



Western Australia

## **Energy Coordination Act 1994**

Compare between:

[27 Jun 2005, 02-c0-03] and [01 Jan 2006, 02-d0-02]



## **Energy Coordination Act 1994**

**An Act to provide for —**

- **a scheme for licensing the supply of gas in certain areas of the State;**
- **the conferral of functions on the Economic Regulation Authority in respect of the licensing scheme;**
- **the facilitation of competition in the retail gas market by provision for appropriate arrangements between businesses operating in that market, a marketing code of conduct and a scheme for the resolution of certain customer disputes;**
- **other regulation of the gas supply industry;**
- **a public officer to coordinate and advise on energy policy and with functions under certain written laws relating to energy supply and in relation to the promotion of energy research; and**
- **a public officer with functions under certain written laws relating to energy safety,**

**and to confer powers, and make related provisions.**

*[Long title amended by No. 20 of 1999 s. 4; No. 53 of 2003 s. 13 and 92; No. 67 of 2003 s. 62.]*

## **Part 1 — Preliminary**

### **1. Short title**

This Act may be cited as the *Energy Coordination Act 1994*<sup>1</sup>.

### **2. Commencement**

This Act comes into operation on such day as is fixed by proclamation<sup>1</sup>.

### **3. Interpretation**

In this Act, unless the contrary intention appears —

“**Authority**” means the Economic Regulation Authority established by the *Economic Regulation Authority Act 2003*;

“**Coordinator**” means the Coordinator of Energy referred to in section 4;

“**Director**” means the Director of Energy Safety referred to in section 5;

“**distribution licence**” means a licence having the classification referred to in section 11D(1)(a);

“**distribution system**” means —

- (a) a system of pipelines, mains, and gas service pipes, designed to operate at a pressure of less than 1.9 megapascals, for the transportation of gas to customers; or
- (b) any other part of the gas distribution system (as defined in section 90 of the *Gas Corporation Act 1994* repealed by section 93 of the *Gas Corporation (Business Disposal) Act 1999*) at the time when a distribution licence is first issued for all or any part of that system (regardless of the pressure at which it is designed to operate),

and any associated apparatus, facilities, structures, plant, or equipment;

**“electricity”** includes electrical energy of any kind however produced, stored, transported or consumed;

**“energy”** means electricity, gas and thermal energy however derived;

**“gas”** means any gas or mixture of gases, whether naturally occurring or manufactured, intended for use —

- (a) as a fuel; or
- (b) in any chemical process;

**“inspector”** means a person designated as an inspector under section 12;

**“licence”** means a distribution licence or trading licence;

**“licensee”** means the holder of a licence and any transferee of the licence under section 11R;

**“small use customer”** means a customer whose consumption of gas is less than 1 terajoule per year;

**“supply”**, in relation to gas, means —

- (a) the transportation of gas through a distribution system; or
- (b) the sale of gas transported through a distribution system;

**“supply area”** means an area for the time being constituted as such under section 11A;

**“trade secret”** means any knowledge or information —

- (a) relating to technology, marketing, energy, or energy resources or reserves; or
- (b) as to the business of the person concerned, the disclosure of which by a person performing functions under this Act might reasonably be expected to adversely affect the business or interests of the person concerned;

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**“trading licence”** means a licence having the classification referred to in section 11D(1)(b).

*[Section 3 amended by No. 20 of 1999 s. 5; No. 58 of 1999 s. 47; No. 53 of 2003 s. 14, 66 and 118; No. 67 of 2003 s. 62.]*

## **Part 2 — Coordinator of Energy, and Director of Energy Safety**

### **4. Coordinator of Energy**

A Coordinator of Energy is to be appointed under Part 3 of the *Public Sector Management Act 1994*.

### **5. Director of Energy Safety**

A Director of Energy Safety is to be appointed under Part 3 of the *Public Sector Management Act 1994*.

### **6. Coordinator's functions**

The functions of the Coordinator are —

- (a) to assist the Minister in planning and coordinating the provision of energy in the State
- (b) to perform the functions vested in the Coordinator by or under this Act, the *Electricity Act 1945* or any other written law;
- (c) to advise the Minister on all aspects of energy policy, including —
  - (i) the energy needs of the State;
  - (ii) ways of using energy and sources of energy, including renewable energy;
  - (iii) the introduction and encouragement of competition in the energy industry;
  - (iv) ways of promoting and achieving open access to transmission and distribution systems;
  - (v) ways of achieving greater efficiency in the use of energy;
  - (vi) the use of energy policy to assist in achieving other policy objectives of government;
  - (vii) matters relating to the operation of relevant legislation;

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- (d) for the purposes of paragraphs (a), (b) and (c) —
  - (i) to monitor the operation of the State's energy industry and its participants; and
  - (ii) to consult with interested groups and persons;
- (e) to promote energy research and development as provided by Schedule 1;
- (f) to promote the development of commercial applications of renewable energy;
- (g) to produce and publish information and reports on energy-related matters; and
- (ga) to maintain a collection of the information and reports referred to in paragraph (g) and the information and reports produced by the Solar Institute formerly established by the *Solar Energy Research Act 1977*<sup>2</sup>;
- (h) to provide support in the resolution of disputes about energy-related matters.

*[Section 6 amended by No. 20 of 1999 s. 6; No. 58 of 1999 s. 74; No. 53 of 2003 s. 93; No. 67 of 2003 s. 62.]*

**7. Director's functions**

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*; and
  - [(iii) deleted]*
  - (iv) any other written law;and
- (b) the provision of advice on safety and technical standards in the gas supply industry to the Authority.

*[Section 7 inserted by No. 65 of 1998 s. 89; amended by No. 67 of 2003 s. 62; No. 74 of 2003 s. 10(3)(a).]*



**8. Staff**

Officers may be appointed or made available under Part 3 of the *Public Sector Management Act 1994* to enable the Coordinator and the Director to perform their functions.

**9. Delegation**

- (1) Each of the Coordinator and the Director may by instrument in writing delegate to an officer referred to in section 8 the performance of any of his or her functions including functions under a written law, but not including the power to delegate under this section.
- (2) The Coordinator's powers under subsection (1) also extend to delegation of functions to the Director.
- (3) A delegation may be general or as otherwise provided by the instrument of delegation.
- (4) A delegate remains subject to the direction and control of the delegator.
- (5) Performance of a function by a delegate is to be treated as performance by the delegator.

**10. Minister may give directions**

- (1) The Minister may give directions in writing to the Coordinator or the Director with respect to the performance of his or her functions, either generally or in relation to a particular matter, and he or she is to give effect to any such direction.
- (2) The text of any direction given under subsection (1) is to be —
  - (a) laid before each House of Parliament within 14 sitting days of that House after the direction is given; and
  - (b) included in the annual report submitted by the relevant accountable officer under section ~~62~~66 of the *Financial Administration and Audit Act 1985*.

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*[Section 10 amended by No. 20 of 1999 s. 7; No. 67 of 2003 s. ~~62~~62; No. 5 of 2005 s. 39.]*

**11. Minister to have access to information**

- (1) The Minister is entitled —
  - (a) to have information in the possession of the Coordinator or the Director; and
  - (b) where the information is in or on a document, to have, and make and retain copies of, that document.
- (2) For the purposes of subsection (1) the Minister may —
  - (a) request the Coordinator or the Director to furnish information to the Minister;
  - (b) request the Coordinator or the Director to give the Minister access to information; and
  - (c) for the purposes of paragraph (b) make use of the staff referred to in section 8 to obtain the information and furnish it to the Minister.
- (3) The Coordinator or the Director is to comply with a request under subsection (2) and make staff and facilities available to the Minister for the purposes of paragraph (c) of that subsection.
- (4) In this section —

**“document”** includes any tape, disc or other device or medium on which information is recorded or stored mechanically, photographically, electronically or otherwise;

**“information”** means information specified, or of a description specified, by the Minister that relates to the functions of the Coordinator or the Director.

## **Part 2A — Licensing of gas supply**

*[Heading inserted by No. 20 of 1999 s. 8.]*

### **Division 1A — Role of Economic Regulation Authority**

*[Heading inserted by No. 67 of 2003 s. 62.]*

#### **11AA. Functions of Authority**

The functions of the Authority under this Part are —

- (a) to administer the licensing scheme provided for in this Part;
- (b) to monitor and report to the Minister on the operation of that licensing scheme and on compliance by licensees with their licences;
- (c) to inform the Minister about any failure by a licensee to meet performance criteria or other requirements of its licence; and
- (d) the other functions conferred on the Authority by this Part.

*[Section 11AA inserted by No. 67 of 2003 s. 62.]*

### **Division 1 — Supply areas**

*[Heading inserted by No. 20 of 1999 s. 8.]*

#### **11A. Constitution of supply areas**

- (1) The Governor may by order published in the *Gazette* —
  - (a) constitute an area as a supply area;
  - (b) add an area to, or excise an area from, a supply area; or
  - (c) cancel the status of an area as a supply area.
- (2) An order is not to be made under subsection (1) excising an area from a supply area or cancelling the status of an area as a supply area unless the Governor is satisfied that the supply of gas

provided in the area in question will, after the excision or cancellation, continue to be of an acceptable standard.

- (3) Section 42 of the *Interpretation Act 1984* applies to an order under subsection (1) as if the order were a regulation.

*[Section 11A inserted by No. 20 of 1999 s. 8.]*

**11B. Areas need not be continuous**

A supply area may be one continuous area or be made up of 2 or more separate areas.

*[Section 11B inserted by No. 20 of 1999 s. 8.]*

**11C. Consultation**

Where it is proposed that an order be made under section 11A, the Minister must, before the order is made, consult with any licensee who will be materially affected by the proposed order.

*[Section 11C inserted by No. 20 of 1999 s. 8.]*

**Division 2 — Licence classification and area of operation**

*[Heading inserted by No. 20 of 1999 s. 8.]*

**11D. Classification of licences**

- (1) Licences are classified as follows —

(a) distribution, which authorises the licensee —

(i) to construct a distribution system and to transport gas through the system; or

(ii) to transport gas through an existing distribution system, and if required for that purpose to make alterations to the system,

and to operate and maintain the system; or

(b) trading, which authorises the licensee to sell to small use customers gas transported through a distribution system.

- (2) A licence is to be designated by reference to one of the classifications referred to in subsection (1).

*[Section 11D inserted by No. 20 of 1999 s. 8.]*

**11E. Area to which licence applies**

A licence is to be designated to apply to —

- (a) one or more supply areas; or
- (b) one or more parts of one or more supply areas,

specified in the licence.

*[Section 11E inserted by No. 20 of 1999 s. 8; amended by No. 74 of 2003 s. 50(2).]*

**Division 3 — Licensing requirements**

*[Heading inserted by No. 20 of 1999 s. 8.]*

**11F. Licensing extends to statutory providers**

The requirements of this Division apply to a person despite the fact that the person, in supplying gas, is performing a function that —

- (a) is authorised or provided for by or under a written law; or
- (b) has been approved under a written law.

*[Section 11F inserted by No. 20 of 1999 s. 8.]*

**11G. Requirement for licence**

- (1) A person must not in a supply area or part of a supply area —
- (a) construct, alter or operate a distribution system; or
  - (b) transport gas through a distribution system,

except under the authority of a distribution licence granted by the Authority that applies to that area or that part of that area.

Penalty: \$100 000 and a daily penalty of \$5 000.

- (2) A person must not in a supply area or part of a supply area sell to small use customers gas transported through a distribution system except under the authority of a trading licence granted by the Authority that applies to that area or that part of that area.  
Penalty: \$100 000 and a daily penalty of \$5 000.

*[Section 11G inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*

**11H. Power to exempt**

- (1) The Governor may by order published in the *Gazette* exempt any person or class of persons from all or any of the provisions of section 11G.
- (1a) An exemption may be expressed to apply —
- (a) generally; or
  - (b) only in respect of a specified supply area or a specified part of a supply area.
- (1b) An order under subsection (1) may provide for circumstances in which, and conditions subject to which, an exemption is to apply.
- (1c) An exemption is of no effect at any time when a condition to which it is subject is not being observed.
- (2) The Governor must not make an order under subsection (1) unless he or she is satisfied that it would not be contrary to the public interest to do so.
- (3) The Governor, in determining whether the making of the order would not be contrary to the public interest, may take into account one or more of the following matters —
- (a) environmental considerations;
  - (b) social welfare and equity considerations, including community service obligations;

- (c) economic and regional development, including employment and investment growth;
  - (d) the interests of gas customers generally or of a class of gas customers;
  - (e) the interests of any licensee, or applicant for a licence, in respect of the supply area or part of a supply area to which the order, if made, would apply;
  - (f) the importance of competition in gas industry markets;
  - (fa) the policy objectives of government in relation to the supply of gas;
  - (g) any other matter that he or she considers relevant.
- (4) Section 43(4) and (7) to (9) of the *Interpretation Act 1984* apply to an order under subsection (1) as if the order were subsidiary legislation.

*[Section 11I inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 4; No. 67 of 2003 s. 62.]*

#### **11I. Transitional provision**

- (1) This section applies to every person (an “**existing operator**”) that immediately before the commencement of an order under section 11A is undertaking any activity that, after that commencement, is required to be licensed under section 11G.
- (2) An existing operator that wishes to apply for a licence in respect of an activity referred to in subsection (1) must do so within 4 months after the commencement of the relevant order.
- (3) An existing operator is to be treated as if the person were the holder of the relevant licence —
  - (a) until the expiry of 12 months after the commencement of the relevant order; or
  - (b) until —
    - (i) a licence of that kind is granted to the person or is refused; and

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- (ii) in the case of a refusal, the time for an application under section 11ZH for review of the decision expires without an application being made or an application is made but is unsuccessful,

whichever happens first.

- (4) For the purposes of paragraph (b)(ii) of subsection (3) an application is unsuccessful if it —
  - (a) results in the refusal referred to in paragraph (b)(i) of that subsection being confirmed; or
  - (b) is withdrawn, discontinued or dismissed.

*[Section 11I inserted by No. 20 of 1999 s. 8; amended by No. 55 of 2004 s. 296.]*

**Division 4 — Licence application, grant, etc.**

*[Heading inserted by No. 20 of 1999 s. 8.]*

**11J. Restriction on operation of this Division and Division 8**

This Division and Division 8 have effect subject to sections 90 and 92 of the *Gas Pipelines Access (Western Australia) Act 1998*.

*[Section 11J inserted by No. 20 of 1999 s. 8.]*

**11K. Authority to consider public interest**

- (1) The Authority must not exercise a power conferred by this Division unless the Authority is satisfied that it would not be contrary to the public interest to do so.
- (2) The Authority, in determining whether the exercise of the power would not be contrary to the public interest, may take into account one or more of the matters referred to in section 11H(3).

*[Section 11K inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*



**11L. Application for licence**

- (1) An application for a licence is to be —
  - (a) made in a form approved by the Authority; and
  - (b) accompanied by the prescribed application fee.
- (2) Without limiting subsection (1)(a), an applicant for a licence is to inform the Authority of —
  - (a) the nature of the business activities undertaken or to be undertaken by the applicant in the gas industry in the State;
  - (b) in the case of an application for a trading licence —
    - (i) the methods or principles that the applicant proposes to apply in determining its prices or charges; and
    - [(ii) deleted]*
  - (c) the methods or standards that the applicant proposes to apply in supplying gas; and
  - (d) in the case of an application for a distribution licence, the nature and extent of the construction, alteration, operation or maintenance of a distribution system undertaken or to be undertaken for the transportation of gas.
- (3) The applicant must also provide such other information (including information as to surveys carried out) as the Authority may require for the proper consideration of the application.

*[Section 11L inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 27; No. 67 of 2003 s. 62.]*

**11M. Terms and conditions of licence**

- (1) A licence is subject to such terms and conditions as are determined by the Authority.

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(2) Without limiting subsection (1), the terms and conditions may include provisions relating to any matter provided for by Schedule 1A.

*[(3) repealed]*

(4) The terms and conditions of licences that —

- (a) have the same classification under section 11D(1); and
- (b) apply in the same supply area or part of a supply area,

must be substantially similar, except to the extent that the Authority considers that —

- (c) it is not practicable to make them substantially similar; or
- (d) a difference is necessary to reflect particular supply circumstances.

(5) The terms and conditions of a licence must not be inconsistent with —

- (a) the Gas Pipelines Access (Western Australia) Law; or
- (b) regulations made under section 15 of the *Gas Standards Act 1972*.

*[Section 11M inserted by No. 20 of 1999 s. 8; amended by No. 58 of 1999 s. 48; No. 53 of 2003 s. 5 and 94; No. 67 of 2003 s. 62; No. 74 of 2003 s. 50(3).]*

**11N. Authority may grant more than one licence for supply area**

(1) Subject to regulations made under section 11WM, the Authority may grant in respect of a supply area or part of a supply area more than one licence of a particular classification.

(2) In subsection (1) —

**“classification”** means a classification referred to in section 11D(1).

*[Section 11N inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 63; No. 67 of 2003 s. 62.]*

**11O. Duration of licence**

A licence may be granted or renewed for such period as the Authority thinks fit, but the period cannot exceed —

- (a) in the case of a distribution licence, 21 years from the date of its grant or renewal; or
- (b) in the case of a trading licence, 10 years from the date of its grant or renewal.

*[Section 11O inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*

**11P. Renewal of licence**

- (1) An application for the renewal of a licence is to be —
  - (a) made in a form approved by the Authority; and
  - (b) accompanied by the prescribed application fee.
- (2) An applicant must also provide such other information as the Authority may request for the proper consideration of the application.

*[Section 11P inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 6; No. 67 of 2003 s. 62.]*

**11Q. Licence fee**

- (1) A licensee must pay to the Authority the prescribed licence fee —
  - (a) within one month from the day of grant or renewal of the licence; and
  - (b) within one month from each anniversary of that day during the term of the licence.
- (2) Regulations made under section 26 may prescribe different licence fees for each of the classifications referred to in section 11D(1).

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- (2a) Without limiting section 45A of the *Interpretation Act 1984*, the fee prescribed under subsection (1) may be determined so as to allow the recovery by the State of retail competition implementation costs.
- (2b) The operation of subsection (2a) extends to retail competition implementation costs that were incurred before the commencement of section 35 of the *Energy Legislation Amendment Act 2003*.
- (3) The Authority may recover any outstanding licence fee in a court of competent jurisdiction as a debt due by the licensee to the Crown.
- (4) In this section —
- “retail competition implementation costs”** means —
- (a) costs incurred for the purpose of developing and implementing policies intended to bring about a competitive retail gas market; and
  - (b) costs incurred for any other prescribed purpose, being a purpose ancillary to the purpose mentioned in paragraph (a).

*[Section 11Q inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 35; No. 67 of 2003 s. 62.]*

**11R. Transfer of licence**

- (1) A licence cannot be transferred except with the approval of the Authority.
- (2) Approval for the purposes of subsection (1) may be given on such terms and conditions as are determined by the Authority.
- (3) An application for approval to transfer a licence is to be —
- (a) made in a form approved by the Authority; and
  - (b) accompanied by the prescribed application fee.

- (4) An applicant must also provide such other information as the Authority may request for the proper consideration of the application.

*[Section 11R inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 7; No. 67 of 2003 s. 62.]*

**11S. Decisions as to grant, renewal or transfer**

- (1) Subject to section 11K, the Authority must grant, renew or approve the transfer of a licence if the Authority is satisfied that the applicant —

- (a) has, and is likely to retain; or
- (b) will acquire within a reasonable time after the grant, renewal or transfer, and is then likely to retain,

the financial and technical resources to undertake the activities authorised, or to be authorised, by the licence.

- (2) The Authority must take all reasonable steps to make a decision in respect of an application for —

- (a) the grant or renewal of a licence; or
- (b) approval to transfer a licence,

within 90 days after the application is made.

