places on the authorised supplier an obligation to supply in that part of the supply entity's supply area stated in the authority. However the overall obligation to supply still rests with the supply entity but is relieved to the extent that an authorised supplier fulfils the obligation.

Special Approvals

It is recognised that there will be instances when it is necessary to authorise a person to do some of the things generation entities, transmission

entities, supply entities or authorised supplier may do but it is not appropriate or necessary for them to have the relevant authorities. In these circumstances the Bill provides that a special approval for the particular activity to be undertaken may be given by regulation or the Regulator.

Safety

As electricity is a dangerous commodity, the Bill provides for conditions and standards to apply to all persons whose activities involve use or contact with electricity. These conditions and standards are stated in conditions of authorities, approvals, regulations or industry codes.

Regulations can also be made about electrical articles and labelling and performance standards of electricity appliances.

Operations in the Electricity Industry

Commercial Responsibilities

Pricing of Electricity and Services

The Bill provides for electricity entities to set the prices for electricity and services provided by them. In setting prices for electricity, an electricity entity must seek to ensure that the prices are fair and reasonable. However, the Minister may, in the public interest, decide the prices to be charged including, for example, for the purpose of maintaining tariff equalisation throughout the State.

Market and Trading Arrangements

This Bill recognises that in line with national initiatives in the electricity industry, there will be a need for an electricity market for electricity entities and certain customers, for example, customers of greater than 10MW of electricity. The Bill provides for a process for the orderly operations of the market and trading arrangements.

Demand Side Management

It is in the interests of the State and consumers if the growth in demand for electricity can be reduced. Accordingly, the Bill provides that supply entities and authorised suppliers must consider both demand side and supply side options in carrying out their functions.

Discrimination not to lessen Competition

It is important that an electricity entity that is in a position to dominate a market within the electricity industry should not discriminate between its consumers. The Bill addresses this issue.

Works

Because of the necessity of an electricity entity to supply electricity to the community, it must be able to enter property (including roads and other public places) and to construct, lay down and place or alter its works and to maintain and protect its works. The Bill provides for such action to be taken but requires the rights of others to be taken into account.

Land

Electricity entities need to acquire access to land in order to provide the services under this Bill. Land or easements may be acquired by electricity bodies by agreement with the owner of the land or, if agreement is not reached, and the Minister approves, by the electricity entity as a constructing authority under the *Acquisition of Land Act 1967*.

Environmental Considerations

It is recognised that participants in the electricity industry have an obligation to consider the effect on the environment of their activities. The Regulator is also required when deciding an application for an authority under this Bill to consider relevant Government policies about environmental and energy issues and the environmental effects of the proposed activity.

Regulation of the Electricity Industry

Regulator

Regulation of the industry is by the Regulator who is the chief executive of the Department of Minerals and Energy. The role of the Regulator is primarily one of ensuring participants in the industry are suitable and carry out their responsibilities and that safety requirements are complied with.

Electricity Officers

For the operational needs of electricity entities, such as reading meters and connection/disconnection of supply, the Bill provides for Electricity Officers to be appointed with powers for carrying out these functions.

These Electricity Officers also have power to act immediately where electrical safety is an issue.

Authorised Persons

For the purpose of ensuring compliance with technical and safety requirements, the Bill provides for Authorised Persons to be appointed by the Regulator. These Authorised Persons have powers to enter places to inspect and take other appropriate action. If it is suspected that there is a danger or could be a danger of electric shock or injury, the Authorised Person may enter at any reasonable time. In other cases that are not public places entry is usually with the consent of the occupier or under a warrant to enter.

Electrical Workers and Contractors

To ensure that only persons with the appropriate competencies are able to carry out electrical work, the Electrical Workers and Contractors Board is continued under the Bill. Regulations may be made for the licensing of electrical workers and contractors.

ESTIMATED COST FOR GOVERNMENT IMPLEMENTATION

There will be no additional net cost to the Government. Tax equivalents and dividends to be paid by government electricity bodies will be many times larger than the cost of regulation.

However, the allocation from the Consolidated Fund to the Department of Minerals and Energy will be increased to cover the costs associated with the role of the Regulator. It is anticipated that these costs could be approximately \$2.5 million annually.

CONSULTATION

Substantial consultation has taken place with both management and employees of the Queensland Electricity Commission and the Electricity Boards as well as with union representatives and with members of the Electricity Boards.

A number of working groups were formed to analyse and recommend to Government what was needed to be done to corporatise the electricity supply industry. The working group's members were drawn from throughout the industry and the Department of Minerals and Energy together with members of the Trade Union movement and the Legislative Assembly.

These groups consulted widely within the electricity industry and with parties outside the industry to ensure a wide range of views would be considered.

A Steering Committee comprising representatives of a number of Government agencies, the electricity industry, the Electrical Trades Union, the private sector and the Queensland Conservation Council has overseen the process.

NOTES ON PROVISIONS

CHAPTER 1—PRELIMINARY

PART 1—INTRODUCTORY PROVISIONS

Clause 1 gives the Bill a short title.

Clause 2 provides for the Bill to commence on a date fixed by the Governor by proclamation. The clause dealing with preservation of the existing rights and obligations of parties to arrangements related to the Gladstone Power Station will commence on assent of the Bill.

PART 2—OBJECTS OF BILL

Clause 3 sets out the objects of the Bill.

PART 3—DEFINITIONS

Clause 4 provides that particular words have the meanings set out in a dictionary in Schedule 5.

PART 4—SOME BASIC CONCEPTS OF ELECTRICITY INDUSTRY OPERATIONS

Clauses 5 to 17 define certain basic technical concepts of the electricity industry.

PART 5—OPERATION OF BILL

Clause 18 provides that the State must comply with the Bill to the extent that the Bill relates to safety or if the State is a customer and also to the extent that the State is, or is a participant in, an electricity entity. This Bill is binding on corporatised entities and their subsidiaries as, under clause 255, they do not represent the State.

This clause also exempts Queensland Railways when electricity is used for its rail operations.

Clause 19 provides that the Bill is subject to the *Gladstone Power Station Agreement Act 1993*. Together with Clause 287 it is intended to preserve the status quo of the State and parties to the relevant agreements concerning the sale of the Gladstone Power Station earlier this year. The

clause also recognises the requirement under the *Wet Tropics World Heritage Protection and Management Act 1993* to get relevant approvals before carrying out works.

Clause 20 provides that the Governor in Council may by regulation provide exemptions from the application of the Bill or a part of the Bill. A regulation is subject to disallowance by Parliament. An example could be any future tramway constructed in Brisbane.

CHAPTER 2—THE ELECTRICITY INDUSTRY

PART 1—ELECTRICITY INDUSTRY AND ENTITIES

Clause 21 defines the electricity industry for the purposes of the Bill.

Clause 22 defines the entities in the electricity industry.

PART 2—CUSTOMERS AND CONTESTABLE CUSTOMERS

Clause 23 defines customer and contestable customer. Everyone in the State is entitled to receive electricity from an electricity entity or a special approval holder, and is therefore a customer, existing or prospective. A contestable customer is a customer declared by regulation. Initially the regulation will specify customers who have a load of 10MW or more as contestable customers.

Clause 24 provides that a customer who receives electricity from an entity authorised to supply it is thereby authorised to take electricity. Accordingly, the customer does not commit the offence of taking electricity without authority.

PART 3—GENERATION ENTITIES AND THEIR AUTHORITIES

Clause 25 defines a generation entity.

Clause 26 provides the authority for a generation entity to connect its plant to a transmission grid or supply network and provides that a holder of a generation authority must comply with relevant laws.

