

WESTERN AUSTRALIA

**GAS PIPELINES ACCESS (WESTERN
AUSTRALIA) ACT 1998**

(No. 65 of 1998)

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GAS PIPELINES ACCESS (WESTERN AUSTRALIA) ACT 1998

No. 65 of 1998

AN ACT to make provision for the regulation of third party access to gas pipeline systems, to establish certain offices and a board for that purpose including an official who may arbitrate access disputes and other disputes in the gas supply industry, to consequentially amend various Acts, and for related purposes.

[Assented to 15 January 1999.]

The Parliament of Western Australia enacts as follows:

Preamble

The Council of Australian Governments agreed, in February 1994, to general principles of competition policy reform to enable third parties, in particular circumstances, to gain access to essential facilities.

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The Council of Australian Governments, as part of that commitment to reform, agreed to more specific proposals for the development of free and fair trade in natural gas.

The Commonwealth, the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania, the Northern Territory and the Australian Capital Territory agreed in November 1997 to the enactment of legislation in the Commonwealth and those States and Territories so that a uniform national framework applies for third party access to all gas pipelines that —

- (a) facilitates the development and operation of a national market for natural gas; and
- (b) prevents abuse of monopoly power; and
- (c) promotes a competitive market for natural gas in which customers may choose suppliers, including producers, retailers and traders; and
- (d) provides rights of access to natural gas pipelines on conditions that are fair and reasonable for the owners and operators of gas transmission and distribution pipelines and persons wishing to use the services of those pipelines; and
- (e) provides for resolution of disputes.

In this State it is desirable that the uniform national framework referred to applies also to certain pipelines for the reticulation of gas other than natural gas.

PART 1 — PRELIMINARY

Short title

1. This Act may be cited as the *Gas Pipelines Access (Western Australia) Act 1998*.

Commencement

2. (1) Subject to —

- (a) subsection (2); and
- (b) clauses 5 and 28 of Schedule 3,

this Act comes into operation on such day as is fixed by proclamation.

(2) The Governor may, by the same proclamation or by proclamations made on different days, fix different days for the commencement of different provisions of this Act, including the different provisions of Schedules 1 and 3.

(3) Despite subsection (2), the day fixed for the commencement of —

- (a) Subdivision 2 of Division 2 of Schedule 3; and
- (b) Subdivision 2 of Division 7 of that Schedule,

is not to be different from the day fixed for the commencement of section 9.

Interpretation

3. (1) In this Act —

“Gas Pipelines Access Law” means —

(a) Schedule 1 —

(i) as enacted; or

(ii) if amended, as amended and in force for the time being;

and

(b) the *National Third Party Access Code for Natural Gas Pipeline Systems* (a copy of which, as agreed by the Council of Australian Governments on 7 November 1997, is set out in Schedule 2) or, if that Code is amended in accordance with Schedule 1, that Code as so amended and in force for the time being;

“Gas Pipelines Access (Western Australia) Law” means the provisions applying because of section 9;

“Gas Pipelines Access (Western Australia) Regulations” means the provisions applying because of section 10.

(2) References in this Act to “this Act” do not include Schedule 1 except in —

(a) sections 2 and 4; and

(b) the definition of “local Minister” in section 11.

(3) The provisions of the *Interpretation Act 1984* apply for the purposes of this Act, but without affecting the operation of —

- (a) sections 12(3) and 25 of this Act; and
- (b) section 4 of Schedule 1.

(4) Words and expressions defined by a provision of Schedule 1 (not including the Appendix to that Schedule) have the same meanings in this Act as they have in that Schedule.

(5) Subsections (3) and (4) do not apply to the extent that the context or subject matter otherwise indicates or requires.

Enactment for participation in national scheme

4. It is declared that the enactment of this Act is intended to meet the obligations described in section 3(4)(a)(i), (ii) and (iii) of Schedule 1.

Crown to be bound

5. This Act, the Gas Pipelines Access (Western Australia) Law and the Gas Pipelines Access (Western Australia) Regulations bind the Crown, not only in the right of Western Australia but also, so far as the legislative power of the Parliament permits, the Crown in all its other capacities.

Application to coastal waters

6. (1) This Act, the Gas Pipelines Access (Western Australia) Law and the Gas Pipelines Access (Western Australia) Regulations apply in the coastal waters of this State.

(2) In subsection (1) —

“coastal waters” means any sea that is on the landward side of the adjacent area of this State but is not within the limits of this State.

Extra-territorial operation

7. (1) It is the intention of the Parliament that the operation of this Act, the Gas Pipelines Access (Western Australia) Law and the Gas Pipelines Access (Western Australia) Regulations should, as far as possible, include operation in relation to the following —

- (a) things situated in or outside this State;
- (b) acts, transactions and matters done, entered into or occurring in or outside this State;
- (c) things, acts, transactions and matters (wherever situated, done, entered into or occurring) that would, apart from this Act, the Gas Pipelines Access (Western Australia) Law and the Gas Pipelines Access (Western Australia) Regulations, be governed or otherwise affected by the law of another State, a Territory, the Commonwealth or a foreign country.

(2) Nothing in subsection (1) has effect in relation to a pipeline to the extent that the pipeline is situated, or partly situated, beyond the jurisdictional areas of all the scheme participants.

Extension of the Law and the Regulations to certain pipelines reticulating gas other than natural gas

8. (1) The Gas Pipelines Access (Western Australia) Law and the Gas Pipelines Access (Western Australia) Regulations apply

to a pipeline for the reticulation of gas other than natural gas if the pipeline constitutes or is part of —

- (a) an undertaking approved by the Coordinator of Energy under section 55 of the *Energy Corporations (Powers) Act 1979*; or
- (b) a system operated by the Gas Corporation under the *Gas Corporation Act 1994*.

(2) Subsection (1) has effect —

- (a) despite the provisions of the Gas Pipelines Access (Western Australia) Law and the Gas Pipelines Access (Western Australia) Regulations; and
- (b) as if, for the purposes of that subsection, a reference in that Law and those Regulations to natural gas were amended to include a reference to gas other than natural gas.

(3) In this section —

“gas other than natural gas” means substances which —

- (a) are in a gaseous state at standard temperature and pressure; and
- (b) consist of —
 - (i) naturally occurring hydrocarbons; or
 - (ii) a naturally occurring or manufactured mixture of hydrocarbons and non-hydrocarbons,
the principal constituent of which is —
 - (iii) propane, propene, butanes or butenes; or
 - (iv) a mixture of all or any of those substances.

PART 2 — GAS PIPELINES ACCESS (WESTERN AUSTRALIA) LAW AND GAS PIPELINES ACCESS (WESTERN AUSTRALIA) REGULATIONS

Application in Western Australia of the Gas Pipelines Access Law

9. The Gas Pipelines Access Law —

- (a) applies as a law of Western Australia; and
- (b) as so applying may be referred to as the Gas Pipelines Access (Western Australia) Law.

Application of regulations under Gas Pipelines Access Law

10. The regulations in force for the time being under Part 3 of this Act —

- (a) apply as regulations in force for the purposes of the Gas Pipelines Access (Western Australia) Law; and
- (b) as so applying may be referred to as the Gas Pipelines Access (Western Australia) Regulations.

Interpretation of some expressions in the Gas Pipelines Access (Western Australia) Law and Gas Pipelines Access (Western Australia) Regulations

11. In the Gas Pipelines Access (Western Australia) Law and the Gas Pipelines Access (Western Australia) Regulations —

- “**Code**” means the National Third Party Access Code for Natural Gas Pipeline Systems (a copy of which, as agreed by the Council of Australian Governments on 7 November 1997, is set out in Schedule 2) or, if that

Code is amended in accordance with Schedule 1, that Code as so amended and in force for the time being, as it applies because of section 9 as a law of Western Australia;

“the Court” means the Supreme Court;

“designated appeals body” means the local appeals body;

“Gas Pipelines Access Law” or **“this Law”** means the Gas Pipelines Access (Western Australia) Law;

“Legislature” means the Parliament of Western Australia;

“local appeals body” means the Western Australian Gas Review Board established by section 50;

“local Minister” means the Minister to whom the administration of this Act is committed;

“local Regulator” means the person holding or acting in the office of the Western Australian Independent Gas Pipelines Access Regulator established by section 27;

“this scheme participant” means the State of Western Australia;

“Supreme Court” means the Supreme Court of Western Australia.

**PART 3 — REGULATIONS FOR THE GAS PIPELINES
ACCESS LAW**

**General regulation-making power for Gas Pipelines Access
Law**

12. (1) The Governor may make regulations for or with respect to any matter or thing necessary to be prescribed to give effect to the Gas Pipelines Access Law.

(2) A regulation under this Part may be made only on the unanimous recommendation of the relevant Ministers of the scheme participants.

(3) The provisions of the *Interpretation Act 1984* do not apply for the purposes of regulations under this Part but instead those of Appendix 1 to Schedule 1 apply.

Civil penalty provisions of the Gas Pipelines Access Law

13. (1) The regulations may provide that —

- (a) a specified regulatory provision or a regulatory provision of a specified class; or
- (b) a specified conduct provision or a conduct provision of a specified class,

is, for the purposes of the Gas Pipelines Access Law, a civil penalty provision.

(2) The regulations may prescribe, for a breach of a civil penalty provision —

- (a) an amount not exceeding \$100 000; and
- (b) in addition a daily amount not exceeding \$20 000,

that the Court may determine is payable by a person who contravenes the provision.

(3) In subsection (2)(b) —

“daily amount” means an amount for each day or part of a day during which the breach continues.

Specific regulation-making powers

14. The regulations may make provision for or with respect to —

- (a) prescribing, for the purposes of the definition of “pipeline” in Schedule 1, gas processing plants, exit flanges and connection points;
- (b) the procedure and conduct of arbitrations under Part 4 of Schedule 1;
- (c) the person or persons required to make available copies of —
 - (i) the Code as set out in Schedule 2;
 - (ii) that Code, if amended, as amended and in force for the time being;
 - (iii) amendments made to that Code;
- (d) the place or places at which the copies referred to in paragraph (c) are to be available for inspection by the public.

**PART 4 — NATIONAL ADMINISTRATION
AND ENFORCEMENT**

Division 1 — Conferral of functions and powers

Conferral of functions on NCC

15. (1) The NCC has the functions conferred or expressed to be conferred on it under the Gas Pipelines Access (Western Australia) Law.

(2) In addition to subsection (1), the NCC has power to do all things necessary or convenient to be done in connection with the performance of the functions referred to in that subsection.

Conferral of power on NCC to do acts in this State

16. The NCC has power to do acts in or in relation to this State in the performance of a function expressed to be conferred on it by the gas pipelines access legislation of another scheme participant.

Conferral of power on Ministers, Regulators and appeals bodies of other scheme participants

17. The local Minister, the local Regulator and the local appeals body within the meaning of the gas pipelines access legislation of another scheme participant have power to do acts in or in relation to this State in the performance of a function expressed to be conferred on them respectively by the gas pipelines access legislation of that other scheme participant.

Code Registrar and conferral of functions

18. (1) The Code Registrar for the purposes of the Gas Pipelines Access (Western Australia) Law is the person appointed

to or acting in the position of Code Registrar under the *Gas Pipelines Access (South Australia) Act 1997* of South Australia.

(2) The Code Registrar —

- (a) has the functions conferred or expressed to be conferred on the Code Registrar under the Gas Pipelines Access (Western Australia) Law or under the National Gas Agreement; and
- (b) any other functions conferred on the Code Registrar by unanimous resolution of the relevant Ministers of the scheme participants.

(3) In addition to subsection (2), the Code Registrar has power to do all things necessary or convenient to be done in connection with the performance of the functions referred to in that subsection.

(4) The Code Registrar may delegate to any person any of the functions conferred on the Code Registrar by this section, other than this power of delegation.

Functions conferred on Western Australian Minister, Regulator, arbitrator, and appeals body

19. If the gas pipelines access legislation of another scheme participant confers a function on —

- (a) the Minister; or
- (b) the person holding or acting in the office of the Western Australian Independent Gas Pipelines Access Regulator established by section 27; or
- (c) the person holding or acting in the office of the Western Australian Gas Disputes Arbitrator established by section 62; or

- (d) the Western Australian Gas Review Board established by section 50,

the Minister, person or Board —

- (e) may perform that function; and
- (f) may do all things necessary or convenient to be done in connection with the performance of that function.

Division 2 — Federal Court

Jurisdiction of Federal Court

20. Jurisdiction is conferred on the Federal Court so far as is necessary for the purposes of section 22.

Conferral of jurisdiction on Federal Court not to affect cross-vesting

21. Section 20 does not affect the operation of any law relating to cross-vesting of jurisdiction.

Division 3 — Administrative decisions

Application of Commonwealth AD(JR) Act in relation to other scheme participants

22. (1) The *Administrative Decisions (Judicial Review) Act 1977* of the Commonwealth applies as a law of this State to any matter arising in relation to a decision of a Code body under the gas pipelines access legislation of another scheme participant as if that legislation were an enactment within the meaning of that Act and not a law of that scheme participant.

(2) For the purposes of the application of the *Administrative Decisions (Judicial Review) Act 1977* of the Commonwealth as a law of this State, a matter arising in relation to a decision of a Code body under the gas pipelines access legislation of another scheme participant —

- (a) is taken to be a matter arising in relation to laws of the Commonwealth in the same way as if that legislation were a law of the Commonwealth; and
- (b) is taken not to be a matter arising in relation to laws of that scheme participant.

(3) This section does not require, prohibit, empower, authorise or otherwise provide for, the doing of an act outside this State.

(4) In this section —

“Code body” means —

- (a) the NCC;
- (b) the ACCC, that is the Australian Competition and Consumer Commission established by section 6A of the *Trade Practices Act 1974* of the Commonwealth and includes a member of the Commission or a Division of the Commission performing functions of the Commission;
- (c) the Australian Competition Tribunal;
- (d) the local appeals body within the meaning of the *Gas Pipelines Access (Western Australia) Law*;
- (e) the local Minister within the meaning of the *Gas Pipelines Access (Western Australia) Law*;

- (f) the local Regulator within the meaning of the Gas Pipelines Access (Western Australia) Law;
- (g) an arbitrator appointed under Part 4 of the Gas Pipelines Access (Western Australia) Law.

PART 5 — GENERAL

Exemption from taxes

23. (1) Any stamp duty or other tax imposed by or under a law of this State is not payable in relation to —

- (a) an exempt matter; or
- (b) anything done (including, for example, a transaction entered into or an instrument or document made, executed, lodged or given) because of, or arising out of, an exempt matter.

(2) In this section —

“exempt matter” means a transfer of assets or liabilities that the Minister and the Treasurer are satisfied is made for the purpose of ensuring that a person does not carry on a business of producing, purchasing or selling natural gas in breach of the Code or for the purpose of the separation of certain activities from other activities of a person as required by the Code, and for no other purpose.

(3) In making a decision under section 4.15 of the Code, the relevant Regulator may treat any tax liability arising from an exempt matter as an administrative cost referred to in section 4.15 (a) (ii) or (b) of the Code.

Actions in relation to cross-boundary pipelines

24. (1) If a pipeline is a cross-boundary pipeline, any action taken under the gas pipelines access legislation of a scheme participant in whose jurisdictional area a part of the pipeline is situated —

- (a) by, or in relation to, a relevant Minister, or a relevant Regulator, within the meaning of that legislation; or

- (b) by, or in relation to, an arbitrator appointed by a relevant Regulator within the meaning of that legislation; or
- (c) by the Federal Court, or by the Supreme Court, or the relevant appeals body, within the meaning of that legislation, in relation to the action taken by, or in relation to, a person or body referred to in paragraph (a) or (b),

is taken also to be action taken under the gas pipelines access legislation of each other scheme participant in whose jurisdictional area a part of the pipeline is situated (“**that other legislation**”) —

- (d) by, or in relation to, a relevant Minister, or relevant Regulator, within the meaning of that other legislation; or
- (e) by, or in relation to, an arbitrator appointed by a relevant Regulator within the meaning of that other legislation; or
- (f) by the Federal Court, or by the Supreme Court, or relevant appeals body, within the meaning of that other legislation,

as the case requires.

- (2) In this section —

“**cross-boundary pipeline**” means a transmission pipeline, or a distribution pipeline, that is, or is to be, situated in the jurisdictional areas of 2 or more scheme participants.

- (3) A reference in this section to an action that is taken includes a reference to a decision that is made.

***Interpretation Act 1984* not applicable to Code**

25. The *Interpretation Act 1984* does not apply to the National Third Party Access Code for Natural Gas Pipeline Systems referred to in paragraph (b) of the definition of Gas Pipelines Access Law in section 3(1) of this Act.

**PART 6 — LOCAL ADMINISTRATION AND
ENFORCEMENT**

Division 1 — Local Regulator

Subdivision 1 — Preliminary

Definition

26. In this Division —

“**Regulator**” means the Regulator appointed under section 27 and, except in sections 27(2), 29 and 33, includes a person acting under section 35.

*Subdivision 2 — Office of Western Australian Independent Gas
Pipelines Access Regulator established*

**Western Australian Independent Gas Pipelines Access
Regulator**

27. (1) An office of the Western Australian Independent Gas Pipelines Access Regulator is established.

(2) The Regulator is to be appointed by the Governor.

(3) The office of Regulator is not an office in the Public Service and is not to be included in the Senior Executive Service provided for by the *Public Sector Management Act 1994*.

(4) The Regulator is to be the chief employee under the *Public Sector Management Act 1994* of the entity that includes the Regulator while it is a public sector body under that Act.

Appointment of Regulator

28. (1) When there is a vacancy or impending vacancy in the office of Regulator, the Minister is required to —

- (a) inform the Commissioner of that vacancy or impending vacancy; and
- (b) request the Commissioner to act under this section to enable the filling of that vacancy or impending vacancy.

(2) On receiving the request, the Commissioner is to invite the Minister to inform the Commissioner of any matters that the Minister wishes the Commissioner to take into account in nominating a person or persons suitable for appointment to the office of Regulator.

(3) The Commissioner is to notify the vacancy or impending vacancy in such manner as the Commissioner thinks sufficient to enable suitably qualified persons to apply for appointment.

(4) The Commissioner is to cause applicants to be examined, but nothing in this section requires the examination of all applicants.

(5) To assist in the examination of applicants, the Commissioner is to form a selection panel that is to be chaired by the Coordinator of Energy and is to include at least 2 other persons chosen by the Commissioner.

(6) The Commissioner may seek advice from such sources as the Commissioner considers relevant and may invite such other persons as the Commissioner thinks fit to assist him or her to decide on the person or persons suitable for appointment to the office of Regulator, and any person so invited may sit on the selection panel when it is examining applicants and may take part in the deliberations of the Commissioner on the matter.

(7) If the Commissioner decides on a person or persons suitable for appointment to the office of Regulator, the Commissioner is to nominate that person or those persons and forward to the Minister the name or names of the person or persons nominated, together with full particulars of the qualifications of that person or those persons.

(8) If the Minister accepts the person, or one of the persons, nominated by the Commissioner, the Minister is to recommend to the Governor that the person accepted be appointed.

(9) If the Minister rejects the person, or both or all of the persons, nominated by the Commissioner, the Minister may request the nomination of another person by the Commissioner and is to deal with any further nomination as if it were made under subsection (7).

(10) If the Commissioner does not nominate any person suitable for appointment or a nomination or further nomination by the Commissioner is rejected, the Minister —

(a) may recommend to the Governor that —

- (i) in the absence of a nomination by the Commissioner, a named person; or
- (ii) a named person other than a person nominated by the Commissioner,

as the case requires, be appointed to the office of Regulator; and

(b) is to cause notice of the making of that recommendation, together with the reasons for recommending the named person, to be published in the *Gazette* as soon as practicable.

(11) In this section —

“Commissioner” means the Commissioner for Public Sector Standards under the *Public Sector Management Act 1994*;

“Coordinator of Energy” means the Coordinator of Energy appointed as required by the *Energy Coordination Act 1994*.

Term of office

29. The Regulator is to be appointed for a term of office of not less than 3 years and not more than 5 years and is, on the expiration of a term of office, eligible for reappointment.

Resignation

30. (1) The Regulator may resign from office by a signed notice of resignation addressed to the Minister.

(2) A resignation takes effect on the day on which notice is received by the Minister or on a later day specified in the notice.

Suspension of Regulator

31. (1) If the Governor is satisfied that the Regulator —

- (a) is physically or mentally incapable of performing the functions of office;
- (b) has shown incompetence or neglect in performing those functions; or
- (c) has been guilty of misbehaviour,

the Governor may suspend the Regulator from office.

(2) In subsection (1)(c) —

“**misbehaviour**” includes conduct that renders the Regulator unfit to hold office as Regulator whether or not the conduct relates to any function of the office.

Removal of Regulator

32. (1) After being suspended from office under section 31 the Regulator is entitled to be restored to office unless —

- (a) a statement of the grounds of suspension is laid before each House of Parliament during the first 7 sitting days of that House following the suspension; and
- (b) each House of Parliament, during the session in which the statement is so laid, and within 30 days of it being so laid, passes an address praying for the removal of the Regulator from office.

(2) If the Regulator —

- (a) is suspended from office under section 31; and
- (b) is not restored to office under subsection (1),

the office of Regulator becomes vacant.

Remuneration and conditions of office

33. (1) The remuneration and allowances and, subject to this Division, the other conditions of office of the Regulator are to be determined by the Governor.

(2) Subsection (1) has effect subject to the *Salaries and Allowances Act 1975* if that Act applies to the Regulator.

(3) The remuneration and allowances and conditions of office of the Regulator must not be varied while the Regulator is in office so as to become less favourable to the Regulator.

Oath of office

34. (1) Before beginning to perform the functions of office, the Regulator is to take an oath or make an affirmation that he or she will perform those functions faithfully and impartially.

(2) The oath or affirmation is to be administered by a Judge.

Acting Regulator

35. (1) The Governor may appoint a person to act in the office of Regulator under this section and a person so appointed has, while so acting, all the functions of the Regulator.

(2) A person appointed under subsection (1) may act in the office of the Regulator if —

- (a) the Regulator is temporarily unable to perform official duties;
- (b) the Regulator is suspended from office under section 31;
- (c) the office of the Regulator is temporarily vacant; or
- (d) the Regulator is disqualified from acting in relation to a particular matter, in relation to that matter.

(3) Subject to this Division, the terms and conditions of appointment of the person appointed under subsection (1) are to be as determined from time to time by the Governor.

(4) A person acting under subsection (1) for the reason mentioned in subsection (2)(d) may perform functions of the

Regulator in relation to the matter for which he or she is appointed even though the Regulator is at the same time performing other functions of the office.

(5) An act or omission of a person acting under subsection (1) is not to be questioned on the ground that the occasion for his or her acting had not arisen or had ceased.

Subdivision 3 — Functions and powers

Functions and powers

36. (1) The Regulator has —

- (a) the functions conferred on the local Regulator under the Gas Pipelines Access (Western Australia) Law; and
- (b) the functions conferred on the local Regulator under the National Gas Agreement.

(2) Subsection (1)(a) does not apply to the power which by operation of section 16(3) of Schedule 1 is vested in the arbitrator appointed under section 62.

(3) The Regulator may do all things that are necessary or convenient to be done for or in connection with the performance of the Regulator's functions.

(4) In performing his or her functions the Regulator is to make appropriate use of the expertise of the Director of Energy Safety under the *Energy Coordination Act 1994* in relation to safety or technical standards in the gas supply industry.

Independence of Regulator

37. (1) Except as provided in subsection (2), the Regulator, is independent of direction or control by the Crown or any Minister or officer of the Crown in the performance of the Regulator's functions.

(2) The Minister may give directions in writing to the Regulator to the extent allowed by subsection (3), and the Regulator is to give effect to any such direction.

(3) Directions under subsection (2) —

- (a) may relate only to general policies to be followed by the Regulator in matters of administration, including financial administration; and
- (b) cannot constrain the Regulator with respect to the performance of any function referred to in section 36(1).

(4) Nothing in this section affects the operation of section 8(2) of the *Public Sector Management Act 1994*.

(5) Within 14 days after a direction is given under subsection (2), the Regulator is to send to the Code Registrar a copy of the direction and cause the text of the direction to be published in the *Gazette*.

(6) The text of a direction given under subsection (2) is to be tabled in both Houses of Parliament not later than 14 sitting days of the day on which the direction was given and included in the annual report submitted by the Regulator under section 66 of the *Financial Administration and Audit Act 1985*.

Provision supplementary to the Code

- 38.** (1) This section applies where —
- (a) the Regulator is assessing a proposed Access Arrangement to determine whether it should be approved under the Code; and
 - (b) for that purpose is required by the Code to take the public interest into account.
- (2) Where this section applies the Regulator is to take into account the fixing of appropriate charges as a means of extending effective competition in the supply of natural gas to residential and small business consumers.
- (3) The reference to appropriate charges is to charges for the use of a pipeline to transport small quantities of natural gas that will enable suppliers to compete for the custom of residential and small business consumers.
- (4) In subsection (3) —
- “small quantities”** means a quantity for the time being prescribed by the Minister by order published in the *Gazette*, being in every case —
- (a) less than 1 terajoule in any period of 12 consecutive months; and
 - (b) for transport to a single metered connection to the pipeline concerned.
- (5) An order under subsection (4) may be amended by the Minister by further order published in the *Gazette*.

Treatment of certain internal arrangements of the Gas Corporation under the *Gas Corporation Act 1994*

39. (1) Section 2.25 of the Code is to have effect as if the corporation's trading business and its distribution business were each a separate person, and the terms set out in the memorandum of understanding between them gave them contractual rights against each other.

(2) In subsection (1) —

“**corporation**” means the Gas Corporation under the *Gas Corporation Act 1994*;

“**distribution business**”, “**memorandum of understanding**”, and “**trading business**” have the meanings given to them by regulation 4 of the *Gas Distribution Regulations 1996* as in force when section 9 comes into operation.

Delegation

40. The Regulator may by instrument delegate the performance of any function, not including the power conferred by this section, to a person who is, in the Regulator's opinion, competent to perform that function.

Conflict of interest

41. (1) The Regulator must inform the Minister in writing of —

(a) any direct or indirect interest that the Regulator has or acquires in any business, or in any body corporate carrying on business, in Australia or elsewhere; or

- (b) any other direct or indirect interest that the Regulator has or acquires that conflicts or may conflict with the Regulator's duties.

Penalty: \$10 000.

- (2) The Minister may —
 - (a) direct the Regulator to resolve a conflict between a direct or indirect interest and a duty of the Regulator in relation to a particular matter; and
 - (b) if the conflict is not resolved to the Minister's satisfaction, disqualify the Regulator from acting in relation to the matter.

Subdivision 4 — Staff and consultants

Staff

42. Public service officers are to be appointed or made available under Part 3 of the *Public Sector Management Act 1994* to enable the Regulator to perform his or her functions.

Consultants

43. The Regulator may engage persons under contracts for services to provide such professional, technical or other assistance as the Regulator considers necessary for the performance of his or her functions.

Use of government staff etc.

44. (1) The Regulator may by arrangement with the relevant employer make use, either full-time or part-time, of the services of any officer or employee —

- (a) in the Public Service;
- (b) in a State agency or instrumentality; or
- (c) otherwise in the service of the Crown in right of the State,

other than an officer or employee of an energy corporation.

(2) The Regulator may by arrangement with —

- (a) a department of the Public Service; or
- (b) a State agency or instrumentality, other than an energy corporation,

make use of any facilities of the department, agency or instrumentality.

(3) An arrangement under subsection (1) is to provide, without limiting its other provisions, that while the Regulator is making use of the services of an officer or employee —

- (a) the Regulator has authority to control and supervise the officer to the exclusion of any person who would normally have any such authority; and
- (b) the salary and allowances of the officer are to be paid out of moneys available to the Regulator for that purpose.

(4) Subject to subsection (3), an arrangement under subsection (1) or (2) is to be made on such terms as are agreed to by the parties.

(5) In this section —

“energy corporation” means —

- (a) the Electricity Corporation established by the *Electricity Corporation Act 1994*; and
- (b) the Gas Corporation established by the *Gas Corporation Act 1994*.

Subdivision 5 — Financial provisions

Bank account

45. (1) The Regulator is to have an account at a bank approved by the Treasurer.

(2) The account is to be called the “Western Australian Independent Gas Pipelines Access Regulator Account”.

(3) The account is to be —

- (a) credited with all funds received by, made available to or payable to the Regulator including —
 - (i) moneys appropriated by Parliament; and
 - (ii) fees referred to in section 87; and
- (b) charged with all expenditure incurred under this Division to enable the functions of the Regulator to be performed, including the remuneration and allowances referred to in section 33.

Borrowing from Treasurer

46. The Regulator may borrow from the Treasurer such amounts as the Treasurer approves and on such terms and conditions relating to repayment and payment of interest as the Treasurer imposes.

Application of *Financial Administration and Audit Act 1985*

47. (1) The provisions of the *Financial Administration and Audit Act 1985* regulating the financial administration, audit and reporting of statutory authorities apply to and in respect of the Regulator and the Regulator's operations.

(2) Despite subsection (1), any requirement under the Treasurer's Instructions (issued under section 58 of the *Financial Administration and Audit Act 1985*) that the Regulator prepare performance indicators is to be limited to the Regulator's management functions (including financial management), and is not to apply to the performance of any function referred to in section 36(1).

(3) Despite subsection (1), section 42 of the *Financial Administration and Audit Act 1985* does not apply in respect of the Regulator, but the expenditure that may be incurred under this Division in any one financial year is limited to the amount specified by the Minister under this subsection for that year.

Subdivision 6 — General

Immunity

48. (1) No personal liability attaches to —
(a) the Regulator;

- (b) a person acting under section 35;
- (c) a delegate of the Regulator; or
- (d) a person acting under the direction or authority of the Regulator,

for an act or omission in good faith in the performance, or purported performance, of official functions.

(2) A liability that would, but for subsection (1), lie against a person, lies instead against the Crown.

Division 2 — Appeals Body

Subdivision 1 — Preliminary

Definitions

49. In this Division —

“Board” means the Western Australian Gas Review Board established by section 50;

“legal practitioner” means a certificated practitioner as defined in section 3 of the *Legal Practitioners Act 1893*.

Subdivision 2 — Western Australian Gas Review Board established

Western Australian Gas Review Board

50. (1) The Western Australian Gas Review Board is established.

(2) The Board is to be taken to be a tribunal that comes within item 4 of Schedule 1 to the *Public Sector Management Act 1994*.

Constitution of Board

51. (1) The Board is to be constituted, in relation to particular proceedings before the Board, of —

- (a) a presiding member, being a legal practitioner chosen by the Attorney General from a panel of legal practitioners established under this Division; and
- (b) two experts chosen by the presiding member from a panel of experts established under this Division.

(2) The Board may, at any one time, be separately constituted in accordance with this section for the hearing and determination of any number of separate matters.

(3) If an expert hearing proceedings dies or is for any reason unable to continue with the proceedings, the Board constituted of the presiding member and the other expert may, if the presiding member so determines, continue and complete the proceedings.

Panels

52. (1) For the purposes of this Division there are to be —

- (a) a panel of legal practitioners each of whom is of not less than 7 years' standing; and
- (b) a panel of experts each of whom has relevant expertise in industry, commerce or accounting.

(2) A person cannot be appointed as a member of a panel if he or she is —

- (a) an employee as defined in section 3(1) of the *Public Sector Management Act 1994*; or
- (b) an officer or employee of an entity described in Schedule 1 to that Act.

(3) The Governor may from time to time make appointments to a panel.

(4) An appointment is to be notified in the *Gazette*.

(5) A person is to be appointed for a term of not more than 5 years and is, on the expiration of a term, eligible for reappointment.

(6) Despite a person ceasing to be a member of a panel through expiry of the term for which the person was appointed the person may continue as a member of the Board for the purpose of completing part-heard proceedings.

Disclosure of interests

53. (1) A person chosen to act as a member of the Board who has a conflict of interest in relation to a matter before, or about to come before, the Board must disclose the nature of the conflict to each party concerned in the matter.

Penalty: \$10 000.

(2) A person chosen to act as a member of the Board who has a conflict of interest in relation to a matter before the Board must not take part in proceedings or exercise any powers in relation to the matter unless each party to the proceedings consents.

Penalty: \$10 000.

(3) For the purposes of this section, a person has a conflict of interest in relation to a matter if the person has any direct or indirect interest, pecuniary or otherwise, that conflicts or could

conflict with the proper performance of the person's functions in relation to that matter.

Resignation and removal

54. (1) A member of a panel may at any time resign by notice in writing delivered to the Minister.

(2) The Governor may remove a person from membership of a panel —

- (a) if the Governor considers that the person —
 - (i) is mentally or physically incapable;
 - (ii) is incompetent;
 - (iii) has neglected his or her duties;
 - (iv) has failed to comply with section 53; or
 - (v) has been guilty of misconduct that impairs the performance of his or her duties;
- (b) if the person becomes an officer or employee described in section 52(2);
- (c) if the person is an insolvent under administration, as that term is defined in the Corporations Law; or
- (d) in the case of a panel referred to in section 52(1)(a), if the person ceases to be a legal practitioner.

Remuneration

55. The remuneration and allowances of a member of a panel are to be determined by the Governor.

Administrative support

56. (1) The arbitrator appointed under section 62 is to provide the Board with —

- (a) the services of such officers and other persons; and

(b) such facilities and support,
as the Board may reasonably require.

(2) Without limiting subsection (1), the arbitrator may under that subsection provide the Board with the services of any person suitably qualified in any field of expertise to advise the Board on matters within that field of expertise.

Subdivision 3 — Proceedings before the Board

Principles governing hearings

57. (1) Subject to the Gas Pipelines Access (Western Australia) Law and any determination of the Board, proceedings before the Board are to be conducted by way of a fresh hearing and for that purpose the Board may receive evidence given orally or, if the Board determines, by affidavit.

(2) The Board —

- (a) is not bound by the rules of evidence and may inform itself as it thinks fit; and
- (b) must act according to equity, good conscience and the substantial merits of the case and without regard to technicalities and forms.

(3) Questions of law or procedure arising before the Board are to be determined by the presiding member and other questions by unanimous or majority decision of the members.

Powers in respect of evidence and information

58. (1) The Board may, for the purposes of proceedings before the Board —

- (a) by summons signed on behalf of the Board by a member of the Board require the attendance of a person before the Board;

- (b) by summons signed on behalf of the Board by a member of the Board require the production before the Board of any relevant books, papers or documents;
 - (c) inspect any books, papers or documents produced before it and retain them for such reasonable period as it thinks fit and make copies of any of them or any of their contents;
 - (d) require any person to make an oath or affirmation to answer truly all questions put by a member of the Board, or by a person appearing before the Board, relating to a matter before the Board; or
 - (e) require any person appearing before the Board to answer any relevant questions put by a member of the Board or by a person appearing before the Board.
- (2) A person commits an offence if he or she —
- (a) has been served with a summons to appear before the Board and fails, without reasonable excuse, to attend in obedience to the summons;
 - (b) has been served with a summons to produce books, papers or documents and fails, without reasonable excuse, to comply with the summons;
 - (c) misbehaves before the Board, wilfully insults the Board or any member of the Board, or interrupts the proceedings of the Board; or
 - (d) refuses to be sworn or to affirm, or to answer any relevant question when required to do so by the Board.

Penalty: \$10 000.

Practice and procedures

- 59.** (1) The Board may —
- (a) sit at any time or place;
 - (b) adjourn proceedings from time to time and from place to place;
 - (c) refer a matter to an expert for report and accept the expert's report in evidence.
- (2) The Board must give the parties to proceedings reasonable notice of the time and place of the proceedings.
- (3) A party is entitled to appear before the Board personally or by counsel or other representative.
- (4) Subject to the Gas Pipelines Access (Western Australia) Law, a party must be allowed a reasonable opportunity to call or give evidence, to examine or cross-examine witnesses and to make submissions to the Board.
- (5) The Board may make a determination in any proceedings in the absence of a party to the proceedings if satisfied that the party was given reasonable opportunity to appear but failed to do so.
- (6) At the conclusion of proceedings, the Board must give to each party a written statement of the reasons for its decision.

Subdivision 4 — General

Immunity

- 60.** No civil liability attaches to —
- (a) a member of the Board; or

(b) a person acting under section 56,

for an act or omission by the Board, or by the member or person, in good faith in the performance, or purported performance, of official functions.

Division 3 — Arbitrator

Subdivision 1 — Preliminary

Definition

61. In this Division —

“**arbitrator**” means the Western Australian Gas Disputes Arbitrator appointed under section 62 and, except in sections 62(2), 65 and 69(1), includes a person acting under section 71.

*Subdivision 2 — Office of Western Australian Gas
Disputes Arbitrator established*

Western Australian Gas Disputes Arbitrator

62. (1) An office of the Western Australian Gas Disputes Arbitrator is established.

(2) The arbitrator is to be appointed by the Governor.

(3) The arbitrator is not required to devote the whole of his or her time to the performance of the functions of office.

Appointment of arbitrator

63. (1) When there is a vacancy or impending vacancy in the office of arbitrator, the Minister is required to —

- (a) inform the Commissioner of that vacancy or impending vacancy; and
- (b) request the Commissioner to act under this section to enable the filling of that vacancy or impending vacancy.

(2) On receiving the request, the Commissioner is to invite the Minister to inform the Commissioner of any matters that the Minister wishes the Commissioner to take into account in nominating a person or persons suitable for appointment to the office of arbitrator.

(3) The Commissioner is to notify the vacancy or impending vacancy in such manner as the Commissioner thinks sufficient to enable suitably qualified persons to apply for appointment.

(4) The Commissioner is to cause applicants to be examined, but nothing in this section requires the examination of all applicants.

(5) To assist in the examination of applicants, the Commissioner is to form a selection panel that is to be chaired by the Coordinator of Energy and is to include at least 2 other persons chosen by the Commissioner.

(6) The Commissioner may seek advice from such sources as the Commissioner considers relevant and may invite such other persons as the Commissioner thinks fit to assist him or her to decide on the person or persons suitable for appointment to the office of arbitrator, and any person so invited may sit on the selection panel when it is examining applicants and may take part in the deliberations of the Commissioner on the matter.

(7) If the Commissioner decides on a person or persons suitable for appointment to the office of arbitrator, the Commissioner is to nominate that person or those persons and forward to the Minister the name or names of the person or persons nominated, together with full particulars of the qualifications of that person or those persons.

(8) If the Minister accepts the person, or one of the persons, nominated by the Commissioner, the Minister is to recommend to the Governor that the person accepted be appointed.

(9) If the Minister rejects the person, or both or all of the persons, nominated by the Commissioner, the Minister may request the nomination of another person by the Commissioner and is to deal with any further nomination as if it were made under subsection (7).

(10) If the Commissioner does not nominate any person suitable for appointment or a nomination or further nomination by the Commissioner is rejected, the Minister —

(a) may recommend to the Governor that —

- (i) in the absence of a nomination by the Commissioner, a named person; or
- (ii) a named person other than a person nominated by the Commissioner,

as the case requires, be appointed to the office of arbitrator; and

(b) is to cause notice of the making of that recommendation, together with the reasons for recommending the named person, to be published in the *Gazette* as soon as practicable.

(11) In this section —

“**Commissioner**” means the Commissioner for Public Sector Standards under the *Public Sector Management Act 1994*;

“**Coordinator of Energy**” means the Coordinator of Energy appointed as required by the *Energy Coordination Act 1994*.

Application of *Public Sector Management Act 1994*

64. (1) The office of arbitrator is to be taken to be a tribunal that comes within item 4 of Schedule 1 to the *Public Sector Management Act 1994*.

(2) Despite subsection (1), sections 8, 9, 24, 30 and 31 of that Act are to apply as if —

- (a) the arbitrator and any officer or employee whose services are used under section 80 of this Act were a public sector body for the purposes of that Act; and
- (b) the arbitrator were the chief employee of that public sector body for the purposes of sections 30 and 31 of that Act.

Term of office

65. The arbitrator is to be appointed for a term of office of not less than 3 years and not more than 5 years and is, on the expiration of a term of office, eligible for reappointment.

Resignation

66. (1) The arbitrator may resign from office by a signed notice of resignation addressed to the Minister.

(2) A resignation takes effect on the day on which notice is received by the Minister or on a later day specified in the notice.

Suspension of arbitrator

67. (1) If the Governor is satisfied that the arbitrator —

- (a) is physically or mentally incapable of performing the functions of office;
- (b) has shown incompetence or neglect in performing those functions; or
- (c) has been guilty of misbehaviour,

the Governor may suspend the arbitrator from office.

(2) In subsection (1)(c) —

“misbehaviour” includes conduct that renders the arbitrator unfit to hold office as arbitrator whether or not the conduct relates to any function of the office.

Removal of arbitrator

68. (1) After being suspended from office under section 67 the arbitrator is entitled to be restored to office unless —

- (a) a statement of the grounds of suspension is laid before each House of Parliament during the first 7 sitting days of that House following the suspension; and
- (b) each House of Parliament, during the session in which the statement is so laid, and within 30 days of it being so laid, passes an address praying for the removal of the arbitrator from office.

- (2) If the arbitrator —
- (a) is suspended from office under section 67; and
 - (b) is not restored to office under subsection (1),
- the office of arbitrator becomes vacant.

Remuneration and conditions of office

69. (1) The remuneration and allowances and, subject to this Division, the other conditions of office of the arbitrator are to be determined by the Governor.

(2) The remuneration and allowances and conditions of office of the arbitrator must not be varied while the arbitrator is in office so as to become less favourable to the arbitrator.

Oath of office

70. (1) Before beginning to perform the functions of office, the arbitrator is to take an oath or make an affirmation that he or she will perform those functions faithfully and impartially.

(2) The oath or affirmation is to be administered by a Judge.

Acting arbitrator

71. (1) The Governor may appoint a person to act in the office of the arbitrator under this section and a person so appointed has, while so acting, all the functions of the arbitrator.

(2) A person appointed under subsection (1) may act in the office of the arbitrator if —

- (a) the arbitrator is temporarily unable to perform official duties;

- (b) the arbitrator is suspended from office under section 67;
- (c) the office of the arbitrator is temporarily vacant; or
- (d) the arbitrator is disqualified from acting in relation to a particular matter, in relation to that matter.

(3) Subject to this Division, the terms and conditions of appointment of the person appointed under subsection (1) are to be as determined from time to time by the Governor.

(4) An act or omission of a person acting under subsection (1) is not to be questioned on the ground that the occasion for his or her acting had not arisen or had ceased.

Duties may be performed concurrently

72. (1) A person acting under section 71 for the reason mentioned in subsection (2)(a) or (b) of that section may complete the hearing of a matter even though —

- (a) the reason for his or her acting has ceased; and
- (b) the arbitrator is at the same time performing other duties of the office.

(2) A person acting under section 71 for the reason mentioned in subsection (2)(d) of that section may hear and determine the matter in relation to which he or she is acting even though the arbitrator is at the same time performing other functions of the office.

Subdivision 3 — Functions

Functions

73. (1) The arbitrator has the functions conferred on the arbitrator —

- (a) by the Gas Pipelines Access (Western Australia) Law;
- (b) by regulations made under section 100 of the *Gas Corporation Act 1994* for the purposes of section 95 of that Act;
- (c) by regulations made under section 51 of the *Dampier to Bunbury Pipeline Act 1997* for the purposes of section 50 of that Act;
- (d) by regulations referred to in section 74 of this Act; and
- (e) by section 56 of this Act.

(2) The arbitrator may do all things that are necessary or convenient to be done for or in connection with the performance of the arbitrator's functions.

Additional functions may be prescribed

74. (1) Regulations may be made under section 86 providing for the arbitrator to have the function of hearing and determining disputes of a kind provided for in the regulations, being disputes —

- (a) connected with or arising out of contracts for —
 - (i) the distribution, transportation or supply of gas;
or

(ii) access to gas pipeline systems;

and

(b) not otherwise provided for by section 73(1).

(2) Regulations referred to in subsection (1) may provide, in relation to the arbitrator —

(a) for any matter of the kind mentioned in subsection (3) of section 95 of the *Gas Corporation Act 1994*, other than paragraph (d) and (i)(ia) of that subsection; and

(b) for the function of hearing and determining prescribed disputes to be exclusive of the jurisdiction of courts and other tribunals.

Independence of arbitrator

75. (1) Except as provided in subsection (2), the arbitrator is independent of direction or control by the Crown or any Minister or officer of the Crown in the performance of the arbitrator's functions.

(2) The Minister may give directions in writing to the arbitrator to the extent allowed by subsection (3), and the arbitrator is to give effect to any such direction.

(3) Directions under subsection (2) —

(a) may relate only to general policies to be followed by the arbitrator in matters of administration, including financial administration; and

(b) cannot constrain the arbitrator with respect to the performance of any function referred to in section 73(1).

(4) If a direction is given under subsection (2), the arbitrator is to cause the text of the direction to be published in the *Gazette* within 14 days after the direction is given and, within 14 days after any person asks the arbitrator to give to the person a copy of the direction, the arbitrator is to comply with the request.

(5) The text of a direction given under subsection (2) is to be tabled in both Houses of Parliament not later than 14 sitting days of the day on which the direction was given and included in the annual report submitted by the arbitrator under section 66 of the *Financial Administration and Audit Act 1985*.

Copies of decisions to be given to the Regulator

76. Where under the Code the arbitrator is required to give a copy of a draft decision or a final decision to the parties to a dispute, the arbitrator is to also give a copy of the decision to the Regulator.