- (3) The duties imposed on the Authority by subsections (1) and (2) apply only if —

- (a) an application has been made in accordance with section 11L, 11P or 11R, as the case may be;
- (b) section 11WE or 11ZQG does not prohibit the grant or renewal of the licence or the approval of the transfer; and
- (c) where a requirement has been made under section 11L(3), 11P(2) or 11R(4), the relevant information has been provided to the Authority.

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*[Section 11S inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 8; No. 67 of 2003 s. 62.]*

**11T. Notice of decisions**

- (1) The Authority must ensure that notice of the grant, renewal or transfer of a licence is published in the *Gazette* as soon as is practicable after the grant, renewal or transfer.
- (2) The notice is to include —
  - (a) the date of the grant, renewal or transfer;
  - (b) the name and business address of the licensee;
  - (c) the term of the licence;
  - (d) the supply area or areas, or the part or parts of a supply area, to which the licence applies; and
  - (e) the place where a copy of the licence and any plan may be inspected under section 11U.
- (3) The Authority must ensure that written notice of a decision to refuse to grant, renew, or approve the transfer of, a licence, together with a statement of the reasons for the decision, is given to the applicant within 14 days after the decision is made.

*[Section 11T inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*

**11U. Licences to be available for inspection**

The Authority is to make available at its office for inspection by members of the public during normal office hours —

- (a) a copy of every licence, as in force from time to time; and
- (b) if any supply area or part of a supply area to which a licence applies is specified by reference to a plan, a copy of the plan.

*[Section 11U inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*

**11V. Other laws not affected**

- (1) The grant, renewal or transfer of a licence does not affect the licensee's obligations to comply with any other written law in relation to the matters covered by the licence.
- (2) Without limiting subsection (1) or sections 90 and 92 of the *Gas Pipelines Access (Western Australia) Act 1998*, a licence has effect subject to the Gas Pipelines Access (Western Australia) Law.

*[Section 11V inserted by No. 20 of 1999 s. 8.]*

**11VA. Amendment of licence on application of licensee**

- (1) A licensee may apply to the Authority at any time for amendment of the licence.
- (2) An application —
  - (a) is to be made in a form approved by the Authority; and
  - (b) is to be accompanied by the prescribed application fee.
- (3) The applicant must also provide such other information as the Authority may require for the proper consideration of the application.
- (4) The Authority may grant the application if —
  - (a) it has been made in accordance with subsection (2); and
  - (b) where a requirement has been made under subsection (3), the relevant information has been provided to the Authority.
- (5) Regulations made under section 26 may require the Authority, before it makes a decision on an application under this section, to undertake public consultation in accordance with the procedure specified in the regulations.

*[Section 11VA inserted by No. 53 of 2003 s. 9.]*

**11W. Amendment of licence**

- (1) The Authority may, on its own initiative, determine that a licence is to be amended.
- (2) A licence must specify the procedure to be followed in making such a determination, including the manner in which an amendment is to be notified to the licensee, and the determination may only be made in accordance with that procedure.
- (3) An amendment cannot take effect until it is notified to the licensee under the procedure referred to in subsection (2).
- (4) If a licence is amended under this section the Authority must ensure that notice is published in the *Gazette* indicating the nature of the amendment and the place where a copy of the licence may be inspected under section 11U.
- (5) This section applies to the substitution of a new licence for an existing licence in the same way as it applies to the amendment of a licence.

*[Section 11W inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 10; No. 67 of 2003 s. 62.]*

**11WA. Regulations about public consultation**

Regulations made under section 26 may require the Authority, before it makes a decision on any application for the grant, renewal or transfer of a licence under this Division, to undertake public consultation in accordance with the procedure specified in the regulations.

*[Section 11WA inserted by No. 67 of 2003 s. 62.]*

**Division 4A — Supply contracts for small use customers**

*[Heading inserted by No. 53 of 2003 s. 28.]*



**Subdivision 1 — Preliminary**

*[Heading inserted by No. 53 of 2003 s. 28.]*

**11WB. Definitions**

In this Division, unless the contrary intention appears —

**“customer”** means a small use customer;

**“non-standard contract”** means a contract entered into between a licensee and a customer, or a class of customers, that is not a standard form contract;

**“standard form contract”** means a contract that is approved under section 11WF.

*[Section 11WB inserted by No. 53 of 2003 s. 28.]*

**Subdivision 2 — Requirements for supply contracts**

*[Heading inserted by No. 53 of 2003 s. 28.]*

**11WC. Regulations as to supply contracts**

- (1) The regulations may provide for and in relation to —
  - (a) the terms, conditions and provisions of —
    - (i) a standard form contract; and
    - (ii) a non-standard contract,under which the holder of a trading licence supplies gas to customers;
  - (b) the right of a customer at his or her discretion to rescind a contract during a specified period after it is entered into (a **“cooling-off period”**);
  - (c) the supply of gas, and payment for gas supplied, during a cooling-off period;
  - (d) the format of, and manner of expression to be used in, a contract referred to in paragraph (a); and
  - (e) the provision of information about contracts by the holder of a trading licence to customers.

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- (2) The regulations may provide —
- (a) for and in relation to the standards of service that the holder of a trading licence is to provide to customers in connection with the supply of gas; and
  - (b) for the inclusion in contracts referred to in subsection (1)(a) of requirements that the licensee comply with any such standard.
- (3) The regulations may apply, adopt or incorporate any provision of a code or a standard that is contained in another document, and may do so —
- (a) with or without modification; or
  - (b) as the provision is in force —
    - (i) at the time when the regulations are made; or
    - (ii) from time to time.

*[Section 11WC inserted by No. 53 of 2003 s. 28.]*

**11WD. Form of contract to be submitted with application for grant, renewal or transfer**

- (1) An applicant for the grant or renewal of a trading licence must submit with the application a draft of the standard form contract under which the applicant will supply gas to customers pursuant to the licence.
- (2) Where an application is made under section 11R for the transfer of a trading licence to be approved, the proposed transferee must submit with the application a draft of the standard form contract under which the proposed transferee will supply gas to customers pursuant to the licence if the transfer is approved.

*[Section 11WD inserted by No. 53 of 2003 s. 28.]*

**11WE. Licence application not to be granted unless standard form contract approved**

Despite section 11S, the Authority is not to grant or renew, or approve a transfer of, a trading licence unless —

- (a) the applicant or the proposed transferee has submitted a draft form of contract as required by section 11WD; and
- (b) the Authority has approved the standard form contract under which the applicant or proposed transferee will supply gas to customers pursuant to the licence.

*[Section 11WE inserted by No. 53 of 2003 s. 28.]*

**11WF. Approval of standard form contract**

- (1) Subject to subsection (2), the Authority may at its discretion approve or refuse to approve a standard form contract submitted under section 11WD.
- (2) The Authority is not to give an approval if it considers that the standard form contract —
  - (a) will not meet the requirements of the regulations in respect of such contracts; or
  - (b) will be inconsistent with —
    - (i) this Act or any other written law; or
    - (ii) any term, condition or provision of the licence concerned.

*[Section 11WF inserted by No. 53 of 2003 s. 28.]*

**11WG. Licence conditions**

- (1) It is a condition of every trading licence that, subject to any exception provided for in the regulations, the licensee must not supply gas to a customer otherwise than under —
  - (a) a standard form contract in a form that has been approved under this Division; or
  - (b) a non-standard contract that complies with this Act.

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- (2) It is also a condition of every trading licence that the licensee must comply with a direction given to the licensee under section 11WI.
- (3) For the purposes of subsection (1)(b), a non-standard contract complies with this Act if it —
  - (a) meets the requirements of the regulations in respect of such contracts; and
  - (b) is not inconsistent with —
    - (i) this Act or any other written law; or
    - (ii) any term, condition or provision of the licence concerned.

*[Section 11WG inserted by No. 53 of 2003 s. 28.]*

**11WH. Amendment or replacement of standard form contract**

- (1) The holder of a trading licence may submit to the Authority for approval —
  - (a) any amendment to the standard form contract approved under this Subdivision; or
  - (b) a replacement for the standard form contract so approved.
- (2) Section 11WF applies to an amendment or a replacement submitted under subsection (1) in the same way as it applied to the standard form contract or the original standard form contract.

*[Section 11WH inserted by No. 53 of 2003 s. 28.]*

**11WI. Authority may direct that amendment be made**

- (1) This section applies if, in the opinion of the Authority, a standard form contract approved under this Subdivision —
  - (a) no longer meets the requirements of the regulations in respect of such contracts; or
  - (b) is no longer consistent with —

- (i) this Act or any other written law; or
  - (ii) any term, condition or provision of the licence concerned.
- (2) The Authority may direct the holder of the trading licence concerned —
- (a) to submit an appropriate amendment to the form of contract to the Authority for approval under section 11WH(1); and
  - (b) to do so within a specified period.
- (3) In subsection (2)(a) —
- “appropriate amendment”** means an amendment —
- (a) specified by the Authority; or
  - (b) otherwise determined by the Authority to be suitable for approval.

*[Section 11WI inserted by No. 53 of 2003 s. 28.]*

### **Subdivision 3 — Default supplier**

*[Heading inserted by No. 53 of 2003 s. 28.]*

#### **11WJ. Definitions**

In this Subdivision —

**“delivery point”** means a point on a pipeline in a distribution system at which gas is withdrawn from that system and delivered to the holder of a trading licence;

**“retail market rules”** and **“retail market scheme”** have the same meanings as they have in section 11ZOA.

*[Section 11WJ inserted by No. 53 of 2003 s. 28.]*

**11WK. Deemed contract where customer takes gas without making arrangements**

- (1) This section applies if a customer commences to take a supply of gas at premises without entering into a contract for that supply with the holder of a trading licence.
- (2) The gas is deemed to be supplied under the standard form contract of the default supplier for the delivery point in respect of those premises, as determined under the provisions mentioned in section 11WL.
- (3) The contract referred to in subsection (2) continues in force until —
  - (a) it is terminated; or
  - (b) the supply of gas to the customer at the premises by the default supplier becomes subject to a non-standard contract with that supplier.
- (4) The regulations may provide that, where this section applies, any term, condition, or provision of a standard form contract —
  - (a) does not have effect; or
  - (b) has effect as if it had been modified as provided for in the regulations.

*[Section 11WK inserted by No. 53 of 2003 s. 28.]*

**11WL. Determination of default supplier**

Retail market rules are to require —

- (a) that a default supplier be determined in accordance with the rules for each relevant delivery point;
- (b) that the default supplier so determined is to be the holder of a trading licence that supplies gas at that delivery point; and
- (c) that a register be established and maintained, in accordance with the rules, showing the name of the

default supplier for the time being determined for each delivery point.

*[Section 11WL inserted by No. 53 of 2003 s. 28.]*

### **Division 4B — Exclusive licences**

*[Heading inserted by No. 53 of 2003 s. 64.]*

#### **11WM. Regulations may authorise an exclusive licence**

- (1) The Governor may, on the recommendation of the Minister, make regulations designating —
  - (a) one or more supply areas; or
  - (b) any part of a supply area,as an area in respect of which an exclusive licence may be granted for a specified period.
- (2) The specified period (the “**period of exclusivity**”) is not to exceed 10 years.

*[Section 11WM inserted by No. 53 of 2003 s. 64.]*

#### **11WN. Requirements for regulations**

- (1) The Minister may, under section 11WM, recommend the making of regulations in respect of a distribution licence or a trading licence only if he or she considers that —
  - (a) without the grant of an exclusive licence of that kind in respect of the area during the period of exclusivity there will be no supply of gas through a distribution system, or a limited supply, in the area during that period;
  - (b) it is not contrary to the public interest that an exclusive licence of that kind have effect in respect of the area during the period of exclusivity; and
  - (c) the regulations will provide for an open and competitive tender process to be carried out to determine the person to whom the licence is to be granted.

- (2) Regulations made under section 11WM —
- (a) are to set out the requirements to be observed, in addition to the other provisions of this Part, before an exclusive licence may be granted; and
  - (b) may provide for the terms and conditions of an exclusive licence in addition to those otherwise provided for by this Part.

*[Section 11WN inserted by No. 53 of 2003 s. 64.]*

**11WO. Application for and grant of licence**

- (1) An application for an exclusive licence may only be made if the Minister has determined that he or she is satisfied that all of the requirements of the regulations to be observed before such an application may be made have been complied with.
- (2) Despite section 11S, an exclusive licence may only be granted by the Authority under that section if the Minister has determined that he or she is satisfied that all of the requirements of the regulations relevant to the grant of the licence have been observed.
- (3) A determination under subsection (1) or (2) is to be made by instrument published in the *Gazette*.

*[Section 11WO inserted by No. 53 of 2003 s. 64.]*

**11WP. Prohibition of further licences**

If —

- (a) an exclusive licence is granted in respect of an area in accordance with regulations made under section 11WM; and
- (b) the licence is not cancelled under section 11ZE or surrendered,



no other person is to be granted a licence of the same kind to have effect in respect of that area during the period of exclusivity.

*[Section 11WP inserted by No. 53 of 2003 s. 64.]*

**11WQ. Trade practices exemption**

For the purposes of the *Trade Practices Act 1974* of the Commonwealth and the Competition Code —

- (a) the grant of an exclusive licence as provided by regulations made under section 11WM; and
- (b) conduct authorised or required by or under any such licence,

are specifically authorised to the extent that the grant or conduct would otherwise contravene that Act and that Code.

*[Section 11WQ inserted by No. 53 of 2003 s. 64.]*

**Division 4C — Recovery of costs**

*[Heading inserted by No. 53 of 2003 s. 36.]*

**11WR. Regulations may authorise recovery of costs**

- (1) The regulations may make provision —
  - (a) for and in relation to the fixing of prices, fees and charges by the holder of a distribution licence to reflect costs to which this section applies; and
  - (b) authorising the holder of a distribution licence to recover those prices, fees and charges from the holders of trading licences or any class of such holders.
- (2) Regulations made under subsection (1) may apply to costs to which this section applies that were incurred before the commencement of section 36 of the *Energy Legislation Amendment Act 2003*.

- (3) This section applies to costs prescribed by the regulations, being costs of and incidental to the development, acquisition and implementation by the holder of a distribution licence of the information technology systems, including computer software, required for the facilitation of competition in the retail gas market.

*[Section 11WR inserted by No. 53 of 2003 s. 36.]*

**Division 5 — Interruption etc. of supply**

*[Heading inserted by No. 20 of 1999 s. 8.]*

**11X. Interruption etc. of supply**

- (1) A licensee may interrupt, suspend or restrict the supply of gas provided by the licensee if in the licensee's opinion it is necessary to do so because of an accident, emergency, potential danger or other unavoidable cause.
- (2) A licensee is not liable for any loss or damage that arises from any such interruption, suspension or restriction except to the extent that an agreement to which the licensee is a party provides otherwise.
- (3) A licensee must take reasonable steps to minimise the extent or duration of any such interruption, suspension or restriction.
- (4) This section is in addition to —
- (a) the provisions of section 48 of the *Energy Operators (Powers) Act 1979*<sup>3</sup> that apply to a licensee by operation of section 11ZO; and
  - (b) any contractual rights that the licensee may have to interrupt, suspend or restrict the supply of gas,

and does not limit those provisions or rights.

*[Section 11X inserted by No. 20 of 1999 s. 8.]*

**Division 6 — Duties included in licences**

*[Heading inserted by No. 20 of 1999 s. 8.]*

**11Y. Asset management system**

- (1) It is a condition of every distribution licence that the licensee is to —
- (a) provide for an asset management system in respect of the licensee's assets;
  - (b) notify details of the system and any substantial changes to it to the Authority; and
  - (c) not less than once in every period of 24 months (or such longer period as the Authority allows) calculated from the grant of the licence, provide the Authority with a report by an independent expert acceptable to the Authority as to the effectiveness of the system.
- (2) An asset management system is to set out the measures to be taken by the licensee for the proper maintenance of assets used in the supply of gas and in the operation and maintenance of, and, where relevant, the construction or alteration of, the distribution system.

*[Section 11Y inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*

**11Z. Compliance with technical standards**

It is a condition of every licence that the licensee is to comply with the standards prescribed under the *Gas Standards Act 1972* to the extent that those standards apply to the supply of gas by the licensee.

*[Section 11Z inserted by No. 20 of 1999 s. 8; amended by No. 74 of 2003 s. 10(3)(b).]*

**11ZA. Performance audit**

- (1) It is a condition of every licence that the licensee is to, not less than once in every period of 24 months (or such longer period as the Authority allows) calculated from the grant of the licence, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.
- (2) A performance audit is an audit of the effectiveness of measures taken by the licensee to meet —
  - (a) the standards referred to in section 11Z; and
  - (b) performance criteria specified in the licence.
- (3) The Authority is to present to the Minister a report on each performance audit within 2 months after its receipt of the audit.

*[Section 11ZA inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*

**Division 6A — Last resort supply arrangements**

*[Heading inserted by No. 53 of 2004 s. 37.]*

**11ZAA. Definition**

In this Division, unless the contrary intention appears —

“**last resort supply plan**” means a plan that meets the requirements of section 11ZAC;

“**supplier of last resort**” has the meaning given by section 11ZAC(1);

“**supply area**” includes a part of a supply area.

*[Section 11ZAA inserted by No. 53 of 2003 s. 37.]*

**11ZAB. Authority to ensure supply plan in place**

The Authority is to ensure that, for each supply area in which there are small use customers, there is at all times a last resort supply plan that has been approved or determined by the Authority under section 11ZAG.

*[Section 11ZAB inserted by No. 53 of 2003 s. 37.]*

**11ZAC. Requirements for last resort supply plan**

- (1) A last resort supply plan for a supply area is one that deals with the supply of gas to small use customers in the area by the holder of a trading licence (a “**supplier of last resort**”) if the plan comes into operation under section 11ZAD.
- (2) A last resort supply plan must set out the arrangements, and make the provisions, that are necessary for the supply of gas as mentioned in subsection (1).
- (3) A last resort supply plan must —
  - (a) make provision for any matter or circumstance that is prescribed; and
  - (b) otherwise comply with the regulations.
- (4) A last resort supply plan is of no effect to the extent that it is inconsistent with —
  - (a) this Act or another written law; or
  - (b) an access arrangement under the Gas Pipelines Access (Western Australia) Law.

*[Section 11ZAC inserted by No. 53 of 2003 s. 37.]*

**11ZAD. How plan brought into operation**

- (1) The Authority may, by order published in the *Gazette*, determine that a last resort supply plan for a supply area comes into operation on a day specified in the order.
- (2) An order may be made under subsection (1) only if the licence of the supplier to whose small use customers the plan applies —
  - (a) has been cancelled under section 11ZE;
  - (b) has expired and has not been renewed; or
  - (c) has been surrendered.

- (3) An order under subsection (1) in respect of a last resort supply plan is to specify the name of the supplier to whose small use customers the plan applies.

*[Section 11ZAD inserted by No. 53 of 2003 s. 37.]*

**11ZAE. Designation of licensee as supplier of last resort**

- (1) The Authority may, by notice in writing to the holder of a trading licence for a supply area —
- (a) designate the holder as the supplier of last resort for that area; or
  - (b) cancel a designation so made.
- (2) The Authority is to consult with the licensee before a notice is given under subsection (1).
- (3) A designation of a licensee cannot be expressed to have effect for more than 2 years, but on the expiry of a designation the licensee may be re-designated, whether once or more than once.

*[Section 11ZAE inserted by No. 53 of 2003 s. 37.]*

**11ZAF. Functions of supplier of last resort**

The functions of a supplier of last resort for a supply area are —

- (a) to prepare a draft last resort supply plan for that area and submit it to the Authority within 3 months after the supplier is designated or within such longer period as the Authority may allow;
- (b) to consult with the Authority with a view to obtaining approval of the draft plan; and
- (c) to carry out the arrangements and other provisions in the last resort supply plan approved or determined by the Authority under section 11ZAG, if the plan comes into operation under section 11ZAD.