Clause 27 provides the conditions which will apply to a generation authority, including conditions relating to quality, technical operation and environmental considerations.

Clause 28 facilitates the implementation of standards, codes of conduct or practice in the industry eg. standards that may be formulated under the auspices of the National Grid Management Council.

PART 4—TRANSMISSION ENTITIES AND THEIR AUTHORITIES

Clause 29 defines a transmission entity.

Clause 30 provides the authority to operate a transmission grid and if necessary to connect to another transmission grid and provides that a holder of a transmission authority must comply with relevant laws.

Clause 31 provides the conditions which will apply to a transmission authority including conditions relating to system control, technical operations and environmental considerations.

Clause 32 sets out the requirement that a transmission entity must, subject to its current obligations and the grid's capacity, allow its grid to be used by others who are appropriately authorised provided, in all cases, that it can be used safely and adequately. The person requiring connection bears the cost of connection.

Clause 33 precludes the transmission entity from engaging in trading activities except to the extent that its generation, purchase or sale of electricity is necessary for the operation of the transmission grid.

Clause 34 sets out additional conditions of a transmission entity to ensure the continued operation of the transmission grid and to require co-ordination with other connected transmission entities.

The transmission entity must also ensure that, within the limits of the authorisation, the transmission grid is operated (or augmented or extended) with sufficient capacity to cater for demand.

Clause 35 reinforces the principle of providing network services on non-discriminatory terms, provided it is technically and economically practicable to do so, for persons authorised to connect supply to the transmission grid or take electricity from the transmission grid.

Clause 36 facilitates the implementation of any relevant standards, codes of conduct or practice in the industry.

PART 5—SUPPLY ENTITIES AND THEIR AUTHORITIES

Clause 37 defines a supply entity.

Clause 38 provides the authority to supply electricity within a specified area of the State.

Clause 39 defines that the specified area of the State is the supply area.

Clause 40 introduces the concept of an obligation to supply for supply areas.

Clause 41 provides the authority for a supply entity to provide electricity outside its supply area (including outside the State). Under this clause it is proposed that a supply entity may supply contestable customers wherever they are situated including outside its supply area. Otherwise, the supply entity may only supply customers outside its supply area with the consent of any electricity entity which has an obligation to supply the customers. A supply entity may only engage in this activity if this does not reduce its capacity to fulfill its obligation to supply.

Clause 42 provides the conditions which will apply to a supply entity including conditions relating to system control, safe operation of its supply network, environmental considerations and demand-side management.

If a supply entity breaches its conditions, clause 133 provides that the Regulator may direct that entity cannot receive payment for electricity supplied, while it is in breach.

Clause 43 sets out the requirement that a supply entity must allow its supply network to be used by others who are appropriately authorised provided in all cases it can be used safely and the use does not adversely affect the supply entity's current obligations or the capacity of its network.

Clause 44 reinforces the principle of providing network services on non-discriminatory terms, provided it is technically and economically practical to do so, for persons authorised to connect supply to the transmission grid or take electricity from the transmission grid.

Clause 45 facilitates the implementation of standards, codes of conduct or practice in the industry eg. standards that may be formulated under the auspices of the National Grid Management Council.

PART 6—AUTHORISED SUPPLIERS AND THEIR AUTHORITIES

Clause 46 defines an authorised supplier.

Clause 47 provides the authority to supply electricity in an area allocated to it by the supply entity.

Clause 48 defines that the area allocated to it by the supply entity is its supply area.

Clause 49 extends the concept of an obligation to supply to an authorised supplier.

Clause 50 ensures that the supply entity retains responsibility for the obligation to supply being carried out, even though an obligation to supply has also been placed by it on an authorised supplier. However, the supply entity does not need to act unless the authorised supplier fails to carry out the obligation.

Clause 51 provides the authority for an authorised supplier to provide electricity outside its supply area (including outside the State). Under this clause it is proposed that an authorised supplier may supply contestable

customers wherever they are situated including outside its supply area. Otherwise, the authorised supplier may only supply customers outside its supply area with the consent of any electricity entity which has an obligation to supply the customers. An authorised supplier may only engage in this activity if this does not reduce its capacity to fulfill its obligation to supply.

Clause 52 provides the conditions which will apply to an authorised supplier including conditions relating to system control, safe operation of its supply network, environmental considerations and demand-side management.

If an authorised supplier breaches its conditions, clause 133 provides that the Regulator may direct that supplier cannot receive payment for electricity supplied, while it is in breach.

Clause 53 sets out the requirement that an authorised supplier must allow its supply network to be used by others who are appropriately authorised provided in all cases it can be used safely and the use does not adversely affect the authorised supplier's current obligations or the capacity of its network.

Clause 54 reinforces the principle of providing network services on non-discriminatory terms, provided it is technically and economically practical to do so, for persons authorised to connect supply to the transmission grid or take electricity from the transmission grid.

Clause 55 facilitates the implementation of standards, codes of conduct or practice in the industry eg. standards that may be formulated under the auspices of the National Grid Management Council.

PART 7—SPECIAL APPROVAL HOLDERS AND THEIR APPROVALS

Clause 56 sets out the purpose of special approvals which is to provide authorisation for entities to do things outside the normal structures established under this Bill in circumstances which are determined by the Regulator or by regulation.

Clause 57 defines a special approval holder.

Clause 58 indicates for what purpose a special approval may be given.

Clause 59 allows a special approval holder to carry out activities that would normally require a specific authorisation eg. generation authority. A special approval does not make a person an electricity entity unless a regulation so provides.

Clause 60 provides the condition which will apply to a special approval.

Clause 61 facilitates the implementation of any relevant standards, codes of conduct or practice in the industry.

PART 8—REGULATOR

Clause 62 states that the Regulator is the chief executive of the Department of Minerals and Energy.

Clause 63 sets out the functions of the Regulator which include assessing the suitability of prospective electricity industry participants and ensuring compliance with safety requirements.

Clause 64 provides that the powers of the Regulator may be delegated to an officer of the Department of Minerals and Energy or an authorised person or an electricity officer but, if a regulation prescribes restrictions on the power to delegate, then only in accordance with restrictions. The Regulator cannot delegate a power to a person if the Regulator is not satisfied that the person has the necessary expertise and experience to exercise the power properly.

PART 9—ELECTRICITY OFFICERS

Clause 65 provides for the appointment of electricity officers by the chief executive of an electricity entity for the purpose of exercising powers of an electricity officer to the extent that they relate to the operations of the electricity entity. To ensure that only properly capable people are appointed, the clause requires the chief executive not to appoint a person as an

authorised person unless satisfied that the person has the competencies and experience necessary to exercise the powers properly.

Clause 66 limits the powers of an electricity officer to the works or area of supply of the electricity entity which appointed the electricity officer.

Clause 67 provides that the powers of an electricity officer may also be limited according to the terms of the appointment or a regulation.

Clause 68 sets out general provisions applying to electricity officers such as terms being set out in the appointment and concerning the resignation of the electricity officer.

Clause 69 provides that an electricity officer must be issued with an identity card. This is to ensure that the public can be assured that only properly authorised persons exercise the powers under this Bill. On ceasing to be an electricity officer the person must hand back the identity card.

Clause 70 requires an electricity officer to produce an identity card or to display it clearly before exercising a power.

PART 10—AUTHORISED PERSONS

Clause 71 provides for the appointment of authorised persons by the Regulator. The Regulator cannot appoint a person as an authorised person unless satisfied that the person has the competencies and experience necessary to exercise the powers properly.