Commercial Arbitration Act 1985 does not apply

77. The arbitrator is not an arbitrator within the meaning of the *Commercial Arbitration Act 1985*, and the dispute resolution processes provided for by the Gas Pipelines Access (Western Australia) Law and the regulations mentioned in section 73(1) are not arbitrations within the meaning of that Act.

Delegation

78. (1) The arbitrator may by instrument delegate the performance of a function to a person who is, in the arbitrator's opinion, competent to perform that function.

(2) Subsection (1) does not apply to —

- (a) the hearing and determination, or any aspect of the hearing or determination, of a dispute; and

- (b) the power conferred by subsection (1).

Conflict of interest

79. (1) The arbitrator must inform the Minister in writing of —

- (a) any direct or indirect interest that the arbitrator has or acquires in any business, or in any body corporate carrying on business, in Australia or elsewhere; or
- (b) any other direct or indirect interest that the arbitrator has or acquires that conflicts or may conflict with the arbitrator's duties.

Penalty: \$10 000.

(2) The Minister may —

- (a) direct the arbitrator to resolve a conflict between a direct or indirect interest and a duty of the arbitrator in relation to a particular matter; and
- (b) if the conflict is not resolved to the Minister's satisfaction, disqualify the arbitrator from acting in relation to the matter.

Subdivision 4 — Staff and consultants

Use of government staff etc.

80. (1) The arbitrator may by arrangement with the relevant employer make use, either full-time or part-time, of the services of any officer or employee —

- (a) in the Public Service;

- (b) in a State agency or instrumentality; or
- (c) otherwise in the service of the Crown in right of the State,

other than an officer or employee of an energy corporation.

(2) The arbitrator may by arrangement with —

- (a) a department of the Public Service; or
- (b) a State agency or instrumentality, other than an energy corporation,

make use of any facilities of the department, agency or instrumentality.

(3) An arrangement under subsection (1) is to provide, without limiting its other provisions, that while the arbitrator is making use of the services of an officer or employee —

- (a) the arbitrator has administrative authority over the officer to the exclusion of any person who would normally have that authority; and
- (b) the salary and allowances of the officer are to be paid out of moneys available to the arbitrator for that purpose.

(4) Subject to subsection (3), an arrangement under subsection (1) or (2) is to be made on such terms as are agreed to by the parties.

(5) In this section —

“energy corporation” means —

- (a) the Electricity Corporation established by the *Electricity Corporation Act 1994*; and

- (b) the Gas Corporation established by the *Gas Corporation Act 1994*.

Consultants

81. The arbitrator may engage persons under contracts for services to provide such professional, technical or other assistance as the arbitrator considers necessary for the performance of his or her functions under this Act.

Subdivision 5 — Financial provisions

Bank account

82. (1) The arbitrator is to have an account at a bank approved by the Treasurer.

(2) The account is to be called the “Western Australian Gas Disputes Arbitrator Account”.

(3) The account is to be —

(a) credited with all funds received by, made available to, or payable to, the arbitrator including —

(i) moneys appropriated by Parliament; and

(ii) fees referred to in section 87;

and

(b) charged with all expenditure incurred under this Division and section 56 to enable the functions of the arbitrator to be performed, including the remuneration and allowances referred to in section 69.

Borrowing from Treasurer

83. The arbitrator may borrow from the Treasurer such amounts as the Treasurer approves and on such terms and conditions relating to repayment and payment of interest as the Treasurer imposes.

Application of *Financial Administration and Audit Act 1985*

84. (1) The provisions of the *Financial Administration and Audit Act 1985* regulating the financial administration, audit and reporting of statutory authorities apply to and in respect of the arbitrator and the arbitrator's operations.

(2) Despite subsection (1), any requirement under the Treasurer's Instructions (issued under section 58 of the *Financial Administration and Audit Act 1985*) that the arbitrator prepare performance indicators is to be limited to the arbitrator's management functions (including financial management), and is not to apply to the performance of any function referred to in section 73.

Subdivision 6 — General

Immunity

- 85.** (1) No personal liability attaches to —
- (a) the arbitrator;
 - (b) a person acting under section 71;
 - (c) a delegate of the arbitrator; or
 - (d) a person acting under the direction or authority of the arbitrator,

for an act or omission in good faith in the performance, or purported performance, of official functions.

(2) A liability that would, but for subsection (1), lie against a person, lies instead against the Crown.

Division 4 — Miscellaneous

Regulations

86. The Governor may make regulations prescribing all matters that are —

- (a) required or permitted by this Act to be prescribed; or
- (b) necessary or convenient to be prescribed for giving effect to the purposes of this Act.

Regulations as to fees and charges

87. (1) Without limiting section 86, regulations made under that section may make provision for and in relation to the imposition and payment of fees and charges in connection with any matter under this Act, including in connection with the performance of the respective functions of the Regulator, the arbitrator and the Board under this Part.

(2) If it is inappropriate to prescribe a set fee or charge in connection with the performance of a particular function the regulations may provide for the method of calculating the fee or charge, including calculation according to the cost of performing that function.

(3) Without limiting subsection (1) or (2) the regulations may —

- (a) authorise the Board established by section 50 to fix, and determine the incidence of liability for, the cost and expenses of the hearing and determination of proceedings before the Board; and
- (b) make any incidental or supplementary provision that is expedient for the purposes of paragraph (a).

(4) The application of subsection (3) extends to the cost and expenses of proceedings that are commenced but discontinued or otherwise not brought to finality.

Review of Act

88. (1) The Minister is to carry out a review of the operation and effectiveness of this Act as soon as is practicable after the review day described in subsection (3) and in the course of that review the Minister is to consider and have regard to —

- (a) the effectiveness of the operations of the Western Australian Independent Gas Pipelines Access Regulator, the Western Australian Gas Review Board, and the Western Australian Gas Disputes Arbitrator; and
- (b) such other matters as appear to the Minister to be relevant to the operation and effectiveness of this Act.

(2) The Minister is to prepare a report based on the review and, as soon as is practicable after the report is prepared (and in any event not more than 12 months after the review day), cause it to be laid before each House of Parliament.

(3) The review day is 7 November 2002 or, if before that day a licence is granted under the *Petroleum Pipelines Act 1969* for a

pipeline that is to be a cross-jurisdiction pipeline, the day on which the licence is granted.

(4) In subsection (3) —

“cross-jurisdiction pipeline” means a pipeline that is partly in the jurisdictional area of this State and partly in the jurisdictional area of the Northern Territory or South Australia.

PART 7 — CONSEQUENTIAL AMENDMENTS

Consequential amendments

89. Schedule 3 has effect to make consequential amendments to certain Acts.

PART 8 — TRANSITIONAL ARRANGEMENTS

Protection of certain existing arrangements

90. (1) Despite anything in this Act, the Gas Pipelines Access Law, or any other written law a person does not have to be permitted to —

- (a) construct or operate a pipeline before 1 July 2002 in the Mid-West and South-West Area other than on condition that it be used exclusively for the supply of gas to contestable customers;
- (b) have access to a pipeline in the Mid-West and South-West Area before 1 July 2002 for the purpose of supplying gas other than to a contestable customer.

(2) Despite anything in this Act, the Gas Pipelines Access Law, or any other written law, a person does not have to be permitted to —

- (a) construct or operate a pipeline before the prescribed day in the Kalgoorlie/Boulder Area other than on condition that it be used exclusively for the supply of gas to contestable customers;
- (b) have access to a pipeline in the Kalgoorlie/Boulder Area before 1 July 2002 for the purpose of supplying gas other than to a contestable customer.

(3) The exceptions described in subsections (1) and (2) do not imply that anything has to be permitted under any other written law if the requirements of that written law have not been met.

(4) In this section —

“**construct**” includes to establish, reconstruct, or alter;

“contestable customer” has the meaning given by section 91;

“gas” means natural gas and gas that section 8 refers to as “gas other than natural gas”;

“Kalgoorlie/Boulder Area” means the Kalgoorlie-Boulder local government district;

“Mid-West and South-West Area” means the area comprising the local government districts listed in the Table to this section;

“prescribed day” means the day that is 10 years after the day on which section 9 comes into operation.

Table — Mid-West and South-West Area

Albany (Shire)	Cottesloe	Murray
Albany (Town)	Dardanup	Nedlands
Armadale	East Fremantle	Peppermint Grove
Bassendean	Fremantle	Perth
Bayswater	Geraldton	Rockingham
Belmont	Gosnells	Serpentine-Jarrahdale
Bunbury	Greenough	South Perth
Busselton	Harvey	Stirling
Cambridge	Kalamunda	Subiaco
Canning	Kwinana	Swan
Capel	Mandurah	Victoria Park
Carnamah	Melville	Vincent
Chittering	Mosman Park	Wanneroo
Claremont	Mullewa	Waroona
Cockburn	Mundaring	

Meaning of contestable customer

91. (1) In section 90(1)(a) or (b) —

“contestable customer” means a person who is to take delivery of the gas at a single metered connection to the pipeline for consumption on a site on which the amount of gas to be consumed in a period of 12 consecutive months is at least —

- (a) for the period ending on 31 December 1999, 250 terajoules of gas;
- (b) for the period after 31 December 1999 and ending on 31 December 2001, 100 terajoules of gas;
- (c) for the period after 31 December 2001 and ending on 30 June 2002, 1 terajoule of gas.

(2) In section 90(2)(a) —

“contestable customer” means a person who is to take delivery of the gas at a single metered connection to the pipeline for consumption on a site on which the amount of gas to be consumed in a period of 12 consecutive months is at least 100 terajoules of gas.

(3) In section 90(2)(b) —

“contestable customer” means a person who is to take delivery of the gas at a single metered connection to the pipeline for consumption on a site on which the amount of gas to be consumed in a period of 12 consecutive months is at least —

- (a) for the period ending on 31 December 2001, 100 terajoules of gas;
- (b) for the period after 31 December 2001 and ending on 30 June 2002, 1 terajoule of gas.

Order for earlier deregulation

92. (1) The Minister, by order published in the *Gazette*, may —

- (a) vary the meaning of “**contestable customer**” for the purposes of a provision of section 90(1) or (2) in such a way that, at any particular time, the meaning of that term is at least as wide as it was before the order;
- (b) vary a day referred to in section 90(1)(a) or (2)(a) or section 91 to an earlier day,

and those provisions are to have effect accordingly.

(2) An order under subsection (1) may be amended by further order made by the Minister and published in the *Gazette*.

Temporary continuation of access arrangements for Gas Corporation’s distribution system

93. (1) The existing access arrangements for the gas distribution system, as defined in section 90 of the *Gas Corporation Act 1994*, are taken to be an approved Access Arrangement under the Code until 1 January 2000.

(2) In subsection (1) —

“**existing access arrangements**” means the provisions of —

- (a) Part 6 of the *Gas Corporation Act 1994*;
- (b) Schedule 6 to that Act;
- (c) the *Gas Distribution Regulations 1996*; and
- (d) the *Gas Referee Regulations 1995*.

(3) The Corporation, as defined in the *Gas Corporation Act 1994*, is to submit to the local Regulator before the end of the period of 9 months following the commencement of section 9 of this Act —

- (a) a proposed Access Arrangement; and
- (b) the applicable Access Arrangement Information,

for the purposes of the Code in respect of the distribution system referred to in subsection (1).

Temporary exemption of Gas Corporation's distribution system from section 4 of the Code

94. Section 4 of the Code, which would otherwise require the ring fencing of the gas distribution system as defined in section 90 of the *Gas Corporation Act 1994*, does not apply to that system until 1 July 2002.

Temporary continuation of access arrangements for Dampier to Bunbury pipeline system

95. (1) The existing access arrangements for the privatized DBNGP system, as defined in section 3 of the *Dampier to Bunbury Pipeline Act 1997*, are taken to be an approved Access Arrangement under the Code until 1 January 2000.

(2) In subsection (1) —

“existing access arrangements” means the provisions of —

- (a) Part 5 of the *Dampier to Bunbury Pipeline Act 1997*;
- (b) Schedule 1 to that Act;

- (c) the *Dampier to Bunbury Pipeline Regulations 1998*; and
- (d) the *Gas Referee Regulations 1995*.

(3) The DBNGP owner, as defined in section 46 of the *Dampier to Bunbury Pipeline Act 1997*, is to submit to the local Regulator before the end of the period of 9 months following the commencement of section 9 of this Act —

- (a) a proposed Access Arrangement; and
- (b) the applicable Access Arrangement Information,

for the purposes of the Code in respect of the privatized DBNGP system referred to in subsection (1).

Preservation of certain contracts relating to the Dampier to Bunbury pipeline system

96. (1) The Code does not affect the continuance or operation of a contract to which this section applies.

(2) Nothing in subsection (1) —

- (a) affects the operation of section 20 of the *Dampier to Bunbury Pipeline Act 1997* (“**the Pipeline Act**”); or
- (b) prevents the parties to a contract to which this section applies from —
 - (i) varying the contract; or
 - (ii) entering into a fresh contract,

to give effect to the terms and conditions of an approved Access Arrangement under the Code for the privatized DBNGP system.

(3) This section applies to a contract for access to the gas transmission capacity of the privatized DBNGP system and related matters (including an exempt contract) that immediately before the approval of an Access Arrangement under the Code for that system is in force between the DBNGP owner and a shipper, whether by reason of an assignment under Division 2 of Part 3 of the Pipeline Act or otherwise.

(4) In this section —

“**DBNGP owner**” has the same meaning as it has in section 46 of the Pipeline Act;

“**exempt contract**” has the same meaning as it has in section 20(5) of the Pipeline Act;

“**privatized DBNGP system**” has the same meaning as it has in section 3 of the Pipeline Act.

Temporary continuation of access arrangements for the Goldfields Gas Pipeline, and continuation of certain rights

97. (1) The existing access arrangements for the gas transmission pipeline that is the subject of the ratified Agreement are taken to be an approved Access Arrangement under the Code until 1 January 2000.

(2) In subsection (1) —

“**existing access arrangements**” means the provisions of clause 20 of the ratified Agreement.

(3) The Joint Venturers, as defined in the ratified agreement, are to submit to the local Regulator before the end of the period of 9 months following the commencement of section 9 of this Act —

(a) a proposed Access Arrangement; and

**SCHEDULE 1 — THIRD PARTY ACCESS TO NATURAL
GAS PIPELINES**

[ss. 3(1), 12(3)]

PART 1 — PRELIMINARY

Citation

1. This Schedule and the National Third Party Access Code for Natural Gas Pipeline Systems set out in Schedule 2 or, if that Code is amended in accordance with this Schedule, that Code as so amended and in force for the time being may together be referred to as the Gas Pipelines Access Law.

Definitions

2. In this Law —

“**adjacent area**”, in respect of a State or Territory, means the area that is identified in section 5A of the *Petroleum (Submerged Lands) Act 1967* of the Commonwealth as the adjacent area in respect of that State or Territory;

“**asset**” means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description (including money) and includes securities, choses in action and documents;

“**Australian Competition Tribunal**” means the Australian Competition Tribunal referred to in the *Trade Practices Act 1974* of the Commonwealth and includes a member of the Tribunal or a Division of the Tribunal performing functions of the Tribunal;

“**civil penalty provision**” means —

(a) section 13 or 40; or

(b) a provision of the Code that, under the regulations, is a civil penalty provision for the purposes of this Law;

“**Code pipeline**” has the same meaning as “**covered pipeline**” has in the Code;

“**Code Registrar**” means a person appointed to or acting in the position of Code Registrar under the *Gas Pipelines Access (South Australia) Act 1997* of South Australia;

“**commencement date**”, in relation to a provision of this Law, means the date on which that provision comes into operation;

“**Commonwealth Minister**” means the local Minister within the meaning of the gas pipelines access legislation of the Commonwealth;

“**conduct provision**” means —

- (a) section 13; or
- (b) a provision of the Code that, under the Code, is a conduct provision for the purposes of this Law;

“**cross-boundary pipeline**” means a distribution pipeline that is situated in the jurisdictional areas of 2 or more scheme participants;

“**distribution pipeline**” means a pipeline —

- (a) that is described in the Code as a distribution pipeline and has not been reclassified as a transmission pipeline; or
- (b) that is classified in accordance with this Law as a distribution pipeline,

and includes any extension or expansion of such a pipeline that, under an access arrangement under the Code, is to be treated as part of the pipeline;

“**Federal Court**” means the Federal Court of Australia;

“**gas pipelines access legislation**”, in relation to a scheme participant, means —

- (a) in the case of South Australia —
 - (i) Parts 1, 2, 3, 4 and 5 of the *Gas Pipelines Access (South Australia) Act 1997* of South Australia; and
 - (ii) regulations in force under Part 3 of that Act; and
 - (iii) the Gas Pipelines Access Law (within the meaning of section 3(1) of that Act), as applying as a law of South Australia;

and

- (b) in the case of Western Australia —
 - (i) Parts 1, 2, 3, 4 and 5 of the *Gas Pipelines Access (Western Australia) Act 1998*; and

- (ii) regulations in force under Part 3 of that Act;
and
 - (iii) the Gas Pipelines Access Law (within the meaning of section 3(1) of that Act), as applying as a law of Western Australia;
- and
- (c) in the case of any other scheme participant —
 - (i) provisions of an Act of the scheme participant that substantially correspond to the provisions of Parts 1, 2, 4 and 5 of the South Australian Act; and
 - (ii) regulations in force under Part 3 of the South Australian Act, as applying as a law of that scheme participant; and
 - (iii) the Gas Pipelines Access Law (within the meaning of section 3(1) of the South Australian Act), as applying as a law of that scheme participant;

“jurisdictional area”, in relation to a scheme participant, means —

- (a) if the scheme participant is the Commonwealth —
 - (i) if the gas pipelines access legislation in force in the Commonwealth applies in the adjacent area of a State or the Northern Territory because of section 9(1A) or 11(1A) of the P(SL) Act — the adjacent area in respect of that State or Territory; and
 - (ii) if the gas pipelines access legislation in force in the Commonwealth applies in an external Territory under section 8 of the *Gas Pipelines Access (Commonwealth) Act 1997* of the Commonwealth — the area within the limits of that Territory and the adjacent area in respect of that Territory; and
 - (iii) if the gas pipelines access legislation in force in the Commonwealth applies in the Jervis Bay Territory under section 8 of the *Gas Pipelines Access (Commonwealth) Act 1997* of the Commonwealth — the area within the limits of that Territory;

and

- (b) if the scheme participant is a State or the Northern Territory —
 - (i) the area within the limits of that State or Territory and includes all waters in the area described in Schedule 2 to the P(SL) Act that relates to that State or Territory that are on the landward side of the adjacent area in respect of that State or Territory; and
 - (ii) if the gas pipelines access legislation of that State or Territory applies in the adjacent area in respect of that State or Territory because of section 9(1) or 11(1) of the P(SL) Act — the adjacent area in respect of that State or Territory; and
 - (iii) if the gas pipelines access legislation of that State or Territory applies in an external Territory in accordance with an Act in force in the Commonwealth — the area within the limits of that external Territory and the adjacent area in respect of that external Territory;

and

- (c) if the scheme participant is the Australian Capital Territory —
 - (i) the area within the limits of that Territory; and
 - (ii) if the gas pipelines access legislation of that Territory applies in an external Territory in accordance with an Act in force in the Commonwealth — the area within the limits of that external Territory and the adjacent area in respect of that external Territory; and
 - (iii) if the gas pipelines access legislation in force in that Territory applies in the Jervis Bay Territory in accordance with an Act in force in the Commonwealth — the area within the limits of that Territory;

“liabilities” means all liabilities, duties and obligations, whether actual, contingent or prospective;

“National Gas Agreement” means the Natural Gas Pipelines Access Agreement relating to third party access to natural gas pipeline systems entered into by the Commonwealth, the States of New South Wales, Victoria, Queensland,

South Australia, Western Australia and Tasmania and the Australian Capital Territory and the Northern Territory on 7 November 1997;

“natural gas” means a substance —

- (a) which is in a gaseous state at standard temperature and pressure and which consists of naturally occurring hydrocarbons, or a naturally occurring mixture of hydrocarbons and non-hydrocarbons, the principal constituent of which is methane; and
- (b) which has been processed to be suitable for consumption;

“NCC” means the National Competition Council established by section 29A of the *Trade Practices Act 1974* of the Commonwealth;

“pipeline” means a pipe, or system of pipes, or part of a pipe, or system of pipes, for transporting natural gas, and any tanks, reservoirs, machinery or equipment directly attached to the pipe, or system of pipes, but does not include —

- (a) unless paragraph (b) applies, anything upstream of a prescribed exit flange on a pipeline conveying natural gas from a prescribed gas processing plant; or
- (b) if a connection point upstream of an exit flange on such a pipeline is prescribed, anything upstream of that point; or
- (c) a gathering system operated as part of an upstream producing operation; or
- (d) any tanks, reservoirs, machinery or equipment used to remove or add components to or change natural gas (other than odourisation facilities) such as a gas processing plant; or
- (e) anything downstream of the connection point to a consumer;

“P(SL) Act” means the *Petroleum (Submerged Lands) Act 1967* of the Commonwealth;

“regulation” means a regulation made under Part 3 of the *Gas Pipelines Access (Western Australia) Act 1998*;

“regulatory provision” means —

- (a) section 40; or
- (b) a provision of the Code that, under the Code, is a regulatory provision for the purposes of this Law;

“relevant appeals body” means —

- (a) in relation to a decision of the Commonwealth Minister, the Australian Competition Tribunal;
- (b) in relation to a decision of the local Minister, the designated appeals body;
- (c) in relation to a decision of the local Regulator, the local appeals body;

“relevant Minister” —

- (a) in relation to a scheme participant, means the local Minister within the meaning of the gas pipelines access legislation of that scheme participant;
- (b) in relation to a decision under the Code as to whether a transmission pipeline that is, or is to be, situated wholly within the jurisdictional area of this scheme participant should be, or should cease to be, a covered pipeline within the meaning of the Code, means the local Minister;
- (c) in relation to a decision under the Code as to whether a distribution pipeline that is, or is to be, situated wholly within the jurisdictional area of this scheme participant should be, or should cease to be, a covered pipeline within the meaning of the Code, means the local Minister;
- (d) in relation to a decision under the Code as to whether a distribution pipeline that is, or is to be, situated in the jurisdictional areas of 2 or more scheme participants should be, or should cease to be, a covered pipeline within the meaning of the Code, means the local Minister for the scheme participant with which the pipeline is most closely connected, as determined under Part 3;

“relevant Regulator” —

- (a) means the local Regulator in relation to a distribution pipeline or a transmission pipeline, or a matter concerning a distribution pipeline or a transmission pipeline or a service provider of a distribution pipeline or a transmission pipeline, that is, or is to be, situated wholly within the jurisdictional area of this scheme participant;
- (b) in relation to a distribution pipeline, or a matter concerning a distribution pipeline or service provider of a distribution pipeline, that is, or is to be, situated in the jurisdictional areas of 2 or more scheme participants, means the local Regulator for the scheme participant with which the pipeline is most closely connected, as determined under Part 3;

“rights” means all rights, powers, privileges and immunities, whether actual, contingent or prospective;

“scheme participant” means a State or Territory or the Commonwealth if, under section 3, it is a scheme participant;

“service provider”, in relation to a pipeline or proposed pipeline, means the person who is, or is to be, the owner or operator of the whole or any part of the pipeline or proposed pipeline;

“Territory” means the Australian Capital Territory or the Northern Territory;

“transmission pipeline” means a pipeline —

- (a) that is described in the Code as a transmission pipeline and has not been reclassified as a distribution pipeline; or
- (b) that is classified in accordance with this Law as a transmission pipeline,

and includes any extension or expansion of such a pipeline that, under an access arrangement under the Code, is to be treated as part of the pipeline.

Scheme participants

3. (1) The Commonwealth, each of the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania, the Australian Capital Territory and the Northern Territory are scheme participants.

(2) If —

- (a) the legislature of a scheme participant, other than South Australia, Western Australia and Tasmania —
 - (i) does not enact a law that substantially corresponds to Parts 1, 2, 4 and 5 of the South Australian Act before the expiration of one year after the enactment of that Act; or
 - (ii) having enacted such a law within that period, repeals it;

or

- (b) such a law, having been enacted, is not in operation before the expiration of that period,

and the relevant Ministers of the other scheme participants so declare in writing, the first-mentioned scheme participant ceases to be a scheme participant.

(3) If —

- (a) Parts 1, 2, 3, 4 and 5 of the South Australian Act are not in operation before the expiration of one year after its enactment; and
- (b) the relevant Ministers of the other scheme participants so declare in writing,

South Australia ceases to be a scheme participant.

(4) If —

- (a) the legislature of Western Australia does not enact a law —
 - (i) that contains provisions that substantially correspond to Parts 1, 2, 3, 4 and 5 of the South Australian Act; and
 - (ii) that contains provisions that substantially correspond to the provisions referred to in paragraph (a) of the definition of Gas Pipelines Access Law in section 3(1) of the South Australian Act; and
 - (iii) that provides for the provisions referred to in paragraph (b) of that definition to apply as a law of Western Australia; and

- (iv) under which there are in force regulations that substantially correspond to the regulations under Part 3 of the South Australian Act,

before the expiration of one year after the enactment of that Act; or

- (b) the legislature of Western Australia, having enacted such a law within that period, repeals it; or
- (c) such a law, having been enacted, is not in operation before the expiration of that period,

and the relevant Ministers of the other scheme participants so declare in writing, Western Australia ceases to be a scheme participant.

(5) If —

- (a) the relevant Ministers of the scheme participants, other than Tasmania, are of the opinion that, in accordance with the National Gas Agreement, Tasmania is required to seek the enactment by its legislature of a law that corresponds to Parts 1, 2, 4 and 5 of the South Australian Act; and
- (b) those relevant Ministers give notice accordingly to the relevant Minister of Tasmania; and
- (c) any of the following circumstances occur —
 - (i) the legislature of Tasmania does not enact a law that substantially corresponds to Parts 1, 2, 4 and 5 of the South Australian Act before the expiration of 6 months after the giving of the notice; or
 - (ii) the legislature of Tasmania, having enacted such a law within that period, repeals it; or
 - (iii) such a law, having been enacted, is not in operation within that period,

and the relevant Ministers of the other scheme participants so declare in writing, Tasmania ceases to be a scheme participant.

(6) If the Commonwealth or a State or Territory ceases to be a scheme participant, the Commonwealth, State or Territory becomes a scheme participant again if —

- (a) it is a party to the National Gas Agreement; and
- (b) there is in force a law of the Commonwealth, State or Territory of a kind that, if not enacted and in operation, would cause the Commonwealth, State or Territory to cease

to be a scheme participant on a declaration under this section.

(7) If the Commonwealth or a State or Territory becomes a scheme participant under subsection (6), the Commonwealth, State or Territory ceases to be a scheme participant if —

- (a) there ceases to be in force a law of the Commonwealth, State or Territory of the kind referred to in paragraph (b) of that subsection; and
- (b) the relevant Ministers of the other scheme participants so declare in writing.

(8) If, at any time, all scheme participants agree that the Commonwealth or a specified State or Territory will cease to be a scheme participant on a specified date, the Commonwealth, State or Territory ceases to be a scheme participant on that date.

(9) A notice must be published in the *South Australian Government Gazette* of the date on which the Commonwealth or a State or Territory becomes, or ceases to be, a scheme participant under subsection (2), (3), (4), (5), (6), (7) or (8).

(10) If the legislature of the Commonwealth or a State or Territory enacts a law while it is a scheme participant that, in the unanimous opinion of the relevant Ministers of the other scheme participants, is inconsistent with this Law, those other scheme participants may give notice to the relevant Minister of the Commonwealth, State or Territory to the effect that, if the inconsistent law remains in force as an inconsistent law for more than 6 months after the notice is given, the other scheme participants may declare that the Commonwealth, State or Territory has ceased to be a scheme participant.

(11) The Commonwealth or a State or Territory ceases to be a scheme participant upon publication in the *South Australian Government Gazette* of a declaration made by the Ministers of the other scheme participants in accordance with subsection (10).

(12) In this section —

“**South Australian Act**” means the *Gas Pipelines Access (South Australia) Act 1997* of South Australia.

Interpretation generally

4. The Appendix to this Schedule contains miscellaneous provisions relating to the interpretation of this Law.

**PART 2 — NATIONAL THIRD PARTY ACCESS CODE FOR
NATURAL GAS PIPELINE SYSTEMS**

The Code

5. A provision of the Code that is inconsistent with a provision of this Law (other than the Code) or of an Act of the legislature is of no effect to the extent of the inconsistency.

Amendment of Code

6. (1) If the relevant Ministers of the scheme participants have received advice in accordance with any relevant provisions of the Code relating to amendment of the Code, the relevant Ministers may, by agreement in accordance with this Law, amend the Code to make provision for or with respect to any matter relevant to the subject matter of the Code as set out in Schedule 2.

(2) An agreement under subsection (1) must be made by all the relevant Ministers unless subsection (3) applies.

(3) An agreement under subsection (1) may be made by two-thirds of the relevant Ministers if it relates only to an amendment that —

- (a) is not an amendment of a core provision within the meaning of the Code; and
- (b) does not extend the application of section 38; and
- (c) does not insert a provision in the Code dealing with a matter not dealt with in the Code as in force immediately before the amendment is made.

(4) An agreement under subsection (1) is of no effect to the extent that it amends, or purports to amend, or makes, or purports to make, provision inconsistent with, a provision of the Code that specifies —

- (a) the matters about which the NCC must be satisfied in making a recommendation under the Code as to whether a pipeline should be, or should cease to be, a covered pipeline within the meaning of the Code; or
- (b) the matters about which the relevant Minister must be satisfied in deciding under the Code whether a pipeline should be, or should cease to be, a covered pipeline within the meaning of the Code.

(5) The relevant Ministers must ensure that —

- (a) a copy of each agreement made under this section is published in the *Gazette*; and

- (b) a notice of the making of each such agreement is published in a daily newspaper circulating generally in Australia.

(6) An amendment of the Code under this section has effect on and from the day on which the copy of the agreement for the amendment is published in the *South Australian Government Gazette* or, if the agreement provides that the amendment comes into operation on a later day, on and from that later day.

(7) All conditions and preliminary steps required for the making of an amendment of the Code are to be presumed to have been satisfied and performed, in the absence of evidence to the contrary.

Availability of copies of amended Code

7. If the Code has been amended in accordance with section 6, the Code Registrar —

- (a) must make a copy of the Code, as so amended, available for inspection during ordinary working hours on business days at such place or places as are prescribed by the regulations; and
- (b) must ensure that copies of the Code, as so amended, are available for purchase.

Evidence

8. A document purporting to be a copy of the Code as amended in accordance with section 6 and endorsed with a certificate of the Code Registrar certifying that the document is such a copy is evidence that the document is such a copy.

PART 3 — PIPELINES

Definitions

9. (1) In this Part —

“**authorised applicant**”, in relation to a pipeline, means —

- (a) a service provider of the pipeline;
- (b) the NCC;
- (c) a person who is a local Regulator within the meaning of the gas pipelines access legislation of a scheme participant;

“**classification**” includes re-classification;

“**classification criteria**”, in relation to a pipeline, means the criteria referred to in subsection (2);

“**determination**” includes re-determination;

“**determination criteria**”, in relation to a pipeline and a scheme participant, means the criteria referred to in subsection (3);

“**pipeline**” includes proposed pipeline.

(2) The classification criteria, in relation to a pipeline, are —

- (a) whether the primary function of the pipeline is —
 - (i) to convey natural gas to a market (which is the primary function of a transmission pipeline); or
 - (ii) to reticulate natural gas within a market (which is the primary function of a distribution pipeline);
- (b) whether the characteristics of the pipeline are those of a transmission pipeline or a distribution pipeline having regard to the characteristics and classification of the pipelines specified in the Code as transmission pipelines or distribution pipelines and to —
 - (i) the diameter of the pipeline;
 - (ii) the pressure at which it is designed to operate;
 - (iii) the number of points at which gas can be fed into it;

- (iv) the extent of the area served or to be served by it;
- (v) its linear or dendritic configuration.

(3) The determination criteria, in relation to a pipeline and a scheme participant, are —

- (a) whether more gas is to be delivered by the pipeline in the jurisdictional area of that scheme participant than in the jurisdictional area of any other scheme participant;
- (b) whether more customers to be served by the pipeline are resident in the jurisdictional area of that scheme participant than in the jurisdictional area of any other scheme participant;
- (c) whether more of the network for the pipeline is in the jurisdictional area of that scheme participant than in the jurisdictional area of any other scheme participant;
- (d) whether that scheme participant has greater prospects for growth in the gas market served by the pipeline than any other scheme participant;
- (e) whether the regional economic benefits from competition are likely to be greater for that scheme participant than for other scheme participants.

Application for classification and determination of close connection for purposes of coverage under Code

10. (1) An authorised applicant may apply under this section —

- (a) for the classification of a pipeline as a transmission pipeline or a distribution pipeline; and
- (b) if the pipeline is classified as a distribution pipeline and is, or is to be, situated in the jurisdictional area of 2 or more scheme participants, for the determination of the scheme participant with which the pipeline is most closely connected.

(2) If a distribution pipeline is, or is to be, extended so that it becomes, or will become, a cross-boundary pipeline, an authorised applicant may apply under this section for a determination of the scheme participant with which the pipeline is most closely connected.

(3) An application under subsection (1)(a) must be made to the local Minister in the form approved by the Code Registrar.

(4) An application under subsection (1)(b) or (2) must be made in the form approved by the Code Registrar —

- (a) to the relevant Minister of a scheme participant in the jurisdictional area of which any part of the pipeline is or is to be situated; or
- (b) to the Commonwealth Minister.

(5) A Minister referred to in subsection (4) to whom the application is made must forthwith give notice of the application —

- (a) to each other Minister to whom the application could have been made; and
- (b) to the Code Registrar.

(6) The Ministers to whom the application is made or notified must, as soon as possible —

- (a) in the case of an application under subsection (1) —
 - (i) classify the pipeline, having regard to the classification criteria, as a transmission pipeline or a distribution pipeline; and
 - (ii) if the pipeline is classified as a distribution pipeline and is, or is to be, situated in the jurisdictional areas of 2 or more scheme participants, determine the scheme participant with which the pipeline is most closely connected, having regard to the determination criteria and such other matters as the Ministers consider relevant;

or

- (b) in the case of an application under subsection (2), determine the scheme participant with which the pipeline is most closely connected, having regard to the determination criteria and such other matters as the Ministers consider relevant,

but, if the Ministers are unable to agree within a reasonable time on the classification or determination, they must notify the Code Registrar accordingly.

(7) If the Ministers agree on a classification and, if applicable, determination, they must cause the Code Registrar and the relevant Ministers of all other scheme participants to be notified of the decision.

(8) The relevant Minister of a scheme participant may, within 14 days after receiving notification under subsection (7), object to the classification or determination by writing given to the Code Registrar.

(9) If the Code Registrar receives no objection within the period referred to in subsection (8), the Code Registrar —

- (a) must record the classification of the pipeline in accordance with the agreement under subsection (7); and
- (b) must record the determination (if any) under that subsection; and
- (c) must notify the NCC accordingly.

Classification when Ministers do not agree

11. (1) If the Code Registrar —

- (a) is not notified within 42 days after receiving notice of an application under section 10(1) —
 - (i) that a pipeline has been classified by the Ministers as a transmission pipeline or a distribution pipeline; and
 - (ii) if it is classified as a distribution pipeline and is, or is to be, situated in the jurisdictional areas of 2 or more scheme participants, that the scheme participant with which it is most closely connected has been determined;

or

- (b) receives an objection under section 10(8),

the Code Registrar must notify the NCC that the classification or determination has not been made or that an objection has been received.

(2) The NCC must, within 14 days after receiving a notification under subsection (1), give to the Commonwealth Minister and the relevant Ministers of the scheme participants —

- (a) its recommendation as to the classification of the pipeline (having regard to the classification criteria); and
- (b) if the pipeline is recommended to be classified as a distribution pipeline and is, or is to be, situated in the jurisdictional areas of 2 or more scheme participants, its determination (having regard to the determination criteria) as to the scheme participant with which the pipeline is most closely connected.

(3) Unless the Commonwealth Minister and the relevant Ministers unanimously agree within 14 days after receiving the recommendation to classify and, in the case of a pipeline that is recommended to be

classified as a distribution pipeline and is, or is to be, situated in the jurisdictional areas of 2 or more scheme participants, make a determination in respect of, the pipeline otherwise than in accordance with the recommendation of the NCC —

- (a) the pipeline is classified in accordance with the NCC's recommendation; and
- (b) if the pipeline is classified as a distribution pipeline and is, or is to be, situated in the jurisdictional areas of 2 or more scheme participants, the scheme participant with which the pipeline is most closely connected is the scheme participant determined by the NCC.

Code Registrar to record classification etc.

12. The Code Registrar —

- (a) must record the classification of the pipeline in accordance with the decision or recommendation, as the case requires, under section 11; and
- (b) if the pipeline is a cross-boundary pipeline, must record the scheme participant with which the pipeline is most closely connected in accordance with the decision or recommendation, as the case requires, under section 11; and
- (c) must notify the NCC accordingly.

Preventing or hindering access¹

13. (1) A service provider or a person who is a party to an agreement with a service provider relating to a service provided by means of a Code pipeline or, as the result of an arbitration, is entitled to such a service or an associate of a service provider or such a person must not engage in conduct for the purpose of preventing or hindering the access of another person to a service provided by means of the Code pipeline.

(2) For the purposes of subsection (1), a person is deemed to engage in conduct for a particular purpose if —

- (a) the conduct is or was engaged in for that purpose or for a purpose that includes, or included, that purpose; and
- (b) that purpose is or was a substantial purpose.

(3) A person may be taken to have engaged in conduct for the purpose referred to in subsection (1) even though, after all the evidence has been considered, the existence of that purpose is ascertainable only by inference from the conduct of the person or of any other person or from other relevant circumstances.

(4) Subsection (3) does not limit the manner in which the purpose of a person may be established for the purpose of subsection (1).

(5) In this section —

- (a) a reference to engaging in conduct is a reference to doing or refusing to do any act, including refusing to supply a service or, without reasonable grounds, limiting or disrupting a service, or making, or giving effect to, a provision of, a contract or arrangement, arriving at, or giving effect to, a provision of, an understanding or requiring the giving of, or giving, a covenant;
- (b) a reference to refusing to do an act includes a reference to —
 - (i) refraining (otherwise than inadvertently) from doing that act; or
 - (ii) making it known that that act will not be done.

(6) Subsection (1) does not apply to conduct engaged in accordance with an agreement, if the agreement was in force on 30 March 1995.

(7) In this section —

“associate”, in relation to a person, has the meaning it would have under Division 2 of Part 1.2 of the Corporations Law if sections 13, 14, 16(2) and 17 of that Law were repealed.

¹Examples of conduct which may be prohibited if the requisite purpose is established include —

- (a) refusing to supply, or limiting or disrupting the supply of, a service to a user or prospective user for technical or safety reasons without reasonable grounds;
- (b) refusing to sell a marketable parcel (within the meaning of the Code) on reasonable terms and conditions.

PART 4 — ARBITRATION OF ACCESS DISPUTES

Definitions

14. In this Part —

“**access dispute**” means a dispute between a service provider and another person that, in accordance with the Code, may be referred to arbitration under this Part;

“**arbitrator**” means the arbitrator appointed under section 16;

“**party**” means a service provider or other person involved in an access dispute.

Application of Part

15. (1) This Part applies if —

(a) in accordance with the Code, a service provider or another person notifies the local Regulator that an access dispute exists; and

(b) notification of the dispute is not withdrawn in accordance with the Code.

(2) Subject to this Part, the provisions of the Code applying to an arbitration of an access dispute apply to an arbitration under this Part.

Appointment of arbitrator

16. (1) The local Regulator must appoint a person to conduct the arbitration.

(2) So long as there is an office of Western Australian Gas Disputes Arbitrator under this Act the local Regulator must not appoint a person to conduct the arbitration other than the person who holds, or is acting in, that office.

(3) For the purposes of this Part, the reference in section 6.6 of the Code to the relevant Regulator is to be read as a reference to the arbitrator.

Arbitrator may request information

17. (1) The arbitrator may request the local Regulator to give to the arbitrator any information in the local Regulator's possession that is relevant to the access dispute.

(2) The local Regulator is to give the arbitrator the information requested, whether or not it is confidential and whether or not it came into the local Regulator's possession for the purposes of the arbitration.

(3) If local Regulator gives the arbitrator information that is confidential, the local Regulator is to identify the nature and extent of the confidentiality and the arbitrator is to treat the information accordingly.

Hearing to be in private

18. (1) Subject to subsection (2), an arbitration hearing is to be in private.

(2) If the parties agree, an arbitration hearing or part of an arbitration hearing may be conducted in public.

(3) The arbitrator may give written directions as to the persons who may be present at an arbitration hearing that is conducted in private.

(4) In giving directions under subsection (3), the arbitrator must have regard to the wishes of the parties and the need for commercial confidentiality.

Right to representation

19. In an arbitration hearing under this Part, a party may appear in person or be represented by someone else.

Procedure

20. (1) In an arbitration hearing under this Part, the arbitrator —

- (a) is not bound by technicalities, legal forms or rules of evidence; and
- (b) must act as speedily as a proper consideration of the dispute allows, having regard to the need carefully and quickly to inquire into and investigate the dispute and all matters affecting the merits, and fair settlement, of the dispute; and
- (c) may gather information about any matter relevant to the access dispute in any way the arbitrator thinks appropriate.

(2) Subject to the Code, the arbitrator may determine the periods that are reasonably necessary for the fair and adequate presentation of the respective cases of the parties in the arbitration hearing, and may require that the cases be presented within those periods.

(3) The arbitrator may require evidence or argument to be presented in writing, and may decide the matters on which the arbitrator will hear oral evidence or argument.

(4) The arbitrator may determine that an arbitration hearing is to be conducted by —

- (a) telephone; or
- (b) closed circuit television; or
- (c) any other means of communication.

Particular powers of arbitrator

21. (1) The arbitrator may do any of the following things for the purpose of arbitrating an access dispute —

- (a) give a direction in the course of, or for the purpose of, an arbitration hearing;
- (b) hear and determine the arbitration in the absence of a party who has been given notice of the hearing;
- (c) sit at any place;
- (d) adjourn to any time and place;
- (e) refer any matter to an independent expert and accept the expert's report as evidence.

(2) The arbitrator may make an interim determination.

Determination

22. (1) The arbitrator must make a determination in writing, signed by the arbitrator, and must include in the determination a statement of reasons for making the determination.

(2) If a determination of an arbitrator under this Part contains —

- (a) a clerical mistake; or
- (b) an error arising from an accidental slip or omission; or
- (c) a material miscalculation of figures or a material mistake in the description of any person, thing or matter referred to in the determination; or

(d) a defect in form,

the arbitrator may correct the determination or the Court, on the application of a party, may make an order correcting the determination.

Contempt

23. A person must not do any act or thing in relation to the arbitration of an access dispute that would be a contempt of court if the arbitrator were a court of record.

Penalty: Imprisonment for 6 months.

Disclosure of information

24. (1) An arbitrator may give an oral or written order to a person not to divulge or communicate to anyone else specified information that was given to the person in the course of an arbitration unless the person has the arbitrator's permission.

(2) A person must not contravene an order under subsection (1).

Penalty: Imprisonment for 6 months.

Power to take evidence on oath or affirmation

25. (1) The arbitrator may take evidence on oath or affirmation and for that purpose the arbitrator may administer an oath or affirmation.

(2) The arbitrator may summon a person to appear before the arbitrator to give evidence and to produce such documents (if any) as are referred to in the summons.

(3) The powers in this section may be exercised only for the purposes of arbitrating an access dispute under this Part.

Failing to attend as a witness

26. A person who is served, as prescribed by the regulations, with a summons to appear as a witness before the arbitrator must not, without reasonable excuse —

(a) fail to attend as required by the summons; or

(b) fail to appear and report himself or herself from day to day unless excused, or released from further attendance, by the arbitrator.

Penalty: Imprisonment for 6 months.

Failing to answer questions etc.

27. (1) A person appearing as a witness before the arbitrator must not, without reasonable excuse —

- (a) refuse or fail to be sworn or to make an affirmation; or
- (b) refuse or fail to answer a question that the person is required to answer by the arbitrator; or
- (c) refuse or fail to produce a document that he or she is required to produce by a summons under this Part served on him or her as prescribed.

Penalty: Imprisonment for 6 months.

(2) It is a reasonable excuse for the purposes of subsection (1) for an individual to refuse or fail to answer a question or produce a document on the ground that the answer or the production of the document might tend to incriminate the individual or to expose the individual to a penalty.

(3) Subsection (2) does not limit what is a reasonable excuse for the purposes of subsection (1).

Intimidation etc.

28. A person must not —

- (a) threaten, intimidate or coerce another person; or
- (b) cause or procure damage, loss or disadvantage to another person,

because that other person —

- (c) proposes to produce, or has produced, documents to the arbitrator; or
- (d) proposes to appear, or has appeared, as a witness before the arbitrator.

Penalty: Imprisonment for 12 months.