*[Section 11ZAF inserted by No. 53 of 2003 s. 37.]*

**11ZAG. Approval or determination of plan**

- (1) The Authority may —
  - (a) approve a draft last resort supply plan submitted under section 11ZAF; or
  - (b) request that it be amended and approve it in an amended form.
- (2) If a plan has not been approved by the Authority within a period that it considers reasonable and notifies to the supplier concerned, the Authority may determine the contents of the last resort supply plan.

*[Section 11ZAG inserted by No. 53 of 2003 s. 37.]*

**11ZAH. Amendment of plan by supplier**

- (1) With the approval of the Authority, the supplier of last resort for a supply area may amend the last resort supply plan for that area.
- (2) The supplier of last resort must submit any proposed amendment to the Authority for approval.
- (3) If an amendment is so submitted the Authority may —
  - (a) approve it;
  - (b) request that it be changed and approve it in a changed form; or
  - (c) refuse to approve it.

*[Section 11ZAH inserted by No. 53 of 2003 s. 37.]*

**11ZAI. Authority may make amendment**

The Authority may at any time, after consultation with the supplier of last resort for a supply area, amend the last resort supply plan for that area.

*[Section 11ZAI inserted by No. 53 of 2003 s. 37.]*

**11ZAJ. Licence condition**

It is a condition of every trading licence that applies in a supply area that —

- (a) if the licensee is designated under section 11ZAE; and
- (b) so long as the designation remains in force,

the licensee will perform the functions of the supplier of last resort for that area, and in particular will carry out the arrangements and provisions in the last resort supply plan if it comes into operation under section 11ZAD.

*[Section 11ZAJ inserted by No. 53 of 2003 s. 37.]*

**11ZAK. Provision may be made by regulation**

The regulations may make provision for and in relation to —

- (a) the preparation and approval process for a last resort supply plan under sections 11ZAF and 11ZAG, and the amendment of a plan;
- (b) last resort supply arrangements under a plan, including for and in relation to —
  - (i) the commencement of arrangements;
  - (ii) notification to small use customers and other affected persons of matters relating to the arrangements, including —
    - (I) the commencement of arrangements;
    - (II) the effect of the arrangements and steps that will or may be taken; and
    - (III) rights, powers, duties and procedures that apply under the arrangements;
  - (iii) the identification of the small use customers affected by the commencement of arrangements and the provision of identifying information to the supplier of last resort;



- (iv) the transfer of small use customers to the supplier of last resort and the nature of the relationship between them;
- (v) the terms and conditions of supply of gas under the arrangements, including those relating to pricing and the imposition of charges;
- (vi) the recovery of costs by the supplier of last resort;
- (vii) the duration and cessation of any obligation to supply gas under the arrangements; and
- (viii) other rights, powers and duties of —
  - (I) the Authority;
  - (II) the supplier of last resort;
  - (III) small use customers; and
  - (IV) other persons,in connection with the carrying out of the arrangements or the operation of a last resort supply plan.

*[Section 11ZAK inserted by No. 53 of 2003 s. 37.]*

### **Division 7 — Enforcement**

*[Heading inserted by No. 20 of 1999 s. 8.]*

#### **11ZB. Failure to comply with licence**

- (1) If, in the opinion of the Authority, a licensee contravenes a licence, the Authority may cause a notice to be served on the licensee requiring the licensee to rectify the contravention within a specified period.
- (2) If, in the opinion of the Authority, a licensee fails to comply with a notice under subsection (1), the Authority may, subject to section 11ZC, do one or more of the following —
  - (a) serve a letter of reprimand on the licensee;

- (b) order the licensee to pay a monetary penalty fixed by the Authority but not exceeding \$100 000;
  - (c) cause the contravention to be rectified to the satisfaction of the Authority.
- (3) Persons authorised by the Authority may enter any premises and do all things that are necessary for the purposes of subsection (2)(c).
- (4) The Authority may recover —
  - (a) a penalty imposed under subsection (2)(b); or
  - (b) the costs and expenses of any action taken under subsection (2)(c),

in a court of competent jurisdiction as a debt due by the licensee to the Crown.

*[Section 11ZB inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*

**11ZC. Right of licensee to make submissions**

The Authority is not to take any action under section 11ZB(2)(b) or (c) unless it has notified the licensee of the proposed action and given the licensee a reasonable opportunity to make submissions on the matter.

*[Section 11ZC inserted by No. 20 of 1999 s. 8; amended by No. 67 of 2003 s. 62.]*

**11ZD. Exception where public health endangered**

If, in the opinion of the Authority, the health or safety of members of the public is or may be at risk as a result of the contravention of a licence, the Authority may cause the contravention to be rectified under section 11ZB(2)(c) without —

- (a) serving notice on the licensee under section 11ZB(1); or
- (b) complying with section 11ZC.

*[Section 11ZD inserted by No. 20 of 1999 s. 8; amended by  
No. 67 of 2003 s. 62.]*

**11ZE. Cancellation of licence**

- (1) The Governor may cancel a licence if he or she is satisfied that the licensee —
  - (a) is in default as defined in subsection (2);
  - (b) has failed to pay a licence fee as required under section 11Q;
  - (c) in the case of a company, is an externally administered corporation within the meaning of the *Corporations Act 2001* of the Commonwealth; or
  - (d) has within a period of 24 months been convicted of more than 3 offences for which the prescribed punishment is a fine of \$10 000 or more or imprisonment for 12 months or more.
  
- (2) For the purposes of subsection (1)(a) a licensee is in default if the Governor is satisfied that —
  - (a) the licensee has failed to comply with a term or condition of the licence;
  - (b) the failure is material in terms of the operation of the licence as a whole;
  - (c) the Minister has given to the licensee written notice of the failure and the fact that in the Minister's opinion paragraph (b) applies to it; and
  - (d) the licensee has not, within the time specified in the notice, either remedied the failure or shown cause why the licence should not be cancelled.
  
- (3) If a licence is cancelled under this section the Authority must ensure that notice of the cancellation is published in the *Gazette*.
  
- (4) Regulations may be made under section 26 providing, in the event of a licence being cancelled, for —

- (a) the vesting of assets, rights and interests of the former licensee in a person (including the Minister as a corporation) for the purpose of enabling gas to be supplied after the cancellation, except where a last resort supply plan under Part 2A Division 6A applies;
  - (b) the conferral of powers and duties for that purpose;
  - (c) the discharge or assignment of liabilities;
  - (d) the disposal of property; and
  - (e) all matters that are necessary or convenient for dealing with the consequences of the cancellation and the vesting referred to in paragraph (a).
- (5) If—
- (a) a distribution licence is cancelled under this section; and
  - (b) regulations of the kind referred to in subsection (4)(a) are made,

Division 9 applies, with all necessary changes, for the purpose of enabling gas to be supplied after the cancellation, as if references in that Division to a licensee were references to the person in whom the assets, rights and interests of the former licensee are vested under the regulations.

*[Section 11ZE inserted by No. 20 of 1999 s. 8; amended by No. 10 of 2001 s. 220; No. 53 of 2003 s. 38; No. 67 of 2003 s. 62.]*

**11ZF. Duty to leave system in safe condition**

- (1) Following the cancellation of a distribution licence under section 11ZE, the former licensee —
- (a) is to ensure that any distribution system constructed or operated by the former licensee under the licence is left in a safe condition; and
  - (b) is not to remove any part of such a system except with the approval of the Minister.

- (2) If, in the opinion of the Minister, a former licensee contravenes subsection (1), the Minister may cause the contravention to be rectified to the satisfaction of the Minister.
- (3) Persons authorised by the Minister may enter any land or premises and do all things that are necessary for the purposes of subsection (2).
- (4) The Minister may recover the costs and expenses of any action taken under subsection (2) in a court of competent jurisdiction as a debt due by the former licensee to the Crown.

*[Section 11ZF inserted by No. 20 of 1999 s. 8.]*

*[11ZG. Repealed by No. 67 of 2003 s. 62.]*

### **Division 8 — Review**

*[Heading inserted by No. 20 of 1999 s. 8.]*

#### **11ZH. Review of Authority's decision**

*[(1) repealed]*

- (2) A person adversely affected by a decision of the Authority —
  - (a) to refuse to grant or renew a licence;
  - (aa) to refuse to approve —
    - (i) a standard form contract under section 11WF; or
    - (ii) an amendment to or replacement for a standard form contract under section 11WH;
  - (b) to refuse to approve the transfer of a licence;
  - (ba) to refuse to amend a licence under section 11VA;
  - (c) as to the length of the period for which a licence is granted or renewed;
  - (d) as to any term or condition of a licence; or
  - (e) to amend a licence under section 11W,

may apply to the State Administrative Tribunal for a review of the decision.

- (2a) A licensee may apply to the State Administrative Tribunal for a review of a direction given to the licensee by the Authority under section 11WI.
- (3) The President is to ensure that, when dealing with an application under subsection (2) or (2a), the Tribunal is constituted by 3 persons, being —
- (a) a presiding member who may be either a judicial member or a senior member who is a qualified person; and
  - (b) 2 other Tribunal members each of whom has relevant expertise in industry, commerce or accounting.
- (4) Without limiting the *State Administrative Tribunal Act 2004*, if a Tribunal member referred to in subsection (3)(b) is unable for any reason to continue with the proceeding the Tribunal constituted of the presiding member and the other member referred to in subsection (3)(b) may, if the presiding member so determines, continue and complete the proceeding.
- (5) A person chosen to act as a sitting member of the Tribunal who has a conflict of interest in relation to an application under subsection (2) or (2a) before, or about to come before, the Tribunal must disclose the nature of the conflict to each party concerned in the proceeding.  
Penalty: \$10 000.
- (6) A person chosen to act as a sitting member of the Tribunal who has a conflict of interest in relation to an application under subsection (2) or (2a) before the Tribunal must not take part in the proceeding or exercise any powers in relation to the proceeding unless each party to the proceeding consents.  
Penalty: \$10 000.

- (7) For the purposes of this section, a person has a conflict of interest in relation to an application 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 application.
- (8) Section 144 of the *State Administrative Tribunal Act 2004* does not apply in relation to an application under subsection (2) or (2a).
- (9) Terms used in this section relating to members of the Tribunal have the meanings given to them in section 3(1) of the *State Administrative Tribunal Act 2004*.

*[(10)-(13) repealed]*

*[Section 11ZH inserted by No. 20 of 1999 s. 8; amended by No. 53 of 2003 s. 11 and 29; No. 67 of 2003 s. 62; No. 55 of 2004 s. 297.]*

### **Division 9 — Powers in relation to land**

*[Heading inserted by No. 20 of 1999 s. 8.]*

#### **11ZI. When this Division applies**

The powers conferred by this Division may, subject to section 11ZE(5), only be exercised in relation to a distribution licence.

*[Section 11ZI inserted by No. 20 of 1999 s. 8.]*

#### **11ZJ. Power of public authority to grant easements etc.**

- (1) A public authority may grant to a licensee, on such terms and conditions as are agreed between the authority and the licensee, a relevant interest in respect of land held by the public authority in fee simple.
- (2) In this section —  
**“public authority”** means —

- (a) a Minister of the Crown;
- (b) an agency, authority or instrumentality of the Crown in right of the State or a local government; or
- (c) a body, whether corporate or unincorporate, that is established or continued for a public purpose by or under a written law and prescribed for the purposes of this definition;

**“relevant interest”** means a lease, easement, licence or other authority necessary or expedient to enable the licensee to construct, alter, operate or maintain a distribution system.

*[Section 11ZJ inserted by No. 20 of 1999 s. 8.]*

**11ZK. Taking of interest or easement for purposes of licence**

- (1) For the purpose of enabling a licensee to supply gas as authorised by a licence, an interest in land or easement over land may be taken under Part 9 of the *Land Administration Act 1997* as if for a public work within the meaning of that Act.
- (2) The power conferred by subsection (1) may only be exercised on the recommendation of the Minister responsible for the administration of this Act.
- (3) Any costs and expenses incurred in the taking of an interest or easement under subsection (1) —
  - (a) are to be paid by the licensee; and
  - (b) may be recovered in a court of competent jurisdiction as a debt due by the licensee to the Crown.
- (4) For the purposes of subsection (1) a reference to an interest in land in Part 9 of the *Land Administration Act 1997* includes an easement over land.

*[Section 11ZK inserted by No. 20 of 1999 s. 8.]*



**11ZL. Vesting of interest or easement**

- (1) Despite anything in Part 9 of the *Land Administration Act 1997*, on the taking of an interest in land or easement over land under section 11ZK, the interest or easement vests in the licensee.
- (2) Part 9 of the *Land Administration Act 1997* applies, with all necessary changes, in relation to the recording or registering of the interest or easement taken under section 11ZK.

*[Section 11ZL inserted by No. 20 of 1999 s. 8.]*

**11ZM. Proceedings and liability**

- (1) Proceedings in respect of compensation, or otherwise for the purpose of complying with Parts 9 and 10 of the *Land Administration Act 1997*, are to be taken against the licensee.
- (2) The licensee is liable in respect of the taking of an interest in land or easement over land under section 11ZK to the same extent as the Minister responsible for the administration of the *Land Administration Act 1997* would have been liable if the taking had been for the purpose of a public work.

*[Section 11ZM inserted by No. 20 of 1999 s. 8.]*

**11ZN. Easements in gross**

An easement may be taken under section 11ZK without there being a dominant tenement and there may be made appurtenant or annexed to any such easement another easement or the benefit of a restriction as to the user of the land.

*[Section 11ZN inserted by No. 20 of 1999 s. 8.]*

**Division 10 — Extension of *Energy Operators (Powers) Act 1979*  
to licensees**

*[Heading inserted by No. 20 of 1999 s. 8.]*

**11ZO. Extension of certain provisions of *Energy Operators (Powers) Act 1979*<sup>3</sup>**

- (1) A reference to an energy operator in a provision of the *Energy Operators (Powers) Act 1979*<sup>3</sup> referred to in Part 1 of Schedule 2 includes —
  - (a) the holder of a distribution licence;
  - (b) any transferee of a distribution licence under section 11R; and
  - (c) any person in whom the assets, rights and interests of a former holder of a distribution licence are vested under regulations referred to in section 11ZE(4).
- (2) A reference to an energy operator in a provision of the *Energy Operators (Powers) Act 1979*<sup>3</sup> referred to in Part 2 of Schedule 2 includes —
  - (a) the holder of a trading licence;
  - (b) any transferee of a trading licence under section 11R; and
  - (c) any person in whom the assets, rights and interests of a former holder of a trading licence are vested under regulations referred to in section 11ZE(4).
- (3) Regulations may be made under section 26 in terms that —
  - (a) restrict the operation of, or add a further requirement to, a prescribed provision in relation to a licensee or class of licensees;
  - (b) impose conditions or restrictions on the doing of any thing authorised by a prescribed provision by a licensee or a member of a class of licensees;
  - (c) prohibit a licensee or a member of a class of licensees from doing any thing authorised by a prescribed provision; or

- (d) require a consent or approval to be obtained for the doing of, or the manner of doing, any thing authorised by a prescribed provision.
- (4) In subsection (3) —
- “licensee”** includes a person referred to in subsection (1)(c) or (2)(c);
- “prescribed provision”** means a provision of the *Energy Operators (Powers) Act 1979*<sup>3</sup> referred to in Part 1 or 2 of Schedule 2.

*[Section 11ZO inserted by No. 20 of 1999 s. 8; amended by No. 58 of 1999 s. 75.]*

## **Part 2B — Gas supply: retail market schemes**

*[Heading inserted by No. 53 of 2003 s. 15.]*

### **Division 1 — Preliminary**

*[Heading inserted by No. 53 of 2003 s. 15.]*

#### **11ZOA. Definitions**

In this Part, unless the contrary intention appears —

**“approved”** means approved by the Authority under Division 3;

**“contravene”** includes fail to comply with;

**“formal entity”** means a formal entity referred to in section 11ZOF(1)(b);

**“gas business operator”** means —

- (a) a gas market participant;
- (b) a gas transmission operator; and
- (c) a prescribed person within the meaning in section 11ZOD(1)(b);

**“gas distribution operator”** has the meaning given by section 11ZOC(1)(a);

**“gas market participant”** has the meaning given by section 11ZOC(1);

**“gas transmission operator”** has the meaning given by section 11ZOD(1)(a);

**“member”**, in relation to a retail market scheme, means a gas market participant who is bound by agreement to comply with the relevant provisions of the scheme as required by section 11ZOC(1);

**“relevant provisions”**, in relation to a person, means the provisions of a retail market scheme or retail market rules, as the case may be, that are applicable to the person;

**“retail gas operator”** has the meaning given by section 11ZOC(1)(b);

**“retail market rules”** means rules of the kind described in section 11ZOG, as from time to time amended, that have effect as part of a retail market scheme;

**“retail market scheme”** means a scheme of the kind described in section 11ZOF.

*[Section 11ZOA inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(3).]*

## **Division 2 — Purpose and content of a retail market scheme**

*[Heading inserted by No. 53 of 2003 s. 15.]*

### **11ZOB. Purpose of retail market scheme**

The purpose of a retail market scheme for a distribution system is to ensure that the retail gas market that is supplied through that system is regulated and operates in a manner that is —

- (a) open and competitive;
- (b) efficient; and
- (c) fair to gas market participants and their customers.

*[Section 11ZOB inserted by No. 53 of 2003 s. 15.]*

### **11ZOC. Persons required to comply with a retail market scheme**

- (1) Each of the following persons (a **“gas market participant”**) must be bound by agreement, as provided by section 11ZOF(1)(a), to comply with the relevant provisions of an approved retail market scheme for a distribution system —
  - (a) a person (a **“gas distribution operator”**) who is required to hold a distribution licence for that system; and
  - (b) a person (a **“retail gas operator”**) who sells gas that is transported through that system.
- (2) This section has effect subject to —

- (a) section 11ZOE; and
- (b) any exemption granted under section 11ZOS.

*[Section 11ZOC inserted by No. 53 of 2003 s. 15.]*

**11ZOD. Persons required to comply with retail market rules**

- (1) The following persons must comply with the relevant provisions of the retail market rules made as part of any approved retail market scheme for a distribution system —
  - (a) a person (a “**gas transmission operator**”) who operates a pipeline that is used to transport gas into that distribution system for supply to customers of retail gas operators;
  - (b) any other person (a “**prescribed person**”) who —
    - (i) is prescribed; or
    - (ii) belongs to a class of persons that is prescribed, for the purposes of this paragraph.
- (2) Without limiting section 43(7) of the *Interpretation Act 1984*, regulations made for the purposes of subsection (1)(b) may —
  - (a) prescribe a person in terms that retail market rules apply to the person; or
  - (b) prescribe a class of persons in terms that retail market rules apply to persons belonging to the class,subject to any specified exception or limitation.
- (3) This section has effect subject to any exemption granted under section 11ZOS.

*[Section 11ZOD inserted by No. 53 of 2003 s. 15.]*

**11ZOE. Exception to requirement for a scheme**

A retail market scheme is not required to be in force for a distribution system if —

- (a) there is no more than one person who is required to hold a distribution licence for that system; and
- (b) there is no more than one person who sells gas that is transported through that system.

*[Section 11ZOE inserted by No. 53 of 2003 s. 15.]*

**11ZOF. Elements of retail market scheme**

- (1) A retail market scheme for a distribution system is to consist of —
  - (a) one or more agreements made between persons who are gas market participants in relation to that system;
  - (b) a formal entity (whether a company, partnership, trust or otherwise) to provide the structure through which the scheme is administered; and
  - (c) a set of retail market rules.
- (2) An agreement for the purposes of subsection (1)(a) may take the form of a provision by which a person, on becoming a member of a formal entity, is taken to agree to specified matters.
- (3) The documentation for the matters mentioned in subsection (1)(a) and (b) is to set out —
  - (a) the arrangements and understandings between the gas market participants concerned;
  - (b) their mutual rights and obligations; and
  - (c) all necessary incidental and supplementary provisions,to achieve the purposes set out in section 11ZOB.
- (4) Without limiting subsection (3), provision is to be made in the documentation for a retail market scheme for —
  - (a) the administration of the scheme;
  - (b) the cost of administration to be met by the gas market participants who are members of the scheme;

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- (c) how those costs are to be borne as between the gas market participants concerned;
- (d) reporting to the Authority on the operation of the scheme;
- (e) the resolution of disputes and questions that may arise between the gas market participants concerned;
- (f) the scheme to be accessible to any gas market participant in relation to the relevant distribution system; and
- (g) any other matter that is prescribed.