Clause 72 provides that the power of an authorised person may also be limited according to the terms of the appointment or a regulation.

Clause 73 sets out general provisions applying to authorised persons such as terms being set out in the appointment and concerning the resignation of the authorised person.

Clause 74 provides that an authorised person must be issued with an identity card. This is to ensure that the public can be assured that only properly authorised persons exercise the powers under this Bill. On ceasing to be an electricity officer the person must hand back the identity card.

Clause 75 requires an authorised person to produce an identity card or to display it clearly before exercising a power.

PART 11—STATE ELECTRICITY ENTITIES***DIVISION 1—QUEENSLAND GENERATION CORPORATION***

Clause 76 provides that the main function of the Government's generation entity is to generate electricity for sale. It also has the functions to carry out other related activities. Other functions can be given under the *Government Owned Corporations Act 1993*. As Queensland Generation Corporation will be a government owned corporation it will have, under section 149 of the *Government Owned Corporations Act 1993*, all the powers of a natural person for or in connection with the performance of its functions.

DIVISION 2—QUEENSLAND TRANSMISSION AND SUPPLY CORPORATION

Clause 77 provides that the main function of the Queensland Transmission and Supply Corporation is to be a supply entity initially with the responsibility for supplying electricity throughout the State. This requires the Corporation to undertake all relevant planning, forecasting and co-ordination activities for the supply of this electricity. It also has the functions to carry out other related activities. Other functions can be given under the *Government Owned Corporations Act 1993*. As Queensland Transmission and Supply Corporation will be a government owned corporation, it will have, under section 149 of the *Government Owned Corporations Act 1993*, all the powers of a natural person for or in connection with the performance of its functions.

DIVISION 3—QUEENSLAND ELECTRICITY TRANSMISSION CORPORATION

Clause 78 provides that the main function of the Queensland Electricity

Transmission Corporation is to be a transmission entity with responsibility to transmit electricity throughout Queensland. It also has the functions to carry out other related activities. Other functions can be given under the *Government Owned Corporations Act 1993*. It is intended that initially the corporation will be responsible for system control throughout Queensland.

This Clause also gives the Queensland Electricity Transmission Corporation the powers of a statutory GOC under section 149 of the *Government Owned Corporations Act 1993*, ie. all the powers of a natural person for or in connection with the performance of its functions.

DIVISION 4—STATE AUTHORISED SUPPLIERS

Clause 79 nominates the State authorised suppliers which are entities established under the *Government Owned Corporations Act 1993*. These entities will take the place of the existing Electricity Boards.

Clause 80 provides that the main functions of State Authorised Suppliers are to be authorised suppliers, ie. to supply electricity in the area allocated by the supply entity. This requires the authorised suppliers to undertake all relevant planning, forecasting and co-ordination activities for the supply of electricity. It also has the functions to carry out other related activities. Other functions can be given under the *Government Owned Corporations Act 1993*.

Clause 81 gives State authorised suppliers the powers of a statutory GOC under section 149 of the *Government Owned Corporations Act 1993*, ie. all the powers of a natural person for or in connection with the performance of its functions.

PART 12—ELECTRICAL WORKERS AND CONTRACTORS BOARD

Clause 82 provides for the continuation of the existing Electrical Workers and Contractors Board. Detail regarding the functions and

operations of the Board will be detailed in regulation.

CHAPTER 3—OBLIGATION TO SUPPLY

Clause 83 recognises that the supply of electricity is an essential service in modern society. This clause places on persons who are given the right to supply electricity to consumers in specified areas of the State an obligation to supply.

The obligation is to supply electricity of appropriate quality to persons who want to buy it. The obligation does not require the supply of electricity if it is not technically and economically practicable.

Generally, the obligation requires electricity to be supplied on non-discriminatory terms.

As part of the development of competitive electricity markets, major consumers should be able to buy electricity at negotiated prices. Accordingly, provision is made that a regulation may lift the requirement not to discriminate.

Clause 84 relieves an entity from its obligation to supply in certain circumstances such as:

- interruption of supply in an emergency;
- the supply would breach safety requirements; or
- the supply would interfere with supply to other consumers.

Clause 85 provides that the obligation to supply is subject to the conditions of the supplier's authority.

Clause 86 permits an obligated supplier to disconnect supply of electricity if the consumer fails to pay moneys owing by the consumer to the supply body. The obligated supplier may also refuse to re-connect supply while the debt is unpaid and the consumer continues to reside in the premises.

CHAPTER 4—ELECTRICITY INDUSTRY OPERATIONS

PART 1—RESTRICTIONS ON CERTAIN ACTIVITIES BY UNAUTHORISED PERSONS

Clause 87 prohibits the connection of generating plant to a transmission grid or supply network without a generation authority. A maximum penalty of 5000 penalty units (\$300 000) may be imposed on conviction of an offence against this clause. Further an offender cannot receive payments for electricity supplied whilst in breach of this clause.

Clause 88 prohibits the operation of a transmission grid without a transmission authority. A maximum penalty of 5000 penalty units (\$300 000) may be imposed on conviction of an offence against this clause. Further an offender cannot receive payments for electricity supplied whilst in breach of this clause.

Clause 89 provides the basis for franchising supply areas by prohibiting the provision of electricity for sale in a supply area unless authorised under the Bill. A person who contravenes this provision is liable, upon conviction of an offence, to a maximum penalty of 10 penalty units (\$600). Further an offender cannot receive payments for electricity supplied whilst in breach of this clause.

PART 2—MARKET, SETTLEMENTS, SYSTEM CONTROL AND PRICING

Clause 90 permits the Governor in Council to regulate market trading in electricity through regulations. It is likely that a regulation will apply to persons with electricity demands that exceed a level set out in the regulation. Initially this is expected to be customers with a demand of 10MW and above and generators with a capacity of at least 30MW.

Clause 91 provides for the establishment of a body to be responsible for the financial reconciliation of all transactions involving electricity entities, customers, electricity brokers and other persons. Such a regulation may also provide for the power to disconnect works or electrical installations of a person who does not meet that person's obligations under the settlement process.

Clause 92 provides that a body is responsible for system control if the Governor in Council places responsibility for system control on the body. Until otherwise prescribed, the Queensland Electricity Transmission Corporation will be responsible for system control throughout the State. The clause also requires that the directions by the entity controlling the system to ensure safety and the efficient operation of the transmission grid are complied with. Participating persons must also comply with any protocol, standard, code of conduct or code of practice prescribed by regulation. This will enable standards and protocols determined under the auspices of the National Grid Management Council to be applied.

Clause 93 provides for electricity entities to set their own prices for electricity but also that they are to seek to ensure that the prices are fair and reasonable. However, to enable a market to develop, particularly with large-use consumers, regulations may permit prices to be fixed by negotiation.

The Minister has a reserve power to act, in the public interest, to fix prices for electricity to be charged by electricity entities. The Minister may also act to maintain the current policy of tariff equalisation throughout the State.

Clause 94 provides for electricity entities to set their own prices for network services. The Minister has a reserve power to act, in the public interest, to fix prices for network services to be charged by electricity entities. If the Minister acts to fix a price here, regard must be had to pricing principles agreed by Australian Governments.

Clause 95 prohibits discrimination between existing or prospective customers the purpose of which is to bring about a substantial lessening of competition within the electricity industry.

PART 3—LIMITATION OF LIABILITY OF ELECTRICITY ENTITIES

Clause 96 exonerates a transmission entity from liability for damage if there is a failure to provide electricity or network services but only if it is not due to the negligence or default of the transmission entity or of a person acting for the transmission entity for example, a contractor. A default could include an act or omission to act.