Party may request arbitrator to treat material as confidential

29. (1) A party to an arbitration hearing may —

- (a) inform the arbitrator that, in the party's opinion, a specified part of a document contains confidential information; and

- (b) request the arbitrator not to give a copy of that part to another party.
- (2) On receiving a request, the arbitrator must —
 - (a) inform the other party or parties that the request has been made and of the general nature of the matters to which the relevant part of the document relates; and
 - (b) ask the other party or parties whether there is any objection to the arbitrator complying with the request.
- (3) If there is an objection to the arbitrator complying with the request, the party objecting may inform the arbitrator of the objection and of the reasons for it.
- (4) After considering —
 - (a) a request; and
 - (b) any objection; and
 - (c) any further submissions that any party has made in relation to the request,

the arbitrator may decide —

- (d) not to give the other party or parties a copy of so much of the document as contains confidential information that the arbitrator thinks should not be given; or
- (e) to give the other party or another specified party a copy of the whole, or part, of the part of the document that contains confidential information subject to a condition that the party give an undertaking not to disclose the information to another person except to the extent specified by the arbitrator and subject to such other conditions as the arbitrator determines.

Costs

30. The costs of an arbitration, including the fees and costs of the arbitrator, are in the discretion of the arbitrator who may —

- (a) direct to and by whom and in what manner the whole or any part of those costs is to be paid;
- (b) tax or settle the amount of costs to be so paid or any part of those costs;
- (c) award costs to be taxed or settled as between party and party or as between solicitor and client.

Appeal to Court

31. (1) A party may appeal to the Court, on a question of law, from a determination of an arbitrator under this Part.

(2) An appeal must be instituted —

(a) not later than the 28th day after the day on which the decision is made or within such further period as the Court (whether before or after the end of that day) allows; and

(b) in accordance with the relevant Rules of Court.

(3) The Court may make an order staying or otherwise affecting the operation or implementation of the determination of the arbitrator that the Court thinks appropriate to secure the effectiveness of the hearing and determination of the appeal.

PART 5 — PROCEEDINGS FOR BREACH OF LAW

Proceedings

32. (1) A person may not bring civil proceedings in respect of a matter arising under this Law except in accordance with this Part or Part 6.

(2) The relevant Regulator may, in accordance with this Part, bring civil proceedings in respect of a civil penalty provision or a regulatory provision.

(3) The relevant Regulator or any other person may, in accordance with this Part, bring civil proceedings in respect of a conduct provision.

(4) Nothing in subsection (1) or (2) affects the right of a person —

- (a) to bring civil proceedings in respect of any matter or thing, or seek any relief or remedy, if the cause of action arises, or the relief or remedy is sought, on grounds that do not rely on this Law; or
- (b) to apply for an order for review under the *Administrative Decisions (Judicial Review) Act 1977* as applying as a law of this scheme participant.

Criminal proceedings do not lie

33. (1) Criminal proceedings (including proceedings under section 177 or 178 of *The Criminal Code*) do not lie against a person by reason only that the person —

- (a) has contravened a provision of this Law; or
- (b) has attempted to contravene such a provision; or
- (c) has aided, abetted, counselled or procured a person to contravene such a provision; or
- (d) has induced, or attempted to induce, a person, whether by threats or promises or otherwise, to contravene such a provision; or
- (e) has been in any way, directly or indirectly, knowingly concerned in, or party to, the contravention by a person of such a provision; or
- (f) has conspired with others to contravene such a provision.

(2) Subsection (1) does not apply in respect of a provision of this Law for an offence against which a penalty is prescribed by this Law.

Civil penalty

34. (1) The relevant Regulator may apply to the Court for an order under this Part in respect of a contravention by a person of a civil penalty provision or the doing by a person of any other thing mentioned in subsection (3).

(2) An application under subsection (1) may not be made in respect of a breach of a civil penalty provision if the breach is or has been the subject of an application for an order under the gas pipelines access legislation of another scheme participant.

(3) If the Court is satisfied that a person —

- (a) has contravened a civil penalty provision; or
- (b) has attempted to contravene such provision; or
- (c) has aided, abetted, counselled or procured a person to contravene such a provision; or
- (d) has induced, or attempted to induce, a person whether by threats or promises or otherwise, to contravene such a provision; or
- (e) has been in any way, directly or indirectly, knowingly concerned in, or party to, the contravention by a person of such a provision; or
- (f) has conspired with others to contravene such a provision,

the Court may order the person to pay to the appropriate Minister such pecuniary penalty, in respect of each act or omission by the person to which this section applies, as the Court determines to be appropriate having regard to all relevant matters including —

- (g) the nature and extent of the act or omission and of any loss or damage suffered as a result of the act or omission; and
- (h) the circumstances in which the act or omission took place; and
- (i) whether the person has previously been found by the Court in proceedings under this Part to have contravened a civil penalty provision.

(4) The pecuniary penalty payable under subsection (3) must not exceed the penalty and any daily penalty prescribed by the regulations for the act or omission to which this section applies.

(5) In this section —

“appropriate Minister” means —

- (a) in relation to a contravention of a civil penalty provision relating to a distribution pipeline, or the service provider of a distribution pipeline, situated in the jurisdictional area of 2 or more scheme participants, the local Minister within the meaning of the gas pipelines access legislation of the scheme participant with which the pipeline is most closely connected; and
- (b) in any other case, the local Minister.

Injunctions

35. (1) If, on an application in accordance with subsection (2), the Court is satisfied that a person has engaged, or is proposing to engage, in conduct that constitutes or would constitute —

- (a) a contravention of a regulatory provision or a conduct provision; or
- (b) attempting to contravene a regulatory provision or a conduct provision,

the Court may grant an injunction in such terms as the Court determines to be appropriate.

(2) An application under subsection (1) may be made —

- (a) in the case of a regulatory provision, or a conduct provision, relating to —
 - (i) a transmission pipeline or a service provider of a transmission pipeline; or
 - (ii) a distribution pipeline or the service provider of a distribution pipeline,by the local Regulator; or
- (b) in the case of any conduct provision, by any person other than the local Regulator (except as provided in paragraph (a)).

(3) If an application for an injunction under subsection (1) has been made, the Court may, if the Court determines it to be appropriate, grant an injunction by consent of all the parties to the proceedings, whether or not the Court is satisfied that a person has engaged, or is proposing to engage, in conduct of a kind mentioned in subsection (1).

(4) If, in the opinion of the Court, it is desirable to do so, the Court may grant an interim injunction pending determination of an application under subsection (1).

(5) The Court may rescind or vary an injunction granted under subsection (1) or (3).

(6) The power of the Court to grant an injunction restraining a person from engaging in conduct may be exercised —

- (a) whether or not it appears to the Court that the person intends to engage again, or to continue to engage, in conduct of that kind; and
- (b) whether or not the person has previously engaged in conduct of that kind; and
- (c) whether or not there is an imminent danger of substantial damage to any other person if the person engages in conduct of that kind.

(7) The power of the Court to grant an injunction requiring a person to do an act or thing may be exercised —

- (a) whether or not it appears to the Court that the person intends to refuse or fail again, or to continue to refuse or fail, to do that act or thing; and
- (b) whether or not the person has previously refused or failed to do that act or thing; and
- (c) whether or not there is an imminent danger of substantial damage to any other person if the person refuses or fails to do that act or thing.

(8) If an application is made to the Court by the relevant Regulator for the grant of an injunction under this section, the Court will not require the applicant or any other person, as a condition of granting an interim injunction, to give any undertakings as to damages.

(9) Nothing in this section affects any other power the Court may have to grant injunctive relief.

Actions for damages for contravention of conduct provision

36. (1) A person who suffers loss or damage by conduct of another that was done in contravention of a conduct provision may recover the amount of the loss or damage by action against that other person or against any person involved in the contravention.

(2) An action under subsection (1) may be commenced at any time within 3 years after the date on which the cause of action accrued and may not be commenced after that period.

(3) A reference in subsection (1) to a person involved in a contravention of a conduct provision is a reference to a person who —

- (a) has aided, abetted, counselled or procured the contravention; or
- (b) has induced, whether by threats or promises or otherwise, the contravention; or
- (c) has been in any way, directly or indirectly, knowingly concerned in, or party to, the contravention; or
- (d) has conspired with others to effect the contravention.

Declaratory relief

37. (1) The Court, on an application under subsection (2), will, by order, declare whether or not the person to which the application relates has contravened a regulatory provision or conduct provision.

(2) An application under subsection (1) may be made —

- (a) in the case of a regulatory provision, or a conduct provision, relating to —
 - (i) a transmission pipeline or a service provider of a transmission pipeline; or
 - (ii) a distribution pipeline or a service provider of a distribution pipeline,by the local Regulator; or
- (b) in the case of any conduct provision, by any person other than the local Regulator (except as provided in paragraph (a)).

(3) If the order declares the person to have contravened a regulatory provision or conduct provision, the order may include one or more of the following —

- (a) a requirement that the person cease, within a specified period, the act, activity or practice constituting the contravention;

- (b) a requirement that the person take such action, or adopt such practice, as the Court requires for remedying the contravention or preventing a recurrence of the contravention.

PART 6 — ADMINISTRATIVE APPEALS

Application for review

38. (1) A person adversely affected by a decision to which this section applies may apply to the relevant appeals body for a review of the decision.

(2) The application must be made, in accordance with this Part and any applicable law governing the practice and procedure of the relevant appeals body, within 14 days after the decision is made.

(3) The relevant appeals body must make its determination on the review within 90 days after receiving the application for review.

(4) The relevant appeals body may extend, or further extend, the period referred to in subsection (3) by a period of 30 days if it considers that the matter cannot be dealt with properly without the extension either because of its complexity or because of other special circumstances.

(5) If the relevant appeals body extends the period, it must, before the end of the period, notify the applicant of the extension and the reasons for it.

(6) An application under this section —

(a) that relates to a decision under subsection (13)(c) or section 39(1) does not operate to stay the decision;

(b) in any other case, operates to stay the decision unless, in the case of a decision under subsection (13)(b) or (d), the relevant appeals body otherwise determines.

(7) On the application of a party to the proceedings under this section, the relevant appeals body may conduct the proceedings in the absence of the public.

(8) The relevant appeals body may require the relevant Regulator to give information and other assistance, and to make reports, as specified by the appeals body.

(9) In proceedings under this section, the relevant appeals body may make an order affirming, or setting aside or varying immediately or as from a specified future date, the decision under review and, for the purposes of the review, may exercise the same powers with respect to the subject matter of the decision as may be exercised with respect to that subject matter by the person who made the decision.

(10) The relevant appeals body may make such orders (if any) as to costs in respect of a proceeding as it thinks fit.

(11) The relevant appeals body may refuse to review a decision if it considers that the application for review is trivial or vexatious.

(12) A determination by the relevant appeals body on the review of a decision has the same effect as if it were made by the person who made the decision.

(13) This section applies to a decision —

- (a) that a pipeline or proposed pipeline is, or is not, or ceases to be, or does not cease to be, a Code pipeline;
- (b) to add to, or to waive, the requirement under the Code that a service provider be a body corporate or statutory authority or not be a producer, purchaser or seller of natural gas or relating to the separation of certain activities of a service provider;
- (c) not to approve a contract, arrangement or understanding between a service provider and an associate of a service provider;
- (d) relating to any other matter that, under the Code, is a decision to which this section applies.

Merits review of access arrangements

39. (1) If the decision of the relevant Regulator is —

- (a) to draft and approve an access arrangement; or
- (b) to draft and approve revisions of an access arrangement,

either in place of an access arrangement or revisions submitted for approval by a service provider or because a service provider fails to submit an access arrangement or revisions as required by the Code —

- (c) the service provider; or
- (d) a person who made a submission to the relevant Regulator on the access arrangement or revisions submitted by the service provider and whose interests are adversely affected by the decision,

may apply to the relevant appeals body for a review of the decision.

(2) An application under subsection (1) —

- (a) may be made only on the grounds, to be established by the applicant —
 - (i) of an error in the relevant Regulator's finding of facts; or
 - (ii) that the exercise of the relevant Regulator's discretion was incorrect or was unreasonable having regard to all the circumstances; or
 - (iii) that the occasion for exercising the discretion did not arise;
- and
- (b) may not raise any matter that was not raised in submissions to the relevant Regulator before the decision was made.

(3) An application under subsection (1) must give details of the grounds for making the application.

(4) In a review of a decision under this section, the relevant appeals body may give directions to the parties excluding from the review specified facts, findings, matters or actions that the relevant appeals body considers should be excluded having regard to —

- (a) the likelihood of the decision being varied or set aside on account of those facts, findings, matters or actions;
- (b) the significance to the parties of those facts, findings, matters or actions;
- (c) the amount of money involved;
- (d) any other matters that the relevant appeals body considers relevant.

(5) The relevant appeals body, in reviewing a decision under this section must not consider any matter other than —

- (a) the application under subsection (1) and submissions in support of it (other than any matter not raised in submissions before the decision was made) and any written submissions made to the relevant Regulator before the decision was made;
- (b) the access arrangement and the access arrangement information prepared by the service provider in accordance with the Code;

- (c) any reports relied on by the relevant Regulator before the decision was made;
 - (d) any draft decision, and submissions on any draft decision made to the relevant Regulator;
 - (e) the decision of the relevant Regulator and the written record of it and any written reasons for it;
 - (f) the transcript (if any) of any hearing conducted by the relevant Regulator.
- (6) Except as otherwise provided in this section, section 38 (except subsections (1) and (13)) applies to an application under this section.

PART 7 — GENERAL

Supply and haulage of natural gas

40. (1) If a producer states terms and conditions (whether or not including the price) (“**the first terms**”) on which the producer offers to supply natural gas through a Code pipeline that is in operation at the time of the offer to a person at a place other than the exit flange of the producer’s processing plant, the producer must, on request by the person, state terms and conditions (including the price, if the price was included in the first terms) (“**the second terms**”) on which the producer will supply natural gas to the person at the exit flange.

(2) If there is a difference in the price stated in the first terms and the second terms, the producer must include in the second terms a statement of the reasons for the difference.

(3) If the producer offers to supply natural gas to a person at a place other than the exit flange of the producer’s processing plant, the producer must, on request, offer to supply the gas at the exit flange on the terms and conditions (including price) stated in accordance with this section.

(4) In this section —

“**producer**” means a person who carries on a business of producing natural gas.

Power to obtain information and documents

41. (1) If a relevant Regulator has reason to believe that a person has information or a document that may assist the Regulator in the performance of any of the Regulator’s prescribed duties under this Law, the Regulator may require the person to give the Regulator the information or a copy of the document.

(2) A requirement must be made in a written notice that identifies the information or document and that specifies —

(a) by when the requirement must be complied with; and

(b) in what form the information or copy of the document is to be given to the relevant Regulator.

(3) The notice must also state that the requirement is made under this section and must include a copy of this section.

(4) A person must not, without lawful excuse, fail to comply with any requirement made under this section in a notice given to the person.

Penalty: \$10 000 or imprisonment for 12 months.

(5) If the person is a natural person, it is a lawful excuse for the purpose of subsection (4) that compliance may tend to incriminate the person or make the person liable to a penalty for any other offence.

(6) A person must not, in purported compliance with a requirement made under this section, knowingly give the relevant Regulator information that is false or misleading.

Penalty: \$10 000 or imprisonment for 12 months.

(7) A person must not —

- (a) threaten, intimidate or coerce another person; or
- (b) take, threaten to take, incite or be involved in any action that causes another person to suffer any loss, injury or disadvantage,

because that other person complied, or intends to comply, with a requirement made under this section.

Penalty: \$10 000 or imprisonment for 12 months.

(8) A person is not liable in any way for any loss, damage or injury suffered by another person because of the giving in good faith of a document or information to the relevant Regulator under this section.

(9) In this section —

“prescribed duty” means —

- (a) deciding whether to approve an access arrangement under the Code;
- (b) deciding whether to approve changes to an access arrangement under the Code;
- (c) deciding whether to approve a contract, arrangement or understanding between a service provider and an associate of a service provider;
- (d) monitoring compliance with the Code.

Restriction on disclosure of confidential information

42. (1) This section applies if information or a document is given to the relevant Regulator under section 41 and, at the time it is given, the person giving it states that it is of a confidential or commercially-sensitive nature.

(2) Except as otherwise provided in the Code, the relevant Regulator must not disclose the information or the contents of the document to any person unless —

- (a) the relevant Regulator is of the opinion —
 - (i) that the disclosure of the information or document would not cause detriment to the person supplying it or to the person from whom that person received it; or
 - (ii) that, although the disclosure of the information or document would cause detriment to such a person, the public benefit in disclosing it outweighs that detriment;

and

- (b) the relevant Regulator has given the person who supplied the information or document a written notice —
 - (i) stating that the relevant Regulator wishes to disclose the information or contents of the document, specifying the nature of the intended disclosure and setting out detailed reasons why the Regulator wishes to make the disclosure; and
 - (ii) stating that the Regulator is of the opinion required by paragraph (a) and setting out detailed reasons why it is of that opinion; and
 - (iii) setting out a copy of this section and section 43;

and

- (c) if the relevant Regulator is aware that the person who supplied the information or document in turn received the information or document from another person and is aware of that other person's identity and address, the relevant Regulator has given that other person a written notice —
 - (i) containing the details required by paragraph (b); and

- (ii) stating that the relevant Regulator is of the opinion required by paragraph (a) in relation to that other person and setting out detailed reasons why it is of that opinion;
- and
- (d) an application for review is not lodged in respect of any notice given under paragraph (b) or (c) within the time permitted by section 43(3).
- (3) Subsection (2) does not prevent the relevant Regulator —
- (a) from disclosing information or the contents of a document to a member of the staff of the relevant Regulator employed or engaged for the purposes of this Law or to another relevant Regulator; or
 - (b) from using information or a document for the purposes of civil or criminal proceedings; or
 - (c) from supplying the information or document to the member of a relevant appeals body for the purpose of proceedings in relation to the information or document.
- (4) If an application for review of a decision of the relevant Regulator is lodged under section 43 with a relevant appeals body and —
- (a) the application is withdrawn or dismissed or the decision is affirmed, the relevant Regulator may disclose any information, or the contents of any document, that was the subject of the review in the manner set out in the notice given under subsection (2)(b) or (c); or
 - (b) the decision is varied or set aside, the relevant Regulator may disclose anything that the relevant appeals body permits the relevant Regulator to disclose under section 43(4)(b) in the manner specified by the relevant appeals body.
- (5) For the purposes of this section, the disclosure of anything that is already in the public domain at the time the relevant Regulator wishes to disclose it cannot cause detriment to any person referred to in subsection (2)(b) or (c).

Application for review of disclosure notice

43. (1) A person who is given a notice under section 42(2)(b) or (c) and who is aggrieved by a decision of the relevant Regulator to disclose information or the contents of a document may apply to the relevant appeals body for a review of the decision.

APPENDIX TO SCHEDULE 1

**MISCELLANEOUS PROVISIONS
RELATING TO INTERPRETATION**

PART 1 — PRELIMINARY

Displacement of Appendix by contrary intention

1. The application of this Appendix may be displaced, wholly or partly, by a contrary intention appearing in this Law.

PART 2 — GENERAL

**Law to be construed not to exceed legislative power of
Legislature**

2. (1) This Law is to be construed as operating to the full extent of, but so as not to exceed, the legislative power of the Legislature of this scheme participant.

(2) If a provision of this Law, or the application of a provision of this Law to a person, subject matter or circumstance, would, but for this clause, be construed as being in excess of the legislative power of the Legislature —

- (a) it is a valid provision to the extent to which it is not in excess of the power; and
- (b) the remainder of this Law, and the application of the provision to other persons, subject matters or circumstances, is not affected.

(3) This clause applies to this Law in addition to, and without limiting the effect of, any provision of this Law.

Every section to be a substantive enactment

3. Every section of this Law has effect as a substantive enactment without introductory words.

Material that is, and is not, part of this Law

4. (1) The heading to a Part, Division or Subdivision into which this Law is divided is part of this Law.

(2) A Schedule, or Appendix to a Schedule, to this Law is part of this Law.

(3) A heading to a section or subsection of this Law does not form part of this Law.

References to particular Acts and to enactments

5. In this Law —

- (a) an Act of this scheme participant may be cited —
 - (i) by its short title; or
 - (ii) in another way sufficient in an Act of this scheme participant for the citation of such an Act;and
- (b) a Commonwealth Act may be cited —
 - (i) by its short title; or
 - (ii) in another way sufficient in a Commonwealth Act for the citation of such an Act,together with a reference to the Commonwealth; and
- (c) an Act of another scheme participant may be cited —
 - (i) by its short title; or
 - (ii) in another way sufficient in an Act of the scheme participant for the citation of such an Act,together with a reference to the scheme participant.

References taken to be included in Act or Law citation etc.

6. (1) A reference in this Law to an Act includes a reference to —

- (a) the Act as originally enacted, and as amended from time to time since its original enactment; and
- (b) if the Act has been repealed and re-enacted (with or without modification) since the enactment of the reference, the Act as re-enacted, and as amended from time to time since its re-enactment.

(2) A reference in this Law to a provision of this Law or of an Act includes a reference to —

- (a) the provision as originally enacted, and as amended from time to time since its original enactment; and

- (b) if the provision has been omitted and re-enacted (with or without modification) since the enactment of the reference, the provision as re-enacted, and as amended from time to time since its re-enactment.

(3) Subclauses (1) and (2) apply to a reference in this Law to a law of another scheme participant as they apply to a reference in this Law to an Act and to a provision of an Act.

Interpretation best achieving Law's purpose

7. (1) In the interpretation of a provision of this Law, the interpretation that will best achieve the purpose or object of this Law is to be preferred to any other interpretation.

(2) Subclause (1) applies whether or not the purpose is expressly stated in this Law.

Use of extrinsic material in interpretation

8. (1) In this clause —

“extrinsic material” means relevant material not forming part of this Law, including, for example —

- (a) material that is set out in the document containing the text of this Law as printed by authority of the Government Printer of Western Australia; and
- (b) a relevant report of a Royal Commission, Law Reform Commission, commission or committee of inquiry, or a similar body, that was laid before the Legislative Assembly or the Legislative Council before the provision concerned was enacted; and
- (c) a relevant report of a committee of the Legislative Assembly or the Legislative Council that was made before the provision was enacted; and
- (d) a treaty or other international agreement that is mentioned in this Law; and
- (e) an explanatory note or memorandum relating to the Bill that contained the provision, or any relevant document, that was laid before, or given to the members of, the Legislative Assembly or the Legislative Council by the member bringing in the Bill before the provision was enacted; and

- (f) the speech made to the Legislative Assembly or the Legislative Council by the member in moving a motion that the Bill be read a second time; and
- (g) material in any official record of proceedings or of debates in the Legislative Assembly or the Legislative Council; and
- (h) a document that is declared by this Law to be a relevant document for the purposes of this clause;

“ordinary meaning” means the ordinary meaning conveyed by a provision having regard to its context in this Law and to the purpose of this Law.

(2) Subject to subclause (3), in the interpretation of a provision of this Law, consideration may be given to extrinsic material capable of assisting in the interpretation —

- (a) if the provision is ambiguous or obscure, to provide an interpretation of it; or
- (b) if the ordinary meaning of the provision leads to a result that is manifestly absurd or is unreasonable, to provide an interpretation that avoids such a result; or
- (c) in any other case, to confirm the interpretation conveyed by the ordinary meaning of the provision.

(3) In determining whether consideration should be given to extrinsic material, and in determining the weight to be given to extrinsic material, regard is to be had to —

- (a) the desirability of a provision being interpreted as having its ordinary meaning; and
- (b) the undesirability of prolonging proceedings without compensating advantage; and
- (c) other relevant matters.

Compliance with forms

9. (1) If a form is prescribed or approved by or for the purpose of this Law, strict compliance with the form is not necessary and substantial compliance is sufficient.

(2) If a form prescribed or approved by or for the purpose of this Law requires —

- (a) the form to be completed in a specified way; or

- (b) specified information or documents to be included in, attached to or given with the form; or
- (c) the form, or information or documents included in, attached to or given with the form, to be verified in a specified way,

the form is not properly completed unless the requirement is complied with.

PART 3 — TERMS AND REFERENCES

Definitions

10. In this Law —

“Act” means an Act of the Legislature;

“affidavit”, in relation to a person allowed by law to affirm, declare or promise, includes affirmation, declaration and promise;

“amend” includes —

- (a) omit or omit and substitute; or
- (b) alter or vary; or
- (c) amend by implication;

“appoint” includes re-appoint;

“Australia” means the Commonwealth of Australia but, when used in a geographical sense, does not include an external Territory;

“breach” includes fail to comply with;

“business day” means a day that is not —

- (a) a Saturday or Sunday; or
- (b) a public holiday, special holiday or bank holiday in the place in which any relevant act is to be or may be done;

“calendar month” means a period starting at the beginning of any day of one of the 12 named months and ending —

- (a) immediately before the beginning of the corresponding day of the next named month; or

- (b) if there is no such corresponding day, at the end of the next named month;

“calendar year” means a period of 12 months beginning on 1 January;

“commencement”, in relation to this Law or an Act or a provision of this Law or an Act, means the time at which this Law, the Act or provision comes into operation;

“Commonwealth” means the Commonwealth of Australia but, when used in a geographical sense, does not include an external territory;

“confer”, in relation to a function, includes impose;

“contravene” includes fail to comply with;

“definition” means a provision of this Law (however expressed) that —

- (a) gives a meaning to a word or expression; or
(b) limits or extends the meaning of a word or expression;

“document” includes —

- (a) any paper or other material on which there is writing; or
(b) any paper or other material on which there are marks, figures, symbols or perforations having a meaning for a person qualified to interpret them; or
(c) any disc, tape or other article or any material from which sounds, images, writings or messages are capable of being reproduced (with or without the aid of another article or device);

“estate” includes easement, charge, right, title, claim, demand, lien or encumbrance, whether at law or in equity;

“expire” includes lapse or otherwise cease to have effect;

“fail” includes refuse;

“financial year” means a period of 12 months beginning on 1 July;

“function” includes duty;

“Gazette” means the *Government Gazette* of this scheme participant;

“Governor” means the Governor acting with the advice and consent of the Executive Council;

“instrument” includes a statutory instrument;

“interest”, in relation to land or other property, means —

(a) a legal or equitable estate in the land or other property; or

(b) a right, power or privilege over, or in relation to, the land or other property;

“internal Territory” means the Australian Capital Territory, the Jervis Bay Territory or the Northern Territory;

“Jervis Bay Territory” means the Territory mentioned in the *Jervis Bay Territory Acceptance Act 1915* of the Commonwealth;

“make” includes issue or grant;

“minor” means an individual who is under 18;

“modification” includes addition, omission or substitution;

“month” means a calendar month;

“named month” means one of the 12 months of the year;

“Northern Territory” means the Northern Territory of Australia;

“number” means —

(a) a number expressed in figures or words; or

(b) a letter; or

(c) a combination of a number so expressed and a letter;

“oath”, in relation to a person allowed by law to affirm, declare or promise, includes affirmation, declaration or promise;

“office” includes position;

“omit”, in relation to a provision of this Law or an Act, includes repeal;

“party” includes an individual or a body politic or corporate;

“**penalty**” includes forfeiture or punishment;

“**person**” includes an individual or a body politic or corporate;

“**power**” includes authority;

“**prescribed**” means prescribed by, or by regulations made or in force for the purposes of or under, this Law;

“**printed**” includes typewritten, lithographed or reproduced by any mechanical means;

“**proceeding**” means a legal or other action or proceeding;

“**property**” means any legal or equitable estate or interest (whether present or future, vested or contingent, or tangible or intangible) in real or personal property of any description (including money), and includes things in action;

“**provision**”, in relation to this Law or an Act, means words or other matter that form or forms part of this Law or the Act, and includes —

- (a) a Part, Division, Subdivision, section, subsection, paragraph, subparagraph, subsubparagraph or Schedule of or to this Law or the Act; or
- (b) a section, clause, subclause, item, column, table or form of or in a Schedule to this Law or the Act; or
- (c) the long title and any preamble to the Act;

“**record**” includes information stored or recorded by means of a computer;

“**repeal**” includes —

- (a) revoke or rescind; or
- (b) repeal by implication; or
- (c) abrogate or limit the effect of this Law or instrument concerned; or
- (d) exclude from, or include in, the application of this Law or instrument concerned any person, subject matter or circumstance;

“**sign**” includes the affixing of a seal or the making of a mark;

“statutory declaration” means a declaration made under an Act, or under a Commonwealth Act or an Act of another jurisdiction, that authorises a declaration to be made otherwise than in the course of a judicial proceeding;

“statutory instrument” means an instrument (including a regulation) made or in force under or for the purposes of this Law, and includes an instrument made or in force under any such instrument;

“swear”, in relation to a person allowed by law to affirm, declare or promise, includes affirm, declare or promise;

“word” includes any symbol, figure or drawing;

“writing” includes any mode of representing or reproducing words in a visible form.

Provisions relating to defined terms, gender and number

11. (1) If this Law defines a word or expression, other parts of speech and grammatical forms of the word or expression have corresponding meanings.

(2) Definitions in or applicable to this Law apply except so far as the context or subject matter otherwise indicates or requires.

(3) In this Law, words indicating a gender include each other gender.

(4) In this Law —

(a) words in the singular include the plural; and

(b) words in the plural include the singular.

Meaning of may and must etc.

12. (1) In this Law, the word **“may”**, or a similar word or expression, used in relation to a power indicates that the power may be exercised or not exercised, at discretion.

(2) In this Law, the word **“must”**, or a similar word or expression, used in relation to a power indicates that the power is required to be exercised.

(3) This clause has effect despite any rule of construction to the contrary.

Words and expressions used in statutory instruments

13. (1) Words and expressions used in a statutory instrument have the same meanings as they have, from time to time, in this Law, or relevant provisions of this Law, under or for the purposes of which the instrument is made or in force.

(2) This clause has effect in relation to an instrument except so far as the contrary intention appears in the instrument.

Effect of express references to bodies corporate and individuals

14. In this Law, a reference to a person generally (whether the expression “**person**”, “**another**” or “**whoever**” or another expression is used) —

- (a) does not exclude a reference to a body corporate or an individual merely because elsewhere in this Law there is particular reference to a body corporate (however expressed); and
- (b) does not exclude a reference to an individual or a body corporate merely because elsewhere in this Law there is particular reference to an individual (however expressed).

References to Minister

15. (1) In this Law —

- (a) a reference to a Minister is a reference to a Minister of the Crown of this scheme participant; and
- (b) a reference to a particular Minister by title, or to “**the Minister**” without specifying a particular Minister by title, includes a reference to another Minister, or a member of the Executive Council of this scheme participant, who is acting for and on behalf of the Minister.

(2) In a provision of this Law, a reference to “**the Minister**”, without specifying a particular Minister by title is a reference to —

- (a) the Minister of this scheme participant administering the provision; or
- (b) if, for the time being, different Ministers of this scheme participant administer the provision in relation to different matters —
 - (i) if only one Minister of this scheme participant administers the provision in relation to the relevant matter, the Minister; or

(ii) if 2 or more Ministers of this scheme participant administer the provision in relation to the relevant matter, any one of those Ministers;

or

(c) if paragraph (b) does not apply and, for the time being, 2 or more Ministers administer the provision, any one of the Ministers.

(3) For the removal of doubt, it is declared that if —

(a) a provision of this Law is administered by 2 or more Ministers of this scheme participant; and

(b) the provision requires or permits anything to be done in relation to any of the Ministers,

the provision does not require or permit it to be done in a particular case by or in relation to more than one of the Ministers.

Production of records kept in computers etc.

16. If a person who keeps a record of information by means of a mechanical, electronic or other device is required by or under this Law —

(a) to produce the information or a document containing the information to a court, tribunal or person; or

(b) to make a document containing the information available for inspection by a court, tribunal or person,

then, unless the court, tribunal or person otherwise directs —

(c) the requirement obliges the person to produce or make available for inspection, as the case may be, a document that reproduces the information in a form capable of being understood by the court, tribunal or person; and

(d) the production to the court, tribunal or person of the document in that form complies with the requirement.

This scheme participant

17. In this Law —

(a) a reference to an officer, office or statutory body is a reference to such an officer, office or statutory body in and for this scheme participant; and

- (b) a reference to a locality or other matter or thing is a reference to such a locality or other matter or thing in and of this scheme participant.

References to officers and holders of offices

18. In this Law, a reference to a particular officer, or to the holder of a particular office, includes a reference to the person for the time being occupying or acting in the office concerned.

Reference to certain provisions of Law

19. If a provision of this Law refers —

- (a) to a Part, section or Schedule by a number and without reference to this Law, the reference is a reference to the Part, section or Schedule, designated by the number, of or to this Law; or
- (b) to a Schedule without reference to it by a number and without reference to this Law, the reference, if there is only one Schedule to this Law, is a reference to the Schedule; or
- (c) to a Division, Subdivision, subsection, paragraph, subparagraph, subsubparagraph, clause, subclause, item, column, table or form by a number and without reference to this Law, the reference is a reference to —
 - (i) the Division, designated by the number, of the Part in which the reference occurs; and
 - (ii) the Subdivision, designated by the number, of the Division in which the reference occurs; and
 - (iii) the subsection, designated by the number, of the section in which the reference occurs; and
 - (iv) the paragraph, designated by the number, of the section, subsection, Schedule or other provision in which the reference occurs; and
 - (v) the paragraph, designated by the number, of the clause, subclause, item, column, table or form of or in the Schedule in which the reference occurs; and
 - (vi) the subparagraph, designated by the number, of the paragraph in which the reference occurs; and
 - (vii) the subsubparagraph, designated by the number, of the subparagraph in which the reference occurs; and

(viii) the section, clause, subclause, item, column, table or form, designated by the number, of or in the Schedule in which the reference occurs,

as the case requires.

PART 4 — FUNCTIONS AND POWERS

Performance of statutory functions

20. (1) If this Law confers a function or power on a person or body, the function may be performed, or the power may be exercised, from time to time as occasion requires.

(2) If this Law confers a function or power on a particular officer or the holder of a particular office, the function may be performed, or the power may be exercised, by the person for the time being occupying or acting in the office concerned.

(3) If this Law confers a function or power on a body (whether or not incorporated), the performance of the function, or the exercise of the power, is not affected merely because of vacancies in the membership of the body.

Power to make instrument or decision includes power to amend or repeal

21. If this Law authorises or requires the making of an instrument or decision —

- (a) the power includes power to amend or repeal the instrument or decision; and
- (b) the power to amend or repeal the instrument or decision is exercisable in the same way, and subject to the same conditions, as the power to make the instrument or decision.

Matters for which statutory instruments may make provision

22. (1) If this Law authorises or requires the making of a statutory instrument in relation to a matter, a statutory instrument made under this Law may make provision for the matter by applying, adopting or incorporating (with or without modification) the provisions of —

- (a) an Act or statutory instrument; or

(b) another document (whether of the same or a different kind),
as in force at a particular time or as in force from time to time.

(2) If a statutory instrument applies, adopts or incorporates the provisions of a document, the statutory instrument applies, adopts or incorporates the provisions as in force from time to time, unless the statutory instrument otherwise expressly provides.

(3) A statutory instrument may —

- (a) apply generally throughout the jurisdictional area of this scheme participant or be limited in its application to a particular part of that area; or
- (b) apply generally to all persons, matters or things or be limited in its application to —
 - (i) particular persons, matters or things; or
 - (ii) particular classes of persons, matters or things;or
- (c) otherwise apply generally or be limited in its application by reference to specified exceptions or factors.

(4) A statutory instrument may —

- (a) apply differently according to different specified factors; or
- (b) otherwise make different provision in relation to —
 - (i) different persons, matters or things; or
 - (ii) different classes of persons, matters or things.

(5) A statutory instrument may authorise a matter or thing to be from time to time determined, applied or regulated by a specified person or body.

(6) If this Law authorises or requires a matter to be regulated by statutory instrument, the power may be exercised by prohibiting by statutory instrument the matter or any aspect of the matter.

(7) If this Law authorises or requires provision to be made with respect to a matter by statutory instrument, a statutory instrument made under this Law may make provision with respect to a particular aspect of the matter despite the fact that provision is made by this Law in relation to another aspect of the matter or in relation to another matter.

(8) A statutory instrument may provide for the review of, or a right of appeal against, a decision made under the statutory instrument, or this Law, and may, for that purpose, confer jurisdiction on any court, tribunal, person or body.

(9) A statutory instrument may require a form prescribed by or under the statutory instrument, or information or documents included in, attached to or given with the form, to be verified by statutory declaration.

Presumption of validity and power to make

23. (1) All conditions and preliminary steps required for the making of a statutory instrument are presumed to have been satisfied and performed in the absence of evidence to the contrary.

(2) A statutory instrument is taken to be made under all powers under which it may be made, even though it purports to be made under this Law or a particular provision of this Law.

Appointments may be made by name or office

24. (1) If this Law authorises or requires a person or body —

- (a) to appoint a person to an office; or
- (b) to appoint a person or body to exercise a power; or
- (c) to appoint a person or body to do another thing,

the person or body may make the appointment by —

- (d) appointing a person or body by name; or
- (e) appointing a particular officer, or the holder of a particular office, by reference to the title of the office concerned.

(2) An appointment of a particular officer, or the holder of a particular office, is taken to be the appointment of the person for the time being occupying or acting in the office concerned.

Acting appointments

25. (1) If this Law authorises a person or body to appoint a person to act in an office, the person or body may, in accordance with this Law, appoint —

- (a) a person by name; or

- (b) a particular officer, or the holder of a particular office, by reference to the title of the office concerned,

to act in the office.

(2) The appointment may be expressed to have effect only in the circumstances specified in the instrument of appointment.

(3) The appointer may —

- (a) determine the terms and conditions of the appointment, including remuneration and allowances; and
(b) terminate the appointment at any time.

(4) The appointment, or the termination of the appointment, must be in, or evidenced by, writing signed by the appointer.

(5) The appointee must not act for more than one year during a vacancy in the office.

(6) If the appointee is acting in the office otherwise than because of a vacancy in the office and the office becomes vacant, then, subject to subclause (2), the appointee may continue to act until —

- (a) the appointer otherwise directs; or
(b) the vacancy is filled; or
(c) the end of a year from the day of the vacancy,

whichever happens first.

(7) The appointment ceases to have effect if the appointee resigns by writing signed and delivered to the appointer.

(8) While the appointee is acting in the office —

- (a) the appointee has all the powers and functions of the holder of the office; and
(b) this Law and other laws apply to the appointee as if the appointee were the holder of the office.

(9) Anything done by or in relation to a person purporting to act in the office is not invalid merely because —

- (a) the occasion for the appointment had not arisen; or
(b) the appointment had ceased to have effect; or
(c) the occasion for the person to act had not arisen or had ceased.

(10) If this Law authorises the appointer to appoint a person to act during a vacancy in the office, an appointment to act in the office may be made by the appointer whether or not an appointment has previously been made to the office.

Powers of appointment imply certain incidental powers

26. (1) If this Law authorises or requires a person or body to appoint a person to an office —

- (a) the power may be exercised from time to time as occasion requires; and
- (b) the power includes —
 - (i) power to remove or suspend, at any time, a person appointed to the office; and
 - (ii) power to appoint another person to act in the office if a person appointed to the office is removed or suspended; and
 - (iii) power to reinstate or reappoint a person removed or suspended; and
 - (iv) power to appoint a person to act in the office if it is vacant (whether or not the office has ever been filled); and
 - (v) power to appoint a person to act in the office if the person appointed to the office is absent or is unable to discharge the functions of the office (whether because of illness or otherwise).

(2) The power to remove or suspend a person under subclause (1)(b) may be exercised even if this Law provides that the holder of the office to which the person was appointed is to hold office for a specified period.

(3) The power to make an appointment under subclause (1)(b) may be exercised from time to time as occasion requires.

(4) An appointment under subclause (1)(b) may be expressed to have effect only in the circumstances specified in the instrument of appointment.

Delegation

27. (1) If this Law authorises a person to delegate a function or power, the person may, in accordance with this Law, delegate the function or power to —

- (a) a person by name; or
- (b) a particular officer, or the holder of a particular office, by reference to the title of the office concerned.

(2) The delegation —

- (a) may be general or limited; and
- (b) may be made from time to time; and
- (c) may be revoked, wholly or partly, by the delegator.

(3) The delegation, or a revocation of the delegation, must be in, or evidenced by, writing signed by the delegator or if the delegator is a body corporate, by a person authorised by the body corporate for the purpose.

(4) A delegated function or power may be exercised only in accordance with any conditions to which the delegation is subject.

(5) The delegate may, in the exercise of a delegated function or power, do anything that is incidental to the delegated function or power.

(6) A delegated function or power that purports to have been exercised by the delegate is taken to have been duly exercised by the delegate unless the contrary is proved.

(7) A delegated function or power that is duly exercised by the delegate is taken to have been exercised by the delegator.

(8) If, when exercised by the delegator, a function or power is, under this Law, dependent on the delegator's opinion, belief or state of mind in relation to a matter, the function or power, when exercised by the delegate, is dependent on the delegate's opinion, belief or state of mind in relation to the matter.

(9) If a function or power is delegated to a particular officer or the holder of a particular office —

- (a) the delegation does not cease to have effect merely because the person who was the particular officer or the holder of the particular office when the power was delegated ceases to be the officer or the holder of the office; and

- (b) the function or power may be exercised by the person for the time being occupying or acting in the office concerned.

(10) A function or power that has been delegated may, despite the delegation, be exercised by the delegator.

Exercise of powers between enactment and commencement

28. (1) If a provision of this Law (the “**empowering provision**”) that does not commence on its enactment would, had it commenced, confer a power —

- (a) to make an appointment; or
- (b) to make a statutory instrument of a legislative or administrative character; or
- (c) to do another thing,

then —

- (d) the power may be exercised; and
- (e) anything may be done for the purpose of enabling the exercise of the power or of bringing the appointment, instrument or other thing into effect,

before the empowering provision commences.

(2) If a provision of an Act of Western Australia (the “**empowering provision**”) that does not commence on its enactment would, had it commenced, amend a provision of this Law so that it would confer a power —

- (a) to make an appointment; or
- (b) to make a statutory instrument of a legislative or administrative character; or
- (c) to do another thing,

then —

- (d) the power may be exercised; and
- (e) anything may be done for the purpose of enabling the exercise of the power or of bringing the appointment, instrument or other thing into effect,

before the empowering provision commences.

(3) If —

- (a) this Law has commenced and confers a power to make a statutory instrument (the “**basic instrument-making power**”); and
- (b) a provision of an Act of Western Australia that does not commence on its enactment would, had it commenced, amend this Law so as to confer additional power to make a statutory instrument (the “**additional instrument-making power**”),

then —

- (c) the basic instrument-making power and the additional instrument-making power may be exercised by making a single instrument; and
- (d) any provision of the instrument that required an exercise of the additional instrument-making power is to be treated as made under subclause (2).

(4) If an instrument, or a provision of an instrument, is made under subclause (1) or (2) that is necessary for the purpose of —

- (a) enabling the exercise of a power mentioned in the subclause; or
- (b) bringing an appointment, instrument or other thing made or done under such a power into effect,

the instrument or provision takes effect —

- (c) on the making of the instrument; or
- (d) on such later day (if any) on which, or at such later time (if any) at which, the instrument or provision is expressed to take effect.

(5) If —

- (a) an appointment is made under subclause (1) or (2); or
- (b) an instrument, or a provision of an instrument, made under subclause (1) or (2) is not necessary for a purpose mentioned in subclause (4),

the appointment, instrument or provision take effect —

- (c) on the commencement of the relevant empowering provision; or

(d) on such later day (if any) on which, or at such later time (if any) at which, the appointment, instrument or provision is expressed to take effect.

(6) Anything done under subclause (1) or (2) does not confer a right, or impose a liability, on a person before the relevant empowering provision commences.

(7) After the enactment of a provision mentioned in subclause (2) but before the provision's commencement, this clause applies as if the references in subclauses (2) and (5) to the commencement of the empowering provision were references to the commencement of the provision mentioned in subclause (2) as amended by the empowering provision.

(8) In the application of this clause to a statutory instrument, a reference to the enactment of the instrument is a reference to the making of the instrument.

PART 5 — DISTANCE AND TIME

Matters relating to distance and time

29. (1) In the measurement of distance for the purposes of this Law, the distance is to be measured along the shortest road ordinarily used for travelling.

(2) If a period beginning on a given day, act or event is provided or allowed for a purpose by this Law, the period is to be calculated by excluding the day, or the day of the act or event, and —

- (a) if the period is expressed to be a specified number of clear days or at least a specified number of days, by excluding the day on which the purpose is to be fulfilled; and
- (b) in any other case, by including the day on which the purpose is to be fulfilled.

(3) If the last day of a period provided or allowed by this Law for doing anything is not a business day in the place in which the thing is to be or may be done, the thing may be done on the next business day in the place.

(4) If the last day of a period provided or allowed by this Law for the filing or registration of a document is a day on which the office is closed where the filing or registration is to be or may be done, the document may be filed or registered at the office on the next day that the office is open.

(5) If no time is provided or allowed for doing anything, the thing is to be done as soon as possible, and as often as the prescribed occasion happens.

(6) If, in this Law, there is a reference to time, the reference is, in relation to the doing of anything in a jurisdiction, a reference to the legal time in the jurisdiction.

