

# **GLADSTONE POWER STATION AGREEMENT AMENDMENT BILL 1994**

## **EXPLANATORY NOTES**

### **GENERAL OUTLINE**

#### **Objective of the Legislation**

The object of the Bill is to finalise legislative arrangements required for the completion of the sale of the Gladstone Power Station to a joint venture consisting of a number of companies nominated by Comalco.

#### **Reasons for the Bill**

Detailed negotiations which have continued in the period since the Gladstone Power Station Agreement Act 1993 was assented to on 17 December 1993 have resulted in minor amendments being required to the principal Act.

#### **Estimated Cost for Government Implementation**

Nil.

#### **Consultation**

Comalco, the proposed Power Station Operator, and the Government Superannuation Office have all been involved in on-going discussions.

### **NOTES ON PROVISIONS**

*Clause 1* provides that the short title is to be the Gladstone Power Station Agreement Amendment Act 1994.

*Clause 2* cites the Act to be amended as the Gladstone Power Station Agreement Act 1993.

*Clause 3* extends the date by which the Agreement may be entered into from 31 December 1993 to 31 March 1994.

*Clause 4* inserts a new clause which enables an employee at the Gladstone Power Station who is a member of the State Public Sector Superannuation Scheme to transfer to the Queensland Electricity Supply Industry Employees' Superannuation Scheme. By so becoming a member of the Queensland Electricity Supply Industry Employees' Superannuation Scheme the person will be given comparable entitlements to all other employees in transferring to the new operator.

*Clause 5* provides for amendment to the State Agreement which is contained in the Schedule to the Gladstone Power Station Agreement Act 1993.

## **SCHEDULE**

*Clause 1* amends the definition of the "Interconnection and Power Pooling Agreement" to take account of changes in terminology used in that Agreement as a result of the negotiation of detailed arrangements.

*Clause 2* corrects an error in the original cross referencing of the definition of "Long Term Investor".

*Clause 3* removes a potential ambiguity in the application of the definition of "Pollution" and further clarifies the affect that would result from a discharge, emission or deposit to be described as "Pollution" under this definition.

*Clause 4* amends Clause 10(b)(i) and (ii) by reducing the period, from 90 days to 60 days, in which the State undertakes to restore the credit rating of the QEC should it fall below an "A" rating.

*Clause 5* broadens the scope of the original provision under the *Gladstone Power Station Agreement Act 1993* by:

- . extending the coverage of the clause to all buildings at the power station;

- . widening the amount of legislation covered within the deeming provision; and
- . deeming that all certificates and approvals required to be issued under the relevant legislation have been issued or given.

*Clause 6* clarifies the operation of Clause 22(b)(iii) by explicitly recognising that a default under the GPS Environmental Policy Schedule is not a default under the State Agreement. A breach of the GPS Environmental Policy Schedule would be a breach of the relevant Environmental Legislation.

*Clause 7* amends the Licence to Supply Electricity, paragraph (a)(i), by increasing the capacity allowed under the licence to take into account the capacity of the Gas Turbine located at the power station. This plant had not been included in the previous capacity calculation.

*Clause 8* amends the GPS Environmental Policy Schedule to provide for sampling studies which were initially planned to be undertaken after the Transfer Date but have now been completed.