Clause 97 exonerates a supply entity or authorised supplier from liability for damage if there is a failure to provide electricity or network services but only if it is not due to the negligence or default of the supply entity, authorised supplier or of a person acting for the supply entity or authorised supplier, for example, its subsidiary or a contractor. A default could include an act or omission to act.

PART 4—WORKS

DIVISION 1—WORKS GENERALLY

Clause 98 provides for electricity entities to enter publicly controlled places at all reasonable times in order to gain access to their own works.

Clause 99 requires a person that proposes to carry out work that could affect the electric lines or works of an electricity entity to give 14 days' notice to the electricity entity. This requirement will not apply in an emergency. The person will be responsible for the cost of measures to protect or reinstate the works of the electricity entity.

DIVISION 2—WORKS ON PUBLIC PLACES, OTHER THAN RAILWAY LAND AND PROTECTED AREAS

Clause 100 ensures that this Division is subject to the requirements of

Divisions 3 and 4.

Clause 101 provides that an electricity entity may undertake activities in a publicly controlled place to provide electricity such as removing vegetation, diverting traffic and breaking up roads, etc. The entity can be required by regulation to give specified notice and follow prescribed procedures.

Clause 102 provides that an electricity entity may construct, repair and maintain electric lines and other works on, over, under, through or across a road. Construction, removal or altering of works (except for repairs or maintenance) must be with the agreement of the road authority. The agreement must not be withheld unreasonably.

Public bodies, on a request, must also supply electricity bodies with relevant information about future levels etc of roads.

Clause 103 provides that before undertaking works to replace the whole or a substantial proportion of an electric line an electricity entity must consult with the relevant road authority in order to ascertain whether mutually beneficial arrangements might be forthcoming concerning future developments of the road.

Clause 104 provides that the Governor in Council, by regulation, may declare a road to be a restricted road and impose restrictions on construction, alteration or removal of electricity works on a restricted road. The electricity entity must comply with the restrictions.

Clause 105 authorises the Regulator to require an electricity entity which builds, removes or alters (other than for repair or maintenance) its electric lines or works in a road without the agreement of the road authority, or contrary to a regulation, to take remedial action at the electricity entity's expense.

Clause 106 ensures that a public entity responsible for a publicly controlled place may require an electricity entity to alter the position of its works if they interfere with the carrying out of the public entity's powers, at the public entity's cost.

DIVISION 3—WORKS ON RAILWAY LAND

Clause 107 provides that, in relation to works of electricity entities on,

over or under a railway, an electricity entity may only construct, lay down or place (or alter or remove) such works with the agreement of the railway operator. This agreement cannot be unreasonably withheld.

Clause 108 provides for removal or relocation of an electricity entity's works on a railway at the requirement of the railway operator if an agreement between them so provides.

Clause 109 provides for the protection of the existing signalling or communication lines of railway operators.

Clause 110 provides that a railway operator proposing to build or relocate a signalling or communication line must ensure that the existing works of an electricity entity do not adversely affect the line.

DIVISION 4—WORKS ON PROTECTED AREAS

Clause 111 provides for the prohibition of electric lines or works on protected areas under the *Nature Conservation Act 1992* unless the Minister responsible for administering that Act gives prior written consent. There is a similar provision in the existing *Electricity Act 1976*. A maximum penalty of 8 penalty units (\$480) may be imposed on conviction of an offence against this clause.

DIVISION 5—OTHER MATTERS ABOUT AN ELECTRICITY ENTITY'S WORKS

Clause 112. Many electric lines have been constructed with the approval of the landowners concerned without being secured by registered easements. This clause provides that a person who subsequently becomes the owner of the land is deemed to have approved the construction but may require removal or relocation of the lines but must pay a cost acceptable to the electricity entity for carrying out the work.

Clause 113 provides that works constructed by or on behalf of an electricity entity on places such as roads, railways, tramways or waterways or on private property not under the control of the electricity entity remain

the property of the electricity entity unless it otherwise agrees.

Clause 114 requires electricity entities to limit damage caused through carrying out powers under the Bill and for electricity entities to compensate for damage caused.

PART 5—ENTRY ONTO AND ACQUISITION OF LAND

DIVISION 1—ENTRY ONTO LAND

Clause 115 provides a means by which a person may, with the consent of, and on the conditions set by, the Minister, enter land, if necessary without the consent of the occupier, to investigate, survey and plan for work relating to electricity generation, transmission or supply or related matters.

DIVISION 2—ACQUISITION OF LAND

Clause 116 provides that the Minister for Minerals and Energy, by Gazette notice, may authorise the acquisition of land for specified work by an electricity entity. Authority under this Division is only required for resumption purposes.

The Minister may impose conditions on such an authority.

The person authorised may act as if the person were a constructing authority under the *Acquisition of Land Act 1967* for the purposes of the acquisition.

PART 6—MISCELLANEOUS

Clause 117 provides a mechanism for the resolution of disputes among electricity entities or between electricity entities and public bodies such as Queensland Railways or road authorities. Either party may refer the dispute

to the Regulator who may decline to act or seek to resolve the dispute. If unable to resolve the dispute, the Regulator may refer the matter to the Minister for decision by the Governor in Council which decision must be complied with.

Clause 118 provides for the recovery of electricity charges from persons who occupy premises and consume electricity without making arrangements with the supply body as a consumer.

CHAPTER 5—INDUSTRY REGULATION

PART 1—REGULATOR

Clause 119 provides the Regulator with authority to determine disputes between electricity entities and customers or occupiers of land by mediation.

Clause 120 enables the Regulator to gather information from electricity bodies to allow the Regulator to carry out the Regulator's functions.

PART 2—RESTRICTIONS AND RATIONING

DIVISION 1—ELECTRICITY RESTRICTION REGULATIONS

Clause 121 sets out the purpose of electricity restriction regulations.

Clause 122 enables a regulation to impose restrictions so that, within the limits of capacity available there is a regular, efficient and constant supply of electricity through a transmission grid or supply network.

This clause also specifies the nature of the restrictions that can be imposed, that is, classes of consumer, the maximum demand for electricity by electrical installations, purposes for which electricity may be used and electrical articles which may be used.

Clause 123 sets a maximum time for a restriction regulation at five years.

DIVISION 2—EMERGENCY RATIONING ORDERS

Clause 124 gives the Minister the power to ration electricity in an emergency. The Minister would normally do this by gazette notice.

Clause 125 provides that, if necessary, the Minister may make the rationing order by means other than gazette notice. However, the order expires if not gazetted within 3 days.

Clause 126 provides for the Minister to use his discretion in how the electricity is rationed.

Clause 127 requires that the supply entity must advertise an emergency rationing order.

Clause 128 provides that the Minister repeal an emergency rationing order when the emergency is over. In any event the order expires after one month.

Clause 129 ensures that the rationing imposed by an order overrides agreements or arrangement with customers that might defeat the purpose of the order. This includes terms of contracts between electricity entities and major customers. This does not relieve the electricity body from liability for failure to provide electricity to a consumer. Relief however is available in the circumstances set out in the provisions relating to obligation to supply.

PART 3—ACTION BY REGULATOR TO ENSURE SUPPLY OF ELECTRICITY BY ELECTRICITY ENTITIES

Clause 130 authorises the Governor in Council to take action by way of authorising, by Gazette notice, the Regulator to take over operation of works of an electricity entity in order to ensure the provision of electricity to customers is not disrupted by the failure of electricity entities to carry out their responsibilities.