PART 6 — SERVICE OF DOCUMENTS

Service of documents

30. (1) If this Law requires or permits a document to be served on a person (whether the expression “**deliver**”, “**give**”, “**notify**”, “**send**” or “**serve**” or another expression is used), the document may be served —

(a) on an individual —

- (i) by delivering it to the person personally; or
- (ii) by leaving it at, or by sending it by post, telex, facsimile or similar facility to, the address of the place of residence or business of the person last known to the person serving the document; or

(b) on a body corporate —

- (i) by leaving it at the registered office of the body corporate with an officer of the body corporate; or
- (ii) by sending it by post, telex, facsimile or similar facility to its registered office.

(2) Nothing in subclause (1) —

- (a) affects the operation of another law that authorises the service of a document otherwise than as provided in the subclause; or
- (b) affects the power of a court or tribunal to authorise service of a document otherwise than as provided in the subclause.

Meaning of service by post etc.

31. (1) If this Law requires or permits a document to be served by post (whether the expression “**deliver**”, “**give**”, “**notify**”, “**send**” or “**serve**” or another expression is used), service —

- (a) may be effected by properly addressing, prepaying and posting the document as a letter; and
- (b) is taken to have been effected at the time at which the letter would be delivered in the ordinary course of post, unless the contrary is proved.

(2) If this Law requires or permits a document to be served by a particular postal method (whether the expression “**deliver**”, “**give**”, “**notify**”, “**send**” or “**serve**” or another expression is used), the requirement or permission is taken to be satisfied if the document is posted by that method or, if that method is not available, by the equivalent, or nearest equivalent, method provided for the time being by Australia Post.

**PART 7 — EFFECT OF REPEAL, AMENDMENT
OR EXPIRATION**

Time of Law ceasing to have effect

32. If a provision of this Law is expressed —

- (a) to expire on a specified day; or
- (b) to remain or continue in force, or otherwise have effect, until a specified day,

this provision has effect until the last moment of the specified day.

Repealed Law provisions not revived

33. If a provision of this Law is repealed or amended by an Act of Western Australia, or a provision of an Act of Western Australia, the provision is not revived merely because the Act or the provision of the Act —

- (a) is later repealed or amended; or
- (b) later expires.

Saving of operation of repealed Law provisions

34. (1) The repeal, amendment or expiry of a provision of this Law does not —

- (a) revive anything not in force or existing at the time the repeal, amendment or expiry takes effect; or
- (b) affect the previous operation of the provision or anything suffered, done or begun under the provision; or
- (c) affect a right, privilege or liability acquired, accrued or incurred under the provision; or
- (d) affect a penalty incurred in relation to an offence arising under the provision; or
- (e) affect an investigation, proceeding or remedy in relation to such a right, privilege, liability or penalty.

(2) Any such penalty may be imposed and enforced, and any such investigation, proceeding or remedy may be begun, continued or enforced, as if the provision had not been repealed or amended or had not expired.

Continuance of repealed provisions

35. If an Act of Western Australia repeals some provisions of this Law and enacts new provisions in substitution for the repealed provisions, the repealed provisions continue in force until the new provisions commence.

Law and amending Acts to be read as one

36. This Law and all Acts of Western Australia amending this Law are to be read as one.

PART 8 — OFFENCES UNDER THIS LAW

Penalty at end of provision

37. In this Law, a penalty specified at the end of —

- (a) a section (whether or not the section is divided into subsections); or
- (b) a subsection (but not at the end of a section); or

- (c) a section or subsection and expressed in such a way as to indicate that it applies only to part of the section or subsection,

indicates that an offence mentioned in the section, subsection or part is punishable on conviction or, if no offence is mentioned, a contravention of the section, subsection or part constitutes an offence against the provision that is punishable, on conviction, by a penalty not more than the specified penalty.

Penalty other than at end of provision

38. (1) In this Law, a penalty specified for an offence, or a contravention of a provision, indicates that the offence is punishable on conviction, or the contravention constitutes an offence against the provision that is punishable, on conviction, by a penalty not more than the specified penalty.

(2) This clause does not apply to a penalty to which clause 37 applies.

Indictable offences and summary offences

39. (1) An offence against this Law that is not punishable by imprisonment is a simple offence.

(2) An offence against this Law that is punishable by imprisonment is a crime.

(3) If —

- (a) a proceeding for an offence against this Law that is punishable by imprisonment is brought in a court of summary jurisdiction; and
- (b) the prosecutor requests the court to hear and determine the proceeding,

the offence is punishable summarily and the court must hear and determine the proceeding.

(4) A court of summary jurisdiction must not —

- (a) impose, in relation to a single offence against this Law, a period of imprisonment of more than 2 years; or
- (b) impose, in relation to offences against this Law, cumulative periods of imprisonment that are, in total, more than 5 years.

(5) Nothing in this clause renders a person liable to be punished more than once in relation to the same offence.

Double jeopardy

40. If an act or omission constitutes an offence —

- (a) under this Law; or
- (b) under another law of this scheme participant or a law of another scheme participant,

and the offender has been punished in relation to the offence under a law mentioned in paragraph (b), the offender is not liable to be punished in relation to the offence under this Law.

Attempts and incitement

41. Section 555A(1) and (2) of *The Criminal Code* apply in relation to a simple offence under this Law as if it were a simple offence under *The Criminal Code*.

PART 9 — INSTRUMENTS UNDER THIS LAW

Appendix applies to statutory instruments

42. (1) This Appendix applies to a statutory instrument, and to things that may be done or are required to be done under a statutory instrument, in the same way as it applies to this Law, and things that may be done or are required to be done under this Law, except so far as the context or subject matter otherwise indicates or requires.

(2) The fact that a provision of this Appendix refers to this Law and not also to a statutory instrument does not, by itself, indicate that the provision is intended to apply only to this Law.

**SCHEDULE 2 — NATIONAL THIRD PARTY ACCESS CODE FOR
NATURAL GAS PIPELINE SYSTEMS**

[s. 3(1), 11, Sched. 1 cl. 1]

National Third Party Access Code for Natural Gas Pipeline Systems

INTRODUCTION

This Code establishes a national access regime for natural gas pipeline systems.

The objective of this Code is to establish a framework for third party access to gas pipelines that:

- (a) facilitates the development and operation of a national market for natural gas; and*
- (b) prevents abuse of monopoly power; and*
- (c) promotes a competitive market for natural gas in which customers may choose suppliers, including producers, retailers and traders; and*
- (d) provides rights of access to natural gas pipelines on conditions that are fair and reasonable for both Service Providers and Users; and*
- (e) provides for resolution of disputes.*

Under the Code, the owner or operator of a Pipeline that is Covered under the Code is required to lodge an Access Arrangement with the Relevant Regulator. The Access Arrangement is similar in many respects to an undertaking under Part IIIA of the Trade Practices Act and is designed to allow the owner or operator of the Covered Pipeline to develop its own Tariffs and other terms and conditions under which access will be made available, subject to the requirements of the Code. The Relevant Regulator will seek comments on the Access Arrangement and then may either accept it or reject it and specify amendments it requires to be made to the Access Arrangement. If rejected, the Access Arrangement must be modified and resubmitted. Under certain circumstances, the Relevant Regulator may draft and approve its own Access Arrangement. The legislation which implements the Code provides for administrative review of certain regulatory decisions made under the Code.

Important features of the Code are:

- Coverage - the mechanism by which Pipelines (including distribution systems) become subject to the Code;*
- reliance on an up-front Access Arrangement outlining Services and Reference Tariffs applicable to a Covered Pipeline;*

- *pricing principles;*
- *ring fencing;*
- *information disclosure requirements;*
- *binding arbitration where there is a dispute; and*
- *specific timelines for all processes.*

The aim of the Code is to provide sufficient prescription so as to reduce substantially the number of likely arbitrations, while at the same time incorporating enough flexibility for the parties to negotiate contracts within an appropriate framework. The Code has also been designed to provide a clear national access regime, with consistency between different jurisdictions.

This introduction to the Code and the overview in italics at the beginning of each section of the Code do not form part of the Code but in certain circumstances regard may be had to them in interpreting the Code (see Sections 10.4 and 10.5).

1. COVERAGE

This section of the Code describes the kinds of gas infrastructure which are subject to the Code and the basis on which particular infrastructure is or may become subject to the Code.

In relation to the first issue, the scope of the Code is limited to Pipelines used for the haulage of Natural Gas. The definition of Pipeline includes gas transmission pipelines and distribution networks and related facilities, but excludes upstream facilities.

In relation to the second issue, a Pipeline may become Covered in one of four ways.

- *Schedule A lists the Pipelines which are automatically Covered by the Code (section 1.1).*
- *In relation to other Pipelines, a case by case approach applies under which specific criteria are applied to individual Pipelines to determine whether they are Covered (sections 1.2-1.19).*
- *In addition, where a Pipeline is not Covered a Service Provider may itself request Coverage by proposing an Access Arrangement for the Pipeline to the Relevant Regulator for approval (sections 1.20 and 2.3).*
- *Finally, if a competitive tender process approved by the Relevant Regulator is used to select the Service Provider for a new Pipeline, that new Pipeline will be Covered from the time the Relevant Regulator approves the outcome of the competitive tender (section 1.21).*

The Code accordingly provides a high degree of certainty for the Pipelines identified in Schedule A, while retaining the flexibility to bring in other or new Pipelines on a case-by-case basis. Additional flexibility to respond to changing circumstances exists as a result of the potential for Coverage to be Revoked where the criteria for Coverage cease to be satisfied.

In simple terms, the process for case by case Coverage is as follows:

- any person may seek Coverage of a Pipeline by applying to the National Competition Council (the NCC);*
- the NCC publishes a public notice on the application and seeks submissions, including from the Service Provider;*
- the NCC considers the submissions and makes a recommendation to the Relevant Minister, applying specified criteria; and*
- the Relevant Minister considers the recommendation and decides on Coverage.*

The term "Pipeline" is defined in the Gas Pipelines Access Law to include part of a Pipeline. Consequently, an application can be made for the Coverage of the whole or any part of a Pipeline provided the Pipeline or the relevant part of the Pipeline is owned or operated by the same Service Provider or group of Service Providers.

The process for Revocation is similar to the process for Coverage.

As a decision to Cover a Pipeline or revoke Coverage of a Pipeline can have major commercial implications for the Service Provider and Prospective Users, the Gas Pipelines Access Law provides a mechanism for review of the decision by the Relevant Appeals Body.

An extensions/expansions policy in the Access Arrangement for a Covered Pipeline will define when an extension to, or expansion of the Capacity of, a Covered Pipeline will be treated as part of the same Covered Pipeline and when that extension or expansion is to be regarded as a separate Pipeline which may be the subject of a separate Coverage application.

Pipelines in Schedule A are Covered

- 1.1 Each Pipeline listed in Schedule A is a Covered Pipeline from the date of commencement of the Code.

NCC to Recommend on an Application for Coverage

- 1.2 Pipelines other than those listed in Schedule A may become Covered after the commencement of the Code where a person applies to the NCC for the Pipeline to be Covered and, after

receiving a recommendation from the NCC, the Relevant Minister decides that the Pipeline should be Covered.

- 1.3 Any person, including the Relevant Regulator, may make an application to the NCC requesting that a particular Pipeline be Covered. A single application may be made under this section 1.3 for the Coverage of the whole or any part of a Pipeline, provided that all of that Pipeline, or all of that part of a Pipeline, is owned or operated by the same Service Provider or group of Service Providers. The NCC may publish guidelines concerning the form and content of Coverage applications and specifying the amount of any fee to be paid on the making of an application. If it does so, applications must be made in accordance with those guidelines.
- 1.4 When the NCC receives an application under section 1.3 the NCC must:
 - (a) if it considers that the application has been made on trivial or vexatious grounds, reject the application without further consideration; and
 - (b) in all other cases within 14 days after receipt of the application:
 - (i) inform the Service Provider and each other person known to the NCC who the NCC believes has a sufficient interest in the matter that it has received the application; and
 - (ii) publish a notice in a national daily newspaper which at least:
 - (A) describes the Pipeline to which the application relates;
 - (B) states how copies of the application may be obtained; and
 - (C) requests submissions within 21 days after the date of the notice.
- 1.5 The NCC must provide a copy of the application to any person within 7 days after the person requests a copy and pays any reasonable fee required by the NCC.
- 1.6 Within 35 days (but not earlier than 21 days) after the day on which a notice is published under section 1.4(b), the NCC must prepare a draft recommendation on the application and provide a copy of the draft recommendation to the applicant, the Service Provider, each person who made a submission and any other person who requests a copy. In preparing the draft recommendation the NCC must consider any submissions received within the time specified in the notice published under section 1.4(b) and it may (but is not obliged to) consider any submissions received after that time.

- 1.7 Within 28 days (but not earlier than 14 days) after the day on which its draft recommendation became publicly available, the NCC must submit a recommendation to the Relevant Minister:
- (a) that the Pipeline be Covered; or
 - (b) that the Pipeline not be Covered.
- If the NCC recommends that the Pipeline be Covered, the NCC may do so to a greater or lesser extent than requested by the applicant if, having regard to the part of the Pipeline that is necessary to provide Services that Prospective Users may seek, the NCC considers it appropriate. The NCC may not recommend Coverage of a greater part of a Pipeline than is owned or operated by the same Service Provider or group of Service Providers.
- 1.8 In forming its recommendation the NCC must consider any submissions received from the Service Provider, the applicant or any other person within 14 days after the date on which its draft recommendation became publicly available and it may (but is not obliged to) consider submissions received after that time.
- 1.9 Subject to sections 1.4(a) and 1.10, the NCC must recommend that the Pipeline be Covered (either to the extent described, or to a greater or lesser extent than that described, in the application) if the NCC is satisfied of all of the following matters, and cannot recommend that the Pipeline be Covered, to any extent, if the NCC is not satisfied of one or more of the following matters:
- (a) that access (or increased access) to Services provided by means of the Pipeline would promote competition in at least one market (whether or not in Australia), other than the market for the Services provided by means of the Pipeline;
 - (b) that it would be uneconomic for anyone to develop another Pipeline to provide the Services provided by means of the Pipeline;
 - (c) that access (or increased access) to the Services provided by means of the Pipeline can be provided without undue risk to human health or safety; and
 - (d) that access (or increased access) to the Services provided by means of the Pipeline would not be contrary to the public interest.
- 1.10 At any time prior to the NCC making a recommendation the relevant Service Provider may notify the NCC that it agrees to Coverage of the Pipeline to the same extent as specified in the application. The NCC may then recommend that the Pipeline be Covered to the same extent as specified in the application without considering the matters set out in paragraphs (a) to (d) of

section 1.9. The NCC must forward the Service Provider's notice to the Relevant Minister with its recommendation.

- 1.11 The NCC must provide a copy of its recommendation and the reasons for the recommendation to the Service Provider, the applicant, each person who made a submission and any other person who requests a copy.
- 1.12 The applicant may withdraw the application by notice to the NCC at any time before the Relevant Minister makes a decision concerning Coverage of the Pipeline.

Relevant Minister to Decide on a Coverage Recommendation

- 1.13 Within 21 days after a Coverage recommendation is received by the Relevant Minister, the Relevant Minister must make a decision:
 - (a) that the Pipeline is Covered; or
 - (b) that the Pipeline is not Covered.

If the Relevant Minister decides that the Pipeline is Covered, the Relevant Minister may do so to a greater or lesser extent than requested by the applicant if, having regard to the part of the Pipeline that is necessary to provide Services that Prospective Users may seek, the Relevant Minister considers it appropriate. The Relevant Minister may not decide that a greater part of a Pipeline is Covered than is owned or operated by the same Service Provider or group of Service Providers.

- 1.14 The Relevant Minister may require the NCC to provide such information, reports and other assistance as the Relevant Minister considers appropriate for the purpose of considering the application.
- 1.15 Subject to section 1.16, the Relevant Minister must decide that the Pipeline is Covered (either to the extent described, or to a greater or lesser extent than that described, in the application) if the Relevant Minister is satisfied of all of the matters set out in paragraphs (a) to (d) of section 1.9, but the Relevant Minister cannot decide that the Pipeline is Covered, to any extent, if not satisfied of one or more of those matters.
- 1.16 If the NCC receives a notice under section 1.10, the Relevant Minister may decide that the Pipeline is a Covered Pipeline without considering the matters set out in paragraphs (a) to (d) of section 1.9.
- 1.17 Promptly after making a decision the Relevant Minister must provide a copy of the decision and reasons for the decision to the NCC, the Relevant Regulator, the Service Provider, the applicant, each person who made a submission to the NCC and any other person who requests a copy.

- 1.18 The decision on Coverage and the notice and reasons referred to in section 1.17 must contain a detailed description of the Pipeline the subject of the decision.
- 1.19 The decision on Coverage is subject to review by the Relevant Appeals Body under the Gas Pipelines Access Law. Subject to the Gas Pipelines Access Law, a decision on Coverage has effect on the date specified by the Relevant Minister, which date must not be earlier than 14 days after the day the decision was made.

Pipelines subject to Access Arrangements submitted under section 2.3 are Covered

- 1.20 A Pipeline which is subject to an Access Arrangement submitted under section 2.3 is Covered from the date that the Access Arrangement becomes effective until the expiry date, if any, as contemplated under section 3.20. An application may be made under section 1.3 requesting that such a Pipeline remain Covered after the Access Arrangement expires if the period from the date of the application to the date on which the Access Arrangement expires is not more than 90 days.

New Pipelines the subject of an approved competitive tender are Covered

- 1.21 If the Relevant Regulator makes a decision under section 3.32 approving the outcome of a competitive tender the Pipeline concerned shall be a Covered Pipeline from the time of that decision.

Prospective Service Provider may seek Opinion of NCC

- 1.22 A Prospective Service Provider may request an opinion from the NCC as to whether a proposed Pipeline would meet the criteria for Coverage in section 1.9.
- 1.23 The NCC may provide an opinion in response to a request under section 1.22 but the opinion does not bind the NCC in relation to any subsequent application for Coverage of the Pipeline.

Revocation of Coverage

- 1.24 Pipelines listed in Schedule A and Pipelines that have become Covered after the commencement of the Code may cease to be Covered where a person applies to the NCC for Coverage of the Covered Pipeline to be revoked and, after receiving a recommendation from the NCC, the Relevant Minister determines that Coverage of the Covered Pipeline should be revoked.
- 1.25 Any person, including the Relevant Regulator, may make an application to the NCC requesting that Coverage of a particular Covered Pipeline be revoked. The NCC may publish guidelines concerning the form and content of revocation applications and specifying the amount of any fee to be paid on the making of an

application. If it does so, applications must be made in accordance with those guidelines.

- 1.26 When the NCC receives an application it must:
- (a) (except where the application has been made by the Relevant Regulator) if it considers that the application has been made on trivial or vexatious grounds, reject the application without further consideration;
 - (b) in all other cases within 14 days after the receipt of the application:
 - (i) inform the Service Provider and each other person known to the NCC who the NCC believes has a sufficient interest in the matter that it has received the application; and
 - (ii) publish a notice in a national daily newspaper which at least:
 - (A) describes the Covered Pipeline to which the application relates;
 - (B) states how copies of the application may be obtained; and
 - (C) requests submissions within 21 days after the date of the notice.
- 1.27 The NCC must provide a copy of the application to any person within 7 days after the person requests a copy and pays any reasonable fee required by the NCC.
- 1.28 Within 35 days (but not earlier than 21 days) after the day on which a notice is published under section 1.26(b), the NCC must prepare a draft recommendation on the application and provide a copy of the draft recommendation to the Service Provider, the applicant, each person who made a submission and any other person who requests a copy. In preparing the draft recommendation the NCC must consider any submissions received within the time specified in the notice published under section 1.26(b) and it may (but is not obliged to) consider any submissions received after that time.
- 1.29 Within 28 days (but not earlier than 14 days) after the day on which its draft recommendation became publicly available, the NCC must submit a recommendation to the Relevant Minister:
- (a) that Coverage of the Covered Pipeline be revoked; or
 - (b) that Coverage of the Covered Pipeline not be revoked.

If the NCC recommends that Coverage of the Covered Pipeline be revoked, it may do so to a greater or lesser extent than requested by the applicant if, having regard to the part of the Covered Pipeline

that is necessary to provide services that Prospective Users may seek, the NCC considers it appropriate.

- 1.30 In forming its recommendation the NCC must consider any submissions received from the Service Provider, the applicant or any other person within 14 days after the date on which its draft recommendation became publicly available and it may (but is not obliged to) consider any submissions received after that time.
- 1.31 Subject to section 1.26(a), the NCC cannot recommend that Coverage of the Covered Pipeline be Revoked, to any extent, if the NCC is satisfied of all of the matters set out in paragraphs (a) to (d) of section 1.9, but the NCC must recommend that Coverage of the Covered Pipeline be revoked (either to the extent described, or to a greater or lesser extent than that described, in the application) if the NCC is not satisfied of one or more of those matters.
- 1.32 The NCC must provide a copy of its recommendation and the reasons for the recommendation to the Service Provider, the applicant, each person who made a submission and any other person who requests a copy.
- 1.33 The applicant may withdraw the application by notice to the NCC at any time before the Relevant Minister makes a decision concerning revocation of Coverage of the Covered Pipeline.

Relevant Minister to Decide on a Revocation Recommendation

- 1.34 Within 21 days after a revocation recommendation is received by the Relevant Minister, the Relevant Minister must make a decision:
 - (a) that Coverage of the Covered Pipeline is revoked; or
 - (b) that Coverage of the Covered Pipeline is not revoked.

If the Relevant Minister decides that Coverage of the Covered Pipeline is revoked, the Relevant Minister may do so to a greater or lesser extent than requested by the applicant if, having regard to the part of the Pipeline that is necessary to provide Services that Prospective Users may seek, the Relevant Minister considers it appropriate.

- 1.35 The Relevant Minister may require the NCC to provide such information, reports and other assistance as the Relevant Minister considers appropriate for the purpose of considering the application.
- 1.36 The Relevant Minister must decide not to revoke Coverage of the Covered Pipeline, to any extent, if the Relevant Minister is satisfied of all of the matters set out in paragraphs (a) to (d) of section 1.9, but the Relevant Minister must decide to revoke Coverage of the Covered Pipeline (either to the extent described, or to a greater or lesser extent than that described, in the application) if not satisfied of one or more of those matters.

- 1.37 Promptly after making a decision the Relevant Minister must provide a copy of the decision and reasons for the decision to the NCC, the Relevant Regulator, the Service Provider, the applicant, each person who made a submission to the NCC and any other person who requests a copy.
- 1.38 The decision on revocation and the notice and reasons referred to in section 1.37 must, if the decision is to revoke Coverage for part or all of the Covered Pipeline, contain a detailed description of the Covered Pipeline the subject of the decision.
- 1.39 A decision on revocation is subject to review by the Relevant Appeals Body under the Gas Pipelines Access Law. Subject to the Gas Pipelines Access Law, the decision on revocation has effect on the date specified by the Relevant Minister, which date must not be earlier than 14 days after the day the decision was made.

Extensions/Expansions of a Covered Pipeline

- 1.40 An extension to, or expansion of the Capacity of, a Covered Pipeline shall be treated as part of the Covered Pipeline for all purposes under the Code if the Extensions/Expansions Policy contained in the Access Arrangement for that Covered Pipeline provides for that extension or expansion to be treated as part of the Covered Pipeline.
- 1.41 The Service Provider must notify the Code Registrar of any extension to, or expansion of the Capacity of, a Covered Pipeline which is to be treated as part of the Covered Pipeline pursuant to section 1.40 when the extension or expansion would require an amendment to the description of the Covered Pipeline on the Public Register in order for that description to remain an accurate description of the Covered Pipeline.

2. ACCESS ARRANGEMENTS

Where a Pipeline is Covered, this section of the Code requires a Service Provider to establish an Access Arrangement to the satisfaction of the Relevant Regulator for that Covered Pipeline. An Access Arrangement is a statement of the policies and the basic terms and conditions which apply to third party access to a Covered Pipeline. The Service Provider and a User or Prospective User are free to agree to terms and conditions that differ from the Access Arrangement (with the exception of the Queuing Policy). If an access dispute arises, however, and is referred to the Relevant Regulator, the Relevant Regulator (or any other Arbitrator it appoints) must apply the provisions of the Access Arrangement in resolving the dispute. If a Pipeline is not Covered a Service Provider may voluntarily propose an Access Arrangement to the Relevant Regulator for approval. Upon approval the Pipeline becomes a Covered Pipeline.

An Access Arrangement must be submitted to the Relevant Regulator for approval. The Relevant Regulator may approve an Access Arrangement only if the Access Arrangement satisfies the minimum requirements set out in section 3. The Relevant Regulator must not refuse to approve an Access Arrangement solely for the reason that the proposed Access Arrangement does not address a matter that section 3 does not require an Access Arrangement to address. Subject to this limit, the Relevant Regulator has a broad discretion to refuse to accept an Access Arrangement. If section 3 permits a range of outcomes on a particular issue (for example, any Revisions Commencement Date is permitted), the Relevant Regulator may reject an outcome proposed by the Service Provider which is within the permitted range and require a particular outcome be included in the Access Arrangement (for example, a particular Revisions Commencement Date).

An Access Arrangement submitted to the Relevant Regulator for approval must be accompanied by Access Arrangement Information. Access Arrangement Information should enable Users and Prospective Users to understand the derivation of the elements of the proposed Access Arrangement and form an opinion as to the compliance of the Access Arrangement with the Code. The Access Arrangement Information must include the categories of information identified in Attachment A to the Code.

The process whereby a compulsory Access Arrangement is approved can be summarised as follows:

- *The Service Provider submits a proposed Access Arrangement, together with the Access Arrangement Information, to the Relevant Regulator.*
- *The Relevant Regulator may require the Service Provider to amend and resubmit the Access Arrangement Information.*
- *The Relevant Regulator publishes a public notice and seeks submissions on the application.*
- *The Relevant Regulator considers the submissions, issues a draft decision and then, after considering any submissions received on the draft, makes a final decision which either:*
 - *approves the proposed Access Arrangement; or*
 - *does not approve the proposed Access Arrangement and states the revisions to the Access Arrangement which would be required before the Relevant Regulator would approve it; or*
 - *approves a revised Access Arrangement submitted by the Service Provider which incorporates amendments specified by the Relevant Regulator in its draft decision.*

- *If the Relevant Regulator does not approve the Access Arrangement, the Service Provider may propose an amended Access Arrangement which incorporates the revisions required by the Relevant Regulator. If the Service Provider does not do so, the Relevant Regulator can impose its own Access Arrangement.*
- *The Gas Pipeline Access Law provides a mechanism for the review of a decision by the Relevant Regulator to impose an Access Arrangement.*

A similar process applies in relation to voluntary Access Arrangements, except that the Service Provider may withdraw the application at any time prior to approval of the Access Arrangement and the Relevant Regulator may only approve or disapprove the Access Arrangement; it may not impose its own Access Arrangement.

An Access Arrangement must include a date for review. In addition, changes to an Access Arrangement may be made before a review date if the Relevant Regulator and the Service Provider agree. In either case if revisions to the Access Arrangement are proposed, a process of public consultation and approval by the Relevant Regulator, similar to that followed for approving a compulsory Access Arrangement, must be followed. The Relevant Regulator may, however, dispense with public consultation if changes proposed between reviews are sufficiently minor.

Submission of Access Arrangements

- 2.1 The Relevant Regulator may at any time prepare and release for public comment, discussion or issues papers and hold public consultations concerning any matter relevant to its functions under the Code.
- 2.2 If a Pipeline is Covered, the Service Provider must submit a proposed Access Arrangement together with the applicable Access Arrangement Information for the Covered Pipeline to the Relevant Regulator:
 - (a) within 90 days after the Pipeline becomes Covered under section 1.19 or 1.21 if the Covered Pipeline is not described in Schedule A; or
 - (b) within 90 days after the commencement of the Code if the Covered Pipeline is described in Schedule A.
- 2.3 If a Pipeline is not Covered, a Service Provider may (or, in respect of a proposed Pipeline, a Prospective Service Provider may) apply to the Relevant Regulator for approval of an Access Arrangement by submitting the proposed Access Arrangement to the Relevant Regulator together with the applicable Access Arrangement Information. In sections 2.4 to 2.27 (inclusive) the term "Service

Provider" includes a Prospective Service Provider. In section 2.24 the term "Covered Pipeline" includes the Pipeline the subject of an Access Arrangement submitted under this section 2.3.

- 2.4 If the Relevant Regulator so requires by a notice in writing (which may be given either before or after the Service Provider submits an Access Arrangement), the Service Provider must submit separate Access Arrangements (together with Access Arrangement Information) for different parts of the Covered Pipeline as specified by the Relevant Regulator, so that the separate Access Arrangements in total apply to the whole of the Covered Pipeline. The Service Provider may (if the Relevant Regulator agrees) voluntarily submit separate Access Arrangements (together with Access Arrangement Information) for different parts of the Covered Pipeline, so that the separate Access Arrangements in total apply to the whole of the Covered Pipeline. If separate Access Arrangements are submitted in accordance with this clause each part of a Pipeline that is the subject of an Access Arrangement will be treated as a separate Covered Pipeline for all purposes under the Code.
- 2.5 An Access Arrangement may include any relevant matter but must include at least the elements described in sections 3.1 to 3.20.
- 2.6 Access Arrangement Information must contain such information as in the opinion of the Relevant Regulator would enable Users and Prospective Users to understand the derivation of the elements in the proposed Access Arrangement and to form an opinion as to the compliance of the Access Arrangement with the provisions of the Code.
- 2.7 The Access Arrangement Information may include any relevant information but must include at least the categories of information described in Attachment A.
- 2.8 Information included in Access Arrangement Information, including information of a type described in Attachment A, may be categorised or aggregated to the extent necessary to ensure the disclosure of the information is, in the opinion of the Relevant Regulator, not unduly harmful to the legitimate business interests of the Service Provider or a User or Prospective User. However, nothing in this section 2.8 limits the Relevant Regulator's power under the Gas Pipelines Access Law to obtain information, including information in an uncategorised or unaggregated form.

Public Consultation and Approval

- 2.9 At any time after the receipt of the applicable Access Arrangement Information under section 2.2 or 2.3 and before a decision is made to approve an Access Arrangement, the Relevant Regulator:
 - (a) may, of its own volition, require the Service Provider to make changes to the Access Arrangement Information if the Relevant Regulator is not satisfied that the Access

Arrangement Information meets the requirements of sections 2.6 and 2.7; and

- (b) must, if requested to do so by any person, consider whether the Access Arrangement Information meets the requirements of sections 2.6 and 2.7 and decide whether or not to require the Service Provider to make changes to the Access Arrangement Information accordingly.

If the Relevant Regulator requires the Service Provider to make changes to the Access Arrangement Information it must specify the reasons for its decision and must specify a reasonable time by which the proposed Access Arrangement Information that rectifies the matters identified by the Relevant Regulator must be resubmitted. The Relevant Regulator must not require information to be included in Access Arrangement Information the release of which in the Relevant Regulator's opinion could be unduly harmful to the legitimate business interests of the Service Provider or a User or Prospective User. If the Relevant Regulator requires the Service Provider to make changes to the Access Arrangement Information, the Service Provider must submit Access Arrangement Information amended as required by the Relevant Regulator, by the date specified by the Relevant Regulator.

2.10 After receiving a proposed Access Arrangement the Relevant Regulator must:

- (a) inform each person known to the Relevant Regulator who the Relevant Regulator believes has a sufficient interest in the matter that it has received the proposed Access Arrangement and Access Arrangement Information; and
- (b) publish a notice in a national daily newspaper which at least:
 - (i) describes the Covered Pipeline to which the proposed Access Arrangement relates;
 - (ii) states how copies of the proposed Access Arrangement and the Access Arrangement Information may be obtained; and
 - (iii) requests submissions by a date specified in the notice.

2.11 The Relevant Regulator must provide a copy of the proposed Access Arrangement and the Access Arrangement Information to any person within 7 days after the person requests a copy and pays any reasonable fee required by the Relevant Regulator.

2.12 The Relevant Regulator must consider any submissions received by the date specified in the notice published under section 2.10(b) and it may (but is not obliged) to consider any submissions received after that date.

- 2.13 After considering submissions received by the date specified in the notice published under section 2.10(b) the Relevant Regulator must issue a draft decision which either:
- (a) proposes to approve the Access Arrangement; or
 - (b) proposes not to approve the Access Arrangement and states the amendments (or nature of the amendments) which would have to be made to the Access Arrangement in order for the Relevant Regulator to approve it.
- 2.14 The Relevant Regulator must:
- (a) provide a copy of its draft decision to the Service Provider, any person who made a submission on the matter and any other person who requests a copy; and
 - (b) request submissions from persons to whom it provides the draft decision by a date specified by the Relevant Regulator.
- 2.15 The Relevant Regulator must consider any submissions received by the date specified by the Relevant Regulator under section 2.14 and it may (but is not obliged) to consider any submissions received after that date.
- 2.16 After considering submissions received by the date specified by the Relevant Regulator under section 2.14, the Relevant Regulator must issue a final decision which:
- (a) approves the Access Arrangement; or
 - (b) does not approve the Access Arrangement and states the amendments (or nature of the amendments) which would have to be made to the Access Arrangement in order for the Relevant Regulator to approve it and the date by which a revised Access Arrangement must be resubmitted by the Service Provider; or
 - (c) approves a revised Access Arrangement submitted by the Service Provider which the Relevant Regulator is satisfied incorporates the amendments specified by the Relevant Regulator in its draft decision.
- 2.17 The Relevant Regulator must provide a copy of its final decision to the Service Provider, any person who made a submission on the matter and any other person who requests a copy.
- 2.18 If the Relevant Regulator decides not to approve the Access Arrangement under section 2.16(b), the Service Provider must by the date specified by the Relevant Regulator under section 2.16(b) submit a revised Access Arrangement to the Relevant Regulator.
- 2.19 If the Service Provider submits a revised Access Arrangement by the date specified by the Relevant Regulator under section 2.16(b),

which the Relevant Regulator is satisfied incorporates the amendments specified by the Relevant Regulator in its final decision, the Relevant Regulator must issue a final decision that approves the revised Access Arrangement.

- 2.20 If the Service Provider does not submit a revised Access Arrangement by the date specified by the Relevant Regulator under section 2.16(b) or submits a revised Access Arrangement which the Relevant Regulator is not satisfied incorporates the amendments specified by the Relevant Regulator in its final decision, the Relevant Regulator must:
- (a) in the case of an Access Arrangement submitted under section 2.2, draft and approve its own Access Arrangement, instead of the Access Arrangement proposed by the Service Provider; or
 - (b) in the case of an Access Arrangement submitted voluntarily under section 2.3, not approve the Access Arrangement.
- 2.21 The Relevant Regulator must issue a final decision under section 2.16 (and sections 2.19 and 2.20, if applicable) within six months of receiving a proposed Access Arrangement. The Relevant Regulator must also ensure that:
- (a) there is a period of at least 28 days between the publication of a notice under section 2.10(b) and the last day for submissions specified in that notice; and
 - (b) there is a period of at least 14 days between the publication of a draft decision under section 2.14 and the last day for submissions on the draft decision specified by the Relevant Regulator; and
 - (c) there is a period of at least 14 days between the publication of a final decision under section 2.16(b) and the date specified by the Relevant Regulator as the last day for the Service Provider to submit a revised Access Arrangement.

In all other respects the timing for the taking of each of the steps set out in sections 2.9, 2.10 and 2.12 to 2.20 (inclusive) is a matter for the Relevant Regulator to determine.

- 2.22 The Relevant Regulator may increase the period of six months specified in section 2.21 by periods of up to two months on one or more occasions provided it publishes in a national newspaper notice of the decision to increase the period.
- 2.23 If a Service Provider fails to submit a proposed Access Arrangement within the time required under section 2.2, the Relevant Regulator may draft and approve its own Access Arrangement. Before

approving its own Access Arrangement under this section 2.23 the Relevant Regulator must:

- (a) prepare an information package which, to the extent practicable, meets the requirements of sections 2.6 and 2.7; and
- (b) follow the process set out in sections 2.10 to 2.15 (inclusive) to the extent practicable as though the Access Arrangement drafted by the Relevant Regulator had been proposed by the Service Provider and the information package prepared by the Relevant Regulator had been Access Arrangement Information proposed by the Service Provider.

2.24 The Relevant Regulator may approve a proposed Access Arrangement only if it is satisfied the proposed Access Arrangement contains the elements and satisfies the principles set out in sections 3.1 to 3.20. The Relevant Regulator must not refuse to approve a proposed Access Arrangement solely for the reason that the proposed Access Arrangement does not address a matter that sections 3.1 to 3.20 do not require an Access Arrangement to address. In assessing a proposed Access Arrangement, the Relevant Regulator must take the following into account:

- (a) the Service Provider's legitimate business interests and investment in the Covered Pipeline;
- (b) firm and binding contractual obligations of the Service Provider or other persons (or both) already using the Covered Pipeline;
- (c) the operational and technical requirements necessary for the safe and reliable operation of the Covered Pipeline;
- (d) the economically efficient operation of the Covered Pipeline;
- (e) the public interest, including the public interest in having competition in markets (whether or not in Australia);
- (f) the interests of Users and Prospective Users;
- (g) any other matters that the Relevant Regulator considers are relevant.

2.25 The Relevant Regulator must not approve an Access Arrangement (or draft and approve its own Access Arrangement) any provision of which would, if applied, deprive any person of a contractual right in existence prior to the date the proposed Access Arrangement was submitted (or required to be submitted), other than an Exclusivity Right which arose on or after 30 March 1995.

2.26 A decision by the Relevant Regulator under section 2.20(a) or 2.23 is subject to review by the Relevant Appeals Body under the Gas Pipelines Access Law. Subject to the Gas Pipelines Access Law,

the Relevant Regulator's decision to approve the proposed Access Arrangement has effect on the date specified by the Relevant Regulator, which date must be not less than 14 days after the day the decision was made.

- 2.27 A Service Provider may withdraw a proposed Access Arrangement submitted under section 2.3 at any time before it is approved by the Relevant Regulator. In those circumstances the Service Provider is not required to comply with a related decision made under section 2.9.

Review of an Access Arrangement

- 2.28 By the date provided for in the Access Arrangement as the Revisions Submission Date (or as otherwise required by an Access Arrangement), the Service Provider must, and at any other time the Service Provider may, submit to the Relevant Regulator proposed revisions to the Access Arrangement together with the applicable Access Arrangement Information.
- 2.29 The Access Arrangement as revised by the proposed revisions may include any relevant matter but must include at least the elements described in sections 3.1 to 3.20.
- 2.30 At any time after receipt of the applicable Access Arrangement Information under section 2.28 and before a decision is made to approve revisions to an Access Arrangement the Relevant Regulator:
- (a) may, of its own volition, require the Service Provider to make changes to the Access Arrangement Information if the Relevant Regulator is not satisfied that the Access Arrangement Information meets the requirements of sections 2.6 and 2.7; and
 - (b) must, if requested to do so by any person, consider whether the Access Arrangement Information meets the requirements of sections 2.6 and 2.7 and decide whether or not to require the Service Provider to make changes to the Access Arrangement Information accordingly.

If the Relevant Regulator requires the Service Provider to make changes to the Access Arrangement Information it must specify the reasons for its decision and must specify a reasonable time by which the proposed Access Arrangement Information that rectifies the matters identified by the Relevant Regulator must be resubmitted. The Relevant Regulator must not require information to be included in the Access Arrangement Information the release of which in the Relevant Regulator's opinion could be unduly harmful to the legitimate business interests of the Service Provider or a User or Prospective User. If the Relevant Regulator requires the Service Provider to make changes to the Access Arrangement Information, the Service Provider must submit Access Arrangement Information

amended as required by the Relevant Regulator, by the date specified by the Relevant Regulator.

- 2.31 After receiving a proposed revision to an Access Arrangement the Relevant Regulator must:
- (a) inform each person known to the Relevant Regulator who the Relevant Regulator believes has a sufficient interest in the matter that it has received the proposed revision to the Access Arrangement and Access Arrangement Information; and
 - (b) publish a notice in a national daily newspaper which at least:
 - (i) describes the Covered Pipeline to which the proposed revisions to the Access Arrangement relates;
 - (ii) states how copies of the revisions to the Access Arrangement and the Access Arrangement Information may be obtained; and
 - (iii) requests submissions by a date specified in the notice.
- 2.32 The Relevant Regulator must provide a copy of the proposed revisions to the Access Arrangement and the Access Arrangement Information to any person within 7 days after the person requests a copy and pays any reasonable fee required by the Relevant Regulator.
- 2.33 The Relevant Regulator may dispense with the requirement to produce Access Arrangement Information in respect of proposed revisions and may approve or not approve the proposed revisions without consultation with, or receiving submissions from, persons other than the Service Provider if:
- (a) the revisions have been proposed by the Service Provider other than as required by the Access Arrangement; and
 - (b) the Relevant Regulator considers that the revisions proposed are not material and will not result in changes to Reference Tariffs or to the Services that are Reference Services.
- 2.34 The Relevant Regulator must consider any submissions received by the date specified in the notice published under section 2.31(b) and it may (but is not obliged) to consider any submissions received after that date.
- 2.35 After considering submissions received by the date specified in the notice published under section 2.31(b) the Relevant Regulator must issue a draft decision which either:
- (a) proposes to approve the revisions to the Access Arrangement;
or
 - (b) proposes not to approve the revisions to the Access Arrangement and provides reasons why the Relevant

Regulator proposes not to approve the revisions to the Access Arrangement (and, if the revisions have been proposed by the Service Provider as required by the Access Arrangement, states the amendments (or nature of the amendments) which would have to be made to the revisions in order for the Relevant Regulator to approve them).

- 2.36 The Relevant Regulator must:
- (a) provide a copy of its draft decision to the Service Provider, any person who made a submission on the matter and any other person who requests a copy; and
 - (b) request submissions on the draft decision from persons to whom it provides the draft decision by a date specified by the Relevant Regulator.
- 2.37 The Relevant Regulator must consider any submissions received by the date specified by the Relevant Regulator under section 2.36 and it may (but is not obliged) to consider submissions received after that date.
- 2.38 After considering any submissions received by the date specified by the Relevant Regulator under section 2.36, the Relevant Regulator must issue a final decision which:
- (a) approves the revisions to the Access Arrangement; or
 - (b) does not approve the revisions to the Access Arrangement and, if the revisions have been proposed by the Service Provider as required by the Access Arrangement, states the amendments (or nature of the amendments) which would have to be made to the revisions in order for the Relevant Regulator to approve them and the date by which the amended revisions to the Access Arrangement must be resubmitted by the Service Provider; or
 - (c) approves amended revisions to the Access Arrangement submitted by the Service Provider which the Relevant Regulator is satisfied incorporate the amendments specified by the Relevant Regulator in its draft decision.
- 2.39 The Relevant Regulator must provide a copy of its final decision to the Service Provider, any person who made a submission on the matter and other any person who requests a copy.
- 2.40 If the Relevant Regulator decides not to approve the revisions to the Access Arrangement under section 2.38(b) the Service Provider must, if the revisions it proposed were proposed as required by the Access Arrangement, submit amended revisions to the Relevant Regulator by the date specified by the Relevant Regulator under section 2.38(b).

- 2.41 If the Service Provider submits amended revisions to the Access Arrangement by the date specified by the Relevant Regulator under section 2.38(b) which the Relevant Regulator is satisfied incorporate the amendments specified by the Relevant Regulator in its final decision, the Relevant Regulator must issue a final decision that approves the amended revisions to the Access Arrangement.
- 2.42 If the Service Provider does not submit amended revisions to the Access Arrangement by the date specified by the Relevant Regulator under section 2.38(b) or submits amended revisions which the Relevant Regulator is not satisfied incorporate the amendments specified by the Relevant Regulator in its final decision, the Relevant Regulator must draft and approve its own revisions to the Access Arrangement, instead of the revisions proposed by the Service Provider.
- 2.43 The Relevant Regulator must issue a final decision under section 2.38 (and sections 2.41 or 2.42 if applicable) within six months of receiving proposed revisions to an Access Arrangement. The Relevant Regulator must also ensure that:
- (a) there is a period of at least 28 days between the publication of a notice under section 2.31(b) and the last day for submissions specified in that notice;
 - (b) there is a period of at least 14 days between the publication of a draft decision under section 2.36(b) and the last day for submissions on the draft decision specified by the Relevant Regulator; and
 - (c) there is a period of at least 14 days between the publication of a final decision under section 2.38(b) and the date specified by the Relevant Regulator as the last day for the Service Provider to submit amended revisions to the Access Arrangement.

In all other respects the timing for the taking of each of the steps set out in sections 2.30, 2.31 and 2.33 to 2.42 (inclusive) is a matter for the Relevant Regulator to determine.

- 2.44 The Relevant Regulator may increase the period of six months specified in section 2.43 by periods of up to two months on one or more occasions provided it publishes in a national newspaper notice of the decision to increase the period.
- 2.45 If the Service Provider fails to submit revisions to an Access Arrangement as required by the Access Arrangement, the Relevant Regulator may draft and approve its own revisions to the Access

Arrangement. Before approving its own revisions to an Access Arrangement under this section 2.45 the Relevant Regulator must:

- (a) prepare an information package which, to the extent practicable, meets the requirements of sections 2.6 and 2.7; and
- (b) follow the process set out in sections 2.31 to 2.37 to the extent practicable as though the revisions to the Access Arrangement drafted by the Relevant Regulator had been proposed by the Service Provider and the information package drafted by the Relevant Regulator had been Access Arrangement Information proposed by the Service Provider.

