

[Act 1995 No 95]



New South Wales

Energy Services Corporations Bill 1995

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.*

This Bill is cognate with the *Electricity Supply Bill 1995*.

Overview of Bill

The objects of this Bill are:

- (a) to establish certain statutory State owned corporations as electricity generators and to set out their principal objectives and functions, and
- (b) to establish certain statutory State owned corporations as energy distributors and to set out their principal objectives and functions, and
- (c) to repeal and amend various Acts and instruments, and
- (d) to enact consequential savings and transitional provisions.

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

Outline of provisions

Part 1 Preliminary

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be proclaimed.

Clause 3 defines certain words and expressions for the purposes of the proposed Act (*electricity generator*, *energy distributor* and *energy services corporation*) and provides for certain other words and expressions to be given the same meanings as they have in the *State Owned Corporations Act 1989*.

Part 2 Electricity generators

Clause 4 and **Schedule 1** establish 2 electricity generator corporations under the names of First State Power and Macquarie Generation. These corporations are to be the offspring of Pacific Power. The clause amends the *State Owned Corporations Act 1989* so as to make these corporations statutory State owned corporations within the meaning of that Act.

Clause 5 sets out the principal objectives of an electricity generator, which are:

- (a) to be a successful business, and
- (b) to protect the environment, and
- (c) to be responsive to regional development and decentralisation, and
- (d) to operate efficient, safe and reliable facilities for the generation of electricity, and
- (e) to be an efficient and responsible supplier of electricity, and
- (f) to be a successful participant in the wholesale market for electricity.

Clause 6 sets out the functions of an electricity generator, the principal of which are:

- (a) to establish, maintain and operate facilities for the generation of electricity and other forms of energy, and
- (b) to supply electricity and other forms of energy to other persons and bodies.

Part 3 Energy distributors

Clause 7 and **Schedule 1** establish 6 energy distributor corporations under the names of the 6 electricity distributors which currently exist under the *Electricity Act 1945*: being Energy South, Far West Energy, MetNorth Energy, MetSouth Energy, MidState Energy and NorthPower Energy. These corporations are to be the successors of those electricity distributors. The clause amends the *State Owned Corporations Act 1989* so as to make these corporations statutory State owned corporations within the meaning of that Act.

Clause 8 sets out the principal objectives of an energy distributor, which are:

- (a) to be a successful business, and
- (b) to protect the environment, and
- (c) to be responsive to regional development and decentralisation, and
- (d) to operate efficient, safe and reliable facilities for the distribution of electricity and other forms of energy, and
- (e) to be an efficient and responsible supplier of electricity and other forms of energy and of services relating to the use and conservation of energy, and
- (f) to be a successful participant in the wholesale and retail markets for electricity and other forms of energy and for services relating to the use and conservation of energy.

Clause 9 sets out the functions of an energy distributor, the principal of which are:

- (a) to establish, maintain and operate facilities for the distribution of electricity and other forms of energy, and
- (b) to supply electricity and other forms of energy, and services relating to the use and conservation of energy, to other persons and bodies.

Part 4 Miscellaneous

Clause 10 and **Schedule 2** modify the application of the *State Owned Corporations Act 1989* in its application to energy services corporations.

Clause 11 ensures that energy services corporations cannot be privatised and, so as to prevent conflicts of Ministerial interests, prohibits certain Ministers from becoming shareholders in energy services corporations.

Clause 12 enables the name of an energy services corporation to be varied by regulation.

Clause 13 enables additional energy services corporations to be created by regulation.

Clause 14 enables existing energy services corporations to be dissolved by regulation.

Clause 15 and **Schedule 3** provide for the transfer by regulation (to another energy services corporation or to the Crown) of the staff, assets, rights and liabilities of a dissolved energy services corporation.

Clause 16 provides for the service of documents on an energy services corporation.

Clause 17 enables the Governor to make regulations for the purposes of the proposed Act.

Clause 18 repeals certain regulations under the *Electricity Act 1945* as a consequence of the corporatisation by the proposed Act of the electricity distributors under that Act.

Clause 19 and **Schedule 4** amend various Acts and instruments as a consequence of the enactment of the proposed Act.

Clause 20 and **Schedule 5** enact provisions of a savings or transitional nature as a consequence of the enactment of the proposed Act.

Clause 21 provides for the review of the proposed Act at the end of 5 years after its date of assent.

Schedules

Schedule 1 sets out the names of the electricity generators (Part 1) and energy distributors (Part 2) that are being constituted by the proposed Act.

Schedule 2 sets out the modifications to the *State Owned Corporations Act 1989* that are to apply to energy services corporations.

Schedule 3 sets out the provisions that are to apply to the transfer of staff, assets, rights and liabilities under the proposed Act.

Schedule 4 amends the following Acts:

Attachment of Wages Limitation Act 1957 No 28

Capital Debt Charges Act 1957 No 1

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Clean Air Act 1961 No 69

Clean Waters Act 1970 No 78

Conveyancing Act 1919 No 6

Electricity Act 1945 (1946 No 13)

Electricity (Pacific Power) Act 1950 No 22

Electricity Transmission Authority Act 1994 No 64

Environmental Planning and Assessment Act 1979 No 203

Environmental Planning and Assessment Regulation 1994

First State Superannuation Act 1992 No 100

Freedom of Information Act 1989 No 5

Government and Related Employees Appeal Tribunal Act 1980 No 39

Government Pricing Tribunal Act 1992 No 39

Government Telecommunications Act 1991 No 77

Lake Illawarra Authority Act 1987 No 285

Land Development Contribution Management Act 1970 No 22

Local Government Associations Incorporation Act 1974 No 20

New South Wales Retirement Benefits Act 1972 No 70

Public Authorities (Financial Arrangements) Act 1987 No 33

Public Authorities Superannuation Act 1985 No 41

Public Finance and Audit Act 1983 No 152

Public Sector Executives Superannuation Act 1989 No 106

Public Sector Management Act 1988 No 33

Stamp Duties Act 1920 No 47

State Authorities Non-contributory Superannuation Act 1987 No 212

State Authorities Superannuation Act 1987 No 211

State Public Service Superannuation Act 1985 No 45

Superannuation Act 1916 No 28

Traffic Act 1909 No 5

Unclaimed Money Act 1982 No 174

Uranium Mining and Nuclear Facilities (Prohibitions) Act 1986 No 194.

Schedule 5 sets out provisions of a savings or transitional nature consequent on the enactment of the proposed Act.