Clause 131 provides the means by which the operating works continue to be operated by a person appointed by the Regulator so that continuity of electricity supply is ensured. The electricity entity concerned must co-operate in allowing the operator to operate the works. There is provision for a maximum penalty of from 500 to 1000 penalty units (\$30000 to \$60000) for breaches of this clause. The electricity entity will be entitled to the net profits or liable for the net losses from the operation of the works. The works may continue to be operated even if the works are disposed of.

PART 4—DISCIPLINARY ACTION AGAINST ELECTRICITY ENTITIES

Clause 132 provides the grounds for taking disciplinary action against electricity entities.

Clause 133 authorises the Regulator to take disciplinary action on electricity entities.

The effect of disciplinary action could be a monetary penalty or even revocation of an authority under the Bill with consequent loss of rights that flow from that authority.

Clause 134 sets out the procedure to be taken by the Regulator when taking disciplinary action against an electricity entity.

Clause 135 provides for recovery of penalties imposed by the Regulator.

CHAPTER 6—ELECTRICITY OFFICER’S POWERS

PART 1—OPERATIONAL POWERS

Clause 136 authorises an electricity officer to enter a place at all reasonable times to inspect and take other action in relation to works or an electricity installation of an electricity entity or to inspect an electrical

installation to which the electricity entity supplies electricity.

Clause 137 allows entry for the reading of electricity meters and to take other action to determine the appropriate tariff.

Clause 138 provides a mechanism for gaining entry to premises to read meters if entry is refused.

Notice seeking entry may be given to the occupier, and if entry is still refused the electricity supply may be disconnected.

Clause 139 authorises entry by an electricity officer for the purpose of disconnection of supply.

Clause 140 provides that on giving seven days notice or obtaining consent an electricity officer can enter a place to prevent an electrical hazard. It also provides for entry to prevent obstruction to or interference with the electricity entity's facilities.

PART 2—SAFETY POWERS

Clause 141 authorises an electricity officer for an electricity entity to enter a place where the electricity entity has works or an electrical installation at all reasonable times to make them safe.

PART 3—EXERCISE OF POWERS BY ELECTRICITY OFFICERS

Clause 142 provides that if an electricity officer damages anything the owner is to be notified.

Clause 143 provides that a person may claim compensation for damage caused by an electricity officer.

CHAPTER 7—AUTHORISED PERSONS POWERS

PART 1—GENERAL POWERS TO INVESTIGATE OFFENCES

Clause 144 provides the conditions under which an authorised person may enter a public place to investigate offences.

Clause 145 sets out the procedure for obtaining consent to enter a place.

Clause 146 sets out the procedure for obtaining a warrant from a Magistrate authorising entry to a place.

Clause 147 provides that in urgent or other special circumstances a warrant may be obtained through a process using telephones or other means of communication.

Clause 148 sets out the general powers of authorised persons who enter places to investigate offences and includes power to search places, inspect, examine photograph or film relevant things, take copies, and bring persons and things to enable the powers to be exercised and require assistance from the occupier.

Clause 149 provides an authorised person may seize what is believed to be evidence of an offence against this Bill while lawfully on a place.

Clause 150 provides for an authorised person to give a receipt for anything seized.

Clause 151 allows an owner access to anything seized by an authorised person.

Clause 152 provides circumstances in which anything seized must be returned to the owner.

PART 2—OTHER INVESTIGATIVE POWERS

DIVISION 1—ELECTRICITY RESTRICTION REGULATIONS AND EMERGENCY RATIONING ORDERS

Clause 153 enables authorised persons to enter places at any time of the

day or night to find out whether an emergency rationing order is being complied with.

Clause 154 provides a means of enforcing a restriction regulation or emergency rationing order by authorising an authorised person to disconnect supply of electricity to an electrical installation or premises of customers who do not comply with the regulation or order. An electricity entity may refuse to re-connect supply if the regulation or order is likely to be further contravened.

DIVISION 2—SAFETY ISSUES

Clause 155 provides that an authorised person may enter any place to investigate an accident involving the use of electricity or an accident on an electrical installation or works involving electric shock or loss of life or serious personal injury.

Clause 156 authorises an authorised person to disconnect or require the disconnection, of electrical installations or works that may have a defect that is likely to cause fire, electric shock or injury. An authorised person must give notice of the disconnection and the reason for this action. It is an offence to re-connect an installation unless the defect is rectified or isolated.

Clause 157 authorises an authorised person to enter places to check the electrical safety of works (including electrical articles).

Clause 158 authorises an authorised person to enter a workplace to determine if electrical work is being undertaken in an appropriate manner by qualified persons.

Clause 159 provides that an authorised person may enter a place of business to check if electrical articles on sale are safe.

DIVISION 3—CATHODIC PROTECTION SYSTEMS

Clause 160 authorises an authorised person to enter premises where a cathodic protection system is being operated and, if it is being operated in contravention of the Bill render it inoperable. This is essential as such

systems can cause considerable damage to other installations if they are not operated in the authorised manner.

DIVISION 4—OTHER POWERS OF AUTHORISED PERSONS

Clause 161 provides that an authorised person may give written notice to prevent the sale or hire of electrical articles if they are likely to cause fire or electric shock. The authorised person may seize such articles. If the articles are not made safe within 6 months they are forfeited to the State.

Clause 162 authorises the authorised person to require the name and address of any person found committing or suspected of having committed an offence or performing or suspected of performing electrical work.

Clause 163 provides authority for an authorised person to require the provision of documents relevant to the administration or enforcement of the Act.

DIVISION 5—OTHER ENFORCEMENT MATTERS

Clause 164 provides that if an authorised person damages anything the owner is to be notified.

Clause 165 provides that a person may claim compensation for damage caused by an authorised person.

CHAPTER 8—SAFETY AND TECHNICAL ISSUES

Clause 166 requires a person connecting to a transmission grid or supply network to comply with the technical conditions for connection. It is essential to the safe and efficient operation of transmission grids or supply networks that these conditions be complied with.

Clause 167 requires persons to notify the relevant electricity supplier

immediately if a person sustains an electric shock. This is to ensure that a proper investigation is made and is linked to the necessity to ensure electrical safety. A penalty of 8 penalty units (\$480) may be imposed for a breach of this clause.

Clause 168 requires reporting of electrical accidents. An electrical contractor must report an accident causing electric shock immediately or, if unable through injury to do so, as soon as practicable. A penalty of 8 penalty units (\$480) may be imposed for a breach of this clause.

Clause 169 places an obligation on a special approval holder to report electrical accidents which occurred on the holder's installation.

Clause 170 requires an electricity entity to report to the Regulator immediately an electrical accident, or what may be an accident, that caused loss of life or serious injury. To ensure that a proper inspection after an accident can be made, this clause also provides that the Regulator may require that equipment, lines, poles, electrical articles or appliances must not be removed or interfered with until inspected by an authorised person.

Clause 171 provides that an electricity entity who is notified of an electrical accident must arrange for an authorised person to investigate the accident and for the authorised person's report to be given to the Regulator by the electricity entity within 7 days of its receipt.

Clause 172 provides that a person must not indicate that electrical articles, which under the legislation must be connected by a licensed electrical worker, can be connected by an unlicensed person. A penalty of 8 penalty units (\$480) may be imposed for a breach of this clause.

Clause 173 requires owners and operators of electrical works to ensure that the works are not unsafe. A penalty of 20 penalty units (\$1200) may be imposed for a breach of this clause.

Clause 174 provides that electricity entities must ensure that certain electrical installation works are examined, inspected and tested. A penalty of 20 penalty units (\$1200) may be imposed for a breach of this clause.

