

GLADSTONE POWER STATION AGREEMENT AMENDMENT BILL 1997

EXPLANATORY NOTES

GENERAL OUTLINE

Objectives of the legislation

The objective of the Bill is to amend the *Gladstone Power Station Agreement Act 1993* (“Act”) to provide for approval of variations to the State Agreement (“Agreement”) by way of an Act, in addition to the approval by regulation as presently provided.

Reasons for the objectives and how they will be achieved

Rights and obligations of the various parties pursuant to the sale of the Gladstone Power Station are enshrined in the Agreement which is authorised by the Act. The Act provides for amendments to the Agreement to be approved by regulation.

Amendments to the Agreement are necessary following amendments to the *Electricity Act 1994* by the *Electricity Amendment Act (No.2) 1997* and also to accommodate the commencement of the Queensland Interim Market Code.

Whilst the Act currently provides for approval of amendments to the Agreement by regulation, it is necessary to provide for amendments to be approved by primary legislation in order to meet the timetable for commencement of the Market Code.

Hence, the Bill provides for approval of variations to the Agreement by way of an Act, in addition to the approval by regulation as presently provided.

Administrative cost to Government of implementation

It is expected that the Bill will not impose any significant additional costs on the Government.

Consistency with Fundamental Legislative Principles

The Bill is consistent with Fundamental Legislative Principles.

Consultation

The GPS participants and the Departments of Premier and Cabinet, Economic Development and Trade, Mines and Energy and Treasury have been consulted on the Bill.

NOTES ON PROVISIONS

Clause 1 sets out the short title for the Bill.

Clause 2 provides for the commencement of the Act on a day to be fixed by proclamation.

Clause 3 provides that the Act amends the *Gladstone Power Station Agreement Act 1993*.

Clause 4 amends section 3 (Minister may make agreement substantially in form of agreement) by replacing “the Schedule” with “Schedule 1”.

Clause 5 amends section 5 (Amendment to State Agreement) to allow amendments to the State Agreement to be approved by Act, as well as by regulation.

Clause 6 inserts a new section 5A (Approval of proposed further agreement) which specifically approves the further agreement set out in schedule 2.

Clause 7 amends section 6 (Amendment of schedule 2 to State Agreement) to allow amendments to Schedule 2 to the State Agreement to be approved by Act, as well as by regulation.

Clause 8 amends the heading to the schedule by replacing “SCHEDULE” with “SCHEDULE 1”.

Clause 9 inserts a new schedule 2 (Further agreement amending State Agreement) which sets out the further agreement referred to in the new section 5A inserted by clause 6.