2.46 The Relevant Regulator may approve proposed revisions to an Access Arrangement only if it is satisfied the Access Arrangement as revised would contain the elements and satisfy the principles set out in sections 3.1 to 3.20. The Relevant Regulator must not refuse to approve proposed revisions to the Access Arrangement solely for the reason that the Access Arrangement as revised would not address a matter that sections 3.1 to 3.20 do not require an Access Arrangement to address. In assessing proposed revisions to the Access Arrangement, the Relevant Regulator:

- (a) must take into account the factors described in section 2.24; and
- (b) must take into account the provisions of the Access Arrangement.

2.47 The Relevant Regulator must not approve revisions to an Access Arrangement (or draft and approve its own revisions to an Access Arrangement) if a provision of the Access Arrangement as revised would, if applied, deprive any person of a contractual right in existence prior to the date the revisions to the Access Arrangement were submitted (or were required to be submitted), other than an Exclusivity Right which arose on or after 30 March 1995.

2.48 A decision by the Relevant Regulator under section 2.42 or 2.45 is subject to review by the Relevant Appeals Body under the Gas Pipelines Access Law. Subject to the Gas Pipelines Access Law, revisions to an Access Arrangement come into effect on the date specified by the Relevant Regulator in its decision to approve the revisions (which date must not be earlier than either a date 14 days after the day the decision was made or, except where the Service Provider submitted the revisions voluntarily or because a mechanism of a type referred to in section 3.18(a) included in the Access Arrangement was triggered, the Revisions Commencement Date).

Changes to an Approved Access Arrangement between Reviews

2.49 An Access Arrangement which has become effective may only be changed pursuant to this section 2.

Access Arrangement not to limit Access

- 2.50 For the avoidance of doubt, nothing (except for the Queuing Policy) contained in an Access Arrangement (including the description of Services in a Services Policy) limits:
- (a) the Services a Service Provider can agree to provide to a User or Prospective User;
 - (b) the Services which can be the subject of a dispute under section 6;
 - (c) the terms and conditions a Service Provider can agree with a User or Prospective User; or
 - (d) the terms and conditions which can be the subject of a dispute under section 6.

Previous Access Arrangements

- 2.51 If an Access Arrangement or Access Arrangement Information or both with respect to a Covered Pipeline have been accepted by the Relevant Regulator under the Gas Supply Act 1996 (NSW) prior to the commencement of the Gas Pipeline Access Law in New South Wales a Service Provider need not submit a proposed Access Arrangement in accordance with section 2.2 with respect to the Covered Pipeline concerned. In such circumstances the Access Arrangement or Access Arrangement Information or both accepted under the Gas Supply Act 1996 (NSW) shall be deemed to have been accepted under this Code and to be the Access Arrangement or Access Arrangement Information with respect to the relevant Covered Pipeline for all purposes under this Code.
- 2.52 A Service Provider need not submit a proposed Access Arrangement or Access Arrangement Information in accordance with section 2.2 with respect to a Covered Pipeline where:
- (a) before the date on which this Code takes effect, the Service Provider (or, where the Service Provider does not at the relevant time yet exist, a person able to represent and bind the future Service Provider) has submitted a proposed Access Arrangement with respect to the Covered Pipeline together with the applicable Access Arrangement Information (if relevant) to the person who is under this Code the Relevant Regulator for that Covered Pipeline; and
 - (b) that Relevant Regulator, having:
 - (i) in substance done the things it would have been required to do in relation to the proposed Access Arrangement and the applicable Access Arrangement Information submitted in accordance with section 2.2; and

(ii) certified in writing that those things have been done,
has approved the proposed Access Arrangement and Access Arrangement Information.

In such circumstances the proposed Access Arrangement and Access Arrangement Information shall be deemed to have been accepted under this Code and to be the Access Arrangement and Access Arrangement Information with respect to the relevant Covered Pipeline for all purposes under this Code.

3. CONTENT OF AN ACCESS ARRANGEMENT

An Access Arrangement must, as a minimum, include the elements described in section 3 of the Code. Section 3 establishes the following requirements:

Services Policy - *An Access Arrangement must include a policy on the Services to be offered. The Services Policy must:*

- *include a description of one or more Services which are to be offered;*
- *where reasonable and practical, allow Prospective Users to obtain a Service that includes only those elements that the User wishes to be included in the Service; and*
- *where reasonable and practical, allow Prospective Users to obtain a separate tariff in regard to a separate element of a Service.*

Reference Tariff - *An Access Arrangement must contain one or more Reference Tariffs (the Relevant Regulator may require more than one Reference Tariff when appropriate). A Reference Tariff operates as a benchmark tariff for a specific Service, in effect giving the User a right of access to the specific Service at the Reference Tariff, and giving the Service Provider the right to levy the Reference Tariff for that Service. Ordinarily a Reference Tariff must be set in accordance with the principles set out in section 8.*

As an alternative it is possible to have Reference Tariffs for a new Pipeline set by a competitive tender process. Any person may conduct a competitive tender to determine Reference Tariffs for a new Pipeline (and a review date for those Reference Tariffs). The person conducting a tender must first obtain the approval of the Relevant Regulator for the tender process proposed. Before granting approval the Relevant Regulator must be satisfied, amongst other things, that the successful tenderer will be selected principally on the basis that the tender will deliver the lowest sustainable tariffs to users generally over the life of the proposed Pipeline.

After the tender process has been conducted and the successful tender selected, the person conducting the tender must submit the outcome of the process to the Relevant Regulator for the Relevant

Regulator's final approval. Before granting final approval the Relevant Regulator must be satisfied, amongst other things, that the tender process proposed was followed and that the successful tenderer was selected in accordance with the selection criteria set out in the tender approval request. Once final approval is granted the Reference Tariffs proposed by the successful tenderer will become the Reference Tariffs for the proposed Pipeline.

It is intended that by using this process, Reference Tariffs will have been set in a competitive market and will therefore naturally achieve the objectives in section 8.1.

Terms and Conditions - *An Access Arrangement must include the terms and conditions on which the Service Provider will supply each Reference Service.*

Capacity Management Policy - *An Access Arrangement must state whether the Covered Pipeline is a Contract Carriage Pipeline or a Market Carriage Pipeline.*

Trading Policy - *An Access Arrangement for a Contract Carriage Pipeline must include a policy on the trading of capacity. The Trading Policy must, amongst other things, allow a User to transfer capacity:*

- without the Service Provider's consent, if the contract between the User and the Service Provider is unaltered by the Transfer; and*
- with the Service Provider's consent, in any other case. Consent may be withheld only on reasonable commercial or technical grounds.*

Queuing Policy - *An Access Arrangement must include a policy for defining the priority that Prospective Users have to negotiate for specific Capacity (a Queuing Policy).*

Extensions/Expansions Policy - *An Access Arrangement must include a policy setting out a method for determining whether an extension or expansion to the Covered Pipeline is or is not to be treated as part of the Covered Pipeline for the purposes of the Code.*

Review Date - *An Access Arrangement must include a date on or by which revisions to the Access Arrangement must be submitted and a date on which the revised Access Arrangement is intended to commence.*

Services to be Offered

- 3.1 An Access Arrangement must include a policy on the Service or Services to be offered (a ***Services Policy***).

- 3.2 The Services Policy must comply with the following principles:
- (a) The Access Arrangement must include a description of one or more Services that the Service Provider will make available to Users or Prospective Users, including:
 - (i) one or more Services that are likely to be sought by a significant part of the market; and
 - (ii) any Service or Services which in the Relevant Regulator's opinion should be included in the Services Policy.
 - (b) To the extent practicable and reasonable, a User or Prospective User must be able to obtain a Service which includes only those elements that the User or Prospective User wishes to be included in the Service.
 - (c) To the extent practicable and reasonable, a Service Provider must provide a separate Tariff for an element of a Service if this is requested by a User or Prospective User.

Reference Tariffs and Reference Tariff Policy

- 3.3 An Access Arrangement must include a Reference Tariff for:
- (a) at least one Service that is likely to be sought by a significant part of the market; and
 - (b) each Service that is likely to be sought by a significant part of the market and for which the Relevant Regulator considers a Reference Tariff should be included.
- 3.4 Unless a Reference Tariff has been determined through a competitive tender process as outlined in sections 3.21 to 3.36, an Access Arrangement and any Reference Tariff included in an Access Arrangement must, in the Relevant Regulator's opinion, comply with the Reference Tariff Principles described in section 8.
- 3.5 An Access Arrangement must also include a policy describing the principles that are to be used to determine a Reference Tariff (a ***Reference Tariff Policy***). A Reference Tariff Policy must, in the Relevant Regulator's opinion, comply with the Reference Tariff Principles described in section 8.

Terms and Conditions

- 3.6 An Access Arrangement must include the terms and conditions on which the Service Provider will supply each Reference Service. The terms and conditions included must, in the Relevant Regulator's opinion, be reasonable.

Capacity Management Policy

- 3.7 An Access Arrangement must include a statement (a ***Capacity Management Policy***) that the Covered Pipeline is either:
- (a) a Contract Carriage Pipeline; or
 - (b) a Market Carriage Pipeline.
- 3.8 The Relevant Regulator must not accept an Access Arrangement which states that the Covered Pipeline is a Market Carriage Pipeline unless the Relevant Minister of each Scheme Participant in whose Jurisdictional Area the Pipeline is wholly or partly located has given a notice to the Relevant Regulator permitting the Covered Pipeline to be a Market Carriage Pipeline.

Trading Policy

- 3.9 The Access Arrangement for a Covered Pipeline which is described in the Access Arrangement as a Contract Carriage Pipeline must include a policy that explains the rights of a User to trade its right to obtain a Service to another person (a ***Trading Policy***).
- 3.10 The Trading Policy must comply with the following principles:
- (a) A User must be permitted to transfer or assign all or part of its Contracted Capacity without the consent of the Service Provider concerned if:
 - (i) the User's obligations under the contract with the Service Provider remain in full force and effect after the transfer or assignment; and
 - (ii) the terms of the contract with the Service Provider are not altered as a result of the transfer or assignment (a ***Bare Transfer***).

In these circumstances the Trading Policy may require that the transferee notify the Service Provider prior to utilising the portion of the Contracted Capacity subject to the Bare Transfer and of the nature of the Contracted Capacity subject to the Bare Transfer, but the Trading Policy must not require any other details regarding the transaction to be provided to the Service Provider.

- (b) Where commercially and technically reasonable, a User must be permitted to transfer or assign all or part of its Contracted Capacity other than by way of a Bare Transfer with the prior consent of the Service Provider. The Service Provider may withhold its consent only on reasonable commercial or technical grounds and may make its consent subject to conditions only if they are reasonable on commercial and technical grounds. The Trading Policy may specify conditions in advance under which consent will or will not be

given and conditions that must be adhered to as a condition of consent being given.

- (c) Where commercially and technically reasonable, a User must be permitted to change the Delivery Point or Receipt Point from that specified in any contract for the relevant Service with the prior written consent of the Service Provider. The Service Provider may withhold its consent only on reasonable commercial or technical grounds and may make its consent subject to conditions only if they are reasonable on commercial and technical grounds. The Trading Policy may specify conditions in advance under which consent will or will not be given and conditions that must be adhered to as a condition of consent being given.

3.11 Examples of things that would be reasonable for the purposes of section 3.10(b) and (c) are:

- (a) the Service Provider refusing to agree to a User's request to change its Delivery Point where a reduction in the amount of the Service provided to the original Delivery Point will not result in a corresponding increase in the Service Provider's ability to provide that Service to the alternative Delivery Point; and
- (b) the Service Provider specifying that, as a condition of its agreement to a change in the Delivery Point or Receipt Point, the Service Provider must receive the same amount of revenue it would have received before the change.

Queuing Policy

3.12 An Access Arrangement must include a policy for determining the priority that a Prospective User has, as against any other Prospective User, to obtain access to Spare Capacity and Developable Capacity (and to seek dispute resolution under section 6) where the provision of the Service sought by that Prospective User may impede the ability of the Service Provider to provide a Service that is sought or which may be sought by another Prospective User (a ***Queuing Policy***).

3.13 The Queuing Policy must:

- (a) set out sufficient detail to enable Users and Prospective Users to understand in advance how the Queuing Policy will operate;
- (b) accommodate, to the extent reasonably possible, the legitimate business interests of the Service Provider and of Users and Prospective Users; and
- (c) generate, to the extent reasonably possible, economically efficient outcomes.

3.14 The Relevant Regulator may require the Queuing Policy to deal with any other matter the Relevant Regulator thinks fit taking into account the matters listed in section 2.24.

3.15 Notwithstanding anything else contained in this Code, the Service Provider must comply with the Queuing Policy specified in the Service Provider's Access Arrangement.

Extensions/Expansions Policy

3.16 An Access Arrangement must include a policy (an ***Extensions/Expansions Policy***) which sets out:

- (a) the method to be applied to determine whether any extension to, or expansion of the Capacity of, the Covered Pipeline:
 - (i) should be treated as part of the Covered Pipeline for all purposes under the Code; or
 - (ii) should not be treated as part of the Covered Pipeline for any purpose under the Code;

(for example, the Extensions/Expansions Policy could provide that the Service Provider may, with the Relevant Regulator's consent, elect at some point in time whether or not an extension or expansion will be part of the Covered Pipeline or will not be part of the Covered Pipeline);

- (b) specify how any extension or expansion which is to be treated as part of the Covered Pipeline will affect Reference Tariffs (for example, the Extensions/Expansions Policy could provide:
 - (i) Reference Tariffs will remain unchanged but a Surcharge may be levied on Incremental Users where permitted by sections 8.25 and 8.26; or
 - (ii) specify that a review will be triggered and that the Service Provider must submit revisions to the Access Arrangement pursuant to section 2.28);
- (c) if the Service Provider agrees to fund New Facilities if certain conditions are met, a description of those New Facilities and the conditions on which the Service Provider will fund the New Facilities.

The Relevant Regulator may not require the Extensions/Expansions Policy to state that the Service Provider will fund New Facilities unless the Service Provider agrees.

Review and Expiry of the Access Arrangement

3.17 An Access Arrangement must include:

- (a) a date upon which the Service Provider must submit revisions to the Access Arrangement (a ***Revisions Submission Date***); and
- (b) a date upon which the next revisions to the Access Arrangement are intended to commence (a ***Revisions Commencement Date***).

In approving the Revisions Submissions Date and Revisions Commencement Date, the Relevant Regulator must have regard to the objectives in section 8.1, and may in making its decision on an Access Arrangement (or revisions to an Access Arrangement), if it considers it necessary having had regard to the objectives in section 8.1:

- (i) require an earlier or later Revisions Submission Date and Revisions Commencement Date than proposed by the Service Provider in its proposed Access Arrangement;
- (ii) require that specific major events be defined that trigger an obligation on the Service Provider to submit revisions prior to the Revisions Submission Date.

3.18 An Access Arrangement Period accepted by the Relevant Regulator may be of any length; however, if the Access Arrangement Period is more than five years, the Relevant Regulator must not approve the Access Arrangement without considering whether mechanisms should be included to address the risk of forecasts on which the terms of the Access Arrangement were based and approved proving incorrect. These mechanisms may include:

- (a) requiring the Service Provider to submit revisions to the Access Arrangement prior to the Revisions Submission Date if certain events occur, for example:
 - (i) if a Service Provider's profits derived from a Covered Pipeline are outside a specified range or if the value of Services reserved in contracts with Users are outside a specified range;
 - (ii) if the type or mix of Services provided by means of a Covered Pipeline changes in a certain way; or
- (b) a Service Provider returning some or all revenue or profits in excess of a certain amount to Users, whether in the form of lower charges or some other form.

Where a mechanism is included in an Access Arrangement pursuant to section 3.18(a), the Relevant Regulator must investigate no less

frequently than once every five years whether a review event identified in the mechanism has occurred.

- 3.19 Nothing in section 3.18 shall be taken to imply that the Relevant Regulator may not approve an Access Arrangement Period longer than 5 years if the Relevant Regulator considers this appropriate, having regard to the objectives of section 8.1.
- 3.20 An Access Arrangement submitted under section 2.3 may include a date at which time the Access Arrangement will expire. If an Access Arrangement submitted under section 2.3 expires, the Covered Pipeline the subject of the Access Arrangement ceases to be Covered on the expiry date. The Service Provider must notify the Code Registrar if a Pipeline ceases to be Covered under this section and the Code Registrar must update the Public Register accordingly.

Determining Reference Tariffs through a Competitive Tender Process

- 3.21 Any person who wishes to conduct a tender in relation to a Pipeline that has not been built may make an application to the Relevant Regulator (a ***Tender Approval Request***) requesting the Relevant Regulator to approve the use of a tender process to determine:
- (a) Reference Tariffs for certain Reference Services to be provided by means of the proposed Pipeline;
 - (b) other specified items which are required to be included in an Access Arrangement and which are directly relevant to the determination of the Reference Tariffs concerned (including, without limitation, the Revisions Submission Date and Revisions Commencement Date).
- 3.22 A Tender Approval Request must:
- (a) nominate the location or locations from where the proposed Pipeline will take gas and the location or locations of the gas market to which the proposed Pipeline will deliver gas;
 - (b) detail the process (including procedures and rules) proposed to be followed in conducting the tender process, including the minimum requirements which a tender must meet before it will be accepted as a conforming tender (for example, the date by which tenders must be received);
 - (c) detail the selection criteria to be applied in selecting the successful tender; and
 - (d) specify a possible Revisions Commencement Date or a series of possible Revisions Commencement Dates to be established for the proposed Pipeline, in relation to which tenderers are asked to submit tenders and propose Reference Tariffs.

The specification of a Revisions Commencement Date in a Tender Approval Request and a decision to approve such a Tender Approval Request do not limit in any way the Relevant Regulator's discretion to approve or not approve a Revisions Commencement Date pursuant to section 3.33(d).

- 3.23 Subject to section 3.27, within 14 days after receiving a Tender Approval Request which conforms with section 3.22 the Relevant Regulator must:
- (a) inform each person known to the Relevant Regulator who the Relevant Regulator believes has a sufficient interest in the matter that it has received a Tender Approval Request; and
 - (b) publish a notice in a national daily newspaper which at least:
 - (i) describes the proposed Pipeline to which the Tender Approval Request relates;
 - (ii) states how copies of the Tender Approval Request can be obtained; and
 - (iii) requests submissions by a date specified in the notice (not being a date earlier than 14 days, or later than 28 days, after the date of the notice).
- 3.24 The Relevant Regulator must provide a copy of those parts of the Tender Approval Request that it has not agreed to keep confidential to any person within seven days after the person requests a copy and pays any reasonable fee required by the Relevant Regulator.
- 3.25 Within 28 days of the date specified in the notice published under section 3.23(b), the Relevant Regulator must make a decision in relation to a Tender Approval Request that:
- (a) approves the Tender Approval Request; or
 - (b) does not approve the Tender Approval Request.

In making a decision under this section 3.25 the Relevant Regulator must consider any submissions received within the time specified in the notice published under section 3.23(b) and may (but is not obliged to) consider any submissions received after the time.

- 3.26 The Relevant Regulator may reject a Tender Approval Request without further consideration if it is of the opinion that the application has been made on trivial or vexatious grounds.
- 3.27 The Relevant Regulator may at any time decide not to approve a Tender Approval Request if it is of the opinion that the person who submitted the Tender Approval Request may have, or may appear to have, a conflict of interest if it conducted the tender process. The Relevant Regulator may decide not to approve a Tender Approval Request under this section 3.27 without conducting the public

consultation required under section 3.23. If the Relevant Regulator decides not to approve a Tender Approval Request under this section 3.27 on conflict of interest grounds, another person may submit a new Tender Approval Request under section 3.21 in relation to the same proposed Pipeline.

- 3.28 The Relevant Regulator must decide to approve a Tender Approval Request if satisfied of all of the following and must decide not to approve a Tender Approval Request if not satisfied of all of the following:
- (a) (***new pipeline***): that the proposed Pipeline will be a new Pipeline;
 - (b) (***public interest and Reference Tariff objectives***): that using the tender process as outlined in the Tender Approval Request to determine Reference Tariffs is in the public interest and is an appropriate mechanism in the circumstances for ensuring that Reference Tariffs achieve the objectives in section 8.1;
 - (c) (***tender process will be competitive***): that the number and character of tenders likely to be received would be such as to ensure a competitive outcome; and
 - (d) (***exclusion of certain tenders***): that the proposed procedures and rules to be followed in conducting the proposed tender will result in a tender being excluded from consideration if it:
 - (i) does not include a statement of the Reference Tariffs the tenderer proposes and the Reference Services to which those Reference Tariffs would apply;
 - (ii) does not include a policy on whether the additional revenue which would result if the volume of gas actually transported by the proposed Pipeline exceeds a certain volume will either be retained by the Service Provider or returned in whole or in part to Users in the form of lower charges or some other form (an ***Additional Revenue Policy***);
 - (iii) does not provide that the residual value of the proposed Pipeline after the expiration of the initial Reference Tariff will be based on depreciation over the Pipeline's economic life;
 - (iv) limits or purports to limit the Services to which access might be sought under this Code; or
 - (v) otherwise includes elements inconsistent with this Code except as contemplated by section 3.34;
 - (e) (***consideration of all conforming tenders***): that the proposed procedures and rules to be followed in conducting the proposed tender will result in no tender being excluded from

consideration except in the circumstances outlined in paragraph (d) or if the tender does not conform to other reasonable requirements in the request for tenders or does not meet reasonable prudential and technical requirements;

- (f) (***selection criteria***): that the selection criteria to be applied in conducting the proposed tender:
- (i) will result in the successful tender being selected principally on the basis that the tender will deliver the lowest sustainable tariffs (including but not limited to Reference Tariffs) to Users generally over the economic life of the proposed Pipeline; and
 - (ii) are likely to result in Reference Tariffs that meet the criteria specified in section 3.33(c);
- (g) (***determination of items with the Reference Tariffs***): that the tender documents specify which items required to be included in an Access Arrangement other than Reference Tariffs will be determined by the tender and that those items are directly relevant to the determination of Reference Tariffs;
- (h) (***configuration of Pipeline not limited***): that the tender documents published by the person conducting the tender will not specify the configuration of the proposed Pipeline, including the areas the proposed Pipeline will service, pipeline dimensions, level of compression or other technical specifications, unless the Relevant Regulator is satisfied it would be appropriate to do so;
- (i) (***other documents***): that any document supporting or relating to the tender process is consistent with this Code and does not purport to limit:
- (i) the Services which the Service Provider may provide or to which access may be sought under this Code;
 - (ii) the configuration of the proposed Pipeline including the areas the Proposed Pipeline will service, pipeline dimensions, level of compression and other technical specifications unless the Relevant Regulator is satisfied it would be appropriate to do so; or
 - (iii) the construction or operation of other Pipelines which could deliver gas to the same gas market as the proposed Pipeline.

3.29 If the Relevant Regulator has made a decision under section 3.25 approving a Tender Approval Request and a tender process has been conducted, the person who conducted the tender process may apply in writing to the Relevant Regulator for final approval under section 3.32 (a ***Final Approval Request***). A Final Approval

Request must include a statement of which tender was selected and the reasons for that selection based on the selection criteria.

- 3.30 After the successful tenderer has been selected, the Relevant Regulator may permit the person who conducted the tender process and the successful tenderer to agree to changes to the terms of the tender which result in minor changes to the Reference Tariffs proposed in the tender, provided the Relevant Regulator is satisfied the changes are consistent with the requirements in section 3.28(a) to (i). The amended Reference Tariffs shall be considered to be the Reference Tariffs determined in accordance with the tender process for the purposes of the Relevant Regulator making a decision to approve or not approve a Final Approval Request.
- 3.31 The Relevant Regulator may before it makes a decision under section 3.32 require the person who submitted the Final Approval Request to provide the Relevant Regulator with any information or assistance the Relevant Regulator reasonably requires.
- 3.32 If the Relevant Regulator receives a Final Approval Request, the Relevant Regulator must within 28 days of receiving all information it requires under section 3.31 make a decision that:
- (a) approves the Final Approval Request; or
 - (b) does not approve the Final Approval Request.
- 3.33 The Relevant Regulator must decide to approve the Final Approval Request if satisfied of all of the following and must decide not to approve the Final Approval Request if not satisfied of all of the following:
- (a) that the successful tender was selected in accordance with the selection criteria specified in the Tender Approval Request approved by the Relevant Regulator under section 3.25;
 - (b) that the tender process was conducted in accordance with the procedures and rules specified in the Tender Approval Request approved by the Relevant Regulator under section 3.25;
 - (c) that the Reference Tariffs determined in accordance with the tender process:
 - (i) achieve the objectives in section 8.1; and
 - (ii) contain or reflect an allocation of costs between Services and an allocation of costs between Users which is fair and reasonable;
 - (d) that the Revisions Commencement Date in the Access Arrangement for the proposed Pipeline is not later than 15 years after the Access Arrangement for the proposed Pipeline is approved or such later date as the Relevant

Regulator considers appropriate for the proposed Pipeline on the basis of the proposed tariffs (including but not limited to Reference Tariffs); and

- (e) that the successful tenderer's Access Arrangement for the proposed Pipeline will contain an Additional Revenue Policy that is appropriate for the proposed Pipeline on the basis of the proposed tariffs (including but not limited to Reference Tariffs).

3.34 If the Relevant Regulator makes a decision under section 3.32 approving a Final Approval Request then the proposed Pipeline concerned shall be a Covered Pipeline from the time of that decision. In any Access Arrangement for that Covered Pipeline:

- (a) for each Reference Service for which a Reference Tariff was determined by the tender process, the Reference Tariff shall be the Reference Tariff that was determined in accordance with the tender process and approved by the Relevant Regulator; and
- (b) each other item required to be included in an Access Arrangement, which the tender documents specified would be determined by the tender process, shall be as determined in accordance with the tender process and approved by the Relevant Regulator.

Nothing in this section 3.34 limits the Reference Services for which the Relevant Regulator can require a Reference Tariff to be established.

3.35 If the Relevant Regulator makes a decision under section 3.32 approving a Final Approval Request, then the Access Arrangement Information for that Covered Pipeline need not contain the information required by sections 2.6 and 2.7, or any other information, in respect of Reference Tariffs determined pursuant to section 3.34(a).

3.36 Nothing in section 3.34 limits or affects the operation of any provision of this Code except the provisions of section 3 relating to the content of an Access Arrangement to the extent that a Reference Tariff or other item included in the Access Arrangement may, under section 3.34, be determined in accordance with the tender process.

4. RING FENCING ARRANGEMENTS

This section of the Code requires a Service Provider to establish arrangements to segregate or "ring fence" its business of providing Services using a Covered Pipeline. As a minimum, a Service Provider must:

- *be a legal entity;*

- *not carry on a Related Business (essentially a business of producing, purchasing or selling Natural Gas);*
- *establish and maintain separate accounts for the activity that is the subject of each Access Arrangement;*
- *establish and maintain a consolidated set of accounts for all the activities undertaken by the Service Provider;*
- *allocate costs shared between different accounts in a fair and reasonable manner;*
- *ensure that Confidential Information provided by a User or a Prospective User is used only for the purposes for which it was provided and is not disclosed without the User or Prospective User's consent;*
- *ensure that Confidential Information obtained by a Service Provider which might reasonably be expected to materially affect the commercial interests of a User or Prospective User is not disclosed to any other person without the permission of the User or Prospective User to whom the information pertains;*
- *ensure that Marketing Staff of a Service Provider are not also working for an Associate that takes part in a Related Business; and*
- *ensure that Marketing Staff of an Associate that takes part in a Related Business are not also working for the Service Provider.*

In addition to these minimum requirements, the Relevant Regulator may require the Service Provider to meet additional ring fencing obligations. The Relevant Regulator also has a discretion to dispense with some of the ring fencing obligations. The Gas Pipelines Access Law provides a mechanism for review by the Relevant Appeals Body of a decision by the Relevant Regulator in relation to imposing additional ring fencing obligations or waiving minimum ring fencing obligations.

This section of the Code also requires the Service Provider to establish procedures to ensure compliance with the ring fencing obligations.

Ring Fencing Minimum Obligations

- 4.1 A person who is a Service Provider in respect of a Covered Pipeline (regardless of whether they are also a Service Provider in respect of a Pipeline that is not Covered) must comply with the following (but

in the case of paragraphs (a), (b), (h) and (i), as from the date that is 6 months after the relevant Pipeline became Covered):

- (a) be a legal entity incorporated pursuant to the Corporations Law, a statutory corporation, a government or an entity established by royal charter;
- (b) not carry on a Related Business;
- (c) establish and maintain a separate set of accounts in respect of the Services provided by each Covered Pipeline in respect of which the person is a Service Provider;
- (d) establish and maintain a separate consolidated set of accounts in respect of the entire business of the Service Provider;
- (e) allocate any costs that are shared between an activity that is covered by a set of accounts described in section 4.1(c) and any other activity according to a methodology for allocating costs that is consistent with the principles in section 8.1 and is otherwise fair and reasonable;
- (f) ensure that all Confidential Information provided by a User or Prospective User is used only for the purpose for which that information was provided and that such information is not disclosed to any other person without the approval of the User or Prospective User who provided it, except:
 - (i) if the Confidential Information comes into the public domain otherwise than by disclosure by the Service Provider; or
 - (ii) to comply with any law, any legally binding order of a court, government, government or semi-government authority or administrative body or the listing rules of any relevant recognised Stock Exchange;
- (g) ensure that all Confidential Information obtained by the Service Provider or by its servants, consultants, independent contractors or agents in the course of conducting its business and which might reasonably be expected to affect materially the commercial interests of a User or Prospective User is not disclosed to any other person without the approval of the User or Prospective User to whom that information pertains, except:
 - (i) if the Confidential Information comes into the public domain otherwise than by disclosure by the Service Provider; or
 - (ii) to comply with any law, any legally binding order of a court, government, government or semi-government authority or administrative body or the listing rules of any relevant recognised Stock Exchange;

- (h) ensure that its Marketing Staff are not also servants, consultants, independent contractors or agents of an Associate that takes part in a Related Business and, in the event that they become or are found to be involved in a Related Business contrary to this section, must procure their immediate removal from its Marketing Staff; and
 - (i) ensure that none of its servants, consultants, independent contractors or agents are Marketing Staff of an Associate that takes part in a Related Business and, in the event that any servants, consultants, independent contractors or agents are found to be the Marketing Staff of such an Associate contrary to this section, must procure their immediate removal from their position with the Service Provider.
- 4.2 In complying with sections 4.1(c), (d) and (e) a Service Provider must:
- (a) if the Relevant Regulator has published general accounting guidelines for Service Providers which apply to the accounts being prepared, comply with those guidelines; or
 - (b) if the Relevant Regulator has not published such guidelines, comply with guidelines prepared by the Service Provider and approved by the Relevant Regulator or, if there are no such guidelines, comply with such guidelines (if any) as the Relevant Regulator advises the Service Provider apply to that Service Provider from time to time.

Such guidelines may, amongst other things, require the accounts to contain sufficient information, and to be presented in such a manner, as would enable the verification by the Relevant Regulator of the calculation of the Reference Tariffs for Covered Pipelines.

Additional Ring Fencing Obligations

- 4.3 The Relevant Regulator may by notice to a Service Provider require the Service Provider to comply with obligations in addition to those contained in section 4.1, having regard to the following objectives:
- (a) ensuring that the Service Provider does not have regard to the interests of an Associate in priority to the interests of other Users or Prospective Users with respect to the supply of Services (except as provided for on a basis that deals fairly between all Users and Prospective Users under an applicable Queuing Policy); and
 - (b) ensuring that ring fencing obligations do not impose unreasonable compliance costs on the Service Provider or its Associates.

The Service Provider must comply with any additional obligations imposed under this section 4.3.

- 4.4 Without limiting the additional obligations that may be imposed under section 4.3, the Relevant Regulator may require that:
- (a) the Service Provider ensure its Additional Staff are not also servants, consultants, independent contractors or agents of an Associate that takes part in a Related Business and, in the event that they become or are found to be involved in a Related Business, ensure their immediate removal from the Additional Staff;
 - (b) at least one director of the Service Provider is not also a director of a company (whether or not an Associate) that takes part in a Related Business or is or may become a User; and
 - (c) the electronic, physical and procedural security measures employed in respect of the offices of the Service Provider and of all offices of its Associates are satisfactory to the Relevant Regulator.

The examples given in this section 4.4 shall not be construed as limiting the types of action a Service Provider may have to take in order to comply with section 4.1.

Procedures for Adding Ring Fencing Obligations

- 4.5 The Relevant Regulator must before issuing a notice under section 4.3:
- (a) inform each person known to the Relevant Regulator who the Relevant Regulator believes has a sufficient interest in the matter that it is considering issuing a notice under section 4.3 with respect to a particular Service Provider; and
 - (b) publish a notice in a national daily newspaper which at least:
 - (i) states who the Service Provider concerned is and the obligations the Relevant Regulator is considering adding;
 - (ii) requests submissions by a date specified in the notice (not being a date earlier than 14 days after the date of the notice).
- 4.6 The Relevant Regulator must consider any submissions received by the date specified in the notice published under section 4.5(b) and may (but is not obliged) to consider any submissions received after that date.
- 4.7 Within 14 days after the last day for submissions specified in the notice published under section 4.5(b) the Relevant Regulator must issue a draft decision stating whether or not it intends to issue a notice under section 4.3.

Waiver of Ring Fencing Obligations

- 4.15 The Relevant Regulator may by notice to a Service Provider waive any of a Service Provider's obligations under:
- (a) section 4.1(b) where the Relevant Regulator is satisfied that:
 - (i) either the Covered Pipeline is not a significant part of the Pipeline system in any State or Territory in which it is located or there is more than one Service Provider in relation to the Covered Pipeline and the Service Provider concerned does not have a significant interest in the Covered Pipeline and does not actively participate in the management or operation of the Covered Pipeline; and
 - (ii) the administrative costs to the Service Provider and its Associates of complying with that obligation outweighs any public benefit arising from the Service Provider meeting the obligation, taking into account arrangements put in place by the Service Provider (if any) to ensure that Confidential Information the subject of sections 4.1(f) and (g) is not disclosed to the Service Provider or is not disclosed to the servants, consultants, independent contractors or agents of the Service Provider who take part in a Related Business; and
 - (iii) an arrangement has been established between the Service Provider and the Relevant Regulator which the Relevant Regulator is satisfied replicates the manner in which section 7.1 would operate if the Service Provider complied with section 4.1(b); and
 - (b) sections 4.1(h) and (i) where the Relevant Regulator is satisfied that the administrative costs to the Service Provider and its Associates of complying with that obligation outweigh any public benefit arising from the Service Provider meeting the obligation.

Procedures for Waiving Ring Fencing Obligations

- 4.16 A Service Provider may apply to the Relevant Regulator requesting the Relevant Regulator to issue a notice under section 4.15.
- 4.17 When the Relevant Regulator receives an application under section 4.16 the Relevant Regulator must:
- (a) if it considers that the application has been made on trivial or vexatious grounds, reject the application without further consideration; or

- (b) in all other cases within 14 days after receipt of the application:
 - (i) inform each person known to the Relevant Regulator who the Relevant Regulator believes has a sufficient interest in the matter that it has received the application; and
 - (ii) publish a notice in a national daily newspaper which at least:
 - (A) states who the Service Provider concerned is and the obligations that the application seeks to have waived;
 - (B) states how copies of the application can be obtained;
 - (C) requests submissions by a date specified in the notice (not being a date earlier than 14 days after the date of the notice).
- 4.18 The Relevant Regulator must provide a copy of the application to any person within 7 days after the person requests a copy and pays any reasonable fee required by the Relevant Regulator.
- 4.19 The Relevant Regulator must consider any submissions received by the date specified in the notice published under section 4.17(b) and it may (but is not obliged) to consider any submissions received after that date.
- 4.20 Within 14 days after the last day for submissions specified in the notice published under section 4.17(b) the Relevant Regulator must issue a draft decision stating whether or not it intends to issue a notice under section 4.15.
- 4.21 The Relevant Regulator must:
- (a) provide a copy of its draft decision to the Service Provider, any person who made a submission on the matter and any other person who requests a copy; and
 - (b) request submissions from persons to whom it provides the draft decision by a specified date (not being a date earlier than 14 days after the date the draft decision was issued).
- 4.22 The Relevant Regulator must consider any submissions it receives by the date specified by the Relevant Regulator under section 4.21 and it may (but is not obliged) to consider any submissions received after that date.

- 4.23 Within 21 days after the last day for submissions on the draft decision specified by the Relevant Regulator, the Relevant Regulator must issue a final decision stating whether or not it will issue a notice under section 4.15.
- 4.24 Subject to the Gas Pipelines Access Law, a notice under section 4.15 has effect 14 days after the notice is given to the Service Provider or such later date as the Relevant Regulator specifies in the notice. A Service Provider or other person adversely affected may under the Gas Pipelines Access Law have a decision by the Relevant Regulator to issue or not issue a notice under section 4.15 reviewed by the Relevant Appeals Body.

5. INFORMATION AND TIMELINES FOR NEGOTIATION

This section of the Code places obligations on Service Providers and Users to disclose to the market information relevant to obtaining access to Services provided by means of a Covered Pipeline.

Service Providers are required to:

- *establish, and provide to bona fide Prospective Users who request it, an Information Package containing general information on the terms and conditions of access and explaining how to make a specific access request;*
- *respond within 30 days to a specific request for access; and*
- *establish and maintain a public register of Spare and Developable Capacity.*

Users with Contracted Capacity which they do not expect to use must make available to any person who requests it information about the quantity, type and timing of that unutilised Contracted Capacity. The User may notify the Service Provider of its unutilised Contracted Capacity so that it is included on the Service Provider's public register.

General Requests from Prospective Users

- 5.1 A Service Provider must establish and maintain an Information Package in relation to each Covered Pipeline that contains at least the following information:
- (a) the Access Arrangement and Access Arrangement Information for the relevant Covered Pipeline;
 - (b) a summary of the contents of the public register referred to in section 5.9, updated at reasonable intervals;
 - (c) information relating to all major trunk and mains pipes comprised in the relevant Covered Pipeline (for example, a map showing the location and size of those pipes);

- (d) a description of the Service Provider's procedures relating to specific access requests, including a detailed description of the information the Service Provider requires in order to consider an access request; and
 - (e) any other information the Relevant Regulator reasonably requires to be included under section 5.2.
- 5.2 The Relevant Regulator may require the Service Provider to amend or include additional information in the Information Package if the Relevant Regulator considers the amendment or additional information will assist Prospective Users to decide whether or not to seek Services from the Service Provider or to determine how to go about seeking Services from the Service Provider. The Relevant Regulator must not require information to be included in the Information Package if its disclosure could in the Relevant Regulator's opinion be unduly harmful to the legitimate business interests of the Service Provider or a User or Prospective User.
- 5.3 The Service Provider must provide a copy of the Information Package to any bona fide Prospective User within 14 days after the Prospective User requests a copy and pays any applicable fee. The Service Provider may require the payment of a reasonable fee (determined in a manner approved by the Relevant Regulator) for copying the Access Arrangement Information, but must not charge a fee for any other item included in the Information Package.

Specific Requests from Prospective Users

- 5.4 If a Service Provider receives a specific request for access to a Service provided by means of a Covered Pipeline it must, within 30 days after it has received the information required to consider the request (as set out in the Information Package), respond to the Prospective User:
- (a) confirming that Spare Capacity exists to satisfy the request and specifying the charges and terms and conditions upon which it will make the Service available; or
 - (b) advising that Spare Capacity does not exist to satisfy the request; or
 - (c) advising that investigations are required to be undertaken prior to responding to the request.
- 5.5 If the Service Provider advises that investigations are required to be undertaken prior to responding to the request, it must also advise the Prospective User of:
- (a) the nature of the investigations;
 - (b) a plan, including a time schedule, for completing the investigations; and

- (c) any reasonable costs which the Prospective User may be required to meet in respect of the investigations.

Upon obtaining the Prospective User's consent to the plan and the proposed allocation of costs, the Service Provider must proceed forthwith with the agreed plan.

- 5.6 If the Service Provider advises that Capacity does not exist to satisfy the request, it must provide an explanation outlining those aspects of the request which cannot be satisfied and indicating, based on current commitments, when the requirement might be able to be satisfied.
- 5.7 If a Prospective User or a Service Provider provides the other with information pursuant to section 5.4, 5.5 or 5.6 which it notifies the other is confidential, the recipient must not disclose that information to any other person except:
 - (a) if the information comes into the public domain otherwise than by disclosure by the recipient; or
 - (b) to comply with any law, any legally binding order of a court, government, government or semi-government authority or administrative body or the listing rules of any relevant recognised Stock Exchange.

Information Provided by Users to the Market

- 5.8 Notwithstanding anything contained in an Access Arrangement, where a User does not expect to utilise fully its Contracted Capacity and where the unutilised Contracted Capacity is a Marketable Parcel then the User:
 - (a) must promptly provide to any person who requests it information about the quantity, type and timing of the unutilised Contracted Capacity and may make publicly available the proposed terms and conditions (which may include price) for the sale of the unutilised Contracted Capacity; and
 - (b) may notify the Service Provider of the unutilised Contracted Capacity, including the quantity, type and timing of the unutilised Contracted Capacity and the proposed terms and conditions (which may include price) for the sale of the unutilised Contracted Capacity.

Public Register of Capacity

- 5.9 The Service Provider must establish and maintain a public register which includes:
 - (a) an indication of the Spare Capacity that it reasonably believes exists for delivery to defined points along the Covered Pipeline (being defined points that are likely to be relevant

- commercially for a significant number of Prospective Users and the number of which is reasonable on commercial and technical grounds);
- (b) to the extent that it is commercially and technically reasonable to include it, information on planned or committed Developable Capacity and reasonably expected additions to Spare Capacity at the defined points along the Covered Pipeline referred to in paragraph (a), except where such disclosure may be unduly harmful to the legitimate business interests of the Service Provider or a User or Prospective User; and
 - (c) information provided to the Service Provider by a User under section 5.8(b).

Where a Covered Pipeline comprises a hierarchy of pipes that are differentiated by, amongst other things, pipeline operating pressure and pipeline diameter, the information referred to in paragraphs (a) and (b) may be limited to the trunk and mains pipes.

6. DISPUTE RESOLUTION

This section of the Code establishes a mechanism whereby disputes between Prospective Users and Service Providers about the terms and conditions of access can be submitted to the Arbitrator for arbitration. This section of the Code sets out rules relating to notification of a dispute, withdrawal and termination of a dispute, the nature of the arbitration decision to be made and certain guidelines and restrictions the Arbitrator must follow in making its decision. The Gas Pipelines Access Law contains the detailed procedural rules that will apply in an arbitration.

The Code does not limit the ability of a Service Provider and User to reach an agreement about access without recourse to these dispute resolution procedures. The Code also does not limit the terms and conditions on which a Service Provider and User can reach agreement. In particular, parties can agree to a Tariff other than the Reference Tariff. The provisions in section 6 will apply only if parties cannot reach agreement and a dispute is notified to the Relevant Regulator.

The dispute resolution mechanism applies only to a dispute about Service provided by means of a Covered Pipeline (for example, a dispute about access to Spare or Developable Capacity or a dispute about interconnection). Spare Capacity is defined as meaning, in the case of a Contract Carriage Pipeline, essentially, capacity that has not already been reserved in a contract plus contractually reserved capacity that is not being used. Although the Arbitrator can determine that access should be provided to contractually reserved capacity that is not being used, it must not make a decision that deprives a person of a contractual right. Consequently, access

to contracted but unused capacity can be ordered on an interruptible basis but the original contract holder retains a priority right to that capacity.

Although an Access Arrangement (apart from the Queuing Policy) cannot limit the scope for commercial negotiation, or limit the range of matters that can be the subject of an access dispute, the Arbitrator is bound to apply the provisions of the Access Arrangement in an access arbitration. The implications of this are that:

- except in relation to the Queuing Policy, the dispute resolution procedure is the mechanism through which a User can require the Service Provider to grant access according to the terms of the Access Arrangement (for example, to grant access to the Reference Service at the Reference Tariff); and*
- the Access Arrangement provides a degree of certainty as to the outcome of an access dispute.*

The Arbitrator may before arbitrating a dispute:

- require the parties to continue negotiations or engage in some alternative dispute resolution process; and*
- require written reports from the parties.*

If the Arbitrator decides the sole subject of dispute is what tariff should apply to a Reference Service, the Arbitrator may short cut the dispute resolution process and make an immediate decision requiring the Reference Service to be provided at the Reference Tariff.

In any other case, the arbitrator must in reaching a decision:

- apply the provisions of the Access Arrangement; and*
- take into account the factors listed in section 6.15.*

The Arbitrator must not make a decision that:

- is inconsistent with the Access Arrangement;*
- would prevent a User from obtaining a Service to the extent provided for in a contract;*
- deprives a person of any contractual right that existed prior to the notification of the dispute, other than an Exclusivity Right which arose on or after 30 March 1995;*
- affects the valid priority rights of another person under the Queuing Policy; or*
- requires a Service Provider, User or Prospective User to accept a tariff for a Reference Service other than the Reference Tariff.*

Because the Arbitrator cannot deprive a person of a contractual right, "foundation shippers" contracts cannot be overturned by the Arbitrator at either the Service Provider's or foundation shipper's request.