Clause 175 ensures that safety standards for works are complied with—by placing an obligation on the person who operates the works to comply. A penalty of 20 penalty units (\$1200) may be imposed for a breach of this clause.

Clause 176 enables the Regulator to require the removal of anything built

or placed in contravention of this Act. A penalty of 8 penalty units (\$480) may be imposed for a breach of this clause.

Clause 177 enables the Regulator to act where there is something that is unsafe or hazardous by requiring disconnection, removal, repair or making it safe. If the requirement is not complied with the Regulator may arrange for the work to be done and recover costs. This could involve a person entering property to carry out the work without giving notice. A penalty of 8 penalty units (\$480) may also be imposed for a breach of this clause.

CHAPTER 9—AUTHORITIES AND APPROVALS

PART 1—GENERATION AUTHORITIES

Clause 178 provides that the Regulator may give the authority to connect generating plant to a transmission grid or supply network. The authority may be for plant that is not yet constructed.

Clause 179 provides the method of making application for a generation authority.

Clause 180 provides the criteria to be considered before the giving of a generation authority. This clause is intended to facilitate the entry of new participants not to protect the market share of existing entities.

It is not relevant to consider whether the owner or operator has a market for its product or whether other authorities have been given. The Regulator must consider other matters as whether the person is fit and proper to be an owner of generating plant and the Government's environmental and energy policies.

Clause 181 provides that the Regulator must give a notice including reasons when refusing to issue a generation authority.

Clause 182 provides that a generation authority may be amended with the agreement of the generation entity.

Clause 183 provides that a generation authority's conditions may be

amended with the agreement of the generation entity.

Clause 184 prohibits transfers of generation authorities. This is to prevent trading in these authorities. If a holder of an authority through change in ownership of its share capital ceases to be a fit and proper person to hold an authority, the Regulator may withdraw the authority by action under clause 132(1)(d).

Clause 185 provides for the surrender of a generation authority by giving the Regulator six months' written notice or other notice specified in the authority.

PART 2—TRANSMISSION AUTHORITIES

Clause 186 provides that the Regulator may issue transmission authorities which must identify the transmission grid, any connected grid and the term of the authority.

The authority may relate to a transmission grid (without specifying the limits of the grid) or to a specified grid. It could be possible to provide for extensions to a transmission grid without the need to apply for a new authority for each extension.

Clause 187 allows for more than one transmission authority in the one area.

Clause 188 provides the method of making application for a transmission authority.

Clause 189 provides the criteria to be considered before the giving of a transmission authority. The Regulator must consider such matters as whether the person is fit and proper to operate a transmission grid, the owner is fit and proper to be the owner and the Government's environmental and energy policies. The Regulator may also consider the capacity of existing transmission grids.

Clause 190 provides that the Regulator must give a notice including reasons when refusing to issue a transmission authority.

Clause 191 provides that a transmission authority may be amended with the agreement of the transmission entity.

Clause 192 provides that a transmission authority's conditions may be amended with the agreement of the transmission entity.

Clause 193 prohibits transfers of transmission authorities. This is to prevent trading in these authorities. If a holder of an authority through change in ownership of its share capital ceases to be a fit and proper person to hold an authority, the Regulator may withdraw the authority by action under clause 132(1)(d).

Clause 194 provides for the surrender of a transmission authority by giving the Regulator six months' written notice or other notice specified in the authority.

PART 3—SUPPLY ENTITY AUTHORITIES

Clause 195 provides that the Regulator may issue supply entity authorities.

Clause 196 provides the method of making application for a supply entity authority.

Clause 197 provides the criteria to be considered before the giving of a supply entity authority. The Regulator must consider such matters as whether the person is fit and proper to be a supply entity, the owner is fit and proper to be the owner and the Government's environmental and energy policies. The Regulator must not consider share of the market or the number of authorities in force to ensure that authorities are readily available to new participants.

Clause 198 provides that the Regulator must give a notice including reasons when refusing to issue a supply entity authority.

Clause 199 provides that a supply entity authority may be amended with the agreement of the supply entity.

Clause 200 provides that a supply entity authority conditions may be amended with the agreement of the supply entity.

Clause 201 prohibits transfers of supply entity authorities. This is to prevent trading in these authorities. If a holder of an authority through change in ownership of its share capital ceases to be a fit and proper person

to hold an authority, the Regulator may withdraw the authority by action under clause 132(1)(d).

Clause 202 prevents surrender of a supply entity authority without the Regulator's approval. This is to ensure continuity of electricity supply.

PART 4—AUTHORISED SUPPLIER

Clause 203 provides that a supply entity may issue authorised supplier authorities in relation to the whole or part of its supply area.

Clause 204 requires the supply entity to take into account the Government's policies on environmental and energy issues and the likely environmental effects of activities proposed.

Clause 205 allows a supply entity, subject to clause 52, to impose conditions on authorised supplier authorities.

Clause 206 provides for the cancellation and amendment of authorised supplier authorities and the associated procedures required.

Clause 207 prevents surrender of an authorised supplier authority without the supply entity's agreement.

PART 5—SPECIAL APPROVALS

Clause 208 provides that special approvals may be given by a regulation or the Regulator.

Clause 209 provides the method of making application for a special approval.

Clause 210 provides that the Regulator may consider any matters that are considered appropriate.

Clause 211 provides that the Regulator must give a notice including reasons when refusing to issue special approvals.

Clause 212 provides that special approvals cannot be transferred.

Clause 213 provides for the surrender of special approvals usually by giving the Regulator 6 months' written notice.

CHAPTER 10—REVIEW OF AND APPEALS AGAINST DECISIONS

Clause 214 provides that a person affected by administrative decisions under this Bill may apply for a review.

Clause 215 sets out the process for seeking a review.

Clause 216 provides that a person seeking a review may apply for the decision to be “put on hold” pending the outcome of the review.

Clause 217 provides that regulations may be made referring applications for review to review panels for advice, or mediation for resolution or arbitration for decision.

Clause 218 provides for the decisions by the Regulator on the review and for notice of the decision to be given to the applicant.

PART 2—APPEALS

Clause 219 provides for appeals to an appropriate Court against decisions of the Regulator upon review.

Clause 220 provides the timeframe in which an appeal is to be lodged.

Clause 221 provides the process for instituting appeals.

Clause 222 provides that a person appealing may apply for the decision to be “put on hold” pending the outcome of the appeal.

Clause 223 sets out the powers of the Court in deciding an appeal.

Clause 224 provides that any appeal decision by the Court becomes the

decision of the person who made the original decision.

Clause 225 provides for rules of Court to be made to facilitate the procedures on appeal.

Clause 226 provides for an appeal on questions of law only.

CHAPTER 11—GENERAL

PART 1—OFFENCES

Clause 227 makes it an offence for a person to convey electricity beyond the boundary of the person's property unless in accordance with this Bill. A maximum penalty of 40 penalty units (\$2400) may be imposed on conviction.

Clause 228 prohibits an unauthorised person from being where electricity entities have works. This is primarily a safety measure. A maximum penalty of 40 penalty units (\$2400) may be imposed on conviction.

Clause 229 makes it an offence to discharge a firearm or project an object if damage to an electric line is likely to occur or electricity supply is likely to be interrupted. A maximum penalty of 40 penalty units (\$2400) or six months' imprisonment may be imposed on conviction.

Clause 230 provides that it is an offence to wilfully and unlawfully interfere with structures etc of an electricity entity. For example persons may not place notices, signs or placards on buildings, poles etc of an electricity entity. A maximum penalty of 40 penalty units (\$2400) or six months' imprisonment may be imposed on conviction.