*[Section 11ZOF inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZOG. Requirements for retail market rules**

- (1) Retail market rules for a distribution system are to set out in relation to the operations of the relevant gas business operators —
  - (a) the systems, practices, procedures and processes; and
  - (b) rights and obligations of the gas business operators and their customers,that are to be in place to achieve the purposes set out in section 11ZOB.
- (2) Without limiting subsection (1) provision is to be made for and in relation to —
  - (a) the roles and functions of each kind of gas business operator;
  - (b) the transfer of customers between retail gas operators, including —
    - (i) the procedures to be followed;
    - (ii) the information to be provided; and



- (iii) requirements for the consent of a customer to be obtained to the taking of any specified step in respect of the customer;
  - (c) the collection, management and use of data arising from the metering of gas flow;
  - (d) the provision of access to, and copies of, the data referred to in paragraph (c);
  - (e) the rights, powers and obligations of gas business operators, and the procedures that are to apply, in respect of an imbalance during a particular period between —
    - (i) the amount of gas of an operator that is entered on behalf of the operator into a distribution system or part of a distribution system; and
    - (ii) the amount of gas that is withdrawn by the operator from,  
that system or that part of a system;
  - (f) the keeping, retention and auditing of records;
  - (g) the resolution of disputes and questions that may arise;
  - (h) subject to Division 3, the requirements to be observed in making an amendment to, or replacing, the retail market rules;
    - (i) monitoring compliance with the retail market rules;
    - (j) the enforcement of the retail market rules, including by the imposition of penalties; and
  - (k) any other matter that is prescribed.
- (3) Retail market rules are of no effect to the extent that they are inconsistent with this Act or another written law.
- (4) Retail market rules are not subsidiary legislation for the purposes of the *Interpretation Act 1984*.

*[Section 11ZOG inserted by No. 53 of 2003 s. 15.]*

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**11ZOH. Regulations for retail market scheme or rules**

Regulations may be made —

- (a) authorising the inclusion in a retail market scheme or in retail market rules of a provision —
  - (i) of a particular kind;
  - (ii) having a particular effect or operation; or
  - (iii) relating to a particular matter or particular circumstances;

or

- (b) making any provision that —
  - (i) facilitates the operation of a retail market scheme or retail market rules; and
  - (ii) cannot be included in the scheme or rules under the provisions of section 11ZOF or 11ZOG.

*[Section 11ZOH inserted by No. 53 of 2003 s. 15.]*

**Division 3 — Preparation, approval, review and amendment of retail market schemes**

*[Heading inserted by No. 53 of 2003 s. 15.]*

**11ZOI. Submission of retail market scheme for approval**

- (1) A proposed retail market scheme for a distribution system may be submitted to the Authority for approval by —
  - (a) the members of; or
  - (b) the formal entity for,the proposed scheme.
- (2) A retail market scheme is not to be submitted under subsection (1) unless the gas market participants concerned have agreed to be bound by the scheme.

- (3) A retail market scheme for a distribution system is not to be submitted under subsection (1) unless the gas market participants concerned have consulted with —
- (a) any gas transmission operator whose pipeline is used to transport gas into that system; and
  - (b) a prescribed person within the meaning in section 11ZOD(1)(b) in relation to that system.
- (4) Consultation under subsection (3) is only required —
- (a) in relation to the provisions of the retail market rules that will apply to —
    - (i) the gas transmission operator; or
    - (ii) the prescribed person within the meaning in section 11ZOD(1)(b),as part of the scheme; and
  - (b) in the case of a person referred to in paragraph (a)(ii) to the extent that the person —
    - (i) is required by the regulations to be consulted under subsection (3); or
    - (ii) meets any criteria in relation to the requirement for consultation that are prescribed for the purposes of this subparagraph.

*[Section 11ZOI inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZOJ. Approval of retail market schemes**

- (1) Where a proposed retail market scheme is submitted under section 11ZOI, the Authority may —
- (a) in accordance with sections 11ZON and 11ZOP, approve the proposed scheme; or
  - (b) request that it be amended.
- (2) If, following a request under subsection (1)(b), the scheme is submitted with amendments, the Authority may —

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- (a) in accordance with sections 11ZON and 11ZOP, approve the amended scheme; or
  - (b) request that it be further amended.
- (3) If, following a request under subsection (2)(b), the scheme is submitted with further amendments, the Authority is to —
- (a) approve the amended scheme; or
  - (b) refuse to approve it,
- in accordance with sections 11ZON and 11ZOP.
- (4) The Authority is to cause notice of the approval of a retail market scheme to be published in the *Gazette*.

*[Section 11ZOJ inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZOK. Commencement of retail market schemes**

- (1) A retail market scheme comes into force on a day determined by the Authority by instrument in writing.
- (2) The Authority may from time to time, by further instrument in writing, amend an instrument made under subsection (1).
- (3) An instrument made under subsection (1) or (2) is to be published in the *Gazette*.

*[Section 11ZOK inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZOL. Submission of amendment for approval**

- (1) The members for the time being of an approved retail market scheme may —
  - (a) prepare an amendment to the scheme; and
  - (b) submit the amendment to the Authority for approval.
- (2) An amendment to a retail market scheme is not to be submitted under subsection (1) unless the provisions of the scheme

relating to proposals for amendment of the scheme have been complied with.

- (3) An amendment to the retail market rules made as part of a scheme for a distribution system is not to be submitted under subsection (1) unless the members of the scheme have consulted in relation to the amendment with any of the following who would be affected by the amendment if it is approved —
- (a) a gas transmission operator whose pipeline is used to transport gas into that system; and
  - (b) a prescribed person within the meaning in section 11ZOD(1)(b).
- (4) Consultation is required under subsection (3) with a person referred to in subsection (3)(b) only to the extent that the person —
- (a) is required by the regulations to be consulted under that subsection; or
  - (b) meets any criteria in relation to the requirement for consultation that are prescribed for the purposes of this paragraph.
- (5) In this section and in section 11ZOM —
- “amendment”** includes a replacement for the whole or part of the retail market scheme.

*[Section 11ZOL inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

### **11ZOM. Approval of amendment**

Where an amendment is submitted under section 11ZOL, the Authority is to, in accordance with sections 11ZOO and 11ZOP —

- (a) approve it;
- (b) request that it be changed and approve it in a changed form; or

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- (c) refuse to approve it.

*[Section 11ZOM inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZON. Prerequisites to approval of scheme**

The Authority may approve a retail market scheme under section 11ZOJ only if the Authority is satisfied —

- (a) that the provisions of the scheme —
- (i) comply with this Act; and
  - (ii) are suitable for the purposes of section 11ZOB;
- (b) any other principle, criterion or requirement that is prescribed for the purposes of this paragraph has been met; and
- (c) the consultation required by section 11ZOI(3) has taken place and —
- (i) each person required to be consulted has agreed, if the scheme is approved, to comply with the relevant provisions of the retail market rules made as part of the scheme; or
  - (ii) if any person required to be consulted has not so agreed, that person has been given a reasonable opportunity in the course of the consultation to provide reasons for not agreeing and any reasons so provided have been considered.

*[Section 11ZON inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZOO. Prerequisites to approval of amendment**

- (1) The Authority may approve an amendment to a retail market scheme under section 11ZOM only if the Authority is satisfied that —
- (a) if the amendment is made the provisions of the scheme —

- (i) will comply with this Act; and
  - (ii) be suitable for the purposes of section 11ZOB;
  - (b) any other principle, criterion or requirement that is prescribed for the purposes of this paragraph has been met.
- (2) The Authority may approve an amendment to any retail market rules under section 11ZOM only if the Authority is satisfied that the consultation required by section 11ZOL(3) has taken place and —
- (a) each person required to be consulted has agreed to the amendment; or
  - (b) if any person required to be consulted has not so agreed, that person has been given a reasonable opportunity in the course of the consultation to provide reasons for not agreeing and any reasons so provided have been considered.

*[Section 11ZOO inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZOP. Matters to which Authority is to have regard**

The Authority is also to have regard to —

- (a) any principles, criteria or requirements that are prescribed for the purposes of this paragraph; and
- (b) such other matters as the Authority considers relevant,

when determining whether or not to give an approval under section 11ZOJ or 11ZOM.

*[Section 11ZOP inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZOQ. Review of scheme**

- (1) The Authority must carry out a review of a retail market scheme as soon as is practicable after the third anniversary of its commencement.
- (2) The purpose of a review is to re-assess the suitability of the provisions of a scheme to achieve the purposes set out in section 11ZOB.

*[Section 11ZOQ inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**Division 4 — Enforcement**

*[Heading inserted by No. 53 of 2003 s. 15.]*

**Subdivision 1 — Enforcement of requirements for membership of scheme**

*[Heading inserted by No. 53 of 2003 s. 15.]*

**11ZOR. Membership required**

- (1) A gas distribution operator contravenes this section if the operator —
  - (a) transports gas through a distribution system; and
  - (b) is not a member of an approved retail market scheme in force for that system.
- (2) A retail gas operator contravenes this section if the operator —
  - (a) sells gas that is transported through a distribution system; and
  - (b) is not a member of an approved retail market scheme in force for that system.
- (3) Subsections (1) and (2) have effect subject to —
  - (a) section 11ZOE; and
  - (b) any exemption granted under section 11ZOS.



- (4) A person who contravenes this section is liable to a penalty under section 11ZOT.

*[Section 11ZOR inserted by No. 53 of 2003 s. 15.]*

**11ZOS. Power to exempt**

- (1) The Authority may by order published in the *Gazette* exempt —
- (a) a gas business operator; or
  - (b) a class of gas business operators,
- from any of the provisions of sections 11ZOC, 11ZOD and 11ZOR.
- (2) An order under subsection (1) may provide for circumstances in which, and conditions subject to which, an exemption is to apply.
- (3) The Authority may only make an order under subsection (1) if satisfied that the grant of an exemption —
- (a) would be consistent with the objects of section 11ZOB; and
  - (b) would not be contrary to the public interest.
- (4) In determining the question mentioned in subsection (3)(b) the Authority may take into account one or more of the matters referred to in section 11H(3).
- (5) An exemption is of no effect at any time when a condition to which it is subject is not being observed.
- (6) An order under subsection (1) is subsidiary legislation for the purposes of the *Interpretation Act 1984*.
- (7) An order by which an order under subsection (1) is revoked may contain provisions of a transitional or supplementary nature in relation to the application of a provision of this Part to any gas business operator, or class of gas business operators, affected by the revocation.

*[Section 11ZOS inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZOT. Enforcement of section 11ZOR**

- (1) If, in the opinion of the Authority, a person who is a gas distribution operator or a retail gas operator has contravened section 11ZOR, the Authority may cause a notice to be served on the person requiring that the contravention be rectified within a specified period.
- (2) If, in the opinion of the Authority, the person fails to comply with a notice under subsection (1), the Authority may in writing order the person to pay a daily monetary penalty fixed by the Authority, but not exceeding \$10 000.
- (3) For the purposes of subsection (2), the daily penalty is a penalty for each day on which the person acts in contravention of section 11ZOR.
- (4) The Authority is not to make an order under subsection (2) unless the person has been —
  - (a) notified in writing of the proposed order; and
  - (b) given a reasonable opportunity to show why the order should not be made.
- (5) The Authority may recover a penalty imposed under subsection (2) in a court of competent jurisdiction as a debt due by the person to the Crown.

*[Section 11ZOT inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**Subdivision 2 — Enforcement of retail market scheme and rules**

*[Heading inserted by No. 53 of 2003 s. 15.]*

**11ZOU. Authority may impose penalty for breach**

- (1) This section applies if, in the opinion of the Authority —

- (a) a person who is a gas market participant contravenes a relevant provision of a retail market scheme; or
  - (b) a person who is —
    - (i) a gas transmission operator; or
    - (ii) a prescribed person within the meaning in section 11ZOD(1)(b),contravenes a relevant provision of retail market rules.
- (2) The Authority may cause a notice to be served on the person requiring that the contravention be rectified within a specified period.
- (3) If, in the opinion of the Authority, the person fails to comply with a notice served under subsection (2), the Authority may —
- (a) serve a letter of reprimand on the person; or
  - (b) in writing order the person to pay a monetary penalty fixed by the Authority, but not exceeding \$100 000.
- (4) The Authority is not to serve a letter or make an order under subsection (3) unless the person has been —
- (a) notified in writing that the Authority proposes to take action under subsection (3); and
  - (b) given a reasonable opportunity to show why such action should not be taken.
- (5) The Authority may recover a penalty imposed under subsection (3)(b) in a court of competent jurisdiction as a debt due to the Crown by the person concerned.

*[Section 11ZOU inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**Subdivision 3 — Prohibition of certain conduct in relation to a retail market scheme**

*[Heading inserted by No. 53 of 2003 s. 15.]*

**11ZOV. Conduct preventing or hindering operation**

- (1) A person to whom this section applies must not engage in conduct (the “**prohibited conduct**”) for the purpose of —
  - (a) preventing or hindering;
  - (b) attempting to prevent or hinder; or
  - (c) conspiring with others to prevent or hinder,the operation of a retail market scheme in accordance with section 11ZOB.
- (2) A person to whom this section applies must not —
  - (a) aid, abet, counsel or procure a person to engage in the prohibited conduct;
  - (b) induce, or attempt to induce, a person, whether by threats or promises or otherwise, to engage in the prohibited conduct; or
  - (c) be in any way, directly or indirectly, knowingly concerned in, or party to, the engagement of a person in the prohibited conduct.
- (3) This section applies to —
  - (a) a gas business operator in relation to the retail market scheme concerned;
  - (b) a person who is party to an agreement with such a gas business operator relating to the supply or distribution of gas; or
  - (c) an associate of —
    - (i) a gas business operator referred to in paragraph (a); or
    - (ii) a person referred to in paragraph (b).

*[Section 11ZOV inserted by No. 53 of 2003 s. 15.]*

**11ZOW. Interpretation of section 11ZOV**

- (1) In section 11ZOV —

- (a) a reference to engaging in conduct is a reference to —
    - (i) doing or refusing to do any act, including —
      - (I) refusing to supply a service; or
      - (II) without reasonable grounds, limiting or disrupting a service;
    - (ii) making, or giving effect to a provision of, a contract or arrangement;
    - (iii) arriving at, or giving effect to a provision of, an understanding; or
    - (iv) 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;
    - (ii) making it known that that act will not be done.
- (2) In section 11ZOV(3)(c) —  
“**associate**” has the meaning it would have under Part 1.2  
Division 2 of the *Corporations Act 2001* of the  
Commonwealth if sections 13, 14, 16(2) and 17 of that Act  
were repealed.

*[Section 11ZOW inserted by No. 53 of 2003 s. 15.]*

### **11ZOX. Establishing purpose of conduct**

- (1) For the purposes of section 11ZOV, a person is taken 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.
- (2) A person may be taken to have engaged in conduct for the purpose referred to in section 11ZOV even though, after all the evidence has been considered, the existence of that purpose is ascertainable only by inference from —

- (a) the conduct of the person or of any other person; or
  - (b) other relevant circumstances.
- (3) Subsection (2) does not limit the manner in which the purpose of a person may be established for the purpose of section 11ZOV.

*[Section 11ZOX inserted by No. 53 of 2003 s. 15.]*

**11ZOY. Remedies for breach of section 11ZOV**

- (1) Criminal proceedings (including proceedings under section 177 of *The Criminal Code*) do not lie against a person by reason only that the person has contravened section 11ZOV(1) or (2).
- (2) The remedies set out in Schedule 2A are available where a person has contravened section 11ZOV(1) or (2).
- (3) Nothing in this section or Schedule 2A affects the right of a person —
  - (a) to bring civil proceedings in respect of any matter or thing; or
  - (b) to 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 section 11ZOV.

*[Section 11ZOY inserted by No. 53 of 2003 s. 15.]*

**Division 5 — Directions**

*[Heading inserted by No. 53 of 2003 s. 15.]*

**Subdivision 1 — Directions to amend retail market scheme**

*[Heading inserted by No. 53 of 2003 s. 15.]*

**11ZOZ. Authority may direct amendment**

- (1) The Authority may in writing direct the members of a retail market scheme to make a specified amendment to the scheme, and to do so within a specified time.

- (2) The Authority must consult with the members concerned before giving a direction under subsection (1).
- (3) The members must comply with a direction given to them under subsection (1).

*[Section 11ZOZ inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZP. Non-compliance with direction for amendment**

- (1) If, in the opinion of the Authority, the persons who are required to comply with a direction under section 11ZOZ fail to do so, the Authority may in writing order each of them to pay a daily monetary penalty fixed by the Authority, but not exceeding \$2 000.
- (2) For the purposes of subsection (1) the daily penalty in respect of a person is a penalty for each day on which —
  - (a) the person carries on business; and
  - (b) the direction given under section 11ZOZ is not complied with.
- (3) The Authority is not to make an order against a person under subsection (1) unless the person has been —
  - (a) notified in writing of the proposed order; and
  - (b) given a reasonable opportunity to show why the order should not be made.
- (4) The Authority may recover a penalty imposed under subsection (1) in a court of competent jurisdiction as a debt due by the person to the Crown.
- (5) In subsection (2)(a) —
  - “**business**” means —
    - (a) in the case of a gas distribution operator, the transport of gas through the relevant distribution system; and

- (b) in the case of a retail gas operator, the sale of gas that is transported through the relevant distribution system.

*[Section 11ZP inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**Subdivision 2 — Directions as to operation of retail market scheme**

*[Heading inserted by No. 53 of 2003 s. 15.]*

**11ZPA. Directions to governing body of a scheme**

- (1) The Authority may, by notice in writing to the governing body of a scheme, give directions as to —
  - (a) the provision of information or reports, or the making of periodical returns, to the Authority by the governing body;
  - (b) the attendance of a nominee of the Authority as an observer at meetings of the governing body;
  - (c) the provision of meeting papers and related material to the Authority in advance of meetings; or
  - (d) any other prescribed matter.
- (2) A direction may only be given under this section so far as the Authority considers it is necessary or expedient —
  - (a) to achieve any of the purposes set out in section 11ZOB;
  - (b) for monitoring the operation of a retail market scheme; or
  - (c) for keeping the Authority informed as to —
    - (i) the affairs of a formal entity, including its financial affairs; or
    - (ii) proposals that will affect the conduct of its affairs.
- (3) The Authority must consult with the governing body concerned before giving a direction under subsection (1).



- (4) The Authority is to cause —
- (a) notice of the giving of a direction under this section; and
  - (b) a description of the nature of the direction,
- to be published in the *Gazette* within 14 days after the direction is given.
- (5) A governing body must comply with a direction given to it under this section.
- (6) The Authority may, in writing, revoke or amend a direction given under this section.
- (7) In this section —
- “governing body of a scheme”** means the governing body of the formal entity mentioned in section 11ZOF(1)(b) for a retail market scheme.

*[Section 11ZPA inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

#### **11ZPB. Enforcement of directions**

- (1) If, in the opinion of the Authority, a governing body of a formal entity fails to comply with a direction given to it under section 11ZPA the Authority may in writing order the formal entity to pay a monetary penalty fixed by the Authority, but not exceeding \$100 000.
- (2) The Authority is not to make an order under subsection (1) unless the formal entity has been —
- (a) notified in writing of the proposed order; and
  - (b) given a reasonable opportunity to show why the order should not be made.
- (3) The Authority may recover a penalty imposed under subsection (1) in a court of competent jurisdiction as a debt due to the Crown by the formal entity.

