

Act 1994 No. 64

## ELECTRICITY TRANSMISSION AUTHORITY BILL 1994\*

NEW SOUTH WALES



### EXPLANATORY NOTE

**(This Explanatory Note relates to this Bill as introduced into Parliament)**

The object of this Bill is to constitute an Electricity Transmission Authority as a public authority having functions with respect to the transmission of electricity throughout the State. The Authority's functions are broadly similar to the electricity transmission functions that are currently exercised by the Electricity Commission. The Bill will transfer the Electricity Commission's transmission functions to the new Authority (together with associated assets, rights, liabilities and staff).

The Bill provides for the following:

- (a) the establishment of the Authority and its functions;
- (b) the constitution and functions of the Board of directors of the Authority (which is to determine the policies and strategic plans of the Authority);
- (c) the appointment and functions of the Chief Executive of the Authority;
- (d) the establishment of subsidiary companies by the Authority;
- (e) the employment of staff by the Authority;
- (f) financial arrangements;
- (g) miscellaneous powers and protections of the Authority;
- (h) the procedures of the Board of the Authority;
- (i) savings and transitional provisions providing for the transfer of assets, rights, liabilities and staff from the Electricity Commission to the Authority and the duties of the first Board of the Authority;
- (i) consequential amendments to other Acts.

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\* Amended in committee—see table at end of volume.

*Electricity Transmission Authority 1994 [Act 1994 No. 64]*

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**PART 1—PRELIMINARY**

**Clause 1** specifies the short title of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

**Clause 3** contains definitions of terms used in the proposed Act.

**PART 2—CONSTITUTION AND FUNCTIONS OF THE AUTHORITY**

**Clause 4** constitutes the Authority as a body corporate. The Authority is a statutory body representing the Crown.

**Clause 5** provides for Ministerial control of the Authority by means of directions by the Minister to the Board of the Authority. The Board can request a review of certain directions that would affect the financial performance of the Authority.

**Clause 6** lists the principal functions of the Authority (which include the management, operation, control and maintenance of the Authority's transmission system). Control of the system includes the balancing of supply and demand, the commitment and dispatch of generating units (that is, the commissioning and bringing of generating plant "on line") and ensuring the reliability and security of supply.

**Clause 7** gives the Authority power to give directions to the Electricity Commission and other electricity supply authorities for ensuring a balancing of supply and demand, ensuring the reliability and security of supply and giving effect to a competitive market protocol endorsed by the Minister.

**Clause 8** requires the Authority to exercise its functions so as to ensure non-discriminatory access to the Authority's transmission system and transmission network services.

**Clause 9** provides for some general ancillary functions of the Authority.

**Clause 10** gives the Authority power to acquire land by compulsory acquisition.

**Clause 11** allows the Authority to delegate its functions to certain persons, including any subsidiary company of the Authority.

**Clause 12** imposes obligations on the Authority to provide the Minister with certain information.

**Clause 13** requires the Authority to prepare corporate plans.

**Clause 14** provides for the entering into of performance agreements between the Minister and the Authority.

**PART 3—CONSTITUTION AND FUNCTIONS OF THE BOARD**

**Clause 15** establishes a 7 member Board of directors of the Authority.

**Clause 16** provides that the Board is to determine the policies and strategic plans of the Authority and requires the Board to ensure that the functions of the Authority are carried out properly and efficiently and in accordance with sound commercial practice.

*Electricity Transmission Authority 1994 [Act 1994 No. 64]*

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**PART 4—THE CHIEF EXECUTIVE OF THE AUTHORITY**

**Clause 17** provides for the appointment of the Chief Executive of the Authority under Part 2A of the Public Sector Management Act 1988, and also provides for the appointment of an acting Chief Executive.

**Clause 18** provides that the Chief Executive is to manage and control the affairs of the Authority in accordance with the policies determined by the Board (subject to any directions of the Minister).