Clause 231 prohibits connection to a transmission grid or supply network without the consent of the relevant electricity entity. A maximum penalty of 40 penalty units (\$2400) or six months' imprisonment may be imposed on conviction.

Clause 232 prohibits a person unlawfully interfering with supply of electricity to a customer. A maximum penalty of 40 penalty units (\$2400) or three months' imprisonment (or both) may be imposed on conviction.

Clause 233 provides that contravention of an emergency rationing order is an offence. A maximum penalty of 8 penalty units (\$480) may be imposed on conviction.

Clause 234 prohibits the climbing (without consent) of poles, structures, etc of an electricity entity. This is primarily a public safety measure. A maximum penalty of 40 penalty units (\$2400) may be imposed on conviction.

Clause 235 makes it an offence to unlawfully take electricity. A maximum penalty of 1000 penalty units (\$60000) may be imposed on conviction. To assist the Courts with the technical problems in identifying the owner of the electricity concerned, this clause provides that, for the purpose of the prosecution of an offence, the electricity belongs to any electricity entity whose transmission grid, supply network or works carried the electricity.

Clause 236 provides that a person must not obstruct an electricity officer or authorised person. Maximum penalty of 40 penalty units (\$2400) may be imposed on conviction.

Clause 237 makes it an offence to impersonate an electricity officer or authorised person. A maximum penalty of 8 penalty units (\$480) may be imposed on conviction.

Clause 238 provides that it is an offence to give false or misleading information to the Regulator, an electricity officer or authorised person. A maximum penalty of 60 penalty units (\$3600) may be imposed on conviction.

Clause 239 makes it an offence to give a document to the Regulator, an electricity officer or authorised person that is false, misleading or incomplete in a material matter. A maximum penalty of 60 penalty units (\$3600) may be imposed on conviction.

Clause 240 makes it an offence to impersonate a person named in a

document issued under the Act. A maximum penalty of 8 penalty units (\$480) may be imposed on conviction.

Clause 241 provides that any one who attempts to commit an offence thereby commits an offence.

Clause 242 applies section 76 of the Justices Act 1886 regarding the proof of the unlawfulness of a matter necessary to establish the offence.

Clause 243 provides that an offence against the Bill is a summary offence.

Clause 244 provides the timeframe for the commencement of offence proceedings.

PART 2—EVIDENTIARY PROVISIONS

Clause 245 provides that Part 2 applies to proceedings under or in relation to this Bill.

Clause 246 provides that it is not necessary to prove the appointment of the Regulator, electricity officers and authorised persons.

Clause 247 states that certain signatures are evidence without further proof.

Clause 248 provides that certificates by the Regulator concerning a number of matters are evidence of these matters.

Clause 249 provides that certificates by the chief executive officer of an electricity entity concerning a number of matters are evidence of these matters.

Clause 250 provides that certificates by the Electrical Workers and Contractors Board concerning a number of matters are evidence of these matters.

Clause 251 provides that if a customer has a device through which electricity can be taken illegally from the customer's installation, it is evidence that the customer has taken the electricity.

PART 3—MISCELLANEOUS

Clause 252 allows conditions to be imposed requiring compliance with protocols etc.

Clause 253 provides a legislative mechanism by which advisory committees may be continued or established, for example, the Electricity Industry Safety Advisory Committee may be continued.

Clause 254 provides protection for individuals acting in the administration of the Bill but does not deny an aggrieved party from redress as the liability attaches to the State. In compliance with the *Government Owned Corporations Act 1993*, this clause does not apply to State electricity entities.

CHAPTER 12—STATE ELECTRICITY ENTITIES

PART 1—GENERAL

Clause 255 ensures that State electricity entities are not exempt from this Bill or any other Act.

Clause 256 regulates the operation of the *Freedom of Information Act 1992* and *Judicial Review Act 1991* as they relate to State electricity entities.

Clause 257 provides that State electricity entities are constructing authorities. This allows these authorities to resume land, pursuant to the provisions of the *Acquisition of Land Act 1967*.

Clause 258 provides that in fixing electricity prices a State electricity entity must follow the principles, policies and targets in the statement of corporate intent that applies to it under the *Government Owned Corporations Act 1993*.

Clause 259 authorises the making of a regulation under which the Minister may require Queensland Generation Corporation to provide generating capacity.

PART 2—SUPERANNUATION

Clause 260 requires State electricity entities to participate in a superannuation scheme for their employees.

Clause 261 provides for the declaration by regulation of an industry superannuation scheme to which State electricity entities must contribute. This clause also specifies that the scheme must comply with relevant Commonwealth superannuation legislation.

Clause 262 provides for the continuation of membership of certain schemes by persons who, on the commencement of this Act, are members of those schemes and become employees of State electricity entities.

CHAPTER 13—REGULATIONS

Clause 263 authorises regulations to be made under this Act.

Clause 264 provides that regulations may relate to matters mentioned in Schedule 2 to the Act.

Clause 265 enables the Governor in Council to make regulations about the installation, regulation and protection of cathodic protection systems. This is essential as such systems can cause considerable damage to other installations if they are not operated in the authorised manner.

Clause 266 enables the Governor in Council to make regulations providing for standards for appliances and for a system of energy labelling for appliances. It is anticipated the regulations will mirror the existing provisions in the *Electricity Act 1976* and regulations.

Clause 267 enables the Governor in Council to make regulations providing for safety of electrical articles and a system of registration of electrical articles. It is anticipated the regulations will mirror the existing provisions in the *Electricity Act 1976* and regulations.

Clause 268 provides that a regulation may make provisions concerning the Electrical Workers and Contractors Board and its activities. It is proposed that such regulations will reflect the situation of the current

Electrical Workers and Contractors Board and the current requirements about electrical workers and contractors as set out in the *Electricity Act 1976* and regulations made pursuant to that Act.

CHAPTER 14—TRANSITIONAL

Clause 269 defines the *Electricity Act 1976* as the repealed Act.

Clause 270 provides that the Regulator has a twelve-month period in which to issue a generation authority to Queensland Generation Corporation. Until then Queensland Generation Authority is taken to have a generation authority.

Clause 271 provides that the Regulator has a twelve-month period in which to issue a transmission authority to Queensland Electricity Transmission Corporation. Until then Queensland Electricity Transmission Corporation is taken to have a transmission authority.

Clause 272 provides that the Regulator has a twelve-month period in which to issue a supply entity authority to Queensland Transmission and Supply Corporation. Until then Queensland Transmission and Supply Corporation is taken to have a supply entity authority.

Clause 273 provides that the Queensland Transmission and Supply Corporation has a twelve-month period in which to issue an authorised supplier authority to each State authorised supplier. Until then each State authorised supplier is taken to have an authorised supplier authority.

Clause 274 continues the tariff schedules in place at the time of the repeal of the *Electricity Act 1976* for a further period of six months unless the State electricity entities set the retail electricity prices.

Clause 275 provides that persons who are installation inspectors at the commencement of the Act become electricity officers until formally appointed by the chief executive officer of the electricity entity or alternatively the appointment under the *Electricity Act 1976* is revoked.

Clause 276 provides for transfer of employees from the Queensland Electricity Commission to the Department of Minerals and Energy and for their entitlements.

Clause 277 provides for the transfer of relevant assets from the Queensland Electricity Commission to the Department of Minerals and Energy.

Clause 278 provides for regulation to be made providing for employees of the Queensland Electricity Commission and Electricity Boards to be issued with certificates of entitlement at the date of commencement of the Act, including details of leave, salary, service etc.