- (4) References in this section to a formal entity include, in the case of an entity that is not a body corporate, the members of the entity.

*[Section 11ZPB inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**Division 6 — Review of certain decisions**

*[Heading inserted by No. 53 of 2003 s. 15.]*

*[11ZPC. Repealed by No. 55 of 2004 s. 298.]*

**11ZPD. Review of decision to refuse approval**

- (1) If the Authority refuses to approve a retail market scheme under section 11ZOJ the gas market participants concerned, or the formal entity for the proposed scheme, may apply to the State Administrative Tribunal for a review of the decision.
- (2) If the Authority refuses to approve an amendment to a retail market scheme under section 11ZOM the members of the scheme, or the formal entity for the scheme, may apply to the State Administrative Tribunal for a review of the decision.

*[Section 11ZPD inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(2); No. 55 of 2004 s. 301.]*

**11ZPE. Review of direction to amend scheme**

If the Authority gives a direction under section 11ZOZ for the amendment of a retail market scheme, the members of the scheme, or the formal entity for the scheme, may apply to the State Administrative Tribunal for a review of the direction.

*[Section 11ZPE inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(2); No. 55 of 2004 s. 301.]*

**11ZPF. Review of penalty**

- (1) If the Authority makes an order imposing a penalty on a person under section 11ZOT(2), 11ZOU(3)(b) or 11ZP(1), the person

may apply to the State Administrative Tribunal for a review of the decision.

- (2) If the Authority makes an order imposing a penalty on a formal entity under section 11ZPB(1), the governing body of the formal entity may apply to the State Administrative Tribunal for a review of the decision.

*[Section 11ZPF inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(2); No. 55 of 2004 s. 301.]*

#### **11ZPG. Time for making application**

An application under this Division must be made within 14 days after the applicant received notice in writing of the decision or direction of the Authority.

*[Section 11ZPG inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(2).]*

#### **11ZPH. Conduct of review**

The provisions of section 11ZH, other than subsections (1), (2) and (2a), apply for the purposes of a review under this Division in the same way as they apply to a review and proceedings under subsection (2) of that section.

*[Section 11ZPH inserted by No. 55 of 2004 s. 299(3).]*

### **Division 7 — Regulations for operation of retail gas market**

*[Heading inserted by No. 53 of 2003 s. 15.]*

#### **11ZPI. Regulations for retail gas market**

- (1) On the recommendation of the Authority, regulations may be made in relation to a distribution system that are necessary or convenient to ensure that the retail gas market that is supplied through that system is regulated and operates in a manner that is —
- (a) open and competitive;

- (b) efficient; and
  - (c) fair to gas market participants and their customers.
- (2) Without limiting subsection (1), regulations made in relation to a distribution system may —
  - (a) provide for and in relation to matters that are required to be provided for by a retail market scheme, including those described in section 11ZOG;
  - (b) prohibit the continued operation of an approved retail market scheme for that system except as may be provided for in the regulations; and
  - (c) provide for the punishment of a contravention of the regulations, including by the imposition of monetary penalties as provided in section 11ZOU.

*[Section 11ZPI inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZPJ. Grounds for Authority's recommendation**

- (1) The Authority may under section 11ZPI recommend the making of regulations for a distribution system only if the Authority considers that —
  - (a) any approved retail market scheme for that system —
    - (i) has ceased to be suitable for the purposes of section 11ZOB; or
    - (ii) is not being implemented in a manner that is suitable for those purposes;
  - or
  - (b) the formal entity for an approved retail market scheme for that system —
    - (i) is not functioning effectively; or
    - (ii) is subject to external administration under the *Corporations Act 2001* of the Commonwealth.

- (2) A recommendation made by the Authority under section 11ZPI is not liable to be challenged, reviewed or called in question in any court.

*[Section 11ZPJ inserted by No. 53 of 2003 s. 15; amended by No. 53 of 2003 s. 19(1).]*

**11ZPK. Regulations override scheme etc.**

Regulations made under section 11ZPI for a distribution system have effect despite, and to the exclusion of —

- (a) the provisions of any approved retail market scheme that would otherwise apply to that system; and
- (b) any provision of this Part, other than Division 1 and this Division.

*[Section 11ZPK inserted by No. 53 of 2003 s. 15.]*

**Part 2C — Code of conduct for marketing of gas to  
small use customers**

*[Heading inserted by No. 53 of 2003 s. 31.]*

**11ZPL. Definitions**

In this Part —

**“code of conduct”** means the code of conduct approved under section 11ZPM;

**“committee”** means the committee established under section 11ZPO;

**“customer”** means a small use customer;

**“gas marketing agent”** means —

- (a) a person who acts on behalf of the holder of a trading licence (**“licensee”**) —
  - (i) for the purpose of obtaining new customers for the licensee; or
  - (ii) in dealings with existing customers in relation to contracts for the supply of gas by the licensee;
- (b) a person who acts —
  - (i) on behalf of one or more customers; or
  - (ii) as an intermediary between one or more customers and a licensee,in respect of the supply of gas to the customer or customers;
- (c) a person who engages in any other activity relating to the marketing of gas that is prescribed for the purposes of this definition; and
- (d) a representative, agent or employee of a person referred to in paragraph (a), (b) or (c);

**“marketing”** includes engaging or attempting to engage in any of the following activities by any means, including door to door or by telephone or other electronic means —

- (a) negotiations for, or dealings in respect of, a contract for the supply of gas to a customer;
- (b) advertising, promotion, market research or public relations in relation to the supply of gas to customers.

*[Section 11ZPL inserted by No. 53 of 2003 s. 31.]*

**11ZPM. Code of conduct**

- (1) The Authority may, in consultation with the committee, approve a code of conduct under this section.
- (2) The code of conduct is to regulate and control the conduct of —
  - (a) the holders of trading licences; and
  - (b) gas marketing agents,with the object of —
  - (c) protecting customers from undesirable marketing conduct; and
  - (d) defining standards of conduct in the marketing of gas to customers.
- (3) The code of conduct may contain such ancillary and incidental provisions as are necessary or expedient for the purposes of subsection (2).
- (4) Subsection (1) has effect subject to section 53 of the *Energy Legislation Amendment Act 2003*.

*[Section 11ZPM inserted by No. 53 of 2003 s. 31.]*

**11ZPN. Code is subsidiary legislation**

The code of conduct is subsidiary legislation for the purposes of the *Interpretation Act 1984*.

*[Section 11ZPN inserted by No. 53 of 2003 s. 31.]*

**s. 11ZPO**

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**11ZPO. Consultative committee**

- (1) The Authority is to establish a committee to advise it on matters relating to the code of conduct.
- (2) The Authority —
  - (a) is to prescribe the membership, constitution and procedures of; and
  - (b) may discharge, alter, or reconstitute,the committee.
- (3) The Authority may determine that a member of the committee is to receive remuneration or an allowance, and if the Authority so determines it is to fix the remuneration or allowance on the recommendation of the Minister for Public Sector Management.
- (4) Subject to this section, the committee may determine its own procedure.
- (5) The Authority is to provide the committee with such support services as it may reasonably require.
- (6) This section has effect subject to section 54 of the *Energy Legislation Amendment Act 2003*.

*[Section 11ZPO inserted by No. 53 of 2003 s. 31.]*

**11ZPP. Licence condition**

It is a condition of every trading licence that the licensee is to comply with the provisions of the code of conduct that apply to the licensee.

*[Section 11ZPP inserted by No. 53 of 2003 s. 31.]*

**11ZPQ. Enforcement of code of conduct against marketing agents**

The code of conduct may provide —



- (a) that the contravention of a provision of the code of conduct by a gas marketing agent constitutes an offence; and
- (b) that an offence is punishable by a penalty not exceeding —
  - (i) \$5 000 for an individual; and
  - (ii) \$20 000 for a body corporate.

*[Section 11ZPQ inserted by No. 53 of 2003 s. 31.]*

#### **11ZPR. Code may provide for vicarious liability**

The code of conduct may provide for and in relation to the liability of the holder of a trading licence, in the absence of excusatory circumstances, for an act or omission of the licensee's gas marketing agents that contravene the code of conduct.

*[Section 11ZPR inserted by No. 53 of 2003 s. 31.]*

#### **11ZPS. Code may include presumption of authority**

The code of conduct may provide for a presumption that a person who carries out any marketing activity in the name of or for the benefit of —

- (a) the holder of a trading licence; or
- (b) a gas marketing agent,

is to be taken, unless the contrary is proved, to have been employed or authorised by that licensee or gas marketing agent to carry out that activity.

*[Section 11ZPS inserted by No. 53 of 2003 s. 31.]*

#### **11ZPT. Authority to monitor compliance**

It is a function of the Authority to monitor and enforce compliance with the code of conduct.

*[Section 11ZPT inserted by No. 53 of 2003 s. 31.]*

**s. 11ZPU**

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**11ZPU. Comment to be sought on amendment or replacement of code**

- (1) Whenever the Authority proposes to exercise the power —
  - (a) to amend the code of conduct; or
  - (b) to repeal and replace it,the Authority must —
  - (c) refer the proposed amendment or replacement to the committee for its advice; and
  - (d) have regard to any advice given by the committee.
- (2) Before the committee gives its advice to the Authority, it must, in accordance with section 11ZPW, give any interested person an opportunity to offer comments on the amendment or replacement.
- (3) The committee must take into account any comments received under subsection (2) in formulating its advice.

*[Section 11ZPU inserted by No. 53 of 2003 s. 31.]*

**11ZPV. Review of code**

- (1) The committee must carry out a review of the code of conduct as soon as is practicable after —
  - (a) the first anniversary of its commencement; and
  - (b) the expiry of each 2 yearly interval after that anniversary.
- (2) The object of a review is to re-assess the suitability of the provisions of the code of conduct for the purposes of section 11ZPM(2).
- (3) The committee must, in accordance with section 11ZPW, give any interested person an opportunity to offer comments relevant to the review.

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**s. 11ZPW**

- (4) The committee must take into account any comments received under subsection (3) in carrying out the review.
- (5) The committee must prepare a report based on the review and give it to the Authority.

*[Section 11ZPV inserted by No. 53 of 2003 s. 31.]*

**11ZPW. Further provisions about opportunity to comment**

For the purposes of sections 11ZPU(2) and 11ZPV(3) —

- (a) an interested person is a person —
  - (i) who the committee considers has a particular interest in the amendment, replacement or review; or
  - (ii) who is determined by the Authority, by notice in writing to the committee, to have such an interest;
- (b) an opportunity to offer comments is an opportunity to furnish written comments to the committee within —
  - (i) a period specified by the Authority by notice in writing to the committee; or
  - (ii) in the absence of such a notice, a period determined by the committee.

*[Section 11ZPW inserted by No. 53 of 2003 s. 31.]*

## **Part 2D — Gas industry ombudsman scheme**

*[Heading inserted by No. 53 of 2003 s. 32.]*

### **Division 1 — Preliminary**

*[Heading inserted by No. 53 of 2003 s. 32.]*

#### **11ZPX. Definitions**

In this Part and in Schedule 2B, unless the contrary intention appears —

**“approved scheme”** means a scheme approved under section 11ZPZ;

**“customer”** means —

- (a) a small use customer; and
- (b) if a dispute or complaint is prescribed for the purposes of section 11ZPZ(1)(d) a person who is involved in that dispute or complaint as a customer;

**“customer contract”** means —

- (a) a standard form contract; or
- (b) a non-standard contract,  
within the meaning in section 11WB;

**“gas industry ombudsman”** has the meaning given by section 11ZPZ(1);

**“gas marketing agent”** has the meaning given by the definition of that term in section 11ZPL.

*[Section 11ZPX inserted by No. 53 of 2003 s. 32.]*

#### **11ZPY. Regulations as to gas industry ombudsman scheme**

The regulations may provide for and in relation to —

- (a) the establishment and operation of a scheme of the kind referred to in section 11ZPZ; and

- (b) the functions of the gas industry ombudsman under such a scheme.

*[Section 11ZPY inserted by No. 53 of 2003 s. 32.]*

## **Division 2 — Approval of gas industry ombudsman scheme**

*[Heading inserted by No. 53 of 2003 s. 32.]*

### **11ZPZ. Authority may approve scheme**

- (1) The Authority may, by instrument in writing, approve a scheme that provides for a person (the “**gas industry ombudsman**”) to investigate and deal with —
- (a) disputes and complaints under customer contracts;
  - (b) disputes between —
    - (i) customers and licensees; or
    - (ii) customers and gas marketing agents;
  - (c) complaints by customers about —
    - (i) licensees; or
    - (ii) gas marketing agents;
- and
- (d) any other kind of dispute or complaint (whether or not under a customer contract) that is prescribed by the regulations.
- (2) A scheme may treat a failure to make a decision within a specified period as a decision of a particular kind.
- (3) A scheme may be made applicable to a dispute or complaint that arose before the commencement of the scheme, but not earlier than 12 months before that commencement.
- (4) The Authority may, by instrument in writing, approve an amendment to an approved scheme.
- (5) Notice of an approval under subsection (1) is to be published in the *Gazette*.

- (6) This section has effect subject to section 57 of the *Energy Legislation Amendment Act 2003*.

*[Section 11ZPZ inserted by No. 53 of 2003 s. 32.]*

**11ZQ. Requirements for scheme to be approved etc.**

The Authority may approve a scheme, or an amendment to an approved scheme, only if it is satisfied that the scheme, or the scheme as amended, meets —

- (a) the objectives set out in Schedule 2B; and
- (b) any other prescribed objective.

*[Section 11ZQ inserted by No. 53 of 2003 s. 32.]*

**11ZQA. Revocation of approval**

- (1) Subject to subsection (2), the Authority may, by instrument in writing, revoke the status of a scheme as an approved scheme if it is satisfied that the scheme no longer meets the objectives referred to in section 11ZQ.
- (2) In exercising the power of revocation the Authority must —
  - (a) follow any prescribed procedure; and
  - (b) comply with any other prescribed requirements.
- (3) A copy of an instrument under subsection (1) is to be laid before each House of Parliament within 14 sitting days of that House after the day on which the revocation took effect.

*[Section 11ZQA inserted by No. 53 of 2003 s. 32.]*

**Division 3 — Scheme operation**

*[Heading inserted by No. 53 of 2003 s. 32.]*

**11ZQB. Customer may have decision or complaint reviewed**

- (1) A customer may apply to the gas industry ombudsman under an approved scheme for a review of a decision or complaint to which the scheme relates.

- (2) Where an application is so made the gas industry ombudsman may, in respect of the decision or complaint —
- (a) make any order or determination;
  - (b) give any direction; or
  - (c) decline to deal with a matter on any ground,
- that is provided for by the scheme.

*[Section 11ZQB inserted by No. 53 of 2003 s. 32.]*

#### **11ZQC. Jurisdiction of courts**

- (1) Nothing in this Part or in an approved scheme affects the jurisdiction of a court.
- (2) The gas industry ombudsman must decline to deal with a matter if —
- (a) it has been or is being dealt with by a court; or
  - (b) in his or her opinion the matter should be dealt with by a court.

*[(3) repealed]*

*[Section 11ZQC inserted by No. 53 of 2003 s. 32; amended by No. 59 of 2004 s. 141.]*

#### **11ZQD. Enforcement against marketing agents and others**

- (1) The regulations may make it an offence for a gas marketing agent to fail to comply with a decision or direction of the gas industry ombudsman under an approved scheme.
- (2) If a dispute or complaint involving a person other than a licensee or a gas marketing agent is prescribed for the purposes of section 11ZPZ(1)(d), the regulations may make it an offence for the person to fail to comply with a decision or direction of the gas industry ombudsman under an approved scheme.

- (3) Regulations made for the purposes of this section may provide for penalties for an offence against the regulations not exceeding —
- (a) \$2 000 for an individual; and
  - (b) \$8 000 for a body corporate.

*[Section 11ZQD inserted by No. 53 of 2003 s. 32.]*

**11ZQE. Authority to monitor compliance with decisions**

It is a function of the Authority to monitor and enforce compliance with decisions and directions of the gas industry ombudsman under an approved scheme.

*[Section 11ZQE inserted by No. 53 of 2003 s. 32.]*

**Division 4 — Membership of approved scheme by licensee**

*[Heading inserted by No. 53 of 2003 s. 32.]*

**11ZQF. Proof of membership in applications relating to licence**

- (1) An applicant for the grant of a licence must produce with the application evidence showing that the applicant will, if a licence is granted, be a member of an approved scheme.
- (2) An applicant for the renewal of a licence must produce with the application evidence showing that the applicant will, if the licence is renewed, continue to be a member of an approved scheme.
- (3) Where an application is made under section 11R for the transfer of a licence to be approved, the proposed transferee must produce with the application evidence showing that the proposed transferee will, if the transfer is approved, be a member of an approved scheme.

*[Section 11ZQF inserted by No. 53 of 2003 s. 32.]*



**11ZQG. Prerequisite to grant etc. of licence**

Despite section 11S, the Authority is not to grant or renew, or approve a transfer of, a licence unless it is satisfied that the licensee, or the proposed transferee —

- (a) is a member of an approved scheme; or
- (b) will, if the licence is granted or the transfer is approved, be a member of an approved scheme.

*[Section 11ZQG inserted by No. 53 of 2003 s. 32.]*

**11ZQH. Licence condition**

It is a condition of a licence that the licensee —

- (a) is a member of an approved scheme; and
- (b) is bound by, and will comply with any decision or direction of the gas industry ombudsman under, the scheme.

*[Section 11ZQH inserted by No. 53 of 2003 s. 32.]*

## **Part 3 — Inspectors**

### **12. Designation of inspectors**

- (1) The Coordinator may designate persons to be inspectors for the purposes of the *Electricity Act 1945*.
- (2) The Director may designate persons to be inspectors for the purposes of —
  - (a) the *Electricity Act 1945*; or
  - (b) the *Gas Standards Act 1972*,or both of those Acts.
- (3) An instrument of designation of an inspector is to specify —
  - (a) the classification of that inspector by reference to the form of energy to which his or her powers relate;
  - (b) the powers of inspection that the inspector may exercise; and
  - (c) any limitations or restrictions that apply to that exercise.
- (4) A person is not to be designated as an inspector unless he or she has the qualifications or experience, or both, prescribed for the classification that applies to him or her.
- (5) Nothing in this section precludes the designation of the Director as an inspector under this section.

### **13. Certificates of designation**

- (1) The Coordinator or the Director, as the case may require, is to issue to an inspector a certificate specifying the matters referred to in section 12(3) that apply to that inspector.
- (2) An inspector must produce the certificate whenever requested to do so by any person apparently having charge of any land, premises, or thing in respect of which the inspector has exercised or is about to exercise any power.

- (3) Production of the certificate is evidence in any court of the designation, classification and powers of the inspector to whom that certificate relates.

**14. Powers of inspection etc.**

An inspector may, subject to this Part and the terms of his or her designation as an inspector —

- (a) enter without notice on or into any land, premises or thing where he or she has reason to believe that the generation, transmission, distribution, supply, or use of the form of energy to which his or her powers relate is or may be taking place irrespective of the source or origin of the energy, or where he or she has reason to believe any plant, works, apparatus or installation used for any of those purposes is or may be situated;
- (b) require any person having the control or custody of any land, premises or thing which the inspector is authorised to inspect to furnish reasonable access to it and other reasonable assistance;
- (c) inspect any plant, works, apparatus or installation used or intended to be used for or in connection with the generation, transmission, distribution, supply or use of the form of energy to which his or her powers relate;
- (d) make any inspection, examination, sampling, inquiry or test, and request any information (including by way of answers to questions) and production of any records or other documents, that he or she considers necessary or desirable to ascertain —
  - (i) whether any Act to which his or her powers extend, or any requirement made under that Act, is being or has been complied with;
  - (ii) whether any order, condition, restriction, or limitation is being or has been observed;

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- (iii) the cause, results and other aspects of any failure of any system, plant, works, apparatus or installation, including damage and other matters arising from or suspected of being related to the failure;
- (iv) the cause of any death, personal injury or damage to property which is or may be attributable to the form of energy to which his or her powers relate.