The Arbitrator is also precluded from granting access where the Service Provider reasonably believes that access is incompatible with the safe operation of the Covered Pipeline and prudent pipeline practice accepted in the industry. If the Arbitrator is precluded from granting access on these grounds, the Service Provider must disclose to the Prospective User the assumptions it used in forming its belief. The Prospective User also has the option of requiring an independent expert to provide an opinion on the matter. The expert opinion cannot override the Service Provider's reasonable belief on safety. In certain circumstances, however, further action could be taken by the Relevant Regulator or the Prospective User under the hindering provisions of the Gas Pipelines Access Law if the advice of the expert contradicts the position of the Service Provider. In certain circumstances, the Arbitrator may require a Service Provider to install a New Facility to expand capacity.

The final decision has effect 14 days after the decision is made. The Service Provider is bound by the decision. The Prospective User is also bound by the decision unless it notifies the Arbitrator within 14 days of the decision that it does not intend to be bound by the decision. As part of a decision, the Arbitrator may require the parties to represent the decision in the form of a binding contract.

Notification of a Dispute

- 6.1 If a Prospective User and a Service Provider are unable to agree on one or more aspects of access to a Service the Prospective User or Service Provider may notify the Relevant Regulator in writing that a dispute exists. A Prospective User or Service Provider may not give a notice to the Relevant Regulator under this section unless an Access Arrangement has been accepted by the Relevant Regulator (or the Relevant Regulator has drafted and approved its own Access Arrangement) with respect to the Covered Pipeline concerned.
- 6.2 On receiving the notification, the Relevant Regulator must give notice in writing of the access dispute to:
 - (a) the Service Provider, if another person notified the access dispute;
 - (b) the other person, if the Service Provider notified the access dispute.

The parties to an arbitration are the Prospective User or Users and the Service Provider or Providers who are in dispute and no other persons.

- 6.3 Before arbitrating a dispute, the Arbitrator may:
- (a) require the parties to continue negotiations or engage in an alternative dispute resolution process; and
 - (b) require reports from each party setting out the nature of the latest offers, the basis upon which those offers were made and the nature of any conflicts of interest that the Service Provider may have that may affect its willingness to resolve the dispute with the Prospective User.
- 6.4 Unless the Arbitrator makes a decision under section 6.3, the Arbitrator must require the parties to make submissions to the Arbitrator regarding the dispute by a specified date.

Withdrawal and Termination of a Dispute

- 6.5 The person who notified the dispute under section 6.1 or the Prospective User may withdraw notification of a dispute at any time by notice to the Arbitrator. If the notification is withdrawn, it is taken for the purposes of this section 6 never to have been given.
- 6.6 The Relevant Regulator may at any time terminate an arbitration (without making a decision) if the Relevant Regulator considers that:
- (a) the notification of the dispute was vexatious; or
 - (b) the subject-matter of the dispute is trivial, misconceived or lacking in substance; or
 - (c) the party who notified the dispute has not engaged in negotiations in good faith.

The Arbitration

- 6.7 Unless the Arbitrator terminates the arbitration under section 6.6, the Arbitrator must make a decision on access by the Prospective User to a Service.
- 6.8 The Arbitrator's decision may deal with any matter relating to the provision of a Service to a Prospective User. By way of example, the decision may:
- (a) require the Service Provider to offer to enter into a contract to provide a Service to the Prospective User at a specified Tariff and on specified terms and conditions; or
 - (b) require the Service Provider to install a New Facility to increase the Capacity of the Covered Pipeline pursuant to section 6.22.

The decision does not have to require the Service Provider to provide a Service to the Prospective User.

- 6.9 Subject to section 6.14, in making a decision under section 6.7 the Arbitrator must:
- (a) consider submissions received from the parties before the date specified by the Arbitrator under section 6.4;
 - (b) after considering submissions received by the date specified by the Arbitrator under section 6.4, provide a draft decision to the parties and request submissions from the parties by a specified date;
 - (c) consider submissions received from the parties before the date specified by the Arbitrator under paragraph (b); and
 - (d) after considering submissions received by the date specified by the Arbitrator under paragraph (b) provide a final decision to the parties.
- 6.10 The Arbitrator may, but need not, by whatever means it considers appropriate seek written submissions from persons who are not parties to the dispute and take those submissions into account in making its decision under section 6.7.
- 6.11 The Arbitrator must provide a final decision under section 6.7 within three months of requiring parties to make submissions under section 6.4. The Arbitrator must also ensure that there is a period of at least 14 days:
- (a) between requiring parties to make submissions under section 6.4 and the last day for such submissions specified by the Arbitrator; and
 - (b) between providing a draft decision to the parties under section 6.9(b) and the last day for submissions on the draft decision specified by the Arbitrator.
- In all other respects the timing for the taking of each of the steps set out in section 6.9 is a matter for the Arbitrator to determine.
- 6.12 The Arbitrator may increase the period of three months specified in section 6.11 by periods of up to one month on one or more occasions provided it provides the parties (and each person who has made a written submission to the Arbitrator) with a notice of the decision to increase the period.
- 6.13 Subject to sections 6.19 and 6.20, if:
- (a) the sole subject of a dispute is the question of which Tariff should apply to a Reference Service; and
 - (b) a decision requiring the Service Provider to provide the Prospective User with the Reference Service that the

Prospective User seeks would not be inconsistent with sections 6.18 and 6.21,

the Arbitrator must make a decision requiring the Service Provider to provide the Prospective User with the Reference Service that the Prospective User seeks at the Reference Tariff and on the terms and conditions specified under section 3.6.

- 6.14 The Arbitrator need not before making a decision under section 6.13 issue a draft decision.

Guidance for the Arbitrator

- 6.15 When arbitrating a dispute the Arbitrator must, subject to sections 6.18(b), (c) and (d), apply the provisions of the Access Arrangement for the Covered Pipeline concerned. In addition, the Arbitrator must take into account:
- (a) the Service Provider's legitimate business interests and investment in the Covered Pipeline;
 - (b) the costs to the Service Provider of providing access, including any costs of extending the Covered Pipeline, but not costs associated with losses arising from increased competition in upstream or downstream markets;
 - (c) the economic value to the Service Provider of any additional investment that the Prospective User or the Service Provider has agreed to undertake;
 - (d) the interests of all Users;
 - (e) firm and binding contractual obligations of the Service Provider or other persons (or both) already using the Covered Pipeline;
 - (f) the operational and technical requirements necessary for the safe and reliable operation of the Covered Pipeline;
 - (g) the economically efficient operation of the Covered Pipeline; and
 - (h) the benefit to the public from having competitive markets.
- 6.16 A Service Provider must comply with a decision of the Arbitrator made under this section 6 from the date specified by the Arbitrator.
- 6.17 The Arbitrator may refuse to make a decision that requires the Service Provider to provide a particular Service to the Prospective User if, without limitation, the Arbitrator considers there is substantial competition in the market for the provision of the Service in question.

Restrictions on Decisions

- 6.18 Subject to sections 6.19 and 6.20 and to the Queuing Policy contained in the Access Arrangement, the Arbitrator must not make a decision that:
- (a) subject to paragraphs (b), (c) and (d), is inconsistent with the Access Arrangement;
 - (b) would impede the existing right of a User to obtain Services;
 - (c) would deprive any person of a contractual right that existed prior to the notification of the dispute, other than an Exclusivity Right which arose on or after 30 March 1995;
 - (d) is inconsistent with the applicable Queuing Policy; or
 - (e) requires the Service Provider to provide, or the User or Prospective User to accept, a Reference Service at a Tariff other than the Reference Tariff.

Effect of a Surcharge

- 6.19 If:
- (a) a dispute relates (wholly or partly) to the Tariff to be charged for a Service; and
 - (b) but for this section, the Arbitrator would have made a decision requiring the Service Provider to provide a specified Service at a specified Tariff (which could be the Reference Service at the Reference Tariff); and
 - (c) the Prospective User is a Prospective Incremental User; and
 - (d) there is a Surcharge relating to the relevant Incremental Capacity,

the Arbitrator's decision under section 6.7 or section 6.13 may require the Service Provider to provide the Service that would (but for this section) have been specified under paragraph (b) at a Tariff equal to the Tariff that would (but for this section) have been specified under paragraph (b) plus the Surcharge.

Prior Capital Contributions

- 6.20 If a User or Prospective User claims it has funded the construction of all or part of a Covered Pipeline, either directly or by agreeing to pay the Service Provider a higher charge than it would have paid in the absence of such a capital contribution, then in making a decision the Arbitrator must:
- (a) consider whether the User or Prospective User did make a capital contribution to the construction of all or part of the Covered Pipeline; and

- (b) consider the extent to which the User or Prospective User has recouped any such capital contribution.

If the Arbitrator considers that the User or Prospective User has made a capital contribution which has not been fully recouped, the Arbitrator's decision under section 6.7 or section 6.13 may require the Service Provider to provide the Service at a Tariff set in a way that allows the User or Prospective User to recoup some or all of the unrecouped portion of the capital contribution.

Safe Operation of a Covered Pipeline

- 6.21 Where the Service Provider reasonably believes that it is not possible to accommodate a Prospective User's requirement for a Service consistently with the safe operation of the Covered Pipeline and prudent pipeline practices accepted in the industry:
- (a) the Arbitrator must not make a decision that the Service Provider reasonably believes is not consistent with the safe operation of the Covered Pipeline and prudent pipeline practices accepted in the industry;
 - (b) where the Service is being sought by the Prospective User on a non interruptible basis, the Arbitrator may require the Service Provider to offer a similar Service on an interruptible basis and for the corresponding interruptible price, where that would be consistent with the safe operation of the Covered Pipeline and prudent pipeline practices accepted in the industry; and
 - (c) the Service Provider must disclose to the Prospective User the assumptions it has used in determining that it is not possible to accommodate the Prospective User's requirement for a Service consistently with the safe operation of the Covered Pipeline and prudent pipeline practices accepted in the industry and must provide the Prospective User with the option of having an independent expert nominated by the Service Provider, at the cost of the Prospective User, give a (nonbinding) opinion on the matter.

Obligation to Develop Capacity

- 6.22 In making a decision under section 6.7 or section 6.13 the Arbitrator may require the Service Provider to expand the Capacity of a Covered Pipeline to meet the requirements of a Prospective User, provided that:
- (a) the Service Provider is not required to extend the geographical range of a Covered Pipeline;
 - (b) the expansion is technically and economically feasible and consistent with the safe and reliable provision of the Service;

- (c) the Service Provider's legitimate business interests are protected;
- (d) the Prospective User does not become the owner of a Covered Pipeline or part of a Covered Pipeline without the agreement of the Service Provider; and
- (e) the Service Provider is not required to fund part or all of the expansion (except where the Extensions/Expansions Policy in the Access Arrangement for the Covered Pipeline states that the Service Provider will fund the New Facility and the conditions specified in the Extensions/Expansions Policy have been met).

6.23 If the Arbitrator requires the Service Provider to install a New Facility under section 6.22 and the Prospective User bears the cost of the expenditure on the New Facility, then:

- (a) all expenditure on the New Facility constitutes New Facilities Investment by the Service Provider for the purposes of determining the Reference Tariffs;
- (b) the Service Provider must levy a Surcharge on Incremental Users (apart from the Prospective User) consistent with the principles for Surcharges contained in section 8 (with the Prospective User treated as if it were paying a Surcharge for the purposes of calculating a fair and reasonable Surcharge for other Incremental Users); and
- (c) the terms of access for the Prospective User shall reflect the value to the Service Provider of the contribution made by the Prospective User.

Prospective User May Decide Not to Take a Service

6.24 Where a decision made under section 6.7 or section 6.13 requires the Service Provider to provide, and the Prospective User to accept, a Service on terms and conditions specified in the decision, then:

- (a) subject to paragraph (b), the Prospective User becomes bound by the decision on the 14th day after the day on which the decision was made, or, if earlier, on the day the Prospective User notifies the Service Provider that it intends to be bound by the decision; and
- (b) the Prospective User is not bound by the decision if it notifies the Arbitrator that it does not intend to be bound by the decision within 14 days after the day on which the decision was made (unless it has previously notified the Service Provider under paragraph (a), in which case paragraph (a) applies).

Reservation of Capacity During an Access Dispute

- 6.25 No priority rights of a User or Prospective User who is a party to a dispute shall be altered during the period of that dispute until the Arbitrator's decision has been made under section 6.7 or section 6.13.

Obligation to Reflect the Decision in a Draft Contract

- 6.26 Where a decision under section 6.7 or section 6.13 requires the Service Provider to provide a Service to the Prospective User on terms and conditions specified in the decision, the Arbitrator may, as part of that decision, require the Service Provider and Prospective User to represent that decision in the form of a contract between the parties and to submit to the Arbitrator, within 14 days following the date the decision comes into effect, either (at the choice of the Service Provider or Prospective User):
- (a) a copy of a draft contract; or
 - (b) a copy of a signed contract.
- 6.27 If the parties do not submit the draft contract (or a copy of a signed contract) to the Arbitrator within the 14 day period referred to in section 6.26, then the Arbitrator may make a decision on the form of any terms and conditions in the draft contract that have not been resolved within that time.

7. GENERAL REGULATORY AND MISCELLANEOUS PROVISIONS

This section of the Code contains a number of miscellaneous provisions, including provisions dealing with the following.

Associate Contracts - *A Service Provider is required to obtain the Relevant Regulator's consent before entering into certain contracts (principally any contract with an Associate for the provision of a Service provided by means of a Covered Pipeline). The Relevant Regulator's decision to not approve an Associate Contract may be subject to review by the Relevant Appeals Body under the Gas Pipelines Access Law.*

Decisions of the NCC, Relevant Minister, Relevant Regulator and Arbitrator - *Each decision to be made by the NCC, Relevant Minister, Relevant Regulator or Arbitrator under the Code must include reasons. A copy of the decision and the reasons for it should be placed on a Public Register.*

Extensions to Time Limits - *Provision is made for the extension of certain time limits in the Code.*

Approval of Relevant Regulator Required for Associate Contracts

- 7.1 A Service Provider must not enter into an Associate Contract without first obtaining the approval of the Relevant Regulator. The Relevant Regulator must not refuse to approve a proposed Associate Contract unless it considers that the contract would have the effect, or would be likely to have the effect, of substantially lessening, preventing or hindering competition in a market.
- 7.2 If an Associate Contract provides for the supply of Services at the Reference Tariff the Relevant Regulator may make a decision under section 7.1 without conducting public consultation.
- 7.3 In all other cases the Relevant Regulator must, prior to making a decision under section 7.1, conduct such public consultations as it considers appropriate. In conducting such public consultations the Relevant Regulator may, but need not, make public the content of part or all of the Associate Contract. The Relevant Regulator must not make public any part of the Associate Contract which the Service Provider claims is confidential or commercially sensitive except where the Relevant Regulator is of the opinion the disclosure of the part of the Associate Contract concerned would not be unduly harmful to the legitimate business interests of the Service Provider or a User or Prospective User.
- 7.4 The Relevant Regulator is deemed to have approved an Associate Contract if it does not notify the Service Provider that it does not approve the Contract within:
- (a) 21 days after the day on which the Service Provider's application to enter into the Associate Contract was received by the Relevant Regulator; or
 - (b) if, within that 21 day period, the Relevant Regulator notifies the Service Provider that it requires additional information from the Service Provider to consider the application - the period of 21 days after the day on which the Service Provider's application to enter into the Associate Contract was received by the Relevant Regulator plus the number of days in the period commencing on the day on which the Relevant Regulator gave notice to the Service Provider and ending on the day on which the Relevant Regulator receives the additional information from the Service Provider.
- 7.5 If the Relevant Regulator conducts a public consultation in relation to an Associate Contract the references in clause 7.4 to 21 days shall be read as references to 49 days.
- 7.6 A decision by the Relevant Regulator not to approve an Associate Contract is subject to review by the Relevant Appeals Body under the Gas Pipelines Access Law.

Decisions by the NCC, Relevant Minister, Relevant Regulator and Arbitrator

- 7.7 If the NCC, Relevant Minister, Relevant Regulator or Arbitrator is required under this Code to make a draft decision or a final decision, the NCC, Relevant Minister, Relevant Regulator or Arbitrator concerned must include its reasons in its draft decision or final decision.
- 7.8 Subject to section 7.12, the NCC shall as soon as possible provide to the Code Registrar to place on the Public Register a copy of:
- (a) each application for Coverage of a Pipeline and application for revocation of Coverage of a Pipeline;
 - (b) each submission received by the NCC in relation to any such application;
 - (c) each recommendation made by the NCC in relation to any such application and the reasons given for such a recommendation; and
 - (d) each decision made by the Relevant Minister (and the Relevant Appeals Body under the Gas Pipelines Access Law, if applicable) in relation to any such application and the reasons given for such a decision, including a description of the Pipeline the subject of that decision.
- 7.9 Subject to section 7.12, each Relevant Regulator shall as soon as possible provide to the Code Registrar to place on the Public Register:
- (a) in relation to Access Arrangements a copy of:
 - (i) each proposed Access Arrangement or proposed revisions of an Access Arrangement;
 - (ii) each proposed Access Arrangement Information or proposed revisions of Access Arrangement Information;
 - (iii) each submission received by the Relevant Regulator in relation to the Access Arrangement or revisions to the Access Arrangement;
 - (iv) each submission received by the Relevant Regulator in relation to the Access Arrangement Information or revisions to the Access Arrangement Information;
 - (v) each draft decision and final decision made by the Relevant Regulator (and the Relevant Appeals Body under the Gas Pipelines Access Law if applicable) in relation to a proposed Access Arrangement, proposed revisions to an Access Arrangement, proposed Access Arrangement Information or proposed revisions to

- Access Arrangement Information and the reasons given for each such draft or final decision;
- (vi) if an Access Arrangement submitted under section 2.3 is accepted, a description of the Pipeline which thereby became Covered;
- (b) in relation to competitive tender processes a copy of:
- (i) each Tender Approval Request and Final Approval Request the Relevant Regulator receives;
 - (ii) each submission and other document the Relevant Regulator receives relating to a Tender Approval Request and Final Approval Request;
 - (iii) each decision by the Relevant Regulator relating to a Tender Approval Request or Final Approval Request and the reasons given for each such decision;
 - (iv) a description of any proposed Pipeline that becomes a Covered Pipeline pursuant to section 3.34;
- (c) in relation to arbitrations, if the Regulator considers it appropriate, a copy of each draft or final decision of the Relevant Regulator (or an Arbitrator appointed by it) under section 6 of the Code and the reasons given for each such draft or final decision;
- (d) in relation to ring fencing a copy of:
- (i) each application received by the Relevant Regulator under section 4;
 - (ii) each submission received by the Relevant Regulator in relation to adding to or waiving ring fencing obligations;
 - (iii) any draft or final decision by the Relevant Regulator (and the Relevant Appeals Body under the Gas Pipelines Access Law if applicable) to add to or waive ring fencing obligations and the reasons given for any such draft or final decision;
- (e) in relation to Associate Contracts a copy of:
- (i) each decision made by the Relevant Regulator under section 7.1 and the reasons given for any such decision;
 - (ii) if the Relevant Regulator considers it appropriate, the proposed Associate Contract.

Public Register

- 7.10 Subject to section 7.12 the Code Registrar shall keep a Public Register and place on that register:
- (a) a description of each Covered Pipeline;
 - (b) each document provided to it by the NCC under section 7.8 of the Code and section 10 or 11 of the Gas Pipelines Access Law;
 - (c) each document provided to it by a Relevant Regulator under section 7.9; and
 - (d) each document provided to it by a Service Provider under either section 1.41 or section 3.20.

Treatment of Confidential Information

- 7.11 Where a person furnishes information or a document to the NCC, Relevant Minister or Relevant Regulator (other than in compliance with a notice given by the Relevant Regulator under section 41 of the Gas Pipelines Access Law) the person may, at the time when the document is furnished, state that the information or document or part of the information or document is of a confidential or commercially sensitive nature.
- 7.12 The NCC, Relevant Minister and Relevant Regulator must not disclose the contents of any such information or document or any such part of the information or document to any person or provide it to the Code Registrar to place on the Public Register except where the NCC, Relevant Minister or Relevant Regulator is of the opinion that the disclosure of the information or document or part of the information or document would not be unduly harmful to the legitimate business interests of the Service Provider or a User or Prospective User.
- 7.13 Notwithstanding section 7.12 the information provided to the Code Registrar by the Relevant Regulator under section 7.9 must include at least the information stated below for the decision identified:
- (a) A decision in relation to an Access Arrangement or revisions to an Access Arrangement:
 - (i) the valuations derived from employing each asset valuation methodology to which regard was had pursuant to section 8.10(a) and (b) and the assumptions on which those valuations were based;
 - (ii) the Initial Capital Base for a Covered Pipeline that is in existence at the Commencement of the Code;

- (iii) a summary of the assumptions and reasoning that resulted in the figure adopted as the Initial Capital Base for a Covered Pipeline that is in existence at the commencement of the Code, including if the Initial Capital Base for a Covered Pipeline that is in existence at the commencement of the Code is outside the range of values determined according to sections 8.10(a) and (b), detailed reasons as to why a figure outside that range was selected.
 - (b) A decision in relation to an Access Arrangement or revisions to an Access Arrangement where the decision was to approve a proposed Access Arrangement or proposed revisions: details of where the assumptions adopted by the Regulator in approving the (or drafting and approving its own) Access Arrangement differ from the assumptions described in the Access Arrangement Information and reasons for that difference.
- 7.14 The Relevant Regulator may provide a person who makes a request for further information with such further information relevant to the decision as it sees fit, other than information which could not be provided to the Code Registrar under section 7.12.

Operational Guidelines

- 7.15 In exercising any functions under the Code the Relevant Regulator and the Arbitrator may take into account any guidelines on operational procedures approved by the Relevant Ministers of all the Scheme Participants on the recommendation of the NGPAC.

Extensions to Time Limits

- 7.16 If any section of this Code requires the NCC or the Relevant Minister to do something within a certain period, the NCC or the Relevant Minister, as the case may be, may, in a particular case, increase the period it has to do the thing in question by the period originally specified in the section of the Code concerned.
- 7.17 The NCC or the Relevant Minister may only increase the period it has to do a thing under section 7.16 if, before the day on which the Code would have required the thing to be done, it publishes in a national newspaper notice of the decision to increase the period.
- 7.18 The NCC and the Relevant Minister may increase the period it has to do a thing any number of times provided on each occasion it does so it complies with section 7.17.
- 7.19 The Relevant Regulator may on one or more occasions, at its discretion, grant extensions to any time period in this Code that applies to a person other than the Relevant Regulator, the NCC or the Relevant Minister, provided that an application for that extension has been received by it before the expiration of the time

period in question. Time periods applying to the Relevant Regulator, NCC or Relevant Minister may be extended as otherwise provided in this Code.

8. REFERENCE TARIFF PRINCIPLES

This section of the Code sets out the principles with which Reference Tariffs and a Reference Tariff Policy (the principles underlying the calculation of Reference Tariffs) included in an Access Arrangement must comply.

General Principles

The Reference Tariff Principles are designed to ensure that certain key principles are reflected in the Reference Tariff Policy and in the calculation of all Reference Tariffs. Within these parameters, the Reference Tariff Principles are designed to provide a high degree of flexibility so that the Reference Tariff Policy can be designed to meet the specific needs of each pipeline system. The overarching requirement is that when Reference Tariffs are determined and reviewed, they should be based on the efficient cost (or anticipated efficient cost) of providing the Reference Services.

The Principles also require that, where appropriate, Reference Tariffs be designed to provide the Service Provider with the ability to earn greater profits (or less profits) than anticipated between reviews if it outperforms (or underperforms against) the benchmarks that were adopted in setting the Reference Tariffs. The intention is that, to the extent possible, Service Providers be given a market-based incentive to improve efficiency and to promote efficient growth of the gas market (an Incentive Mechanism).

The Reference Tariff Policy and all Reference Tariffs should be designed to achieve a number of objectives, including providing the Service Provider with the opportunity to earn a stream of revenue that recovers the costs of delivering the Reference Service over the expected life of the assets used in delivering that Service, to replicate the outcome of a competitive market, and to be efficient in level and structure.

Principles for determining the Total Revenue

Reference Tariffs are to be set on the basis of the sales of all Services provided by the Covered Pipeline delivering (or being forecast to deliver) a certain amount of revenue (Total Revenue) over the period for which the Reference Tariffs remain in effect (the Reference Tariff Period).

The Reference Tariff Principles specify three methodologies for determining the Total Revenue:

- *Cost of Service: where the Total Revenue is set to recover 'costs' with those costs to be calculated on the basis of a*

return (Rate of Return) on the value of the assets that form the Covered Pipeline (Capital Base), depreciation on the Capital Base (Depreciation) and the operating, maintenance and other non-capital costs (Non-Capital Costs) incurred in delivering all Services.

- *IRR: where the Total Revenue is set to provide an acceptable Internal Rate of Return (IRR) for the Covered Pipeline on the basis of forecast costs and sales.*
- *NPV: where the Total Revenue is set to deliver a Net Present Value (NPV) for the Covered Pipeline (on the basis of forecast costs and sales) equal to zero, using an acceptable discount rate.*

While these methodologies are different ways of assessing the Total Revenue, their outcomes should be consistent (for example, it is possible to express any NPV calculation in terms of a Cost of Service calculation by the choice of an appropriate depreciation schedule). In addition, other methodologies that can be translated into one of these forms are acceptable (such as a method that provides a real rate of return on an inflation-indexed capital base).

The principles that guide the determination of the Reference Tariff Period are set out in Section 3 of the Code. These principles permit the Reference Tariff Period to be any length of time that is consistent with the objectives for setting Reference Tariffs. However, the Relevant Regulator must consider (but is not bound to require) inserting safeguards against excessive forecast error if the Reference Tariff Period is over five years.

The Reference Tariff Principles recognise that these methods for calculating the Total Revenue may provide a range of feasible outcomes. In narrowing this range, the Relevant Regulator is permitted to have regard to various financial and performance indicators.

Broad principles for establishing the Capital Base when Reference Tariffs are set initially and reviewed are set out, including principles for:

- *establishing the Initial Capital Base (including principles for valuing pipelines in existence at the commencement of the Code and those that come into existence after the commencement of the Code);*
- *valuing investment in new facilities (including principles for determining whether New Facilities Investment may be included in the Capital Base, and for addressing differences between forecast and actual capital expenditure) and*
- *reducing the Capital Base where assets cease to contribute, or make a reduced contribution, to the delivery of Services.*

These principles apply equally to all of the methodologies for assessing Total Revenue, and to clarify this, certain detailed principles are translated into a form that is applicable to the IRR and NPV methodologies.

Broad principles for determining the Rate of Return are also set out, essentially requiring a return which is commensurate with the prevailing conditions in the market for funds and the risks involved in delivering the Reference Service.

A number of principles are specified for the Depreciation Schedule, which include that:

- the time-path for Reference Tariffs that is implied by the Depreciation Schedule be consistent with efficient market growth, and in particular, to avoid delivering Reference Tariffs that are excessively high in early years and low in later years;*
- depreciation should be over the economic life of the assets that form the Covered Pipeline; and*
- assets be depreciated only once for the purposes of setting Reference Tariffs.*

Again, these principles apply equally to all of the methodologies for assessing Total Revenue, and to clarify this, certain detailed principles are translated into a form that is applicable to the IRR and NPV methodologies.

Finally, the Reference Tariff Principles specify that Non Capital Costs are the operating, maintenance and other costs incurred (or forecast to be incurred) in the delivery of all Services provided by the Pipeline, and provide that these can be factored into Reference Tariffs if 'prudent'.

Allocation of the Total Revenue

The Reference Tariff Principles set out broad principles for determining the portion of the Total Revenue that a Reference Tariff should be designed to recover from sales of the Reference Service, and the portion of revenue that should be recovered from each User of that Reference Service. These principles essentially require that the Charge paid by any User of a Reference Service be cost reflective, although substantial flexibility is provided.

An exception to the allocation rule is the case of 'prudent discounts'. Where a User is receiving a discount (which implies the Service Provider is receiving less revenue from that User than that assumed in the calculation of Reference Tariffs), and such a discount is 'prudent', the Relevant Regulator has the discretion (when Reference Tariffs are set initially or reviewed) to permit the Service Provider to recover some or all of that shortfall in revenue

by raising Reference Tariffs to other Users (if the discount is prudent, the Reference Tariff would be lower for all Users).

Other Principles

This section also establishes:

- *principles concerning the use and design of Incentive Mechanisms;*
- *a mechanism whereby certain parts of the Reference Tariff Policy cannot be changed at a review of the Access Arrangement for a certain period; and*
- *principles for the charging of Surcharges in relation to Incremental Capacity.*

General Principles

8.1 A Reference Tariff and Reference Tariff Policy should be designed with a view to achieving the following objectives:

- (a) providing the Service Provider with the opportunity to earn a stream of revenue that recovers the efficient costs of delivering the Reference Service over the expected life of the assets used in delivering that Service;
- (b) replicating the outcome of a competitive market;
- (c) ensuring the safe and reliable operation of the Pipeline;
- (d) not distorting investment decisions in Pipeline transportation systems or in upstream and downstream industries;
- (e) efficiency in the level and structure of the Reference Tariff; and
- (f) providing an incentive to the Service Provider to reduce costs and to develop the market for Reference and other Services.

To the extent that any of these objectives conflict in their application to a particular Reference Tariff determination, the Relevant Regulator may determine the manner in which they can best be reconciled or which of them should prevail.

8.2 The factors about which the Relevant Regulator must be satisfied in determining to approve a Reference Tariff and Reference Tariff Policy are that:

- (a) the revenue to be generated from the sales (or forecast sales) of all Services over the Access Arrangement Period (the ***Total Revenue***) should be established consistently with the principles and according to one of the methodologies contained in this section 8;

- (b) to the extent that the Covered Pipeline is used to provide a number of Services, that portion of Total Revenue that a Reference Tariff is designed to recover (which may be based upon forecasts) is calculated consistently with the principles contained in this section 8;
- (c) a Reference Tariff (which may be based upon forecasts) is designed so that the portion of Total Revenue to be recovered from a Reference Service (referred to in paragraph (b)) is recovered from the Users of that Reference Service consistently with the principles contained in this section 8;
- (d) Incentive Mechanisms are incorporated into the Reference Tariff Policy wherever the Relevant Regulator considers appropriate and such Incentive Mechanisms are consistent with the principles contained in this section 8; and
- (e) any forecasts required in setting the Reference Tariff represent best estimates arrived at on a reasonable basis.

Form of Regulation

- 8.3 Subject to these requirements and to the Relevant Regulator being satisfied that it is consistent with the objectives contained in section 8.1, the manner in which a Reference Tariff may vary within an Access Arrangement Period through implementation of the Reference Tariff Policy is within the discretion of the Service Provider. For example, a Reference Tariff may be designed on the basis of:
- (a) a "price path" approach, whereby a series of Reference Tariffs are determined in advance for the Access Arrangement Period to follow a path that is forecast to deliver a revenue stream calculated consistently with the principles in this section 8, but is not adjusted to account for subsequent events until the commencement of the next Access Arrangement Period;
 - (b) a "cost of service" approach, whereby the Tariff is set on the basis of the anticipated costs of providing the Reference Service and is adjusted continuously in light of actual outcomes (such as sales volumes and actual costs) to ensure that the Tariff recovers the actual costs of providing the Service; or
 - (c) variations or combinations of these approaches.

Total Revenue

- 8.4 The Total Revenue (a portion of which will be recovered from sales of Reference Services) should be calculated according to one of the following methodologies:

Cost of Service: The Total Revenue is equal to the cost of providing all Services (some of which may be the forecast of such costs), and with this cost to be calculated on the basis of:

- (a) a return (**Rate of Return**) on the value of the capital assets that form the Covered Pipeline (**Capital Base**);
- (b) depreciation of the Capital Base (**Depreciation**); and
- (c) the operating, maintenance and other non-capital costs incurred in providing all Services provided by the Covered Pipeline (**Non-Capital Costs**).

IRR: The Total Revenue will provide a forecast Internal Rate of Return (IRR) for the Covered Pipeline that is consistent with the principles in sections 8.30 and 8.31. The IRR should be calculated on the basis of a forecast of all costs to be incurred in providing such Services (including capital costs) during the Access Arrangement Period.

The initial value of the Covered Pipeline in the IRR calculation is to be given by the Capital Base at the commencement of the Access Arrangement Period and the assumed residual value of the Covered Pipeline at the end of the Access Arrangement Period (**Residual Value**) should be calculated consistently with the principles in this section 8.

NPV: The Total Revenue will provide a forecast Net Present Value (NPV) for the Covered Pipeline equal to zero. The NPV should be calculated on the basis of a forecast of all costs to be incurred in providing such Services (including capital costs) during the Access Arrangement Period, and using a discount rate that would provide the Service Provider with a return consistent with the principles in sections 8.30 and 8.31.

The initial value of the Covered Pipeline in the NPV calculation is to be given by the Capital Base at the commencement of the Access Arrangement Period and the assumed Residual Value at the end of the Access Arrangement Period should be calculated consistently with the principles in this section 8.

The methodology used to calculate the Cost of Service, an IRR or NPV should be in accordance with generally accepted industry practice.

- 8.5 Other methodologies may be used provided the resulting Total Revenue can be expressed in terms of one of the methodologies described above.

- 8.6 In view of the manner in which the Rate of Return, Capital Base, Depreciation Schedule and Non Capital Costs may be determined (in each case involving various discretions), it is possible that a range of values may be attributed to the Total Revenue described in section 8.4. In order to determine an appropriate value within this range the Relevant Regulator may have regard to any financial and operational performance indicators it considers relevant in order to determine the level of costs within the range of feasible outcomes under section 8.4 that is most consistent with the objectives contained in section 8.1.
- 8.7 If the Relevant Regulator has considered financial and operational performance indicators for the purposes of section 8.6, it must identify the indicators and provide an explanation of how they have been taken into account.

Principles for Establishing the Capital Base

- 8.8 Principles for establishing the Capital Base for the Covered Pipeline when a Reference Tariff is first proposed for a Reference Service (ie, for the first Access Arrangement Period) are set out in sections 8.10 to 8.14.
- 8.9 Sections 8.15 to 8.29 then describe the principles to be applied in adjusting the value of the Capital Base over time as a result of additions to the Covered Pipeline and as a result of parts of the Covered Pipeline ceasing to be used for the delivery of Services. Consistently with those principles, the Capital Base at the commencement of each Access Arrangement Period after the first, for the Cost of Service methodology, is determined as:
- (a) the Capital Base at the start of the immediately preceding Access Arrangement Period; plus
 - (b) the New Facilities Investment or Recoverable Portion (whichever is relevant) in the immediately preceding Access Arrangement Period (adjusted as relevant as a consequence of section 8.22 to allow for the differences between actual and forecast New Facilities Investment); less
 - (c) Depreciation for the immediately preceding Access Arrangement Period; less
 - (d) Redundant Capital identified prior to the commencement of that Access Arrangement Period,

and for the IRR or NPV methodology, is determined as:

- (e) the Residual Value assumed in the previous Access Arrangement Period (adjusted as relevant as a consequence of section 8.22 to allow for the differences between actual and forecast New Facilities Investment); less

- (f) Redundant Capital identified prior to the commencement of that Access Arrangement Period.

Initial Capital Base - Existing Pipelines

- 8.10 When a Reference Tariff is first proposed for a Reference Service provided by a Covered Pipeline that was in existence at the commencement of the Code, the following factors should be considered in establishing the initial Capital Base for that Pipeline:
- (a) the value that would result from taking the actual capital cost of the Covered Pipeline and subtracting the accumulated depreciation for those assets charged to Users (or thought to have been charged to Users) prior to the commencement of the Code;
 - (b) the value that would result from applying the "depreciated optimised replacement cost" methodology in valuing the Covered Pipeline;
 - (c) the value that would result from applying other well recognised asset valuation methodologies in valuing the Covered Pipeline;
 - (d) the advantages and disadvantages of each valuation methodology applied under paragraphs (a), (b) and (c);
 - (e) international best practice of Pipelines in comparable situations and the impact on the international competitiveness of energy consuming industries;
 - (f) the basis on which Tariffs have been (or appear to have been) set in the past, the economic depreciation of the Covered Pipeline, and the historical returns to the Service Provider from the Covered Pipeline;
 - (g) the reasonable expectations of persons under the regulatory regime that applied to the Pipeline prior to the commencement of the Code;
 - (h) the impact on the economically efficient utilisation of gas resources;
 - (i) the comparability with the cost structure of new Pipelines that may compete with the Pipeline in question (for example, a Pipeline that may by-pass some or all of the Pipeline in question);
 - (j) the price paid for any asset recently purchased by the Service Provider and the circumstances of that purchase; and
 - (k) any other factors the Relevant Regulator considers relevant.

- 8.11 The initial Capital Base for Covered Pipelines that were in existence at the commencement of the Code normally should not fall outside the range of values determined under paragraphs (a) and (b) of section 8.10.

Initial Capital Base - New Pipelines

- 8.12 When a Reference Tariff is first proposed for a Reference Service provided by a Covered Pipeline that has come into existence after the commencement of the Code, the initial Capital Base for the Covered Pipeline is, subject to section 8.13, the actual capital cost of those assets at the time they first enter service. A new Pipeline does not need to pass the tests described in section 8.16.
- 8.13 If the period between the time the Covered Pipeline first enters service and the time the Reference Tariff is proposed is such as reasonably to warrant adjustment to the actual capital cost in establishing the initial Capital Base, then that cost should be adjusted to account for New Facilities Investment or the Recoverable Portion (whichever is relevant), Depreciation and Redundant Capital incurred or identified during that period (as described in section 8.9).

Initial Capital Base - After the Expiry of an Access Arrangement

- 8.14 Where an Access Arrangement has expired, the initial Capital Base at the time a new Access Arrangement is approved is the Capital Base applying at the expiry of the previous Access Arrangement adjusted to account for the New Facilities Investment or the Recoverable Portion (whichever is relevant), Depreciation and Redundant Capital (as described in section 8.9) as if the previous Access Arrangement had remained in force.

New Facilities Investment

- 8.15 The Capital Base for a Covered Pipeline may be increased from the commencement of a new Access Arrangement Period to recognise additional capital costs incurred in constructing New Facilities for the purpose of providing Services.
- 8.16 The amount by which the Capital Base may be increased is the amount of the actual capital cost incurred (***New Facilities Investment***) provided that:
- (a) that amount does not exceed the amount that would be invested by a prudent Service Provider acting efficiently, in accordance with accepted good industry practice, and to achieve the lowest sustainable cost of delivering Services; and
 - (b) one of the following conditions is satisfied:
 - (i) the Anticipated Incremental Revenue generated by the New Facility exceeds the New Facilities Investment; or

- (ii) the Service Provider and/or Users satisfy the Relevant Regulator that the New Facility has system-wide benefits that, in the Relevant Regulator's opinion, justify the approval of a higher Reference Tariff for all Users; or
 - (iii) the New Facility is necessary to maintain the safety, integrity or Contracted Capacity of Services.
- 8.17 For the purposes of administering section 8.16(a), the Relevant Regulator must consider:
 - (a) whether the New Facility exhibits economies of scale or scope and the increments in which Capacity can be added; and
 - (b) whether the lowest sustainable cost of delivering Services over a reasonable time frame may require the installation of a New Facility with Capacity sufficient to meet forecast sales of Services over that time frame.
- 8.18 A Reference Tariff Policy may, at the discretion of the Service Provider, state that the Service Provider will undertake New Facilities Investment that does not satisfy the requirements of section 8.16. If the Service Provider incurs such New Facilities Investment, the Capital Base may be increased by that part of the New Facilities Investment which does satisfy section 8.16 (the ***Recoverable Portion***).
- 8.19 The Reference Tariff Policy may also provide that an amount in respect of the balance of the New Facilities Investment may subsequently be added to the Capital Base if at any time the type and volume of services provided using the increase in Capacity attributable to the New Facility change such that any part of the Speculative Investment Fund (as defined below) would then satisfy the requirements of section 8.16. The amount of the ***Speculative Investment Fund*** at any time is equal to:
 - (a) the difference between the New Facilities Investment and the Recoverable Portion, less any amount the Service Provider notifies the Relevant Regulator (at the time the expenditure is incurred) that it has elected to recover through a Surcharge under section 8.25 (***Speculative Investment***); plus
 - (b) an annual increase in that amount calculated on a compounded basis at a rate of return approved by the Relevant Regulator which rate of return may, but need not, be different from the rate of return implied in the Reference Tariff; less
 - (c) any part of the Speculative Investment Fund previously added to the Capital Base under this section 8.19.

Forecast Capital Expenditure

- 8.20 Consistent with the methodologies described in section 8.4, Reference Tariffs may be determined on the basis of New Facilities Investment that is forecast to occur within the Access Arrangement Period provided that the New Facilities Investment is reasonably expected to pass the requirements in section 8.16 when the New Facilities Investment is forecast to occur.
- 8.21 If the Relevant Regulator agrees to Reference Tariffs being determined on the basis of forecast New Facilities Investment, this need not (at the discretion of the Relevant Regulator) imply that such New Facilities Investment will meet the requirements of Section 8.16 when the Relevant Regulator considers revisions to an Access Arrangement submitted by a Service Provider. However, the Relevant Regulator may, at its discretion, agree (on written application by the Service Provider) at the time at which the New Facilities Investment takes place that it meets the requirements of section 8.16, the effect of which is to bind the Relevant Regulator's decision when the Relevant Regulator considers revisions to an Access Arrangement submitted by the Service Provider. For the purposes of public consultation, any such application must be treated as if it were a proposed revision to the Access Arrangement submitted under section 2.28.
- 8.22 For the purposes of calculating the Capital Base at the commencement of the subsequent Access Arrangement Period, either the Reference Tariff Policy should describe or the Relevant Regulator shall determine when the Relevant Regulator considers revisions to an Access Arrangement submitted by a Service Provider, how the New Facilities Investment is to be determined for the purposes of section 8.9. This includes whether (and how) the Capital Base at the commencement of the next Access Arrangement Period should be adjusted if the actual New Facilities Investment is different from the forecast New Facilities Investment (with this decision to be designed to best meet the objectives in section 8.1).

Capital Contributions

- 8.23 New Facilities Investment may also be added to the Capital Base when a User makes a Capital Contribution (as defined below) in respect of a New Facility. Nothing in this Code prevents a User agreeing to pay the Service Provider a Charge which exceeds the Charge that would apply under a Reference Tariff for a Reference Service (or, in relation to another Service, under the Equivalent Tariff) in any circumstance including, without limitation, if the excess is paid in respect of the funding of a New Facility (in which case the extra payment is a ***Capital Contribution***).
- 8.24 Any expenditure on a New Facility in respect of which a User makes a Capital Contribution constitutes New Facilities Investment incurred by the Service Provider for the purposes of this section 8.

The User's obligations to the Service Provider and the Service Provider's obligations to the User with respect to the Capital Contribution shall be as agreed between the Service Provider and User.

Surcharges

- 8.25 As contemplated in section 8.19(a), unless precluded by the Service Provider's Extensions/Expansions Policy, a Service Provider may elect by written notice to the Relevant Regulator to recover all or part of an amount that it would not recover at the Prevailing Tariffs through a Surcharge (after commencement of the next Access Arrangement Period, this amount is that amount that would otherwise constitute Speculative Investment). A ***Surcharge*** is a Charge in addition to the Charge that would apply under a Reference Tariff for a Reference Service (or, in relation to another Service, under the Tariff that would be determined by the Arbitrator in arbitrating an access dispute under section 6) that is levied on Users of Incremental Capacity in order for the Service Provider to recover some or all of the cost of New Facilities Investment that can not be recovered at the Prevailing Tariffs (and so cannot be included in the Capital Base in subsequent Access Arrangement Periods). If the Relevant Regulator receives such a written notice, it may approve the Surcharge, with an approval having the effect of binding the Arbitrator in an access dispute under section 6. For the purposes of public consultation, the notice shall be treated as if it were a proposed revision to the Access Arrangement submitted under section 2.28.
- 8.26 A Service Provider may levy a Surcharge on Users of Incremental Capacity provided the following principles apply:
- (a) the Surcharges are designed to recover only that part of the New Facilities Investment that satisfies the requirement in section 8.16(a);
 - (b) the costs that the Surcharges are designed to recover do not include any costs that are included in the Speculative Investment Fund; and
 - (c) the structure of the Surcharges reflect a fair and reasonable sharing of the total recoverable cost between Incremental Users (and for this purpose any User who is paying a Capital Contribution should be assumed to be paying a Surcharge).

Capital Redundancy

- 8.27 A Reference Tariff Policy may include (and the Relevant Regulator may require that it include) a mechanism that will, with effect from the commencement of the next Access Arrangement Period, remove

an amount from the Capital Base (*Redundant Capital*) for a Covered Pipeline so as to:

- (a) ensure that assets which cease to contribute in anyway to the delivery of Services are not reflected in the Capital Base; and
- (b) share costs associated with a decline in the volume of sales of Services provided by means of the Covered Pipeline between the Service Provider and Users.

Before approving a Reference Tariff which includes such a mechanism, the Relevant Regulator must take into account the uncertainty such a mechanism would cause and the effect that uncertainty would have on the Service Provider, Users and Prospective Users. If a Reference Tariff does include such a mechanism, the determination of the Rate of Return (under sections 8.30 and 8.31) and the economic life of the assets (under section 8.33) should take account of the resulting risk (and cost) to the Service Provider of a fall in the revenue received from sales of Services provided by means of the Covered Pipeline or part of the Covered Pipeline.