Clause 279 provides that parts of the *Electricity Act 1976* dealing with superannuation for employees continue in force despite repeal of that Act until a new scheme is put into operation on “transfer day”.

Clause 280 provides that when the Minister is satisfied that a superannuation scheme has been developed which is an acceptable replacement for the Queensland Electricity Supply Industry Superannuation Scheme (QESISS), a regulation may set the transfer day when the new scheme will commence operation.

Clause 281 outlines the effect of the Minister’s approval on members of the replaced schemes and those schemes’ assets, liabilities, rights and obligations etc. It also provides for funds held by QESISS as entitlements under the Electricity Superannuation Restoration Acts to become part of the new industry superannuation scheme.

Clause 282 continues any rationing order which may be in force at the commencement of this Act for a period of 3 months.

Clause 283 continues all restriction orders which are in force at the commencement of this Act for a period of six months.

Clause 284 continues the arrangements with certain New South Wales Councils to supply electricity into parts of Queensland as if they were authorised suppliers with the same supply areas. The supply entity Queensland Transmission and Supply Corporation has six months in which to issue authorised supplier authorities to these Councils.

Clause 285 continues for up to 3 years licences issued under the *Electricity Act 1976* in force at the commencement of this Act as special approvals, as the case may be, with the same conditions.

Clause 286 provides that references in the *Electricity Act 1976* to an Electricity Board and the Queensland Electricity Commission translate respectively to State authorised suppliers and the Queensland Generation

Corporation, the Queensland Transmission and Supply Corporation, the Queensland Electricity Transmission Corporation or the Regulator.

Clause 287 provides that from assent of the Bill, the State will negotiate with the other parties to the State agreement made under the *Gladstone Power Station Agreement Act 1993* to ensure that the rights and obligations had prior to the commencement by the State, the other parties and parties to the Transaction Documents mentioned in the State agreement are as nearly as possible maintained after commencement of this Act.

Clause 288 provides that actions in accordance with agreements in force at the commencement of this Act under the *Electricity Act 1976* do not give rise to grounds for discrimination under the Bill.

Clause 289 provides that regulations and orders in council in force under the *Electricity Act 1976* continue in force for a period of one year.

Clause 290 provides that it is lawful for a Local Government to approve a subdivision of land that is required to give effect to the vesting of land in a State electricity entity through the corporatisation process even if another law may not permit the subdivision.

Clause 291 provides a regulation may be made to assist or facilitate the transition from the operation of the *Electricity Act 1976* but only continues in force for a period of one year after commencement of this Bill.

Clause 292 provides for the repeal of the existing Electricity Act.

Clause 293 provides for amendment of the Acts set out in Schedule 4.

CHAPTER 15—REPEALS AND AMENDMENTS

This chapter sets out the schedules which list existing legislation repealed or amended by this Bill.

- SCHEDULE 1 — provides for Appeals Against Administrative Decisions
- SCHEDULE 2 — outlines Subject Matter for Regulations
- SCHEDULE 3 — lists Acts Repealed
- SCHEDULE 4 — lists Acts Amended

Building Act 1975

This amendment continues for Queensland Generation Corporation the existing arrangements by which local government is not required to approve the construction of power stations.

Electricity Superannuation Restoration Act 1990

These amendments address the change in entities caused by the commencement of this Bill.

It also provides for the lapsing of any entitlements not recognised before the approval of the new industry superannuation scheme and the expiry of the Act on the approval.

Electricity Supply Industry Employees' Superannuation Restoration Act 1985

This amendment provides for the expiry of the Act when the new industry superannuation scheme is approved. That scheme will cater for entitlements preserved under that Act.

Freedom of Information Act 1992

This amendment includes State electricity entities in Schedule 2 of the Freedom of Information Act.

Gladstone Power Station Agreement Act 1993

These are minor amendments accommodating changes to the industry structure.

Government Owned Corporations Act 1993

The Bill provides for the amendment of the Government Owned Corporations Act 1993 by the insertion of provisions which have the effect of requiring a GOC to pay dividends for the financial year or part of the financial year in which it becomes a GOC and, at the shareholding Ministers' discretion, for the financial year immediately before the financial

year in which a GOC becomes a GOC.

The amendments to the *Government Owned Corporations Act 1993* are required to overcome problems encountered in requiring GOCs to pay dividends for the financial year prior to and in which they become GOCs. This Bill provides the opportunity to improve the provisions of the *Government Owned Corporations Act 1993* with respect to dividend payments without the necessity of a separate amendment Bill.

Provision is made for the insertion of sections 160A, 160B, 160C and 160D in the *Government Owned Corporations Act 1993*.

Section 160A is a definition section and defines the terms “dividend” and “predecessor”.

The purpose of the definition of “dividend” is to ensure that all amounts paid by an entity under another Act in the nature of a dividend, irrespective of what the payments are called or how they are calculated, are taken into account when determining if an entity paid an interim or final dividend prior to becoming a GOC.

The definition of “predecessor” is one part of the mechanism by which dividends paid by a candidate GOC are taken to be dividends paid by the candidate’s associate GOC where the associate GOC becomes the GOC. The second part of the mechanism is contained in s.160B(b), s.160C(3) and s.160D(4)(c).

Section 160B provides for a GOC to pay a final dividend under s.159 of the GOC Act for the financial year in which it becomes a GOC. Section 160B(a) gives the shareholding Ministers the discretion to require the dividend to be paid by a GOC for the whole of the financial year during which it became a GOC (even if it was not a GOC for the whole year), or for that part of the financial year that it was a GOC.

Section 160B(b) together with the definition of “predecessor” provide for a candidate GOC and associate GOC to be treated as one entity so that any dividend paid by a candidate GOC is taken to have been a payment by the associate GOC.

Section 160B(c) requires that any interim dividend paid by a GOC before it became a GOC to be offset against the amount of the final dividend required to be paid under s.159.

Section 160C provides for interim dividends to be paid by a GOC for either the first six months of the financial year in which it becomes a GOC (even though it may not have been a GOC during the whole or any part of that six month period), or for the part of the first six months of the financial year for which it was a GOC. The shareholding Ministers have the power to determine for which period the interim dividend relates under s.160C(1)(a). A determination under s.160C(1) does not effect the shareholding Ministers' exercise of discretion under s.160B(a). This gives the shareholding Ministers maximum flexibility to determine what the appropriate interim and final dividends should be at the appropriate times.

Section 160D makes provision for a GOC to pay a final dividend under s.159 for the financial year before the financial year in which a GOC becomes a GOC.

Section 160D(1) defines "previous financial year" to mean the financial year immediately before the one in which the GOC became a GOC.

The effect of subsection (2) is that if an entity pays a final dividend in the financial year before the financial year in which it became a GOC, the shareholding Ministers cannot require the GOC to pay another final dividend for that financial year, nor can the final dividend be "re-opened". However, if an interim dividend was paid in the previous financial year, the shareholding Ministers can require that a final dividend under s.159 be paid and subsection (4)(b) requires that interim dividend to be set off against the amount of the final dividend.

Section 160D(4)(a) together with the definition of "predecessor" provide for the candidate GOC and its associate to be treated as one entity so that any dividend payment by a candidate GOC is taken to have been a payment by the associate.

Judicial Review Act 1991

This amendment includes State electricity entities in Schedule 6 of the Judicial Review Act.

Penalties and Sentences Act 1992

This amendment extends the definition of “property” to include electricity so that under that Act orders for restitution on conviction of an offence may include orders for payment related to electricity taken.

SCHEDULE 5 — provides a Dictionary of words used in the Bill.