**15. Incriminating statements**

Where a person, before making a statement or answering a question for the purposes of section 14(d), objects to having to make it on the ground that the statement might tend to incriminate him, any statement made after that objection —

- (a) is not admissible in evidence in any prosecution against that person for any offence other than an offence against section 20;
- (b) if recorded, in writing or otherwise, must set out the fact of the objection having been made.

**16. Inspector may be accompanied**

An inspector may be accompanied by any person that the inspector thinks necessary to assist the inspector in the performance of his or her functions.

**17. Inspector to comply with reasonable requests**

In the performance of his or her functions an inspector is to comply so far as is practicable with any reasonable requirement of a person owning or using the land, premises, or thing inspected.

**18. Inspector may issue order**

- (1) If an inspector is of the opinion that any thing that the inspector is authorised to inspect —
  - (a) does not conform with any Act to which his or her powers extend; or

(b) is unsafe,  
the inspector may exercise either or both of the powers conferred by subsection (2).

- (2) An inspector may —
- (a) by order in writing prohibit the use of that thing absolutely or except in accordance with any condition or restriction; and
  - (b) disconnect the supply of energy to that thing, or to the premises on which it is situated, until the inspector is satisfied that the thing conforms with the Act or is safe.

**19. Appeal**

- (1) Any person aggrieved by any order made by an inspector under section 18 may appeal in the prescribed manner to —
- (a) the Coordinator, if the inspector was designated under section 12 by the Coordinator; or
  - (b) the Director, if the inspector was designated under section 12 by the Director.
- (2) The Coordinator or the Director, as the case may be, may confirm, reverse or vary the order and his or her decision is final.
- (3) An order has effect pending the determination of the appeal.

**20. Offences etc.**

- (1) A person must not without reasonable excuse —
- (a) obstruct an inspector, or a person to whom section 16 applies, in the performance of his or her functions; or
  - (b) fail to comply with a requirement under section 14(b).

Penalty for an individual: \$5 000.

Penalty for a body corporate: \$20 000.

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- (2) A person must not without reasonable excuse, and subject to section 15, fail to comply with a request under section 14(d).  
Penalty for an individual: \$5 000.  
Penalty for a body corporate: \$20 000.
- (3) A person must not give false or misleading information in response to a request under section 14(d).  
Penalty for an individual: \$5 000.  
Penalty for a body corporate: \$20 000.
- (4) A person must not contravene or fail to comply with an order under section 18.  
Penalty for an individual: \$5 000.  
Penalty for a body corporate: \$20 000.

## **Part 4 — Obtaining of information by Coordinator**

### **20A. Definition**

In this Part, unless the contrary intention appears —

“**energy**” means any form of energy, including —

- (a) electricity; and
- (b) solid, liquid and gaseous fuel.

*[Section 20A inserted by No. 53 of 2003 s. 67.]*

### **21. Coordinator may require information to be given**

- (1) The Coordinator may request a person, or the occupier of any premises, to give prescribed information to the Coordinator, including information by way of periodical returns at specified times, if —
  - (a) the information is required to enable the Coordinator to perform his or her functions; and
  - (b) the Coordinator has reasonable grounds for believing that the person is able to give the information.
- (2) The request must —
  - (a) be made by written notice given to the person or the occupier; and
  - (b) specify the time before which the information is to be given.
- (3) The information must be given —
  - (a) in writing; and
  - (b) before the time specified in the request.

*[Section 21 amended by No. 53 of 2003 s. 68.]*

**s. 22**

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**22. Trade secrets**

- (1) A person may, when giving information in compliance with a request under section 21, notify the Coordinator that any particular item of information is a trade secret.
- (2) The giving of such a notice does not exempt the person from complying with the request, but it has the effect that the information may only be disclosed in accordance with section 24AA(1)(c) or (d).

*[Section 22 inserted by No. 53 of 2003 s. 69.]*

**23. Obligation to comply with request**

- (1) A person must not, without reasonable excuse, fail to comply with a request under section 21.  
Penalty for an individual: \$20 000.  
Penalty for a body corporate: \$100 000.

- (2) A person must not give false or misleading information in response to a request under section 21.  
Penalty for an individual: \$20 000.  
Penalty for a body corporate: \$100 000.

*[Section 23 amended by No. 53 of 2003 s. 70.]*

**24. Confidentiality**

- (1) The Coordinator, the Director or any person performing functions under this Act (a **“relevant official”**) must not, directly or indirectly, record, disclose or make use of any information obtained in the course of duty except —
  - (a) for the purpose of performing functions under this Act;  
or
  - (b) as required or allowed by this Act or under a written law; or



- (c) with the written consent of the person to whom the information relates.

Penalty:

- (a) in the case of information to which section 21 applies, \$10 000 and imprisonment for 12 months;
  - (b) in any other case \$5 000.
- (2) Subsection (1) and section 24AA(1) do not apply to the disclosure of any summary or statistical information that could not reasonably be expected to enable particulars relating to any person or business to be ascertained.

*[Section 24 amended by No. 53 of 2003 s. 71.]*

**24AA. Protection of trade secrets**

- (1) In addition to section 24, a relevant official must not, directly or indirectly, disclose information to which a notice under section 22(1) applies —
- (a) publicly; or
  - (b) to a person who is not a relevant official,
- unless —
- (c) the requirement in subsection (2) is complied with; or
  - (d) the disclosure is authorised by section 24AB.

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

- (2) The requirement referred to in subsection (1)(c) is that the information when disclosed must be combined or aggregated with other information in such a way that the information could not reasonably be ascertained in isolation from the other information.

*[Section 24AA inserted by No. 53 of 2003 s. 72.]*

**s. 24AB**

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**24AB. Disclosure of information in the public interest**

- (1) A relevant official may disclose information to which a notice under section 22 applies if —
- (a) the Coordinator has —
    - (i) determined that disclosure of the information is in the public interest; and
    - (ii) given written notice of that determination to the person who gave the notice under section 22;
  - and
  - (b) the time for making an application under section 24AC for a review of that determination has expired without an application being made, or such an application has been made but has been unsuccessful.
- (2) For the purposes of subsection (1)(b) an application for a review is unsuccessful if it —
- (a) results in the Coordinator's determination under subsection (1)(a)(i) being affirmed; or
  - (b) is withdrawn, discontinued or dismissed for want of prosecution.

*[Section 24AB inserted by No. 53 of 2003 s. 72.]*

**24AC. Review of determination**

- (1) If —
- (a) a person has given a notice under section 22 in respect of information; and
  - (b) the Coordinator has determined under section 24AB(1)(a)(i) that disclosure of the information is in the public interest,

the person may apply to the State Administrative Tribunal for a review of the determination.

*[(2)-(5) repealed]*

*[Section 24AC inserted by No. 53 of 2003 s. 72; amended by  
No. 55 of 2004 s. 300.]*

## **Part 5 — General**

### **24A. Gas supply system emergencies**

- (1) Schedule 3 applies with respect to gas supply system emergencies.
- (2) To the extent that Schedule 3 or anything in an order under that Schedule is inconsistent with any safety provision of the *Petroleum Pipelines Act 1969* or of a licence under that Act or under Part 2A of this Act, the safety provision prevails and the inconsistent provision of Schedule 3 or the order has no effect.
- (3) In subsection (2) —  
    **“safety provision”** means a provision the effect of which is to protect a person from injury or property from damage.

*[Section 24A inserted by No. 58 of 1999 s. 49; amended by No. 74 of 2003 s. 50(4).]*

### **25. Establishment of committees**

- (1) The Minister may establish committees for the purpose of considering and advising on a particular matter specified by the Minister.
- (2) Subject to subsection (3), the Minister may —
  - (a) prescribe the membership, constitution and procedures of; and
  - (b) discharge, alter, or reconstitute,any such committee.
- (3) The Coordinator or his nominee is to be the chairperson of every committee established under this section.
- (4) The Minister may determine that a member of a committee is to receive remuneration or an allowance, and if the Minister so determines he or she is to fix the remuneration or allowance on

the recommendation of the Minister for Public Sector Management.

- (5) Subject to this section, a committee may determine its own procedure.
- (6) The Coordinator is to provide a committee with such support services as it may reasonably require.

**26. Regulations**

- (1) The Governor may make any regulations prescribing all matters that are required or permitted by this Act to be prescribed or are necessary or convenient to be prescribed for giving effect to the purposes of this Act.
- (2) Without limiting the generality of subsection (1), the regulations may —
  - (a) fix the fees and charges, or the means of determining the fees and charges, that, unless otherwise agreed, are to be payable by customers of a prescribed class in relation to —
    - (i) the supply of gas in prescribed circumstances; or
    - (ii) the provision of any prescribed service;
  - (b) deal with any other matter relating to the fixing or determination of fees and charges;
  - (c) where fees and charges, or the means of determining fees and charges, are fixed under paragraph (a), require a person supplying the gas or providing the service to offer customers of the prescribed class a form of contract that has been approved by the Coordinator.
- (3) Without limiting subsection (1), regulations may provide —
  - (a) for the determination or approval by the Coordinator of gas quality specifications for the purposes of a contract in relation to the sale, supply or transportation of gas

**s. 27**

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- transported (or to be transported) through the privatised DBNGP system; and
- (b) for the giving of effect to the determination or approval.
- (4) Regulations referred to in subsection (3)(b) may provide that they apply despite being inconsistent with any provisions in the contract.
- (5) In subsection (3) —  
**“privatised DBNGP system”** has the same meaning as it has in the *Dampier to Bunbury Pipeline Act 1997*.
- (6) Without limiting subsection (1), regulations may require a person —
- (a) who transports gas through a distribution system; or
  - (b) who sells gas that is transported through a distribution system,

when the person uses the heating value of the gas for the purpose of determining charges, to use the heating value of the gas as determined under the *Gas Standards Act 1972*.

*[Section 26 amended by No. 58 of 1999 s. 50 and 109; No. 53 of 2003 s. 39.]*

**27. Review**

- (1) The Minister is to carry out a review of the operations and effectiveness of the Coordinator and the Director as soon as is practicable after the expiry of 5 years from the commencement of this Act and in the course of that review the Minister is to consider and have regard to —
- (a) the desirability of the continuation of the functions of the Coordinator and the Director; and
  - (b) such other matters as appear to the Minister to be relevant to the operations and effectiveness of the Coordinator and the Director.

- (2) The Minister is to prepare a report based on the review carried out under subsection (1) and is to cause that report to be laid before each House of Parliament as soon as practicable.

**Schedule 1 — Coordinator's functions in respect of sustainable energy research**

[s. 6(e)]

*[Heading inserted by No. 53 of 2003 s. 95.]*

**1. Definitions**

In this Schedule —

**“energy research”** means research as to energy derived from a source that can be utilised sustainably and includes the development of any process, technique, method, design or apparatus —

- (a) to collect, store, apply or utilise any form of energy;
- (b) to convert one form of energy into another form of energy;
- (c) to substitute one form of energy for any other form of energy; or
- (d) to conserve any form of energy;

**“researcher”** means —

- (a) a person to whom the Coordinator has allocated financial assistance to enable the person to undertake or continue a particular research project; and
- (b) a person who is directing, assisting or working with such a person on that project.

*[Clause 1 inserted by No. 53 of 2003 s. 95.]*

**2. Research functions**

- (1) It is a function of the Coordinator to encourage the development of the energy industry in the State by fostering and promoting energy research.
- (2) For the purposes of subclause (1) the Coordinator may —
  - (a) undertake energy research projects, including joint projects;
  - (b) receive applications from persons seeking financial assistance to undertake or continue energy research projects;



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- (c) allocate from moneys available for the purpose financial assistance to enable or assist persons to undertake or continue energy research projects;
  - (d) coordinate energy research projects undertaken by persons —
    - (i) who are receiving financial assistance or any other form of support from the Coordinator; or
    - (ii) who seek or agree to have their research projects coordinated by the Coordinator;
  - (e) enter into agreements with persons to whom the Coordinator has allocated financial assistance with respect to the terms and conditions of that allocation;
  - (f) accept moneys from a person for application to energy research, either unconditionally or subject to any trust, condition or stipulation as to the application of the moneys;
  - (g) monitor and evaluate —
    - (i) energy research projects in respect of which the Coordinator has allocated financial assistance; and
    - (ii) other energy research work within the State or elsewhere.

*[Clause 2 inserted by No. 53 of 2003 s. 95.]*

**3. Power to direct researcher**

The terms and conditions referred to in clause 2(2)(e) may include a condition that a person to whom the Coordinator has allocated financial assistance must comply with any directions or guidelines issued by the Coordinator in relation to the conduct of the research project concerned.

*[Clause 3 inserted by No. 53 of 2003 s. 95.]*

**4. Trusts and conditions**

The Coordinator must give effect to any trust, condition or stipulation that has been agreed to in exercise of the power in clause 2(2)(f).

*[Clause 4 inserted by No. 53 of 2003 s. 95.]*

**Schedule 1**     Coordinator's functions in respect of sustainable energy research

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**5.        Provision of information to the Coordinator**

- (1) This clause applies where the Coordinator has given financial assistance to a person under clause 2.
- (2) The Coordinator may, by notice in writing, require the person to provide within a specified period reports and other information relating to —
  - (a) the research concerned; and
  - (b) the way in which moneys have been spent.
- (3) A person to whom such a notice has been given —
  - (a) must comply with the notice; and
  - (b) must not give information that he or she knows to be false or misleading.

Penalty: \$10 000.

*[Clause 5 inserted by No. 53 of 2003 s. 95.]*

**6.        Termination of assistance by the Coordinator**

- (1) This clause applies where the Coordinator is satisfied that a person to whom financial assistance has been allocated or given under clause 2 —
  - (a) has failed to undertake or continue the research concerned; or
  - (b) is unable to complete the research,in accordance with the terms and conditions agreed with the Coordinator.
- (2) The Coordinator may, by notice in writing to the person, terminate the financial assistance and the Coordinator's obligations under any agreement made under clause 2(2)(e).
- (3) Any moneys —
  - (a) paid to the person by the Coordinator; and
  - (b) remaining unspent at the time when a notice is given under this clause,may be recovered in a court of competent jurisdiction as a debt due to the Coordinator.

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*[Clause 6 inserted by No. 53 of 2003 s. 95.]*

**7. Researchers to maintain confidentiality**

A researcher must not directly or indirectly —

- (a) disclose to any person; or
- (b) make use of,

information concerning the affairs of another person acquired by him or her by reason of any research for which financial assistance has been allocated under this Act, except in good faith for the purposes of that research.

Penalty: \$100 000.

*[Clause 7 inserted by No. 53 of 2003 s. 95.]*

**8. Protection of trade secrets**

(1) This clause applies if —

- (a) a person discloses information to the Coordinator concerning his or her affairs for the purposes of energy research; and
- (b) the person requests the Coordinator in writing that the information be treated as a trade secret.

(2) Subject to subclause (4), the Coordinator, a person performing functions under this Act, or a researcher must not make any public disclosure of information contrary to a request referred to in subclause (1)(b), except with the consent of the person concerned.

Penalty: \$100 000.

(3) Subject to subclause (4), the Coordinator and a person performing functions under this Act must take all reasonable steps to ensure that, except with the consent of the person concerned, information about the nature, conduct, progress or results of the research is not included in any report or statement prepared under the *Financial Administration and Audit Act 1985* by or for the Coordinator.

Penalty: \$100 000.

(4) Subclauses (2) and (3) do not apply to any information that the Coordinator has, or might have, required to be provided under clause 5.

**Schedule 1**     Coordinator's functions in respect of sustainable energy research

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*[Clause 8 inserted by No. 53 of 2003 s. 95.]*

**9. Other requests for confidentiality**

(1) This clause applies if —

- (a) the Coordinator has accepted moneys from a person for application to energy research subject to any trust, condition or stipulation as to the application of the moneys; and
- (b) the person requests the Coordinator in writing —
  - (i) not make any public disclosure of any information concerning the nature, conduct, progress or results of the research; or
  - (ii) that information about the nature, conduct, progress or results of the research be not included in any report or statement prepared under the *Financial Administration and Audit Act 1985* by or for the Coordinator.

(2) The Coordinator, a person performing functions under this Act, or a researcher must not make any public disclosure of information contrary to a request referred to in subclause (1)(b).

Penalty: \$100 000.

(3) The Coordinator and a person performing functions under this Act must take all reasonable steps to ensure that subclause (1)(b)(ii) is not contravened.

Penalty: \$100 000.

*[Clause 9 inserted by No. 53 of 2003 s. 95.]*

**10. Records to be maintained**

The Coordinator is to cause detailed records to be kept in relation to research projects —

- (a) undertaken by the Coordinator, or by the Coordinator in conjunction with any other person; or
- (b) for which the Coordinator has allocated financial assistance,

including records relating to moneys allocated or paid, work undertaken, progress achieved and results obtained.

*[Clause 10 inserted by No. 53 of 2003 s. 95.]*

## **Schedule 1A — Licence terms and conditions**

[s. 11M]

*[Heading inserted by No. 20 of 1999 s. 9; amended by No. 53 of 2003 s. 96.]*

A licence may include provisions —

- (a) requiring the licensee to enter into agreements on specified terms or on terms of a specified type, other than agreements relating to the provision of access to gas distribution capacity that are covered by the Gas Pipelines Access (Western Australia) Law;
- (b) requiring the licensee to observe specified industry codes with such modifications or exemptions as may be determined by the Authority;
- (c) requiring the licensee to maintain specified accounting records and to prepare accounts according to specified principles;
- (d) preventing the licensee from engaging in or undertaking specified business activities or any other business in the gas industry in the State;
- (e) if the licence is a trading licence, specifying methods or principles to be applied by the licensee in determining its fees or charges;
- (f) specifying methods or standards to be applied in supplying gas under the authority of the licence;
- (g) specifying procedures for surrender of the licence;
- (h) requiring the licensee to provide to the Authority, in the manner and form determined by the Authority, specified information on any matter relevant to the operation of the licence, the operation of the licensing scheme provided for in Part 2A, or the performance of the Authority's functions under that Part;
- (i) regulating the construction, alteration, operation or maintenance of a distribution system;

- (ia) if the licence is a distribution licence, requiring the licensee to undertake an extension of, or an expansion to, the distribution system located within an area specified in the licence;
- (ib) if the licence is a trading licence, requiring the licensee to ensure the supply of gas to existing or new customers who require it, in such circumstances as may be specified in the licence whether by reference to a class of gas customer, the amount of gas to be supplied to the customer or customers of a class, where the gas is to be consumed, or any other factor;
- (ic) if the licence is a trading licence, regulating the extent to which the licensee's gas customers may be of a particular class;
- (id) requiring the licensee to lodge with the Authority securities in an amount and of a nature acceptable to the Authority securing the performance by the licensee of the requirements, responsibilities and obligations under the licence.
- (j) relating to the performance of functions by the licensee including —
  - (i) the range of functions that may be performed by the licensee;
  - (ii) performance criteria to be met by the licensee; and
  - (iii) community service obligations, that is obligations that are not commercially justified, to be discharged by the licensee;
- (k) if the licence is a trading licence, specifying —
  - [(i) deleted]*
  - (ii) any limitation on the capacity of the parties by express agreement to exclude, modify or restrict the terms and conditions of the customer contract;
- (l) if the licence is a trading licence, specifying standards of customer service to be applied in supplying gas under the authority of the licence;
- (m) relating to obligations of the licensee with respect to public authorities and other licensees; and
- (n) relating to the disposal or transfer of property, rights or liabilities of a specified kind either during the term of the

**Schedule 1A** Licence terms and conditions

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licence or on or after its expiration by effluxion of time including provisions —

- (i) prohibiting any disposal or transfer of property except with the approval of a specified person;
- (ii) prohibiting the giving of any encumbrance over specified property except with the approval of the Authority;
- (iii) requiring the transfer of property, rights or liabilities of a specified kind to a specified person on or within a specified time after the expiration of the licence;
- (iv) with respect to the consideration to be provided in respect of any disposal or transfer;
- (v) with respect to the arbitration of disputes that arise in connection with any disposal or transfer; and
- (vi) of a supplementary, consequential or transitional nature in relation to any disposal or transfer.