**Clause 19** provides that the Chief Executive is entitled to attend and participate in discussions at meetings of the Board but is not entitled to vote at those meetings.

**PART 5—SUBSIDIARY COMPANIES**

**Clause 20** defines “company” as meaning a company incorporated under the Corporations Law of New South Wales.

**Clause 21** provides for the establishment of subsidiary companies of the Authority.

**Clause 22** provides for the delegation of functions of the Authority to a subsidiary company of the Authority.

**Clause 23** creates an exemption from stamp duty for certain matters involving the establishment of subsidiary companies of the Authority.

**Clause 24** deals with the application to subsidiary companies of certain provisions of the proposed Act and certain other Acts.

**Clause 25** empowers the Authority to transfer staff to a subsidiary company by way of secondment.

**PART 6—STAFF**

**Clause 26** authorises the Authority to employ staff.

**Clause 27** authorises the Authority to determine the salary, wages and conditions of employment of its staff.

**Clause 28** provides for the making of regulations with respect to the employment of Staff.

**Clause 29** provides for arrangements to be made whereby the Authority makes use of the staff of a government department, administrative office or a public or local authority.

**Clause 30** authorises the Authority to engage consultants.

**PART 7—FINANCE**

**Clause 31** requires the Authority to establish a Transmission Authority General Fund and a System Control Fund.

*Electricity Transmission Authority 1994 [Act 1994 No. 64]*

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**Clause 32** provides for the payments to be made into and the payments authorised to be made from the Transmission Authority General Fund.

**Clause 33** provides for the payments to be made into and the payments authorised to be made from the System Control Fund.

**Clause 34** confers powers of investment on the Authority.

**Clause 35** provides for banking by the Authority.

**Clause 36** provides for the financial year of the Authority.

**PART 8—MISCELLANEOUS**

**Clause 37** protects the Authority from any liability resulting from failure of supply and authorises the Authority to temporarily discontinue transmission in certain circumstances.

**Clause 38** gives the Authority certain powers (such as the power to break up roads and interfere with public reserves) for the purpose of exercising its functions. The clause contains safeguards in the form of the power of statutory bodies to impose conditions (such as conditions as to reinstatement) on the exercise by the Authority of the powers conferred by the clause.

**Clause 39** empowers the Authority to assign easements to a subsidiary company of the Authority.

**Clause 40** provides for the relocation of conduits belonging to other persons, if the Authority requires that relocation.

**Clause 41** makes it clear that the property vested in the Authority remains the property of the Authority even if it is constructed or placed on public or private land.

**Clause 42** makes it an offence to wilfully destroy, damage or interfere with electricity transmission property of the Authority.

**Clause 43** creates an offence in respect of the theft of electricity from the Authority's transmission system.

**Clause 44** protects persons engaged in the administration of the proposed Act from personal liability.

**Clause 45** imposes restrictions on the disclosure of information obtained under the proposed Act.

**Clause 46** provides for the address for service of documents on the Authority.

**Clause 47** provides for the custody and use of the seal of the Authority.

**Clause 48** provides for the recovery of money owed to the Authority.

**Clause 49** provides for the way in which proceedings for offences are to be taken.

**Clause 50** provides that the proposed Act binds the Crown.

**Clause 51** is a general regulation making power.

*Electricity Transmission Authority 1994 [Act 1994 No. 64]*

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**Clause 52** gives effect to the Schedule of savings and transitional provisions (Schedule 2).

**Clause 53** gives effect to the Schedule of consequential amendments to other Acts (Schedule 3).

**Clause 54** provides for a review of the proposed Act by the Minister after 5 years.

**Schedule 1** contains provisions with respect to the constitution and procedures of the Board of directors of the Authority.

**Schedule 2** provides for the transfer of assets, rights, liabilities and staff from the Electricity Commission to the Authority, and for certain transitional functions of the first Board of the Authority.

**Schedule 3** makes consequential amendments to other Acts.

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