- 8.28 If assets that are the subject of Redundant Capital subsequently contribute, or make an enhanced contribution, to the delivery of Services, the assets may be treated as a New Facility having New Facilities Investment (for the purpose of sections 8.16, 8.17, 8.18 and 8.19) equal to the Redundant Capital Value increased annually on a compounded basis by the Rate of Return from the time the Redundant Capital Value was removed from the Capital Base.
- 8.29 A Reference Tariff Policy may include (and the Relevant Regulator may require it to include) other mechanisms that have the same effect on Reference Tariffs as the above but which do not result in the removal of any amount from the Capital Base.

Rate of Return

- 8.30 The Rate of Return used in determining a Reference Tariff should provide a return which is commensurate with prevailing conditions in the market for funds and the risk involved in delivering the Reference Service (as reflected in the terms and conditions on which the Reference Service is offered and any other risk associated with delivering the Reference Service).
- 8.31 By way of example, the Rate of Return may be set on the basis of a weighted average of the return applicable to each source of funds (equity, debt and any other relevant source of funds). Such returns may be determined on the basis of a well accepted financial model, such as the Capital Asset Pricing Model. In general, the weighted average of the return on funds should be calculated by reference to a financing structure that reflects standard industry structures for a going concern and best practice. However, other approaches may

be adopted where the Relevant Regulator is satisfied that to do so would be consistent with the objectives contained in section 8.1.

Depreciation Schedule - Cost of Service

- 8.32 The Depreciation Schedule is the set of depreciation schedules (one of which may correspond to each asset or group of assets that form part of the Covered Pipeline) that is the basis upon which the assets that form part of the Capital Base are to be depreciated for the purposes of determining a Reference Tariff (the ***Depreciation Schedule***).
- 8.33 The Depreciation Schedule should be designed:
- (a) so as to result in the Reference Tariff changing over time in a manner that is consistent with the efficient growth of the market for the Services provided by the Pipeline (and which may involve a substantial portion of the depreciation taking place in future periods, particularly where the calculation of the Reference Tariffs has assumed significant market growth and the Pipeline has been sized accordingly);
 - (b) so that each asset or group of assets that form part of the Covered Pipeline is depreciated over the economic life of that asset or group of assets;
 - (c) so that, to the maximum extent that is reasonable, the depreciation schedule for each asset or group of assets that form part of the Covered Pipeline is adjusted over the life of that asset or group of assets to reflect changes in the expected economic life of that asset or group of assets; and
 - (d) subject to section 8.27, so that an asset is depreciated only once (that is, so that the sum of the Depreciation that is attributable to any asset or group of assets over the life of those assets is equivalent to the value of that asset or group of assets at the time at which the value of that asset or group of assets was first included in the Capital Base).

Application of Depreciation Principles to the IRR/NPV Methodology

- 8.34 If the IRR or NPV methodology is used, then the notional depreciation over the Access Arrangement Period for each asset or group of assets that form part of the Covered Pipeline is:
- (a) for an asset that was in existence at the commencement of the Access Arrangement Period, the difference between the value of that asset in the Capital Base at the commencement of the Access Arrangement Period and the value of that asset that is reflected in the Residual Value; and
 - (b) for a New Facility installed during the Access Arrangement Period, the difference between the actual cost or forecast cost

of the Facility (whichever is relevant) and the value of that asset that is reflected in the Residual Value,

and, to comply with section 8.33:

- (c) the Residual Value of the Covered Pipeline should reflect notional depreciation that meets the principles of section 8.33; and
- (d) the Reference Tariff should change over the Access Arrangement Period in a manner that is consistent with the efficient growth of the market for the Services provided by the Pipeline (and which may involve a substantial portion of the depreciation taking place towards the end of the Access Arrangement Period, particularly where the calculation of the Reference Tariffs has assumed significant market growth and the Pipeline has been sized accordingly).

8.35 In implementing the principles in section 8.33 or 8.34, regard must be had to the reasonable cash flow needs for Non Capital Costs, financing cost requirements and similar needs of the Service Provider.

Non Capital Costs

8.36 Non Capital Costs are the operating, maintenance and other costs incurred in the delivery of the Reference Service.

8.37 A Reference Tariff may provide for the recovery of all Non Capital Costs (or forecast Non Capital Costs, as relevant) except for any such costs that would not be incurred by a prudent Service Provider, acting efficiently, in accordance with accepted and good industry practice, and to achieve the lowest sustainable cost of delivering the Reference Service.

Allocation of Revenue (Costs) between Services

8.38 Subject to sections 8.40 and 8.43, to the maximum extent that is commercially and technically reasonable, the portion of the Total Revenue (referred to in section 8.4) that a Reference Tariff should be designed to recover (which may be based on forecasts) should include:

- (a) all of the Total Revenue that reflects costs incurred (including capital costs) that are directly attributable to the Reference Service; and
- (b) a share of the Total Revenue that reflects costs incurred (including capital costs) that are attributable to providing the Reference Service jointly with other Services, with this share to be determined in accordance with a methodology that meets the objectives in section 8.1 and is otherwise fair and reasonable.

- 8.39 If the Relevant Regulator requires that a different methodology be used to determine the portion of Total Revenue to be recovered from particular Reference Services pursuant to section 8.38 than that proposed by the Service Provider and described in the Access Arrangement Information, the Relevant Regulator shall in its decision on the Access Arrangement or revisions to an Access Arrangement concerned provide a detailed explanation of the methodology that it requires be used to allocate costs pursuant to section 8.38.
- 8.40 Notwithstanding section 8.38, if the revenue assumed in the Total Revenue calculation under section 8.4 reflects costs (including capital costs) that are attributable to providing the Reference Service jointly with a Rebatable Service, then all or part of the Total Revenue that would have been recovered from the Rebatable Service under section 8.38 (if that Service was a Reference Service) may be recovered from the Reference Service provided that an appropriate portion of any revenue realised from sales of any such Rebatable Service is rebated to Users of the Reference Service (either through a reduction in the Reference Tariff or through a direct rebate to the relevant User or Users). The structure of such a rebate mechanism should be determined having regard to the following objectives:
- (a) providing the Service Provider with an incentive to promote the efficient use of Capacity, including through the sale of Rebatable Services; and
 - (b) Users of the Reference Service sharing in the gains from additional sales of Services, including from sales of Rebatable Services.
- 8.41 Alternative approaches to allocating the costs described in section 8.4 may be used provided they have substantially the same effect as the approach outlined in sections 8.38 and 8.40.

Allocation of Revenue (Costs) between Users

- 8.42 Subject to section 8.43, a Reference Tariff should, to the maximum extent that is technically and commercially reasonable, be designed so that a particular User's share of the portion of Total Revenue to be recovered from sales of a Reference Service (which may be on the basis of forecasts) is consistent with the principles described in section 8.38.

Prudent Discounts

- 8.43 If:
- (a) the nature of the market in which a User or Prospective User of a Reference Service or some other Service operates, or the price of alternative fuels available to such a User or Prospective User, is such that the Service, if priced at the

nearest Reference Tariff (or, if the Service is not a Reference Service, at the Equivalent Tariff) would not be used by that User or Prospective User; and

- (b) a Reference Tariff (or Equivalent Tariff) calculated without regard to revenues from that User or Prospective User would be greater than the Reference Tariff (or Equivalent Tariff) if calculated having regard to revenues received from that User or Prospective User on the basis that it is served at a price less than the Reference Tariff (or Equivalent Tariff),

then the Relevant Regulator may, with effect from the commencement of an Access Arrangement Period, permit some or all of any discount given to, or to be given to, that User or Prospective User (where the discount is the difference between the Reference Tariff (or the Equivalent Tariff) and the Tariff actually paid or to be paid by the User or Prospective User) to be either:

- (c) recovered from other Users of the Reference Service under section 8.42, in a manner that the Relevant Regulator is satisfied is fair and reasonable; or
- (d) recovered from the Reference Service or some other Service or Services under section 8.38 in a manner that the Relevant Regulator is satisfied is fair and reasonable.

Use of Incentive Mechanisms

- 8.44 The Reference Tariff Policy should, wherever the Relevant Regulator considers appropriate, contain a mechanism that permits the Service Provider to retain all, or a share of, any returns to the Service Provider from the sale of a Reference Service during an Access Arrangement Period that exceeds the level of returns expected at the beginning of the Access Arrangement Period (an ***Incentive Mechanism***), particularly where the additional returns are attributable (at least in part) to the efforts of the Service Provider. Such additional returns may result, amongst other things, from lower Non Capital Costs or greater sales of Services than forecast.
- 8.45 An Incentive Mechanism may include (but is not limited to) the following:
 - (a) specifying the Reference Tariff that will apply during each year of the Access Arrangement Period based on forecasts of all relevant variables (and which may assume that the Service Provider can achieve defined efficiency gains) regardless of the realised values for those variables;
 - (b) specifying a target for revenue from the sale of all Services provided by means of the Covered Pipeline, and specifying that a certain proportion of any revenue received in excess of that target shall be retained by the Service Provider and that the remainder must be used to reduce the Tariffs for all

Services provided by means of the Covered Pipeline (or to provide a rebate to Users of the Covered Pipeline); and

- (c) a rebate mechanism for Rebatable Services pursuant to section 8.40 that provides for less than a full rebate of revenues from the Rebatable Services to the Users of the Reference Service.

8.46 An Incentive Mechanism should be designed with a view to achieving the following objectives:

- (a) to provide the Service Provider with an incentive to increase the volume of sales of all Services, but to avoid providing an artificial incentive to favour the sale of one Service over another;
- (b) to provide the Service Provider with an incentive to minimise the overall costs attributable to providing those Services, consistent with the safe and reliable provision of such Services;
- (c) to provide the Service Provider with an incentive to develop new Services in response to the needs of the market for Services;
- (d) to provide the Service Provider with an incentive to undertake only prudent New Facilities Investment and to incur only prudent Non Capital Costs, and for this incentive to be taken into account when determining the prudence of New Facilities Investment and Non Capital Costs for the purposes of sections 8.16 and 8.37; and
- (e) to ensure that Users and Prospective Users gain from increased efficiency, innovation and volume of sales (but not necessarily in the Access Arrangement Period during which such increased efficiency, innovation or volume of sales occur).

Certain Reference Tariff Principles Not Subject to Periodic Review

8.47 The Reference Tariff Policy may provide that certain principles are fixed for a specified period and not subject to change when a Service Provider submits reviews to an Access Arrangement without the agreement of the Service Provider. A Fixed Principle is an element of the Reference Tariff Policy that can not be changed without the agreement of the Service Provider (***Fixed Principle***). The period during which the Fixed Principle may not be changed is the Fixed Period (***Fixed Period***).

8.48 A Fixed Principle may include any Structural Element, but in assessing whether any Structural Element may be a Fixed Principle regard must be had to the interests of the Service Provider and the interests of Users and Prospective Users. A Market Variable

Element can not be a Fixed Principle. The Fixed Period may be for all or part of the duration of an Access Arrangement, but in determining a Fixed Period regard must be had to the interests of the Service Provider and the interests of Users and Prospective Users.

Assessment of Compliance with Section 8

- 8.49 Subject to the requirement for public consultation, the Relevant Regulator may determine its own policies for assessing whether a Reference Tariff meets the requirements of this section 8. For example, the Relevant Regulator may:
- (a) draw an inference that an appropriate Incentive Mechanism will result in:
 - (i) New Facilities Investment that meets the requirements of section 8.16(a) and 8.16(b)(i); and/or
 - (ii) that Non Capital Costs meet the requirements of section 8.37;
 - (b) draw an inference that an appropriate policy by the Service Provider in relation to New Facilities Investment and/or Non Capital Costs will, if adhered to, result in:
 - (i) New Facilities Investment that meets the requirements of section 8.16; and/or
 - (ii) Non Capital Costs that meet the requirements of section 8.37;
 - (c) assess whether New Facilities Investment in relation to a number of New Facilities (for example, an investment program) considered together meet the requirements of section 8.16, and then use this to draw an inference as to whether the New Facilities Investment when considered in relation to each individual New Facility meets the requirements of section 8.16.

9. CODE CHANGE

- 9.1 This Code may be amended by agreement between the Relevant Ministers of the Scheme Participants in accordance with the Gas Pipelines Access Law if, not earlier than eight weeks prior to the agreement, the NGPAC has provided a report to all Relevant Ministers of the Scheme Participants in accordance with section 9.2 which:
- (a) makes a recommendation in relation to an amendment to the Code;
 - (b) sets out reasons for that recommendation; and

- (c) sets out a summary of the views of any member of the NGPAC who does not agree with the recommendation.
- 9.2 A report by the NGPAC for the purposes of section 9.1(a) must state whether the NGPAC considers the amendment it recommends to be significant or not significant. If the amendment is considered to be significant, the report must confirm that the recommendation is made following a public consultation process under which the NGPAC has:
- (a) prepared an information memorandum setting out the amendment being considered and a statement of why such amendment may be desirable;
 - (b) published a notice in a national daily newspaper which at least:
 - (i) stated that the NGPAC was considering recommending an amendment to the Code;
 - (ii) stated how copies of the information memorandum could be obtained; and
 - (iii) requested submissions by a specified date, being a date not less than 21 days after the date of the notice; and
 - (c) considered any submissions received within the time period specified in the notice.
- 9.3 In accordance with the Gas Pipelines Access Law, the Relevant Ministers of the Scheme Participants must ensure that:
- (a) a copy of each agreement amending the Code is published in the South Australian Government Gazette; and
 - (b) a notice of the making of each such agreement is published in a newspaper circulating generally in Australia.
- 9.4 In accordance with the Gas Pipelines Access Law an amendment to the Code has effect on and from the day on which a copy of the agreement for the amendment is published in the South Australian Government Gazette or, if the agreement provides the amendment is to come into effect on a later day, on that later day.

10. INTERPRETATION

How this Code applies to Multiple Service Providers

- 10.1 (a) This section 10.1 applies if there is more than one Service Provider in connection with a Covered Pipeline, including if:
- (i) the Covered Pipeline is owned or operated by two or more persons as a joint venture or partnership; or
 - (ii) the Covered Pipeline is owned and operated by different persons; or

- (iii) a Covered Pipeline is legally owned by a person or persons on trust for others.

In such a case each Service Provider in connection with the Covered Pipeline is referred to in this section 10.1 as a "Participant".

- (b) If this Code requires or permits something to be done by the Service Provider, that thing may be done by one of the Participants on behalf of all the Participants. So, for example, a proposed Access Arrangement may be submitted under section 2.2 by one Participant on behalf of all Participants.
- (c) If a provision of this Code refers to the Service Provider bearing any costs, the provision applies as if the provision referred to any of the Participants bearing any costs.
- (d) If a provision of this Code, other than section 4, refers to the Service Provider doing something, the provision applies as if the provision referred to one or more of the Participants doing the thing on behalf of all the Participants.

10.2 Where:

- (a) there is more than one Service Provider in connection with a Covered Pipeline;
- (b) one is the owner and another is the operator; and
- (c) responsibility for complying with the obligations imposed by this Code on the Service Provider is allocated among them by their Access Arrangements or their Access Arrangement,

each Service Provider is responsible for complying with the obligations allocated to it.

How this Code applies to successor Service Providers

10.3 If a person becomes a Service Provider in relation to a Covered Pipeline (for example, if the person purchases a Covered Pipeline):

- (a) the Covered Pipeline shall remain a Covered Pipeline;
- (b) any Access Arrangement approved pursuant to the Code shall continue to apply to the Covered Pipeline concerned despite the change in Service Provider and shall bind the person in the same way it bound other Service Providers immediately before the person became a Service Provider with respect to the Covered Pipeline concerned; and
- (c) any arbitration decision made pursuant to the Code shall continue to apply to the Covered Pipeline concerned despite the change in Service Provider and shall bind the person in the same way it bound other Service Providers immediately before the person became a Service Provider with respect to the Covered Pipeline concerned.

- 5.1 and 5.2 (establishing information package);
 - 5.3 (provide information package);
 - 5.4 to 5.6 (inclusive) (response to access request);
 - 5.8 (information to be provided to the market about unutilised contract capacity);
 - 5.9 (public register of capacity);
- (b) the following sections shall be Conduct Provisions:
- 3.15 (enforcement of queuing policy);
 - 4.1(f) and (g) (basic ring fencing obligations in relation to confidential information);
 - 5.7 (keeping additional information confidential);
 - 6.16, 6.24(a) and 6.26 (requiring compliance with outcome of arbitration);
 - 7.1 (Associate contracts).

Definitions

- 10.8 The following definitions apply unless the context otherwise requires:

‘Access Arrangement’ means an arrangement for access to a Covered Pipeline that has been approved by the Relevant Regulator.

‘Access Arrangement Information’ means information provided by a Service Provider to the Relevant Regulator pursuant to section 2.2, 2.3, 2.9, 2.28 or 2.30.

‘Access Arrangement Period’ means the period from when an Access Arrangement or revisions to an Access Arrangement take effect (by virtue of a decision pursuant to section 2) until the next Revisions Commencement Date.

‘Additional Staff’ means servants, consultants, independent consultants and agents of a Service Provider who are not Marketing Staff and who the Regulator regards as indirectly involved in the sale or advertising of Services.

‘Additional Revenue Policy’ has the meaning given in section 3.28(d).

‘Anticipated Incremental Revenue’ means the present value (calculated at the Rate of Return) of the reasonably anticipated future revenue from the sale of Services at the Prevailing Tariffs which would not have been generated without the Incremental Capacity, minus the present value (calculated at the Rate of Return)

of the best reasonable forecast of the increase in Non Capital Costs directly attributable to the sale of those Services.

‘**Arbitrator**’ has the meaning given the Gas Pipelines Access Law.

‘**Associate**’ has the meaning given in the Gas Pipelines Access Law.

‘**Associate Contract**’ means;

- (a) a contract, arrangement or understanding between the Service Provider and an Associate in connection with the provision of a Service; or
- (b) a contract, arrangement or understanding between the Service Provider and any person in connection with the provision of a Service which provides a direct or indirect benefit to an Associate and which is not an arm’s length transaction.

‘**Bare Transfer**’ has the meaning given in section 3.10.

‘**Capacity**’ means the measure of the potential of a Covered Pipeline as currently configured to deliver a particular Service between a Receipt Point and a Delivery Point at a point in time.

‘**Capacity Management Policy**’ has the meaning given in section 3.7.

‘**Capital Base**’ has the meaning given in section 8.4.

‘**Capital Contribution**’ has the meaning given in section 8.23.

‘**Charge**’, for a Service, means the amount that is payable by a User to the Service Provider for that Service.

‘**Code**’ means this National Third Party Access Code for Natural Gas Pipeline Systems as changed from time to time in accordance with the Gas Pipelines Access Law.

‘**Code Registrar**’ has the meaning given in the Gas Pipelines Access Law.

‘**Confidential Information**’ means information that is by its nature confidential or is known by the other party to be confidential and includes:

- (a) any information relating to the financial position of the party and in particular includes information relating to the assets or liabilities of the party and any other matter that affects or may affect the financial position or reputation of the party;
- (b) information relating to the internal management and structure of the party or the personnel, policies and strategies of the party;
- (c) information of the party to which the other party has access, other than information referred to in paragraphs (a) and (b),

that has any actual or potential commercial value to the first party or to the person or corporation which supplied that information; and

- (d) any information in the party's possession relating to the other party's clients or suppliers and like information.

'Contracted Capacity' means that part of the Capacity which has been reserved by a User or Users pursuant to a contract entered into with the Service Provider.

'Contract Carriage' is a system of managing third party access whereby:

- (a) the Service Provider normally manages its ability to provide Services primarily by requiring Users to use no more than the quantity of Service specified in a contract;
- (b) Users normally are required to enter into a contract that specifies a quantity of Service;
- (c) charges for use of a Service normally are based at least in part upon the quantity of Service specified in a contract; and
- (d) a User normally has the right to trade its right to obtain a Service to another User.

'Core Provisions' means sections 2.24, 3.1 to 3.4 (inclusive), 3.28, 3.33, 3.34, 4.1 to 4.4 (inclusive), 6.15, 6.18, 8.1 and 9.1 to 9.4 (inclusive) and this definition of Core Provisions.

'Coverage/Covered' means, in relation to a Pipeline or part of a Pipeline, that that Pipeline or part of a Pipeline is subject to the provisions of this Code pursuant to sections 1.1, 1.13, 1.20 or 1.21.

'Covered Pipeline' means, subject to sections 2.3 and 2.4, the whole or a particular part of a Pipeline which is Covered and any extension to, or expansion of the Capacity of, that Covered Pipeline which is to be treated as part of the Covered Pipeline in accordance with the Extensions/Expansions Policy contained in the Access Arrangement for that Covered Pipeline and any expansion of that Covered Pipeline required to be installed under section 6.22.

'Delivery Point' means the point or points within the Covered Pipeline at which the custody of Natural Gas is transferred from a Service Provider to a User.

'Depreciation' means, in any year and on any asset or group of assets, the amount calculated according to the Depreciation Schedule for that year and for that asset or group of assets.

'Depreciation Schedule' has the meaning given in section 8.32.

'Developable Capacity' means the difference between the Capacity and the Capacity which would be available if additions of plant

and/or pipeline were made, but does not include any extension of the geographic range of a Covered Pipeline.

'Equivalent Tariff' means, in relation to a Service that is not a Reference Service, the Tariff that it is reasonably likely would have been set as the Reference Tariff had the Service been a Reference Service.

'Exclusivity Right' means a contractual right that by its terms either:

- (a) expressly prevents a Service Provider supplying Services to persons who are not parties to the contract; or
- (b) expressly places a limitation on the Service Provider's ability to supply Services to persons who are not parties to the contract,

but does not include a User's contractual right to obtain a certain volume of Services.

'Final Approval Request' has the meaning given in section 3.29.

'Fixed Period' has the meaning given in section 8.47.

'Fixed Principle' has the meaning given in section 8.47.

'Gas Pipelines Access Law', in relation to a Scheme Participant, means:

- (a) in the case of South Australia:
 - (i) the provisions referred to in paragraph (a) of the definition of "Gas Pipelines Access Law" in section 3(1) of the Gas Pipelines Access (South Australia) Act 1997 of South Australia, as applying as a law of South Australia; and
 - (ii) Regulations in force under Part 3 of that Act; and
- (b) in the case of Western Australia:
 - (i) the provisions of an Act of Western Australia corresponding to the provisions of the South Australian Act that are referred to in paragraph (a)(i); and
 - (ii) Regulations in force under the Western Australian Act that make provisions corresponding to the provisions of Regulation under Part 3 of the South Australian Act; and
- (c) in the case of any other Scheme Participant:
 - (i) the provisions referred to in paragraph (a) of the definition of "Gas Pipelines Access Law" in

section 3(1) of the South Australian Act, as applying as a law of that Scheme Participant; and

- (ii) Regulations in force under Part 3 of the South Australian Act, as applying as a law of that Scheme Participant.

'Incentive Mechanism' has the meaning given in section 8.44.

'Incremental Capacity' means the increase in Capacity attributable to a New Facility.

'Incremental Revenue' means revenue generated by sales of Incremental Capacity.

'Incremental User' is a User that could not have been serviced without the addition of the Incremental Capacity.

'Information Package' means the Information Package described in section 5.1.

'Jurisdictional Area' has the meaning given in the Gas Pipelines Access Law.

'Market Carriage' is a system of managing third party access whereby:

- (a) the Service Provider does not normally manage its ability to provide Services primarily by requiring Users to use no more than the quantity of Service specified in a contract;
- (b) Users are normally not required to enter a contract that specifies a quantity of Service;
- (c) charges for use of Services are normally based on actual usage of Services; and
- (d) a User normally does not have a right to trade its right to obtain a Service to another User.

'Market Variable Element' means a factor that has a value assumed in the calculation of a Reference Tariff, where the value of that factor will vary with changing market conditions during the Access Arrangement Period or in future Access Arrangement Periods, and includes the sales or forecast sales of Services, any index used to estimate the general price level, real interest rates, Non Capital Cost and any costs in the nature of capital costs.

'Marketable Parcel' means all or part of a User's Contracted Capacity which the User reasonably expects:

- (a) that the User will not utilise and does not require for technical or safety reasons;
- (b) to be of a size and type capable of being sold to another User or to a Prospective User; and

- (c) to be able to sell without incurring transaction costs which exceed the price which that User would receive from another User or Prospective User.

'Marketing Staff' means servants, consultants, independent contractors or agents directly involved in sales, sale provision or advertising (whether or not they are also involved in other functions) but does not include servants, consultants, independent contractors or agents involved only in:

- (a) strategic decision making, including the executive officer or officers to whom Marketing Staff report either directly or indirectly;
- (b) technical, administrative, accounting or service functions.

'Natural Gas' has the meaning given in the Gas Pipelines Access Law.

'NCC' means the National Competition Council established by section 29A of the Trade Practices Act, 1974 (Commonwealth).

'New Facilities Investment' has the meaning given in section 8.16.

'New Facility' means:

- (a) any extension to, or expansion of the Capacity of, a Covered Pipeline which is to be treated as part of the Covered Pipeline in accordance with the Extensions/Expansions Policy contained in the Access Arrangement for that Covered Pipeline; and
- (b) any expansion of the Capacity of a Covered Pipeline required to be installed under 6.22.

'NGPAC' means the National Gas Pipelines Advisory Committee to be established under the National Gas Agreement (which term has the meaning given in the Gas Pipelines Access Law).

'Non Capital Costs' has the meaning given in section 8.4.

'Pipeline' has the meaning given in the Gas Pipelines Access Law.

'Prevailing Tariff' for a Reference Service means the applicable Reference Tariff, and for any other Service, means the Equivalent Tariff.

'Prospective Incremental User' means a person which may become an Incremental User.

'Prospective Service Provider' means a person who seeks or may seek to become a Service Provider.

'Prospective User' means a person who seeks or who is reasonably likely to seek to enter into a contract for a Service and includes a

User who seeks or may seek to enter into a contract for an additional Service.

‘Public Register’ means the public register to be kept by the Code Registrar pursuant to section 7.10.

‘Queuing Policy’ has the meaning given in section 3.12.

‘Rate of Return’ has the meaning given in section 8.4.

‘Rebatable Service’ is a Service where:

- (a) there is substantial uncertainty regarding expected future revenue from sales of that Service due to the nature of the Service and/or the market for that Service; and
- (b) the nature of the Service and the market for that Service is substantially different to any Reference Service and the market for that Reference Service.

‘Receipt Point’ means the point or points within the Covered Pipeline at which the custody of Natural Gas is transferred from a User to a Service Provider.

‘Recoverable Portion’ has the meaning given in section 8.18.

‘Redundant Capital’ has the meaning given in section 8.27.

‘Reference Service’ means a Service which is specified in an Access Arrangement and in respect of which a Reference Tariff has been specified in that Access Arrangement.

‘Reference Tariff’ means a Tariff specified in an Access Arrangement as corresponding to a Reference Service and which has the operation that is described in sections 6.13 and 6.18.

‘Reference Tariff Policy’ has the meaning given in section 3.5.

‘Related Business’ means the business of producing, purchasing or selling Natural Gas, but does not include purchasing or selling of Natural Gas to the extent necessary:

- (a) for the safe and reliable operation of a Covered Pipeline; or
- (b) to enable a Service Provider to provide balancing services in connection with a Covered Pipeline.

‘Relevant Appeals Body’ has the meaning given in the Gas Pipelines Access Law.

‘Relevant Minister’ has the meaning given in the Gas Pipelines Access Law.

‘Relevant Regulator’ has the meaning given in the Gas Pipelines Access Law.

‘Residual Value’ has the meaning given in section 8.4.

‘Revisions Commencement Date’ has the meaning given in section 3.17.

‘Revisions Submission Date’ has the meaning given in section 3.17.

‘Scheme Participant’ has the meaning given in the Gas Pipelines Access Law.

‘Service’ means a service provided by means of a Covered Pipeline (or when used in section 1 a service provided by means of a Pipeline) including (without limitation):

- (a) haulage services (such as firm haulage, interruptible haulage, spot haulage and backhaul);
- (b) the right to interconnect with the Covered Pipeline; and
- (c) services ancillary to the provisions of such services,

but does not include the production, sale or purchasing of Natural Gas.

‘Services Policy’ has the meaning given in section 3.1.

‘Service Provider’ has the meaning given in the Gas Pipelines Access Law.

‘Spare Capacity’ means:

- (a) in relation to a Covered Pipeline described in the Access Arrangement as a Contract Carriage Pipeline:
 - (i) the difference between the Capacity and the Contracted Capacity; plus
 - (ii) the difference between the Contracted Capacity and the Contracted Capacity which is being used; and
- (b) in relation to a Covered Pipeline described in the Access Arrangement as a Market Carriage Pipeline, the capacity to provide a Service without impeding the provision of the Service to any other User.

‘Speculative Investment’ has the meaning given in section 8.19.

‘Speculative Investment Fund’ has the meaning given in section 8.19.

‘Structural Element’ means any principle or methodology that is used in the calculation of a Reference Tariff where that principle or methodology is not a Market Variable Element and has been structured for Reference Tariff making purposes over a longer period than a single Access Arrangement Period, and includes the Depreciation Schedule, the financing structure that is assumed for the purposes of section 8.30, and that part of the Rate of Return

(calculated pursuant to section 8.30) that exceeds the return that could be earned on an asset that does not bear any market risk.

‘Surcharge’ has the meaning given in sections 8.25 and which has the effect defined in section 6.19.

‘Tariff’, for a Service, means the criteria that, when applied to a User’s characteristics and requirements, determine the Charge that is payable by that User to the Service Provider (this shall not provide any limitation on the Tariff that may apply to a Service).

‘Tender Approval Request’ has the meaning given in section 3.21.

‘Total Revenue’ has the meaning given in section 8.2.

‘Trading Policy’ has the meaning given in section 3.9.

‘User’ means a person who has a current contract for a Service or an entitlement to a Service as a result of an arbitration.

- 10.9 Schedule 1 to the Gas Pipelines Access Law contains miscellaneous provisions which relate to the interpretation of the Gas Pipelines Access Law and this Code.

**ATTACHMENT A — INFORMATION DISCLOSURE BY A
SERVICE PROVIDER TO INTERESTED PARTIES**

Pursuant to Section 2.7 the following categories of information must be included in the Access Arrangement Information.

The specific items of information listed under each category are examples of the minimum disclosure requirements applicable to that category but, pursuant to Sections 2.8 and 2.9, the Relevant Regulator may:

- allow some of the information disclosed to be categorised or aggregated; and
- not require some of the specific items of information to be disclosed,

if in the Relevant Regulator's opinion it is necessary in order to ensure the disclosure of the information is not unduly harmful to the legitimate business interests of the Service Provider or a User or Prospective User.

Category 1: Information Regarding Access & Pricing Principles

Tariff determination methodology

Cost allocation approach

Incentive structures

Category 2: Information Regarding Capital Costs

Asset values for each pricing zone, service or category of asset

Information as to asset valuation methodologies - historical cost or asset valuation

Assumptions on economic life of asset for depreciation

Depreciation

Accumulated depreciation

Committed capital works and capital investment

Description of nature and justification for planned capital investment

Rates of return - on equity and on debt

Capital structure - debt/equity split assumed

Equity returns assumed - variables used in derivation

Debt costs assumed - variables used in derivation

Category 3: Information Regarding Operations & Maintenance

Fixed versus variable costs

Cost allocation between zones, services or categories of asset & between regulated/unregulated

Wages & Salaries - by pricing zone, service or category of asset

Cost of services by others including rental equipment

Gas used in operations - unaccounted for gas to be separated from compressor fuel

Materials & supply

Property taxes

Category 4: Information Regarding Overheads & Marketing Costs

Total service provider costs at corporate level

Allocation of costs between regulated/unregulated segments

Allocation of costs between particular zones, services or categories of asset

Category 5: Information Regarding System Capacity & Volume Assumptions

Description of system capabilities

Map of piping system - pipe sizes, distances and maximum delivery capability

Average daily and peak demand at "city gates" defined by volume and pressure

Total annual volume delivered - existing term and expected future volumes

Annual volume across each pricing zone, service or category of asset

System load profile by month in each pricing zone, service or category of asset

Total number of customers in each pricing zone, service or category of asset

Category 6: Information Regarding Key Performance Indicators

Industry KPIs used by the Service Provider to justify "reasonably incurred" costs

Service provider's KPIs for each pricing zone, service or category of asset

**SCHEDULE A — PIPELINES TO BE COVERED FROM
COMMENCEMENT OF THE CODE**

This schedule includes a complete list of Gas Transmission and Distribution Systems that are agreed jointly by governments as passing the coverage tests and are to be covered at the commencement of the Code.

The assets described within each box shown in this Schedule constitute a Covered Pipeline for the purposes of section 1.1.

I N D E X

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*(as appearing at
top right of pages)*

GENERAL MAP <i>(Identifies existing natural gas transmission pipelines and major centres of distribution.)</i>	
Queensland - Natural Gas Transmission Pipelines	1
Queensland - Natural Gas Distribution Systems	2
New South Wales & Australian Capital Territory - Natural Gas Transmission Pipelines	3
New South Wales & Australian Capital Territory - Natural Gas Distribution Systems	4
Victoria - Natural Gas Transmission Pipelines	5
Victoria - Natural Gas Distribution Systems	6
South Australia - Natural Gas Transmission Pipelines	7
South Australia - Natural Gas Distribution Systems	8
Western Australia - Natural Gas Transmission Pipelines	9
Western Australia - Natural Gas Distribution Systems	10
Northern Territory - Natural Gas Transmission Pipelines	11
Northern Territory - Natural Gas Distribution Systems	12

AUSTRALIAN NATURAL GAS TRANSMISSION PIPELINES

QUEENSLAND

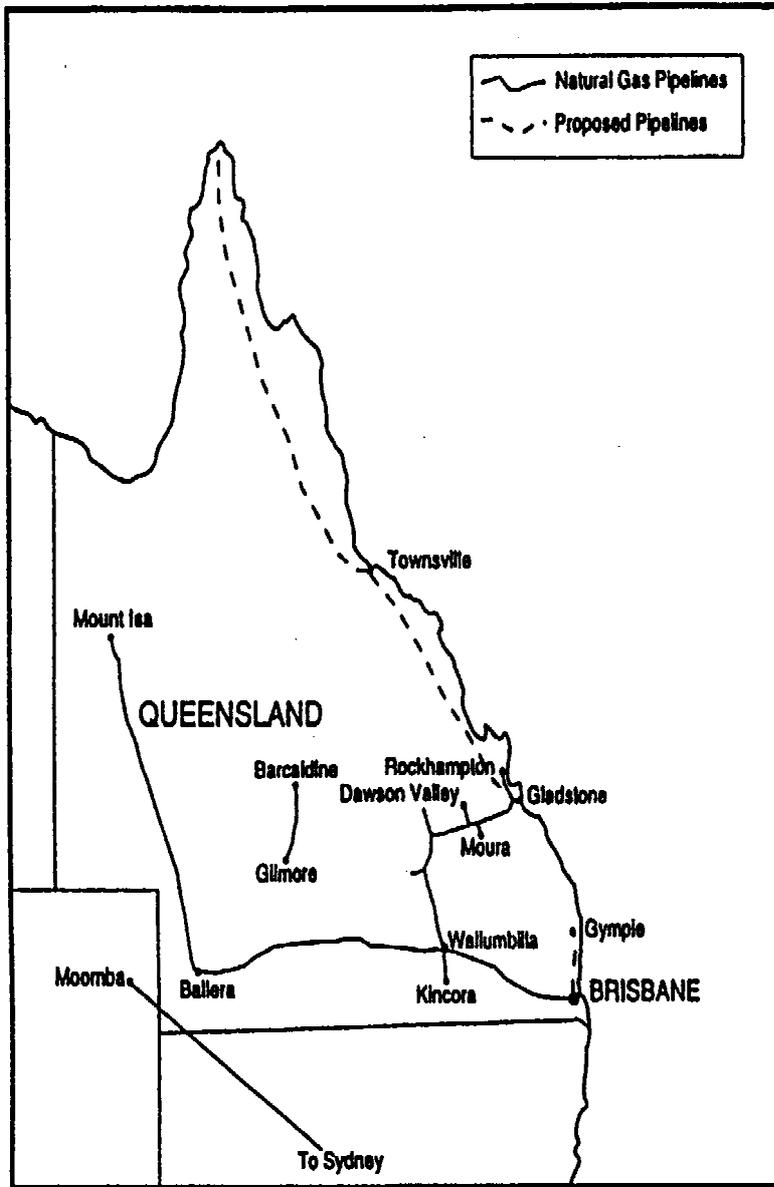
LISTS AND MAPS

Pipeline Licence	Locality/Route	Operator	Length (km)	Pipe Diameter (mm)	Regulator
Qld:PPL2	Wallumbilla to Brisbane	AGL Pipeline Ltd	434	273	ACCC
Qld:PPL3	Kincora to Wallumbilla	Oil Co of Aust Ltd	53	219.1	ACCC
Qld:PPL24	Ballera to Wallumbilla	Epic Energy Pty Ltd	750	406.4	ACCC
Qld:PPL26	Dawson Valley to PG&E Qld Gas Pipeline	Conoco Australia Pipelines Pty Ltd	47	168.3	ACCC
Qld:PPL30	Wallumbilla to Rockhampton System	PG&E Gas Transmission Australia			ACCC
	Wallumbilla to Gladstone		530.4	323.9	
	Gladstone to Rockhampton		96.7	219.1	
Qld2:ML 80032	Moura Mine to PG&E Qld Gas Pipeline	BHP Mitsui Coal P/L	23	219.1	ACCC

Qld = Pipeline Licence issued under the Petroleum Act 1923 (Qld)

Qld2 = A Mining Lease under the Mineral Resources Act 1989 (Qld)

continued...



NOTE: The Mt Isa pipeline is currently under construction

AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

QUEENSLAND

Pipeline Licence	Location/Route	Operator	Description	Regulator
	Dalby System	Dalby Town Council		QCA
	Gas Corporation of Qld System Gladstone Ipswich North Brisbane Rockhampton	Gas Corporation of Qld		QCA
	Allgas Energy System Gold Coast Oakey South Brisbane Toowoomba	Allgas Energy		QCA
	Roma System	Roma Town Council		QCA

AUSTRALIAN NATURAL GAS TRANSMISSION PIPELINES

Schedule A
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LISTS AND MAPS

NEW SOUTH WALES & THE AUSTRALIAN CAPITAL TERRITORY

Pipeline Licence	Location/Route	Operator	Length (km)	Pipe Diameter (mm)	Regulator
SA:PL7	Moomba to Sydney Pipeline System Moomba to Queensland border	East Australian Pipeline Ltd	111 (incl.10km loop at Moomba)	864 660	ACCC
Qld:PPL21	SA border to NSW border		56.2	864	
NSW:16	Qld/NSW border to Wilton		1,142	864	
NSW:19	Young to Wagga Wagga		131	324/89	
NSW:19	Cootamundra Spur		2.7	89	
NSW:20	June to Griffith/Leeton		180	168/114	
NSW:17	Young to Lithgow		212	168	
NSW:18	Oberon Spur		31	168	
NSW:22	Orange Spur		24	114	
NSW:17	Bathurst Spur		2	114	
NSW:21	Dalton to ACT border		52	273	
	ACT/NSW border to North Watson		6	273	
	Wilton to Newcastle	AGL Gas Networks Limited			IPART*
NSW:1	Wilton to Horsley Park		51	864	
NSW:3	Horsley Park to Plumpton		9.6	508	
NSW:7	Plumpton to Killingworth		141	508	
NSW:8	Killingworth to Walsh Point		32.9	508/355	
NSW:2	Wilton to Wollongong	AGL Gas Networks Limited	33	508	IPART*
NSW:25	Marsden to Dubbo	AGL Pipelines (NSW) Pty Ltd	251	168	ACCC

SA = Pipeline Licence issued under the Petroleum Act 1940 (SA)

Qld = Pipeline Licence issued under the Petroleum Act 1923 (Qld)

NSW = Pipeline Licence issued under the Petroleum Act 1967 (NSW)

* NSW has sought derogation for these pipelines to be deemed to be distribution pipelines for the purposes of the Gas Pipeline Access Law and the Access Code until 1 July 2002, unless Regulations provide otherwise.

continued...



AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

NEW SOUTH WALES & THE AUSTRALIAN CAPITAL TERRITORY

Pipeline Licence	Location/Route	Operator	Description	Regulator
	AGL NSW Distribution	AGL Gas Networks Limited		IPART
	Ashfield			
	Auburn			
	Bankstown			
	Bathurst		MP/LP	
	Baulkham Hills			
	Blacktown			
	Bland		MP	
	Blayney		MP210 kPa	
	Blue Mountains		MP300 kPa	
	Boorowa		MP210 kPa	
	Botany			
	Burwood			
	Camden			
	Campbelltown			
	Canterbury			
	Cessnock			
	Concord			
	Coolamon		MP210 kPa	
	Cootamundra		MP	
	Cowra		MP	
	Evans			
	Fairfield			
	Gosford		MP210 kPa	
	Goulburn		MP/LP	
	Greater Lithgow		MP/LP	
	Griffith		MP210 kPa	
	Hawkesbury			
	Holroyd			
	Hornsby			
	Hunters Hill			
	Hurstville			
	Junee		MP210 kPa	
	Kiama		MP300 kPa	

HP = High Pressure MP = Medium Pressure LP = Low Pressure

continued...

AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

Schedule A
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NEW SOUTH WALES & THE AUSTRALIAN CAPITAL TERRITORY
continued...

Pipeline Licence	Location/Route	Operator	Description	Regulator
	AGL NSW Distribution cont Willoughby Wingecarribee Woollahra Wollondilly Wollongong Wyang Yass Young	AGL Gas Networks Limited	MP 210 kPa MP 400 kPa MP/LP MP 210 kPa MP 210 kPa MP 210 kPa	IPART
	AGL Central West System Dubbo Forbes Narromine Parkes Weddin Wellington			
	Albury Gas Company System * Albury Corowa Hume	Albury Gas Company (Stratus)		IPART
	Great Southern Energy System Wagga Wagga	Great Southern Energy	LP	IPART
	Canberra System Canberra ** Queanbeyan * Yarrowlumla *	AGL Gas Networks	MP 210 kPa MP 210 kPa	IPART

HP = High Pressure MP = Medium Pressure LP = Low Pressure

* The AGL pipeline system is Queanbeyan and Yarrowlumla Shire and Albury Gas Company's systems in a number of Central Murray townships have been excluded from coverage under the NSW Access Regime pending the establishment of access regimes in Victoria and the Act which would allow cross-vesting/cross-border issues to be resolved.

** Cross vesting arrangement with NSW to be formalised.

AUSTRALIAN NATURAL GAS TRANSMISSION PIPELINES

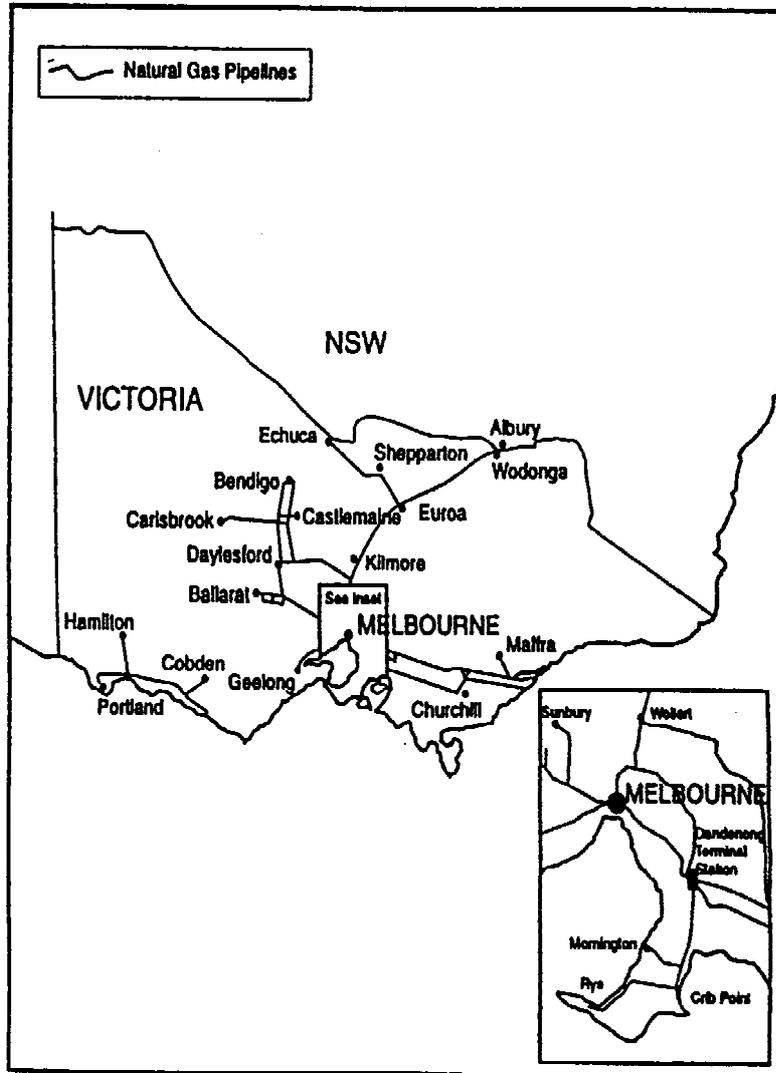
VICTORIA

LISTS AND MAPS

Pipeline Licence	T No	Location/Route	Operator	Length (km)	Pipe Diameter (mm)	Regulator
		GTC Systems	GTC			ACCC
Vic:50	T1	Rural Eastern Dandenong to Morwell to Traralgon		128.8	450, 100, 80	
Vic:107	T32	Clyde North		2	100	
Vic:67	T37	Tyers Maryvale		5.6	150	
Vic:91	T44	Lardner to Warragul		4.7	100	
Vic:75	T60	Longford Dandenong		173.5	750	
Vic:117 & Vic:120	T60	Longford to Rosedale to Tyers		65.1	750	
Vic:121	T63	Tyers to Morwell		15.7	500	
Vic:135	T60	Bunyip Pakenham		19	750	
Vic:141	T61	Pakenham to Wollert		91	750	
Vic:Pt101	T74, T59	Rural Central Northern Wollert to Wodonga/Euroa, Shepparton		326.37	300, 200	
Vic:Pt132	T71	Shepparton to Tatura		16	200	
Vic:136	T71	Tatura to Kyabram		22	200	
Vic:152	T85	Kyabram to Echuca		30.5	150	
	T85	Chiltern to Rutherglen		14.3	200	
	T98	Rutherglen to Koonoomoo		88.1	200	
Vic:Pt78	T56, T57 T70	Rural Central Brookland, Ballan, Ballarat, Bendigo		196.8	200, 150	
Vic:125	T67	Guildford to Maryborough		33	150	
Vic:128	T66	Mt Franklin to Kyneton		24	300	
Vic:131	T70	Mt Franklin to Bendigo		53	300	
Vic:134	T57	Ballan to Ballarat		23	300	
Vic:143	T75	Wandong to Kyneton		59	300	
Vic:145	T81	Rural Western Paaratte to Allansford		34	150	
Vic:155	T86	Allansford to Portland		115	150	
Vic:168	T91	Curdie Vale to Cobden		27.7	150	
Vic:171	T93	Codrington to Hamilton		54.5	150	

Vic = Pipeline Licence issued under the Pipelines Act 1967 (Vic)

continued...