*[Schedule 1A inserted as Schedule 1 by No. 20 of 1999 s. 9; amended by No. 58 of 1999 s. 51; renumbered as Schedule 1A by No. 53 of 2003 s. 96; amended by No. 53 of 2003 s. 30; No. 67 of 2003 s. 62.]*



**Schedule 2 — Provisions of *Energy Operators (Powers)*  
*Act 1979* that apply to licensees<sup>3</sup>**

[s. 11ZO]

*[Heading inserted by No. 20 of 1999 s. 9.]*

**Part 1 — Provisions applicable in relation to distribution  
licences**

s. 4(1)	s. 48	s. 75
(definition of “service apparatus”)	s. 49	s. 76
	s. 50	s. 77
s. 4(2)	s. 51	s. 79
s. 40	s. 52	s. 84(2) & (3)
s. 43	s. 53	s. 120
s. 46(7), (8), (11), (12), (14) & (16)	s. 66	s. 121
	s. 67	
	s. 67A	
	s. 74	

*[Part 1 inserted by No. 20 of 1999 s. 9.]*

**Part 2 — Provisions applicable in relation to trading  
licences**

s. 4(1)	s. 43	s. 67
(definition of “service apparatus”)	s. 46(7), (8), (11) & (16)	s. 67A
		s. 74
s. 4(2)	s. 48	s. 79
	s. 66	s. 84(2) & (3)

*[Part 2 inserted by No. 20 of 1999 s. 9.]*

**Schedule 2A — Remedies for contravention of section 11ZOV**

[s. 11ZOY]

*[Heading inserted by No. 53 of 2003 s. 16.]*

**1. Definition**

In this Schedule —

“**Court**” means the Supreme Court.

*[Clause 1 inserted by No. 53 of 2003 s. 16.]*

**2. Actions for damages for contravention of section 11ZOV**

- (1) A person who suffers loss or damage by reason of a contravention of section 11ZOV(1) or (2) may recover the amount of the loss or damage by action in a court of competent jurisdiction against the person who engaged in the conduct that constituted the contravention.
- (2) An action under subclause (1) must be commenced within 3 years after the day on which the cause of action accrued.

*[Clause 2 inserted by No. 53 of 2003 s. 16.]*

**3. Injunction**

- (1) If, on an application being made, the Court is satisfied that a person has engaged, or is proposing to engage, in conduct that constitutes or would constitute a contravention of section 11ZOV(1) or (2), the Court may grant an injunction in such terms as it determines to be appropriate.
- (2) An application under subclause (1) may be made by any person, whether or not the person has suffered loss or damage by reason of the conduct concerned.
- (3) If an application has been made for an injunction under subclause (1), 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 subclause (1).

- (4) If, in the opinion of the Court, it is desirable to do so, it may grant an interim injunction pending determination of an application under subclause (1).
- (5) The Court may rescind or vary an injunction granted under subclause (1), (3) or (4).
- (6) The power of the Court to grant an injunction under subclause (1) 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 referred to in subclause (1);
  - (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 any 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;
  - (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) The Court is not to require an applicant under this section or any other person, as a condition of granting an interim injunction, to give any undertaking as to damages.
- (9) Nothing in this clause affects any other power the Court may have to grant injunctive relief.

*[Clause 3 inserted by No. 53 of 2003 s. 16.]*

**4. Declaratory relief**

- (1) The Court, on application being made, may make an order declaring whether or not a particular person has engaged in conduct that constitutes a contravention of section 11ZOV(1) or (2).
- (2) An application under subclause (1) may be made by any person, whether or not the person has suffered loss or damage by reason of the conduct concerned.
- (3) An order under subclause (1) in respect of a person 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;
  - (c) a declaration that the person has contravened a relevant provision of the retail market rules concerned.

*[Clause 4 inserted by No. 53 of 2003 s. 16.]*

**Schedule 2B — Objectives to be met by gas industry ombudsman scheme**

[s. 11ZQ]

**Objectives stated**

The objectives referred to in section 11ZQ are that —

- (a) all licensees who are required to be members of the scheme —
  - (i) are members of the scheme;
  - (ii) have agreed to be bound by decisions and directions of the gas industry ombudsman under the scheme; and
  - (iii) as members, are so bound;
- (b) the scheme will be appropriately funded by the licensees who are required to be members;
- (c) the scheme has satisfactory arrangements in place to deal with all disputes and complaints referred to in section 11ZPZ(1);
- (d) the gas industry ombudsman will be able to operate independently of all licensees in performing his or her functions under the scheme;
- (e) the scheme will be accessible to customers;
- (f) membership of the scheme will —
  - (i) be accessible to all potential members; and
  - (ii) provide appropriate representation for all members on the governing body of the scheme;
- (g) without limiting any other application of the scheme, the scheme will apply to all disputes and complaints referred to in section 11ZPZ(1);
- (h) the scheme will operate expeditiously and without cost to customers;
- (i) the scheme will satisfy best practice benchmarks for schemes of a similar kind, both in terms of its constitution and procedure and in terms of its day to day operations;

**Schedule 2B** Objectives to be met by gas industry ombudsman scheme

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- (j) the scheme will provide for a monetary limit on claims covered by the scheme of an amount or amounts approved by the Authority;
- (k) the scheme will maintain the capacity of the gas industry ombudsman, where appropriate, to refer disputes or complaints to other forums; and
- (l) the scheme will require the gas industry ombudsman to inform the Authority of substantial breaches of —
  - (i) any licence condition; or
  - (ii) the code of conduct under Part 2C, of which the ombudsman becomes aware.

*[Schedule 2B inserted by No. 53 of 2003 s. 33.]*

**Schedule 3 — Gas supply system emergencies**

[s. 24A]

*[Heading inserted by No. 58 of 1999 s. 52.]***1. Definitions**

(1) In this Schedule —

**“emergency”** means —

- (a) any event or circumstance in relation to a supply system by reason of which the supply of gas from it is, or in the opinion of the Coordinator may reasonably be expected to be, seriously affected; or
- (b) any event or circumstance in relation to any act, matter or thing by reason of which the supply of gas from a supply system is, or in the opinion of the Coordinator may reasonably be expected to be, seriously affected,

that, in the opinion of the operator of the supply system, requires the immediate exercise of powers given by clause 2 or, in the opinion of the Coordinator, requires the exercise of powers given by clause 3(1) or 4;

**“emergency order”** means an order under clause 3(1);**“seriously affected”** means affected to the extent that —

- (a) any life or property is or may be endangered; or
- (b) the supply of gas to a significant proportion of the users of gas delivered either directly or indirectly by the supply system is, may be, or should be, reduced or terminated;

**“supply system”** means the privatised DBNGP system within the meaning of the *Dampier to Bunbury Pipeline Act 1997* or any distribution system operated within the State.

(2) For the purposes of the definition of “emergency” the supply of gas from a supply system is to be regarded as being affected if the obtaining or manner of delivery of gas from it is affected.

*[Clause 1 inserted by No. 58 of 1999 s. 52.]*

**2. Action by operator**

- (1) If a state of emergency exists in relation to a supply system, the operator of the supply system is to notify the Coordinator of the state of emergency as soon as practicable after becoming aware of it.
- (2) If a state of emergency exists which, by reason of the nature of the emergency, does not reasonably allow sufficient time for the emergency to be avoided or mitigated or the continued transport and supply of gas to be ensured through the exercise by the Coordinator of powers given by clause 3, the operator of the supply system concerned may take any immediate measures that seem appropriate to avoid or mitigate the emergency, or to ensure the continued transport and supply of gas, in a manner that seems appropriate.

*[Clause 2 inserted by No. 58 of 1999 s. 52.]*

**3. Emergency order**

- (1) If a state of emergency exists, the Coordinator may make any order that the Coordinator considers necessary and the circumstances reasonably allow, to —
  - (a) provide for —
    - (i) gas to be transported to or by any person or class of persons, or upon any premises or class of premises, within the whole or any portion of the State, or for any particular purpose or purposes; and
    - (ii) the control, regulation, imposition of restrictions upon, curtailment, interruption, prohibition, or termination, of the supply or use of gas to or by any person or class of persons, or upon any premises or class of premises, within the whole or any portion of the State, or for any particular purpose or purposes, for any period or periods specified in the order;
  - (b) provide for the exemption of any person or class of persons, or of any premises or class of premises, or of any place or institution or class of place or institution, from the operation of the whole or part of the order;



- (c) provide for the delegation, either generally or specifically, to any person or body of any authority or discretion of the Coordinator under this Schedule.
- (2) An emergency order has effect —
- (a) in the portion of the State specified in it; and
  - (b) on and from the time the order is made, or such later time as is specified in the order,
- and it ceases to have effect 7 days after it first has effect, unless previously renewed or cancelled.
- (3) An emergency order is to be —
- (a) published for general information in any portion of the State affected by the order as soon as practicable and in a manner that the Coordinator considers likely to be appropriate having regard to the circumstances and what may be practicable;
  - (b) confirmed thereafter by notice in the *Gazette* setting out —
    - (i) the time and date on which it was made; and
    - (ii) the time, date and manner of its original publication;and
  - (c) if the manner of publication under paragraph (a) was not by means of a notice in a newspaper, made known in that manner as soon as circumstances permit.
- (4) An emergency order may be renewed, cancelled or varied by the Coordinator by a subsequent order.

*[Clause 3 inserted by No. 58 of 1999 s. 52.]*

#### **4. Emergency action by Coordinator**

If a state of emergency exists, the Coordinator may take any measures considered appropriate in relation to the emergency, or in relation to the consequences of that emergency, to diminish the effect of, or to terminate, that emergency, including measures to discontinue supply to any person considered by the Coordinator to be contravening an emergency order.

*[Clause 4 inserted by No. 58 of 1999 s. 52.]*

**5. Liability to punishment continues**

The cancellation or variation of an emergency order does not affect —

- (a) any penalty or punishment incurred, imposed, or liable to be incurred or imposed, before the cancellation or variation; or
- (b) any investigation or legal proceedings in respect of such a penalty or punishment,

despite any other enactment.

*[Clause 5 inserted by No. 58 of 1999 s. 52.]*

**6. Protection**

Despite any obligation or duty that a person has to effect or continue any supply of gas, neither that person, the Coordinator, the State, any Minister of the Crown, nor an officer or servant of any of them, is liable for —

- (a) any interruption, diminution, or termination of any supply that arises by reason of any act done in good faith in the exercise or in purported exercise of powers given by this Schedule; or
- (b) any loss or damage consequential upon an interruption, diminution, or termination of supply referred to in paragraph (a).

*[Clause 6 inserted by No. 58 of 1999 s. 52.]*

**7. Powers of entry**

- (1) While a state of emergency exists and for so long afterwards as the circumstances reasonably require, a person given powers by this Schedule may, without notice and without any warrant other than this subclause, immediately enter onto or into any land, premises or thing if it is necessary to do so to exercise any of those powers.
- (2) Any question as to what is a necessary entry may be determined by the person exercising the power of entry, and in any proceedings the question is to be presumed, in the absence of evidence to the contrary, to have been determined in good faith.

- (3) A person exercising the power of entry given by this clause is required, as soon as practicable, to —
- (a) remove or cause to be removed any machinery, equipment or other thing that the person brought or caused to be brought onto or into the land, premises, or thing for the purpose for which entry was made; and
  - (b) make good any physical damage caused in the course of exercising the powers for the purposes of which entry was made, or pay compensation or effect restoration, rehabilitation or restitution.
- (4) If entry is effected under this clause for the purpose of exercising powers under clause 3 or 4, the Coordinator may recover as a debt from the operator of the supply system concerned the costs of any expenses incurred in dealing with that emergency, including any expenses incurred in complying with obligations under subclause (3).
- (5) While an emergency order is in force, any person authorised by the Coordinator in writing to do so may, without prior notice, enter premises supplied with gas and there make any search or examination necessary to determine whether the order is, in respect of those premises, being contravened in any respect.

*[Clause 7 inserted by No. 58 of 1999 s. 52.]*

## **8. Offences**

- (1) A person —
- (a) obstructing a person in the exercise of a function under this Schedule; or
  - (b) contravening an emergency order,
- commits an offence.
- (2) The penalty for an offence under subclause (1) is —
- (a) in the case of an individual, \$5 000;
  - (b) in the case of a body corporate, \$50 000.

*[Clause 8 inserted by No. 58 of 1999 s. 52.]*

### Notes

<sup>1</sup> This is a compilation of the *Energy Coordination Act 1994* and includes the amendments made by the other written laws referred to in the following table<sup>1a</sup>. The table also contains information about any reprint.

#### Compilation table

Short title	Number and year	Assent	Commencement
<i>Energy Coordination Act 1994</i>	71 of 1994	9 Dec 1994	1 Jan 1995 (see s. 2 and <i>Gazette</i> 23 Dec 1994 p. 7069)
<i>Statutes (Repeals and Minor Amendments) Act 1997 s. 53</i>	57 of 1997	15 Dec 1997	15 Dec 1997 (see s. 2(1))
<i>Gas Pipelines Access (Western Australia) Act 1998 s. 89</i>	65 of 1998	15 Jan 1999	9 Feb 1999 (see s. 2 and <i>Gazette</i> 8 Feb 1999 p. 441)
<i>Energy Coordination Amendment Act 1999</i>	20 of 1999	24 Jun 1999	16 Oct 1999 (see s. 2 and <i>Gazette</i> 15 Oct 1999 p. 4865)
<i>Gas Corporation (Business Disposal) Act 1999 s. 47-52, 74, 75 and 109</i>	58 of 1999	24 Dec 1999	s. 47-52: 24 Dec 1999 (see s. 2(1)); s. 109: 1 Jan 2000 (see s. 2(7)); s. 74-75: 1 Jul 2000 (see s. 2(2) and <i>Gazette</i> 4 Jul 2000 p. 3545)
<b>Reprint of the <i>Energy Coordination Act 1994</i> as at 5 May 2000</b> (includes amendments listed above except those in the <i>Gas Corporation (Business Disposal) Act 1999 s. 74-75</i> )			
<i>Corporations (Consequential Amendments) Act 2001 s. 220</i>	10 of 2001	28 Jun 2001	15 Jul 2001 (see s. 2 and <i>Gazette</i> 29 Jun 2001 p. 3257 and Cwlth <i>Gazette</i> 13 Jul 2001 No. S285)

Short title	Number and year	Assent	Commencement
<i>Energy Legislation Amendment Act 2003</i> Pt. 2, Pt. 3 Div 1-9 (other than s. 34) and 11, Pt. 4, 5 and 6 Div. 2 & 3 and s. 118 <sup>4, 5, 6, 7</sup>	53 of 2003 (as amended by No. 55 of 2004 s. 299)	8 Oct 2003	Pt. 3 Div. 11, Pt. 4, Pt. 5 and s. 97, 98 and 118: 8 Oct 2003 (see s. 2(1) and (2)); Pt. 2 and Pt. 6 (other than s. 97 and 98): 19 Mar 2004 (see s. 2(2)(a) and (c) and <i>Gazette</i> 19 Mar 2004 p. 913); Pt. 3 Div. 1-2, 4-6 (other than s. 34), 7 and 9: 31 May 2004 (see s. 2(2)(b) and (3) and <i>Gazette</i> 28 May 2004 p. 1827); Pt. 3 Div. 8: 14 May 2005 (see s. 2(2) and <i>Gazette</i> 13 May 2005 p. 2073); Pt. 3 Div. 3: 31 May 2005 (see s. 2(4))
<i>Economic Regulation Authority Act 2003</i> s. 62 (Sch. 2 Div. 4) <sup>8, 9</sup>	67 of 2003	5 Dec 2003	19 Mar 2004 (see s. 2(3) and <i>Gazette</i> 19 Mar 2004 p. 914)
<i>Statutes (Repeals and Minor Amendments) Act 2003</i> s. 10(3) and 50	74 of 2003	15 Dec 2003	15 Dec 2003 (see s. 2)
<b>Reprint 2: The Energy Coordination Act 1994 as at 10 Sep 2004</b> (includes amendments listed above except those in the <i>Energy Legislation Amendment Act 2003</i> Pt. 3 Div. 3 & 8)			
<i>Courts Legislation Amendment and Repeal Act 2004</i> s. 141	59 of 2004	23 Nov 2004	1 May 2005 (see s. 2 and <i>Gazette</i> 31 Dec 2004 p. 7128)
<i>State Administrative Tribunal (Conferral of Jurisdiction) Amendment and Repeal Act 2004</i> Pt. 2 Div. 42 <sup>10</sup>	55 of 2004	24 Nov 2004	1 Jan 2005 (see s. 2 and <i>Gazette</i> 31 Dec 2004 p. 7130)

<sup>1a</sup> ~~On the date as at which this compilation was prepared, provisions referred to in the following table had not come into operation and were therefore not included in this compilation. For the text of the provisions see the endnotes referred to in the table.~~

**~~Provisions that have not come into operation~~**

<del>Short title</del>	<del>Number and year</del>	<del>Assent</del>	<del>Commencement</del>
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<i>Financial Administration Legislation Amendment Act 2005</i> s. 39 <sup>+</sup>	5 of 2005	27 Jun 2005	<del>To be proclaimed</del> <a href="#">1 Jan 2006</a> (see s. <a href="#">2</a> and <i>Gazette</i> <a href="#">23 Dec 2005</a> p. 6243)
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<sup>2</sup> The *Solar Energy Research Act 1977* expired 30 June 1988.

<sup>3</sup> Formerly referred to the *Energy Corporations (Powers) Act 1979* the short title of which was changed to the *Energy Operators (Powers) Act 1979* by the *Gas Corporation (Business Disposal) Act 1999* s. 78. The reference was changed under the *Reprints Act 1984* s. 7(3)(gb).

<sup>4</sup> The *Energy Legislation Amendment Act 2003* Pt. 3 Div. 3 (other than s. 19) reads as follows:

“

### **Part 3 — Amendments to facilitate a contestable retail gas market, and related transitional provisions**

#### **Division 3 — Transfer of Minister’s functions under Part 2B of principal Act**

##### **17. Definitions**

In this Division —

“**Authority**” and “**Minister**” have the same meanings as they have for the purposes of the principal Act;

“**commencement day**” means the day on which this Division comes into operation as provided by section 2(4);

“**Part 2B function**” means a function under Part 2B of the principal Act that by operation of section 19(1) is vested in the Authority in place of the Minister;

“**principal Act**” means the *Energy Coordination Act 1994*.

##### **18. Purpose of this Division**

The purpose of this Division is to vest all of the functions of the Minister under Part 2B of the principal Act in the Authority on and after the first anniversary of the day on which Division 2 comes into operation.

##### **20. Effect of things done**

On and after the commencement day any act, matter or thing done or omitted to be done before that day by, to, or in respect of, the Minister in the performance of a Part 2B function (to the extent that that act, matter or thing has any force or effect) is to be taken to have been done or omitted by, to, or in respect of, the Authority.

**21. Completion of things begun**

On and after the commencement day, anything lawfully commenced by the Minister in the performance of a Part 2B function may be carried on and completed by the Authority.

**22. Proceedings etc.**

Any proceedings or remedy that immediately before the commencement day might have been brought or continued by or available against or to the Minister in relation to the performance of a Part 2B function may, on and after that day, be brought or continued and is available, by or against or to the Authority.