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AUSTRALIAN NATURAL GAS TRANSMISSION PIPELINES

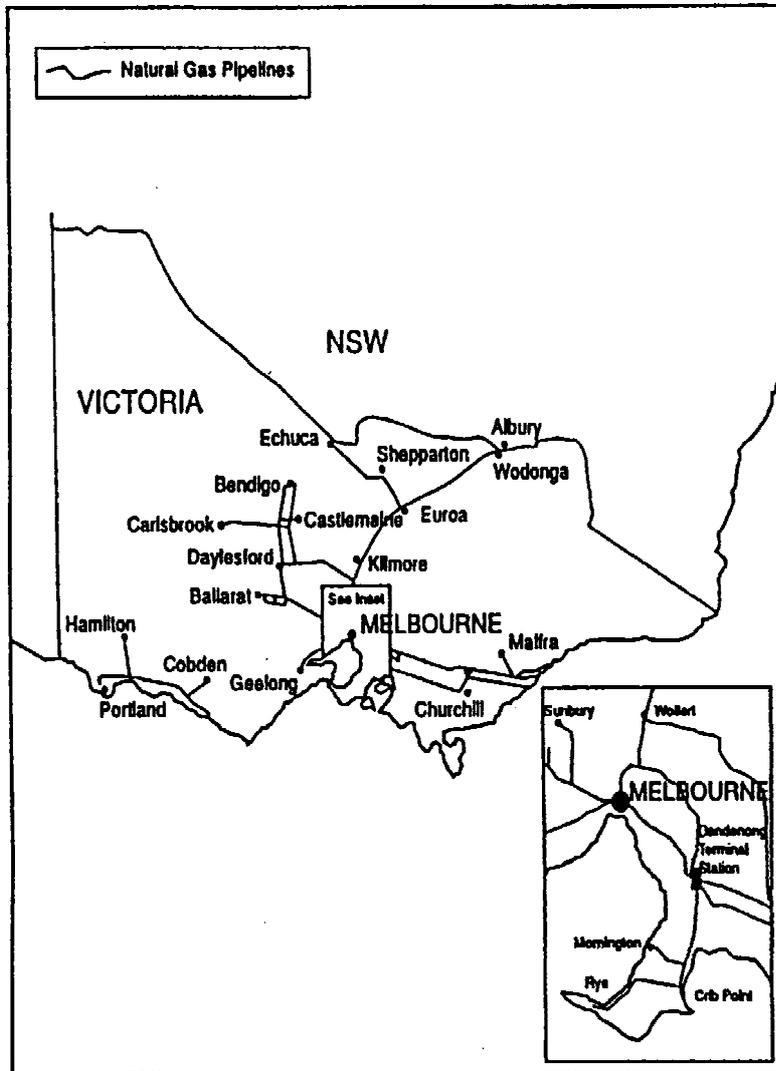
VICTORIA continued...

LISTS AND MAPS

Pipeline Licence	T No	Location/Route	Operator	Length (km)	Pipe Diameter (mm)	Regulator
		GTC Systems contd..	GTC			ACCC
Vic:Pt101	T74	Northern Metropolitan Keon Park to Wollert		13.58	600	
Vic:36	T16	South Eastern Metropolitan Dandenong to West Melbourne		35.6	750, 200	
Vic:129	T65	Dandenong to Princes Highway		5	750, 500	
Vic:108	T33	Western Metropolitan South Melbourne to Brookland		12.1	750	
Vic:122	T62	Derrimut to Sunbury		24	150	
Vic:164	T89	Port Melbourne Boundary Road		0.44	150	
Vic:162	T88	Laverton North to BHPP Geelong		1.6	150	
Vic:81	T24	Brookland Corio		53.4	350, 400	

Vic = Pipeline Licence issued under the Pipelines Act 1967 (Vic)

continued...



AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

VICTORIA

Pipeline Licence	T No	Location/Route	Operator	Description	Regulator
		Stratus Networks Systems *	Stratus Networks		ORG
Vic:11	T13	Mornington Peninsula BP (Crib Point) to Dandenong			
Vic:61	T51	Hastings Long Island PT (Esso)			
Vic:62	T34	Tyabb Mornington			
Vic:115	T49	Hastings (Lysaght)			
Vic:137	T72	Bittern to Dromana			
Vic:139	T69	Pearcedale to Frankston			
Vic:167	T90	Dromana to Rye			
Vic:Pt49	T14	South Eastern Metropolitan Dandenong to Frankston			
Vic:66	T36	Northern Metropolitan North Melbourne to Fairfield (CSL) Parkville			
Vic:Pt.40	T18	Dandenong to West Melbourne (Ring Main)			
Vic:103	T28	Rural Central Shepparton New Dookie Road			
Vic:43 & Vic:44	T27	Rural Eastern Longford, Sale, Maffra			
Vic:50	T82	BCLV Supply			
Vic:Pt101	T73	Wodonga Murray River			

Vic = Pipeline Licence issued under the Pipelines Act 1967 (Vic)

* Includes those distribution pipelines owned by the Operator downstream of the points listed as at 1 December 1997

continued...

AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

Schedule A
Page 6(ii)

VICTORIA

Pipeline Licence	T No	Location/Route	Operator	Description	Regulator
Vic:Pt102	T31	Stratus Networks Systems * contd... Wodonga West to Wodonga Melbourne (northern & south-eastern suburbs) Benalla Broadford Churchill Clyde Darnum Drouin Echuca Euroa Girgarre Hastings Healesville Kyabram Longwarry Loy Yang Power Stn Maffra Merrigum Moe Morwell Officer Pakenham Puckapunyal Rochester Sale Seymour Shepparton Stanhope Tatura Tongala	Stratus Networks		ORG

Vic = Pipeline Licence issued under the Pipelines Act 1967 (Vic)

* Includes those distribution pipelines owned by the Operator downstream of the points listed as at 1 December 1997

continued...

AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

VICTORIA continued...

Pipeline Licence	T No	Location/Route	Operator	Description	Regulator
		Stratus Networks Systems * contd... Trafalgar Traralgon Tyabb Wallan Wangaratta Warragul Wodonga Yarragon	Stratus Networks		ORG
Vic:28 Vic:51 Vic:51, Vic:100 & Vic:77	T26 T40 T40	Multinet Gas Systems * Eastern Metropolitan Area Ringwood to Vermont Ringwood to Lilydale Ringwood, Croydon, Mooroolbark, Lilydale South Eastern Metropolitan Area	Multinet Gas		ORG
Vic:13 Vic:14	T2 T3	Dandenong to Highett Highett to Spencer St Bridge and Park St, South Melbourne			
Vic:Pt56 Vic:Pt36	T7 T25	Murrumbeena Highett South Melbourne Cecil to Pickles St			
Vic:33	T21	Dandenong to Edithvale			
Vic:Pt56	T17	Dandenong, Queens Wharf Road, West Melbourne			

Vic = Pipeline Licence issued under the Pipelines Act 1967 (Vic)

* Includes those distribution pipelines owned by the Operator downstream of the points listed as at 1 December 1997

continued...

AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

Schedule A
Page 6(iv)

VICTORIA continued...

Pipeline Licence	T No	Location/Route	Operator	Description	Regulator
Vic:Pt49	T14	Multinet Gas Systems * contd Dandenong to Frankston	Multinet Gas		ORG
Vic:Pt56	T6	Dandenong Clow and Hutton Streets			
Vic:47	T29	Dandenong Aust Fibre Glass to GMH			
Vic:85	T48	Bangholme to MMBW			
Vic:142	T76	Rowville to Ferntree Gully			
Vic:Pt40	T18	Dandenong to West Melbourne (Ring Main) Melbourne (eastern suburbs)			
Vic:15	T4	Westar Energy Systems * Western Metropolitan PRA Altona to West Melbourne	Westar Energy		ORG
Vic:16	T9	Altona to Derrimut			
Vic:17	T10	Derrimut to West Melbourne			
Vic:79	T11	Altona Carbon Black			
Vic:Pt40	T18	Dandenong to West Melbourne (Ring Main)			
Vic:54	T30	Campbellfield to Coburg			
Vic:82	T42	Forest St, Sunshine			
Vic:Pt84	T43	Francis St, Yarraville			
Vic:18	T53	Footscray to Sunshine			
Vic:19 & Vic:Pt84	T43 & T52	West Footscray to Williamstown			

Vic = Pipeline Licence issued under the Pipelines Act 1967 (Vic)

* Includes those distribution pipelines owned by the Operator downstream of the points listed as at 1 December 1997

continued...

AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

VICTORIA continued...

Pipeline Licence	T No	Location/Route	Operator	Description	Regulator
		Westar Energy Systems * contd...	Westar Energy		ORG
Vic:64	T35	Campbellfield to Craigieburn			
Vic:113	T54	Brookland Altona			
Vic:18	T78	Footscray, Kinnear Street			
Vic:76	T79	Maidstone to Braybrook			
Vic:57	T19 & T22	Geelong Ballarat			
Vic:80 & Vic:99	T23	Corio - Malop Street, Belmont, Pt Henry			
Vic:97	T46	North Geelong to Fyansford to Waurn Ponds			
Vic:Pt78	T39	Corio Shell			
Vic:90	T47	Ballarat CG to Dana Street			
Vic:Pt78	T41	Exford to Melton			
Vic:Pt155	T87	Bendigo CG to Able Street			
		Rural Western Portland to PSS			
		Melbourne (western suburbs)			
		Bacchus Marsh			
		Ballan			
		Ballarat			
		Bendigo			
		Castlemaine			
		Daylesford			
		Diggers Rest			
		Geelong & Avalon Airport			
		Kyneton			
		Lara			

Vic = Pipeline Licence issued under the Pipelines Act 1967 (Vic)

* Includes those distribution pipelines owned by the Operator downstream of the points listed as at 1 December 1997

continued...

AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

Schedule A
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VICTORIA continued...

Pipeline Licence	T No	Location/Route	Operator	Description	Regulator
		Westar Energy Systems * contd... Maryborough Melton Point Cook Portland Sunbury Wallace Warrnambool Werribee	Westar Energy		ORG

Vic = Pipeline Licence issued under the Pipelines Act 1967 (Vic)

* Includes those distribution pipelines owned by the Operator downstream of the points listed as at 1 December 1997

AUSTRALIAN NATURAL GAS TRANSMISSION PIPELINES

SOUTH AUSTRALIA

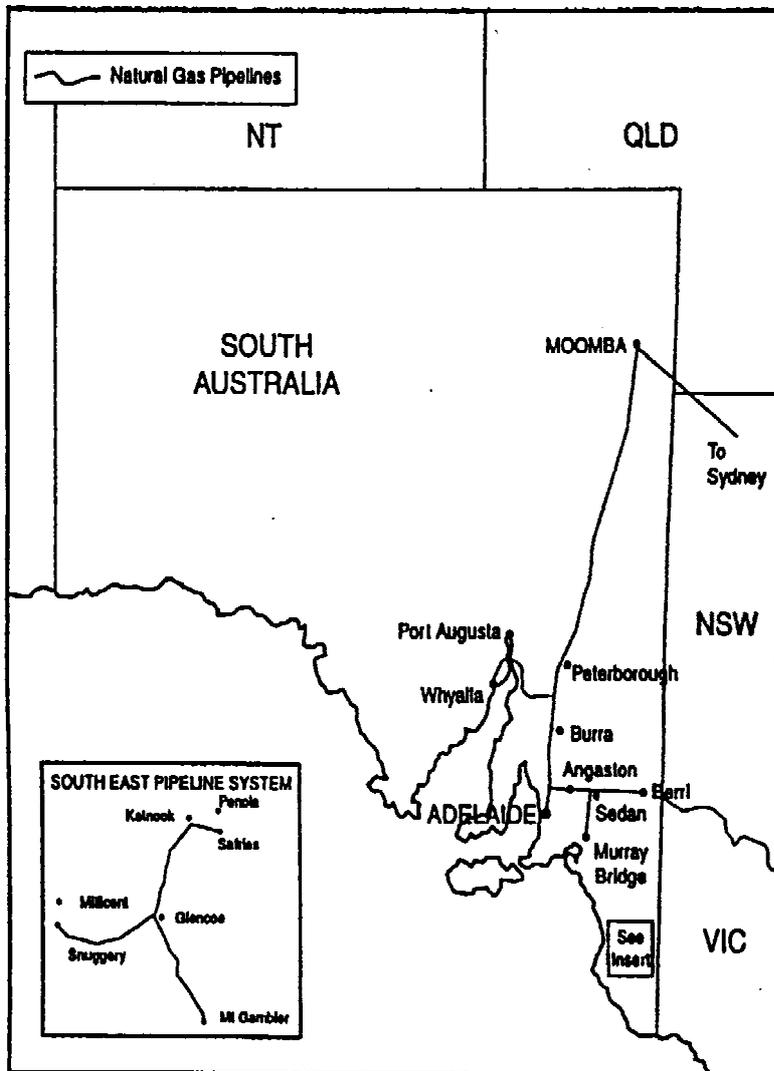
LISTS AND MAPS

Pipeline Licence	Location/Route	Operator	Length (km)	Pipe Diameter (mm)	Regulator
SA:PL1	Moomba to Adelaide Pipeline System	Epic Energy Pty Ltd	781	559	ACCC
	Moomba to Adelaide Pipeline				
	Angaston Lateral				
	Taperoo Lateral				
	Dry-Creek Lateral				
	Peterborough Lateral				
	Nuriootpa Lateral				
	Burra Lateral				
	Port Pirie Lateral				
	Mintaro Lateral				
	Wasleys to Torrens Island Loop				
	Whyalla Lateral				
	Port Bonython Lateral				
	Tarac				
	Port Douglas Lateral				
Osborne Lateral					
SA:PL6	Riverland Pipeline System	Epic Energy Pty Ltd *	166	114	ACCC
	Angaston Berri Main Line				
	Sedan to Murray River				
SA:PL3 SA:PL4	South East Pipeline	Epic Energy Pty Ltd	4.5	60.3	ACCC
	Katnook to Safries				
	Katnook to Glencoe				
	Glencoe to Mt Gambier				
	Glencoe to Snuggery		19.4	168	

SA = Pipeline Licence issued under the Petroleum Act 1940 (SA)

* Owned by Envestra Ltd

continued...



AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

SOUTH AUSTRALIA

Pipeline Licence	Location/Route	Operator	Description	Regulator
	Envestra SA Distribution Systems Adelaide Reticulation Barossa Valley Berri Reticulation Peterborough Reticulation Port Pirie Reticulation Mt Gambier Reticulation Murray Bridge Whyalla Reticulation	Envestra Ltd		SA Independent Pricing and Access Regulator

AUSTRALIAN NATURAL GAS TRANSMISSION PIPELINES

Schedule A
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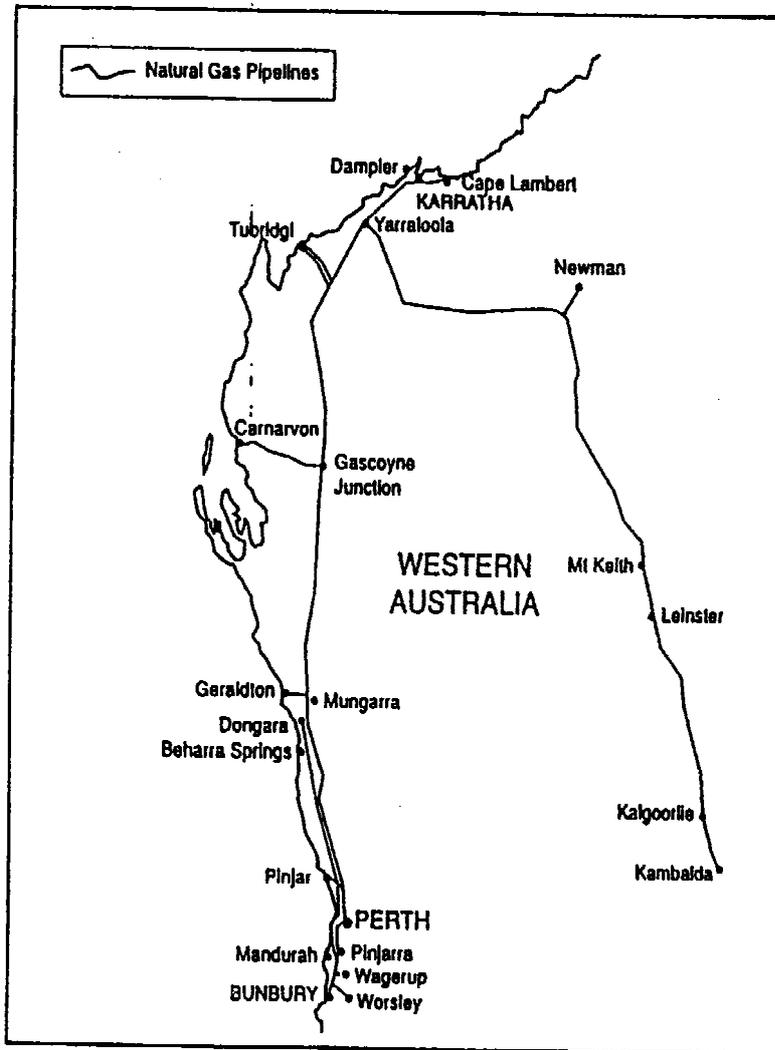
WESTERN AUSTRALIA

LISTS AND MAPS

Pipeline Licence	Location/Route	Operator	Length (km)	Pipe Diameter (mm)	Regulator
WA:PL1-3, 5 WA:PL23	CMS Pipeline	CMS Gas Transmission of Australia	445	356, 168, 114	A WA Independent Regulator
	Dongara to Pinjarra (incl. Fremantle & Rockingham Laterals)				
WA:PL8	CMS Pipeline to DBNGP (Dongara Area)		0.5	168	
WA:PL8	Karratha to Cape Lambert Pipeline	Alinta Gas	57	273	A WA Independent Regulator
WA:PL18	Beharra Springs to CMSG Pipeline	Boral Energy Developments Pty Ltd	1.6	168	A WA Independent Regulator
	Dampier to Bunbury Pipeline System	Alinta Gas			A WA Independent Regulator
na	Withnell Bay to Wagerup		1,488	660,508	
na	Wagerup to Bunbury		58	273,219,168	
na	Hammersley Lateral		0.5	219	
na	Gascoyne Junction to Carnarvon		171	168	
na	Mungarra Lateral		2.5	168	
na	Pinjar Lateral		14	355	
na	Kwinana West Lateral		6.3	508,355,219	
na	Kwinana/Russel Road		7.3	323	
na	KNC/BP Lateral		1.6	273	
na	Rockingham Lateral		5.9	323,168	
na	Alcoa Pinjarra Lateral		5.4	323	
na	Alcoa Wagerup Lateral		9.5	355	
na	Worsley Lateral		33	273	

WA = Pipeline Licence issued under the Petroleum Pipelines Act 1969 (WA)

continued...



continued...

AUSTRALIAN NATURAL GAS TRANSMISSION PIPELINES

Schedule A
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WESTERN AUSTRALIA continued...

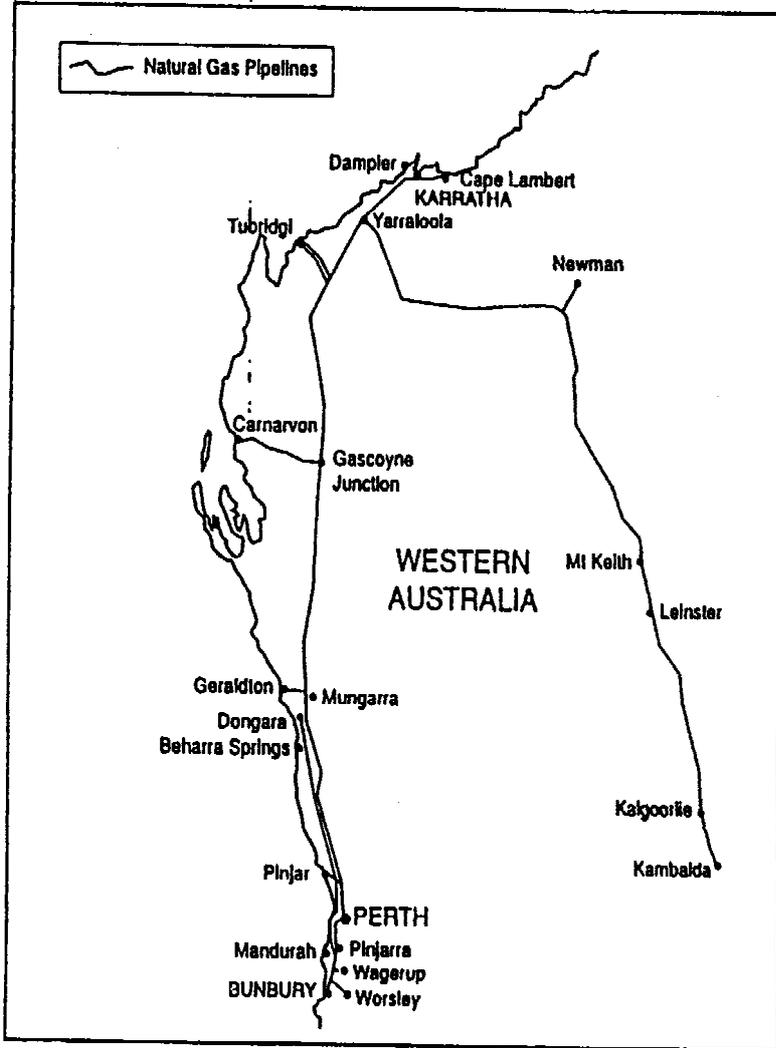
LISTS AND MAPS

Pipeline Licence	Location/Route	Operator	Length (km)	Pipe Diameter (mm)	Regulator
WA:PL16	Tubridgi Pipeline System	Sagasco SE Inc			A WA Independent Regulator
	Tubridgi to DBNGP Compressor Station No 2		87.5	168	
WA:PL19	Tubridgi to DBNGP Compressor Station No 2		87	273	
	Goldfields Gas Pipeline System	GGT *			A WA Independent Regulator
WA:PL24	Goldfields Gas Pipeline GGT Newman Lateral		1,380 47	400, 350 219	
	WMC Lateral	WMC Resources Ltd			A WA Independent Regulator
WA:PL25	GGT to Mt Keith Power Station		8.1	219	
WA:PL26	GGT to Leinster Power Station		5.2	219	
WA:PL27	Kalgoorlie to Kambalda		44.3	219	
WA:PL28	GGT to Kalgoorlie Power Station	Normandy Pipelines Pty Ltd	8.2	219	A WA Independent Regulator

WA = Pipeline Licence issued under the Petroleum Pipelines Act 1969 (WA)

* AGL has been approved to operate the pipeline on behalf of GGT

continued...



AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

Schedule A
Page 10

WESTERN AUSTRALIA

Pipeline Licence	Location/Route	Operator	Description	Regulator
	Alinta Gas Distribution Systems Geraldton (incl Geraldton Lateral) Perth (incl East Perth/Viveash Lateral) Mandurah Bunbury Busselton * (incl Main Line Valve (MLV) 157 to MLV 159 (DBNGP) and Boyanup to Capel pipeline)	Alinta Gas		A WA Independent Regulator

* Under Construction

AUSTRALIAN NATURAL GAS TRANSMISSION PIPELINES

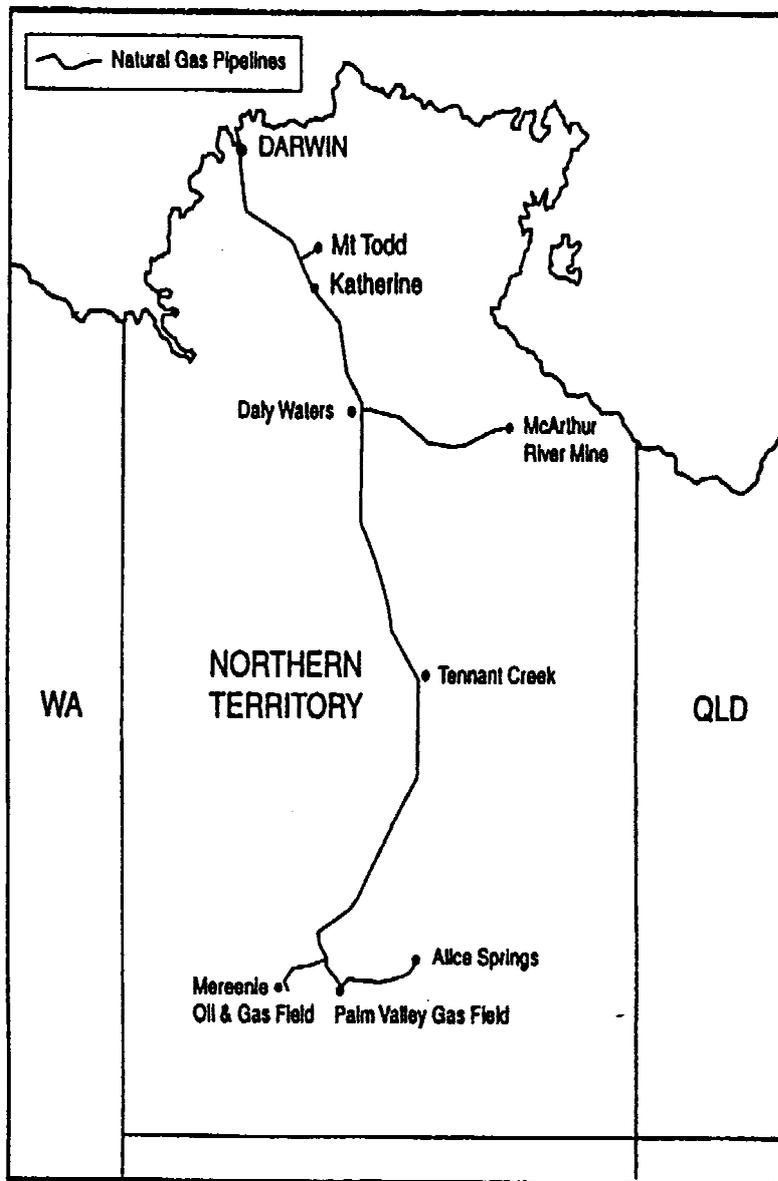
NORTHERN TERRITORY

LISTS AND MAPS

Pipeline Licence	Location/Route	Operator	Length (km)	Pipe Diameter (mm)	Regulator
	Amadeus Basin to Darwin System	NT Gas Pty Ltd			ACCC
NT:PL1	Palm Valley to Alice Springs		140	219	
NT:PL4	Amadeus Basin to Darwin		1512	356, 324	
	Mereenie to Tylers Pass		116	273	
	Tennant Creek Lateral		21.3	114	
	Katherine Lateral		6.8	114	
NT:PL18	City Gate to Berrimah		19	150	

NT = Pipeline Licence issued under the Energy Pipelines Act 1983 (NT)

continued...



AUSTRALIAN NATURAL GAS DISTRIBUTION SYSTEMS

NORTHERN TERRITORY

Pipeline Licence	Location/Route	Operator	Description	Regulator
not licenced * NT:PL5	Centre Gas Systems Alice Springs Town Reticulation P/L downstream of the first flange after the processing place Alice Springs Metering and Pressure Stations	Centre Gas Pty Ltd		ACCC

NT = Pipeline Licence issued under the Energy Pipelines Act 1983 (NT)

* Note: A pipelined declared under ss.4(2) of the Energy Pipelines Act does not require a licence.

SCHEDULE 3 — AMENDMENT OF CERTAIN ACTS

[s. 89]

Division 1 — Constitution Acts Amendment Act 1899

Schedule V amended

1. Schedule V to the *Constitution Acts Amendment Act 1899** is amended in Part 1 —

- (a) in Division 1, by inserting in the appropriate alphabetical position the following —

“
Western Australian Gas Disputes Arbitrator
appointed under section 62 of the *Gas Pipelines
Access (Western Australia) Act 1998*.
”;

and

- (b) in Division 2, by inserting in the appropriate alphabetical position the following —

“
Western Australian Independent Gas Pipelines Access
Regulator appointed under section 27 of the *Gas
Pipelines Access (Western Australia) Act 1998*.
”.

[* Reprinted as at 22 January 1997.
For subsequent amendments see 1997 Index to Legislation of
Western Australia, Table 1, p. 49 and Acts Nos. 22 and 31
of 1997 and 10 of 1998.]

Division 2 — Dampier to Bunbury Pipeline Act 1997

Subdivision 1 — Preliminary

Principal Act

2. In this Division the *Dampier to Bunbury Pipeline Act 1997** is referred to as the principal Act.

[* Act No. 53 of 1997.]

Subdivision 2 — Amendments to come into operation on commencement of section 9 of this Act

Section 46 amended

3. Section 46 of the principal Act is amended by deleting the definition of “referee”.

Section 46A inserted and transitional provision

4. (1) After section 46 of the principal Act the following section is inserted —

“

Definition of “referee”

46A. (1) In this Part —

“**referee**” means the person who for the time being holds, or is acting in, the office of the Western Australian Gas Disputes Arbitrator established by section 62 of the *Gas Pipelines Access (Western Australia) Act 1998*.

(2) The jurisdiction of the referee is to be exercised in accordance with the regulations, and nothing in subsection (1) is to be read as applying to the exercise of that jurisdiction any provision of the Gas Pipelines Access (Western Australia) Law other than —

- (a) the provisions of Division 3 of Part 6 of the *Gas Pipelines Access (Western Australia) Act 1998*; and
- (b) any relevant provision of regulations made under section 86 of that Act.

”.

(2) Any proceedings for the hearing and determination of a dispute by the referee, as defined in section 46 of the principal Act immediately before the commencement of clause 3, that have been commenced but not completed before that commencement, may be continued and determined by the referee, and any appeal may be brought and disposed of, as if clause 3 and this clause had not been enacted.

*Subdivision 3 — Amendments to come into operation
on 1 January 2000*

Commencement

5. This Subdivision comes into operation on 1 January 2000.

Long title amended

6. The long title to the principal Act is amended by deleting the following —

“

;

- **rights of access to the capacity of the system to transport gas**

”.

Part 5 repealed

7. Part 5 of the principal Act is repealed.

Schedule 1 repealed

8. Schedule 1 to the principal Act is repealed.

Transitional provisions

9. (1) Despite the repeals effected by clauses 7 and 8, the repealed access scheme continues to apply in relation to the privatized DBNGP system, as defined in section 3 of the principal Act, until an Access Arrangement is approved under the Gas Pipelines Access (Western Australia) Law in relation to that system.

(2) The Governor may make regulations —

- (a) modifying the repealed access scheme for the purposes of subclause (1); and
- (b) making such provision as is necessary or expedient for the transition from the repealed access scheme to the Gas Pipelines Access (Western Australia) Law including without limitation provision in relation to —
 - (i) matters in progress; and
 - (ii) dispute proceedings that have been begun.

(3) In this clause —

“repealed access scheme” means —

- (a) Part 5 of the principal Act repealed by clause 7;
- (b) Schedule 1 to that Act repealed by clause 8;
- (c) the *Dampier to Bunbury Pipeline Regulations 1998*; and
- (d) the *Gas Referee Regulations 1995*.

Division 3 — Energy Coordination Act 1994

Principal Act

10. In this Division the *Energy Coordination Act 1994** is referred to as the principal Act.

[* *Act No. 71 of 1994.*

For subsequent amendments see 1997 Index to Legislation of Western Australia, Table 1, p. 75.]

Section 7 repealed and a section substituted

11. Section 7 of the principal Act is repealed and the following section is substituted —

“ **Director’s functions**

7. The functions of the Director are —

- (a) those vested in the Director by or under —
 - (i) the *Electricity Act 1945*;
 - (ii) the *Gas Standards Act 1972*;
 - (iii) the *Liquid Petroleum Gas Act 1956*; and
 - (iv) any other written law;and
- (b) the provision of advice on safety and technical standards in the gas supply industry to the Western Australian Independent Gas Pipelines Access Regulator referred to in section 27 of the *Gas Pipelines Access (Western Australia) Act 1998*. ”

Division 4 — Energy Corporations (Powers) Act 1979

Section 55 amended

12. Section 55 of the *Energy Corporations (Powers) Act 1979** is amended —

- (a) by inserting after the section designation “55.” the subsection designation “(1)”; and
- (b) by inserting the following subsections —

“

(2) The power of approval conferred on the Coordinator of Energy by subsection (1)(b)(i) is subject to the transitional access arrangements.

(3) Any approval under subsection (1) has effect subject to the Gas Pipelines Access (Western Australia) Law but without limiting the transitional access arrangements.

- (4) In subsections (2) and (3) —

“the transitional access arrangements”
means sections 90 and 92 of the *Gas Pipelines Access (Western Australia) Act 1998*.

”.

[* Reprinted as at 25 May 1995.
For subsequent amendments see 1997 Index to Legislation of Western Australia, Table 1, p. 76 and Act No. 31 of 1997.]

Division 5 — Financial Administration and Audit Act 1985

Schedule 1 amended

13. Schedule 1 to the *Financial Administration and Audit Act 1985** is amended by inserting in the appropriate alphabetical positions the following —

- “ Western Australian Gas Disputes Arbitrator ”;
- “ Western Australian Independent Gas Pipelines Access Regulator ”.

[* Reprinted as at 10 January 1997.
For subsequent amendments see 1997 Index to Legislation of Western Australia, Table 1, p. 84, Act No. 22 of 1997, and Gazette 15 May 1998, p. 2801.]

Division 6 — Freedom of Information Act 1992

Glossary amended

14. The Glossary to the *Freedom of Information Act 1992** is amended by inserting before clause 8 the following clause —

“ **Documents of Regulator etc. under gas pipelines access legislation**

7A. (1) In this clause —

“**arbitrator**” has the meaning given by section 61 of the *Gas Pipelines Access (Western Australia) Act 1998* and includes any other arbitrator appointed under section 16 of Schedule 1 to that Act;

“**Board**” and “**Regulator**” have the meanings given by sections 49 and 26 respectively of the *Gas Pipelines Access (Western Australia) Act 1998*.

(2) A document —

- (a) that is in the possession or under the control of the Regulator, the Board or an arbitrator; or
- (b) to which the Regulator, the Board or an arbitrator is entitled to access,

is not to be regarded as a document of the Regulator, the Board or an arbitrator unless it relates to a matter of an administrative nature concerning the Regulator, the Board or an arbitrator.

[* *Reprinted as at 8 July 1997.*
For subsequent amendments see 1997 Index to Legislation of Western Australia, Table 1, p. 90.]

Division 7 — Gas Corporation Act 1994

Subdivision 1 — Preliminary

Principal Act

15. In this Division the *Gas Corporation Act 1994** is referred to as the principal Act.

[* *Act No. 87 of 1994.*
For subsequent amendments see 1997 Index to Legislation of Western Australia, Table 1, p. 94 and Acts Nos. 53 of 1997 and 10 of 1998.]

*Subdivision 2 — Amendments to come into operation on commencement
of section 9 of this Act*

Long title amended

16. The long title to the principal Act is amended by deleting “**transmission and distribution systems**” and substituting the following —

“ **distribution system** ”.

Section 31 amended

17. Section 31(2)(b) of the principal Act is amended by deleting “5 or”.

Section 32 amended

18. Section 32(4) of the principal Act is amended by deleting “5 or”.

Section 74 amended

19. Section 74(1)(a) of the principal Act is amended by deleting “, clause 3 or 5 of Schedule 5”.

Heading to Part 6 amended

20. The heading to Part 6 of the principal Act is amended by inserting immediately before “**ACCESS**” the following —

“ **GAS DISTRIBUTION,** ”.

Section 90 amended

21. Section 90 of the principal Act is amended —

- (a) by deleting “Schedules 5 and” and substituting the following —
“ Schedule ”; and
- (b) by deleting the definitions of “gas transmission capacity”, “gas transmission system”, “referee” and “shipper”.

Section 90A inserted and transitional provision

22. (1) After section 90 of the principal Act the following section is inserted —

“

Definition of “referee”

90A. (1) In this Part —

“**referee**” means the person who for the time being holds, or is acting in, the office of the Western Australian Gas Disputes Arbitrator established by section 62 of the *Gas Pipelines Access (Western Australia) Act 1998*.

(2) The jurisdiction of the referee is to be exercised in accordance with the regulations, and nothing in subsection (1) is to be read as applying to the exercise of that jurisdiction any provision of the Gas Pipelines Access (Western Australia) Law other than —

- (a) the provisions of Division 3 of Part 6 of the *Gas Pipelines Access (Western Australia) Act 1998*; and
- (b) any relevant provision of regulations made under section 86 of that Act.

”.

(2) Any proceedings for the hearing and determination of a dispute by the referee, as defined in section 90 of the principal Act immediately before the commencement of clause 21(b), that have been commenced but not completed before that commencement, may be continued and determined by the referee, and any appeal may be brought and disposed of, as if clause 21(b) and this clause had not been enacted.

Section 91 repealed

23. Section 91 of the principal Act is repealed.

Section 93 amended

24. Section 93(1) of the principal Act is repealed and the following subsection is substituted —

“

(1) The Minister, by order or orders published in the *Gazette*, is to prescribe the manner and timing of the progressive introduction of the corporation’s obligations under subclause (1) of clause 2 of Schedule 6, and that subclause is to have effect accordingly.

”.

Section 94 amended

25. (1) Section 94(1) of the principal Act is amended by deleting “Schedules 5 and” and substituting the following —

“ Schedule ”.

(2) Section 94(2) of the principal Act is amended —

- (a) by deleting “under clause 2 of Schedule 5 to a shipper”; and
- (b) by deleting “shipper or”.

(3) Section 94(4) of the principal Act is amended by deleting “Schedules 5 and” and substituting the following —

“ Schedule ”.

Section 95 amended

26. (1) Section 95(1) of the principal Act is amended —

- (a) by deleting paragraph (a); and
- (b) in paragraph (c), by deleting “Schedules 5 and” and substituting the following —
“ Schedule ”.

(2) Section 95(2) of the principal Act is amended by deleting “Schedules 5 and” and substituting the following —

“ Schedule ”.

(3) Section 95(3) of the principal Act is amended —

- (a) by deleting paragraphs (a), (b) and (c); and
- (b) in paragraph (i)(ia) by deleting “clause 2(4) of Schedule 5 or clause 2(4) of Schedule 6, as the case requires,” and substituting the following —
“ clause 2(4) of Schedule 6 ”.

Schedule 5 repealed

27. Schedule 5 to the principal Act is repealed.

*Subdivision 3 — Amendments to come into operation
on 1 January 2000*

Commencement

28. This Subdivision comes into operation on 1 January 2000.

Part 6 repealed and a Part substituted

29. Part 6 of the principal Act is repealed and the following Part is substituted —

“

**PART 6 — ACCOUNTING PROVISIONS FOR GAS
DISTRIBUTION SYSTEM**

Definition

90. In this Part —

“**gas distribution system**” means the gas distribution system identified in accordance with section 91.

Identification of gas distribution system

91. (1) The corporation must —

- (a) prepare a schedule identifying in detail the system or systems of gas pipelines, mains, and gas service pipes operated by the corporation, including all associated equipment, that constitutes or constitute the gas distribution system; and
- (b) provide to any person a copy of that schedule upon payment to the corporation by that person of the prescribed fee.

Accounts of the corporation's operations relating to the gas distribution system

92. The corporation must —

- (a) determine, with the approval of the Minister —
 - (i) all income, expenditure, assets and liabilities relating to the gas distribution system; and

- (ii) where necessary, any item of income, expenditure, assets or liabilities which relates only in part to the gas distribution system;
 - (b) ensure that its accounts and records are in such form as to enable —
 - (i) all income, expenditure, assets and liabilities relating to the gas distribution system to be properly recorded and distinguished from the corporation's other income, expenditure, assets and liabilities; and
 - (ii) where necessary, any item of income, expenditure, assets or liabilities which relates only in part to the gas distribution system to be appropriately apportioned to the gas distribution system;
 - (c) prepare annually from those accounts and records an audited —
 - (i) profit and loss statement which gives a true and fair view of its profit and loss relating solely to the gas distribution system for the relevant year; and
 - (ii) balance sheet which gives a true and fair view of its state of affairs relating solely to the gas distribution system at the end of the relevant year;
- and
- (d) provide to any person copies of that profit and loss statement and balance sheet, upon payment to the corporation by that person of the prescribed fee.

Enforcement

93. The obligations imposed on the corporation by this Part create duties that are enforceable by civil proceedings in a court, but a breach of any such duty does not —

- (a) give rise to an action for damages; or
- (b) constitute a breach of section 177 of *The Criminal Code*.

”.

Schedule 6 repealed

30. Schedule 6 to the principal Act is repealed.

Transitional provisions

31. (1) Despite the repeals effected by clauses 29 and 30, the repealed access scheme continues to apply in relation to the gas distribution system, as defined in the repealed section 90 of the principal Act, until an Access Arrangement is approved under the Gas Pipelines Access (Western Australia) Law in relation to that system.

(2) The Governor may make regulations —

- (a) modifying the repealed access scheme for the purposes of subclause (1); and
- (b) making such provision as is necessary or expedient for the transition from the repealed access scheme to the Gas Pipelines Access (Western Australia) Law including without limitation provision in relation to —
 - (i) matters in progress; and
 - (ii) dispute proceedings that have been begun.

(3) In this clause —

“**repealed access scheme**” means —

- (a) Part 6 of the principal Act repealed by clause 29;
- (b) Schedule 6 to that Act repealed by clause 30;
- (c) the *Gas Distribution Regulations 1996*; and
- (d) the *Gas Referee Regulations 1995*.

Division 8 — Parliamentary Commissioner Act 1971

Schedule 1 amended

32. Schedule 1 to the *Parliamentary Commissioner Act 1971** is amended by inserting in the appropriate alphabetical position the following —

“
The Western Australian Independent Gas Pipelines Access Regulator appointed under section 27 of the *Gas Pipelines Access (Western Australia) Act 1998* to the extent of the Regulator’s functions under section 36(1) of that Act.
”

[* *Reprinted as at 20 January 1997.*
For subsequent amendments see 1997 Index to Legislation of Western Australia, Table 1, p. 171 and Act No. 10 of 1998.]

Division 9 — Petroleum Pipelines Act 1969

Principal Act

33. In this Division the *Petroleum Pipelines Act 1969** is referred to as the principal Act.

[* *Reprinted as at 19 February 1992.
For subsequent amendments see 1997 Index to Legislation of
Western Australia, Table 1, p. 177 and Act No. 10 of 1998.*]

Section 5A inserted

34. Immediately before section 6 of the principal Act the following section is inserted —

“

Restriction on operation of this Part

5A. This Part has effect subject to sections 90 and 92 of the *Gas Pipelines Access (Western Australia) Act 1998*.

”

Section 21 amended

35. After section 21(6) of the principal Act the following subsection is inserted —

“

(7) This section does not apply to a Code pipeline within the meaning of the *Gas Pipelines Access (Western Australia) Law* for which there is an approved Access Arrangement under that Law.

”

Section 22 amended

36. After section 22(1) of the principal Act the following subsection is inserted —

“

(1a) Subsection (1)(c) does not apply to the licensee under a licence in respect of a Code pipeline within the meaning of the *Gas Pipelines Access (Western Australia) Law* for which there is an approved Access Arrangement under that Law.

”

LIST OF TERMS USED

[This is a list of terms defined (other than in Schedule 2 or Schedule 3) and the numbers of the pages where they are defined. It is not part of the Act.]

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