**23. Records**

The Authority is to take delivery of all papers, documents, minutes and other records (however compiled, recorded or stored) relating to the Part 2B functions that, immediately before the commencement day, are in the possession or under the control of the Minister.

**24. Instruments**

Any instrument relating to the performance of a Part 2B function that is in existence immediately before the commencement day and that —

- (a) was made by the Minister; or
- (b) contains a reference to the Minister,

has effect after the commencement day as if —

- (c) the Authority were substituted for the Minister as the maker of the instrument; and
- (d) any reference in the instrument to the Minister were (unless the context otherwise requires) amended to be or include a reference to the Authority.

**25. Reviews in progress etc.**

- (1) The conduct of a review under Part 2B Division 6 of the principal Act of a decision or direction of the Minister that was begun but not disposed of before the commencement day is not affected by an amendment made by section 19(2).
- (2) Any such review may be continued and disposed of as if it were a review of a decision or direction of the Authority.

**26. Regulations for transitional matters**

- (1) If there is insufficient provision in this Division to achieve the purpose mentioned in section 18, the Governor may make the necessary provision by regulations.

- (2) If in the opinion of the Minister an anomaly arises in the operation of any provision of this Division, the Governor may by regulations make such provision as is necessary —
- (a) to remove the anomaly; and
  - (b) to achieve the purpose mentioned in section 18.

”

<sup>5</sup> The *Energy Legislation Amendment Act 2003* s. 19(4) is not included because the section it sought to amend has been repealed by the *State Administrative Tribunal (Conferral of Jurisdiction) Amendment and Repeal Act 2004* s. 299 before it purported to come into operation.

<sup>6</sup> The *Energy Legislation Amendment Act 2003* Pt. 3 Div. 11 reads as follows:

“

## **Division 11 — Transitional provisions for this Part**

### **Subdivision 1 — Preliminary**

#### **42. Definitions for this Division**

In this Division —

“**Minister**” means the Minister responsible for the administration of the principal Act;

“**principal Act**” means the *Energy Coordination Act 1994*.

### **Subdivision 2 — Retail market schemes**

#### **43. Definitions**

Expressions used in section 44 have the same meanings as they have in Part 2B (“**Part 2B**”) to be inserted in the principal Act by section 15.

#### **44. Approval of retail market schemes before commencement of section 15**

- (1) The purpose of this section is to enable a retail market scheme for a distribution system to come into force when section 15 commences, so that section 11ZOR of the principal Act, to be inserted by section 15, may be complied with as from that commencement.
- (2) At any time after the commencement of this section, a proposed retail market scheme for a distribution system may be submitted to the Minister for approval.
- (3) A proposed scheme for a distribution system is to be submitted on behalf of persons who expect to be gas market participants in



relation to the system on and after the commencement of section 15.

- (4) If a proposed scheme is so submitted, the following provisions of Part 2B apply for the purposes of this section, with all necessary changes, as if they had come into operation —
  - (a) section 11ZOI(2), (3) and (4); and
  - (b) sections 11ZOJ, 11ZON and 11ZOP.
- (5) A request by the Minister for an amendment to a proposed scheme under section 11ZOJ(1)(b) or (2)(b), as applied by subsection (4), may be in terms that the set of retail market rules submitted for approval be replaced by a set of retail market rules specified by the Minister.
- (6) If a retail market scheme submitted under this section is approved by the Minister it comes into force on the commencement of section 15.
- (7) Nothing in this section is to be read as making section 11ZPD in Part 2B applicable to a refusal by the Minister to approve a proposed retail market scheme submitted under subsection (2).

**45. Regulations for retail gas market**

- (1) The Governor may, on the recommendation of the Minister, make regulations for the purposes of section 11ZPI in Part 2B that are to have effect on the commencement of section 15.
- (2) The Minister may under subsection (1) recommend the making of regulations for a distribution system only if the Minister considers that —
  - (a) there has been a failure to submit a retail market scheme, or an amended retail market scheme, for that distribution system that the Minister could approve in accordance with sections 11ZOJ, 11ZON and 11ZOP as applied by section 44(4); and
  - (b) the failure has continued for a period that has caused an unacceptable delay to the commencement of section 15.
- (3) A recommendation made by the Minister under subsection (1) is not liable to be challenged, reviewed or called in question in any court.

**46. Regulations for transitional matters**

- (1) For the purpose described in section 44(1) the Governor may make regulations of the kind contemplated by sections 11ZOD(1)(b), 11ZOH, 11ZOI(4)(b), 11ZON(b) and 11ZOP in Part 2B to have effect pending the commencement of section 15.

- (2) If there is insufficient provision in this Subdivision —
  - (a) to achieve the purpose described in section 44(1); or
  - (b) in respect of any matter incidental to that purpose,the Governor may make the necessary provision by regulations.
- (3) If in the opinion of the Minister an anomaly arises in the carrying out of any provision of —
  - (a) this Subdivision; or
  - (b) Part 2B as applied by section 44,the Governor may by regulations make such provision for the purposes of this Division as is necessary —
  - (c) to remove the anomaly; and
  - (d) to achieve the purpose described in section 44(1).

**Subdivision 3 — Gas supply contracts**

**47. Definition**

Expressions used in this Subdivision have the same meanings as they have in Part 2A Division 4A (“**Division 4A**”) to be inserted in the principal Act by section 28.

**48. Approval of standard form contract**

- (1) As soon as is practicable after the commencement of section 28, the holder of a trading licence is to submit to the Authority for its approval a draft of the standard form contract under which the licensee wishes to supply gas to small use customers.
- (2) Section 11WF of the principal Act inserted by section 28 applies for the purpose of subsection (1) as if the draft were submitted under section 11WD so inserted.
- (3) To allow time for subsections (1) and (2) to be complied with, the condition provided for by section 11WG(1)(a) of the principal Act inserted by section 28 does not apply to the licence of a licensee until the expiry of —
  - (a) 2 months after the commencement of section 28; or
  - (b) such longer period as the Authority may, on application made by the licensee, from time to time allow by instrument in writing.

**49. Existing contracts**

On and after the expiry of the period allowed under section 48(3) —

- (a) a provision of a trading licence by which a form of contract for the supply of gas is determined or approved ceases to have effect; and
- (b) the arrangements for the supply of gas to small use customers that immediately before that expiry were governed by a contract in the form mentioned in paragraph (a) become, by virtue of this section, arrangements for the supply of gas that are governed by the standard form of contract approved pursuant to section 48.

**50. Non-standard contracts**

- (1) Despite section 11WG(1) of the principal Act inserted by section 28, a licensee may supply gas to a small use customer after the commencement of section 28 under a non-standard contract that is —
  - (a) in force immediately before that commencement; and
  - (b) does not comply with the principal Act,until the contract is terminated.
- (2) In this section —  
“**non-standard contract**” means a contract for the supply of gas that is not a contract in the form mentioned in section 49(a).

**51. Regulations for transitional matters**

- (1) If there is insufficient provision in this Subdivision in respect of the transition to the gas supply arrangements provided for by Division 4A the Governor may make the necessary provision by regulations.
- (2) If in the opinion of the Minister an anomaly arises in the carrying out of any provision of this Division, the Governor may by regulations make such provision for the purposes of this Division as is necessary —
  - (a) to remove the anomaly; and
  - (b) make appropriate provision in respect of the transition mentioned in subsection (1).

**Subdivision 4 — Initial marketing code of conduct**

**52. Definition**

Expressions used in section 53 have the same meanings as they have in Part 2C (“**Part 2C**”) to be inserted in the principal Act by section 31.

**53. Approval of initial marketing code of conduct**

- (1) The initial code of conduct under section 11ZPM of the principal Act inserted by section 31 is to be approved by the Minister instead of by the Authority.
- (2) The Minister is to act under subsection (1) in consultation with the committee.
- (3) The provisions of —
  - (a) Part 2C; and
  - (b) section 25 of the *Interpretation Act 1984* in its application to that Part,are modified so far as is necessary to enable effect to be given to subsections (1) and (2).
- (4) The code of conduct approved in accordance with this section is to be taken, for the purposes of Part 2C, to be a code of conduct approved by the Authority under that Part.

**54. Appointment of initial committee**

- (1) The Minister instead of the Authority is to —
  - (a) prescribe the initial membership, constitution and procedures; and
  - (b) appoint the initial members,of the committee, and may make the initial determinations under section 11ZPO(3) of the principal Act.
- (2) The provisions of —
  - (a) section 11ZPO of the principal Act; and
  - (b) section 25 of the *Interpretation Act 1984* in its application to that section,are modified so far as is necessary to enable effect to be given to subsection (1).
- (3) The committee established in accordance with this section is to be taken, for the purposes of section 11ZPO of the principal Act to be the committee established by the Authority under that section.

**55. Regulations for transitional matters**

If in the opinion of the Minister an anomaly arises in —

- (a) the carrying out of section 53 or 54; or
- (b) the operation of Part 2C in accordance with section 25 of the *Interpretation Act 1984*,

the Governor may by regulations make such provision as is necessary —

- (c) to remove the anomaly; and
- (d) to achieve the purpose of section 53(1) or 54(1).

**Subdivision 5 — Initial gas industry ombudsman scheme**

**56. Definition**

In section 57 —

“**Authority**” has the same meaning as it has in Part 2D  
 (“**Part 2D**”) to be inserted in the principal Act by section 32.

**57. Approval of initial gas industry ombudsman scheme**

- (1) The Minister instead of the Authority is to —
  - (a) approve the initial gas industry ombudsman scheme under sections 11ZPZ and 11ZQ of the principal Act inserted by section 32; and
  - (b) give the initial approval required for the purposes of Schedule 2B paragraph (j) of the principal Act inserted by section 33.
- (2) The provisions of —
  - (a) Part 2D Division 2;
  - (b) Schedule 2B inserted by section 33; and
  - (c) section 25 of the *Interpretation Act 1984* in its application to the provisions mentioned in paragraphs (a) and (b),

are modified so far as is necessary to enable effect to be given to subsection (1).

- (3) A scheme approved in accordance with this section is to be taken, for the purposes of Part 2D, to be a scheme approved by the Authority under Division 2 of that Part.

**58. Regulations for transitional matters**

If in the opinion of the Minister an anomaly arises in —

- (a) the carrying out of section 57; or
- (b) the operation of Part 2D Division 2 in accordance with section 25 of the *Interpretation Act 1984*,

the Governor may by regulations make such provision as is necessary —

- (c) to remove the anomaly; and
- (d) to achieve the purpose of section 57.

**Subdivision 6 — Initial last resort supply plan**

**59. Definition**

Expressions used in this Subdivision have the same meanings as they have in Part 2A Division 6A (“**Division 6A**”) inserted in the principal Act by section 37.

**60. Initial last resort supply plan**

- (1) The Division 6A provisions do not apply to —
  - (a) the designation of the initial supplier of last resort; and
  - (b) the preparation and approval of the initial last resort supply plan,for the purposes of that Division.
- (2) The supplier of last resort and the last resort supply plan referred to in subsection (1) are to be determined by the Authority in such manner as the Authority thinks fit, and the supplier and the plan so determined are to be taken to have been respectively designated and approved under Division 6A.
- (3) The initial last resort supply plan is to be determined under subsection (2) after consultation with the initial supplier of last resort.
- (4) To allow time for the completion of the initial last resort supply plan under Division 6A, the obligation imposed on the Authority by section 11ZAB inserted in the principal Act by section 37 —
  - (a) does not arise on the commencement of section 37; but
  - (b) arises instead on a later day fixed by the Minister by order published in the *Gazette*, and has effect on and after that day.
- (5) In subsection (1) —

“**Division 6A provisions**” means —

  - (a) sections 11ZAE(1)(a), 11ZAF(a) and (b) and 11ZAG inserted in the principal Act by section 37; and
  - (b) regulations of the kind mentioned in section 11ZAK(a) as so inserted.

**61. Regulations for transitional matters**

If in the opinion of the Minister an anomaly arises in connection with the determination of the supplier of last resort or the last resort supply plan referred to in section 60, the Governor may by regulations make such provision as is necessary to remove the anomaly.

”.

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<sup>7</sup> The *Energy Legislation Amendment Act 2003* s. 97-101 read as follows:

“

**97. Definitions**

In this Division, unless the contrary intention appears —

“**commencement day**” means the day on which this Part, other than this section and section 98, comes into operation;

“**Coordinator**” means the Coordinator of Energy referred to in section 4 of the *Energy Coordination Act 1994*;

“**Institute**” means the Minerals and Energy Research Institute of Western Australia established by section 4(1) of the *Minerals and Energy Research Act 1987*;

“**liabilities**” includes future and contingent liabilities;

“**Minister**” means the Minister responsible for the administration of the *Energy Coordination Act 1994*;

“**sustainable energy research**” means research as to energy derived from a source that can be utilised sustainably and includes the development of any process, technique, method, design or apparatus —

- (a) to collect, store, apply or utilise any form of energy;
- (b) to convert one form of energy into another form of energy;
- (c) to substitute one form of energy for any other form of energy; or
- (d) to conserve any form of energy.

**98. Ministerial instrument**

- (1) The Minister, by instrument, is to determine —
  - (a) the assets that in the Minister’s opinion relate to the energy research functions of the Institute (the “**relevant assets**”); and
  - (b) the liabilities that in the Minister’s opinion relate to the energy research functions of the Institute (the “**relevant liabilities**”).
- (2) In subsection (1) —

“**energy research**” has the meaning given to that term in section 3 of the *Minerals and Energy Research Act 1987* immediately before the commencement day.
- (3) An instrument under subsection (1) may provide for moneys in the Account referred to in section 26(3) of the *Minerals and Energy Research Act 1987* to be credited —

- (a) to an account —
    - (i) established under section 15B of the *Financial Administration and Audit Act 1985*; and
    - (ii) administered by the Department of the Public Service principally assisting the Minister in the administration of the *Energy Coordination Act 1994*;
  - or
  - (b) to the Consolidated Fund.
- (4) A determination may be amended by the Minister by further instrument, but no amendment may be made after the commencement day.
  - (5) A determination and any amendment to it may only be made by the Minister with the concurrence of the Minister responsible for the administration of the *Minerals and Energy Research Act 1987*.
  - (6) A determination does not have effect to transfer any asset or liability except by operation of section 99.

**99. Transfer of assets and liabilities**

- (1) On the commencement day —
  - (a) the relevant assets vest in the State;
  - (b) the State becomes responsible for the relevant liabilities; and
  - (c) the Coordinator becomes entitled to possession of all documents and records that are held by the Institute in respect of those assets and liabilities.
- (2) Anything commenced before the commencement day in respect of an asset or liability referred to in subsection (1) may be continued by the State.

**100. Responsibility for sustainable energy research matters**

On and after the commencement day, responsibility for any existing sustainable energy research matter, including an application in progress, is vested in the Coordinator as if the matter had arisen under Schedule 1 to the *Energy Coordination Act 1994*.

**101. Agreements and instruments**

An agreement or instrument relating to a sustainable energy research matter that subsists immediately before the commencement day and —

- (a) to which the Institute was a party; or



- (b) which contains a reference to the Institute,  
has effect as if —
- (c) the Coordinator were substituted for the Institute as a party; and
- (d) any reference to the Institute were, unless the context otherwise requires, a reference to the Coordinator.

”.

<sup>8</sup> The *Economic Regulation Authority Act 2003* s. 25(b) reads as follows:

“

**25. Functions**

The functions of the Authority are —

- (b) the functions referred to in section 11AA of the *Energy Coordination Act 1994*;

”.

<sup>9</sup> The *Economic Regulation Authority Act 2003* s. 63(2), which gives effect to Sch. 4, reads as follows:

“

**63. Transitional and saving provisions**

- (2) Schedule 4 has effect to make transitional and saving provisions in respect of the amendments made in Schedule 2 Division 4.

”.

Schedule 4 reads as follows:

“

**Schedule 4 — Transitional and saving provisions for amendments in Schedule 2 Division 4**

[s. 63(2)]

**1. Definitions**

In this Schedule —

“**commencement day**” means the day on which this Schedule comes into operation;

“**Coordinator**” means the Coordinator of Energy referred to in section 4 of the *Energy Coordination Act 1994*;

“**licensing functions**” means the functions of the Coordinator under Part 2A;

“**Part 2A**” means Part 2A of the *Energy Coordination Act 1994* as in effect before the commencement day.

**2. Interpretation Act 1984 to apply**

This Schedule does not limit the operation of the *Interpretation Act 1984*.

**3. Licences under Part 2A**

Without limiting the operation of clause 4, a licence that was in effect under Part 2A immediately before the commencement day continues, on and after that day, as a licence in effect under that Part as amended by Schedule 2 Division 4.

**4. Continuing effect of things done**

On and after the commencement day any act, matter or thing done or omitted to be done before that day by, to, or in respect of, the Coordinator in the performance of licensing functions (to the extent that that act, matter or thing has any force or effect) is to be taken to have been done or omitted by, to, or in respect of, the Authority.

**5. Completion of things begun**

On and after the commencement day, anything lawfully commenced by the Coordinator in the performance of licensing functions may, so far as it is not contrary to this Act or any other written law that gives functions to the Authority, be carried on and completed by the Authority.

**6. Proceedings etc.**

Any proceedings or remedy that immediately before the commencement day might have been brought or continued by or available against or to the Coordinator in relation to the performance of licensing functions, may, on and after that day, be brought or continued and are available, by or against or to the Authority.

**7. Records**

On and after the commencement day the Authority is to take delivery of all papers, documents, minutes, books of account and other records (however compiled, recorded or stored) that were, immediately before that day, in the possession or under the control of the Coordinator and related to the operations of the Coordinator under Part 2A.

**8. References to Coordinator in agreements and instruments**

- (1) Any agreement or instrument subsisting immediately before the commencement day —
  - (a) to which the Coordinator is a party; or

- (b) which contains a reference to the Coordinator,  
has effect after the commencement day as if —
- (c) the Authority were substituted for the Coordinator as a party to the agreement or instrument; and
- (d) any reference in the agreement or instrument to the former official were (unless the context otherwise requires) amended to be or include a reference to the Coordinator.

- (2) In this clause —  
“**agreement or instrument**” means an agreement or instrument relating to licensing functions.

**9. References to Coordinator in written law**

A reference to the Coordinator in an enactment in force immediately before the commencement day that relates to licensing functions may, where the context so requires, be read as if it had been amended to be a reference to the Authority.

**10. Immunity to continue**

Despite the amendments made in Schedule 2 Division 4, where the Coordinator had the benefit of any immunity in respect of an act, matter or thing done or omitted before the commencement day in the performance of licensing functions, that immunity continues in that respect for the benefit of the Authority.

**11. Saving**

The operation of any provision of this Schedule is not to be regarded —

- (a) as a breach of contract or confidence or otherwise as a civil wrong;
- (b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities of the disclosure of information;
- (c) as giving rise to any remedy by a party to an instrument or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability;
- (d) as causing any contract or instrument to be void or otherwise unenforceable; or
- (e) as releasing or allowing the release of any surety.

”.

<sup>10</sup> The *State Administrative Tribunal (Conferral of Jurisdiction) Amendment and Repeal Act 2004* Pt. 5, the *State Administrative Tribunal Act 2004* s. 167 and 169, and the *State Administrative Tribunal Regulations 2004* r. 28 and 42 deal with certain transitional issues some of which may be relevant for this Act.

<sup>11</sup> ~~On the date as at which this compilation was prepared, the *Financial Administration Legislation Amendment Act 2005* s. 39, had not come into operation. It reads as follows:~~

~~“~~

~~**39. *Energy Coordination Act 1994* amended**~~

~~(1) The amendments in this section are to the *Energy Coordination Act 1994*.~~

~~(2) Section 10(2)(b) is amended by deleting “section 62” and inserting instead—~~

~~“ section 66 ”.~~

~~”.~~