

[Act 1998 No 68]



New South Wales

# Energy Services Corporations Amendment (TransGrid Corporatisation) Bill 1998

## Explanatory note

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

### Overview of Bill

The object of this Bill is to corporatise the Electricity Transmission Authority. Under the amendments to the *Energy Services Corporations Act 1995* made by the Bill, the Authority will become a statutory State owned corporation under the *State Owned Corporations Act 1989* with the corporate name of TransGrid.

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

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## Outline of provisions

**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 appointed by proclamation.

**Clause 3** is a formal provision giving effect to the amendments to the *Energy Services Corporations Act 1995* set out in Schedule 1.

**Clause 4** is a formal provision giving effect to the amendments to other Acts and regulations set out in Schedule 2.

**Clause 5** repeals the *Electricity Transmission Authority Act 1994* and the regulations made under that Act.

## **Schedule 1      Amendment of Energy Services Corporations Act 1995**

**Schedule 1 [4]** inserts new Part 2A into the Principal Act relating to energy transmission operators. The new Part establishes TransGrid as a statutory State owned corporation and amends the *State Owned Corporations Act 1989* accordingly. The new Part also sets out the objectives and functions of TransGrid (and any other future energy transmission operators). Those objectives and functions are similar to other energy services corporations except that the principal objectives and functions of TransGrid relate to the provision of facilities for the transmission of electricity and other forms of energy.

**Schedule 1 [1]–[3] and [5]–[11]** make consequential amendments. In particular, the amendments apply the special provisions of the Principal Act relating to the other energy services corporations (that is, electricity generators and energy distributors) to TransGrid, including special provisions relating to:

- (a) restrictions on the sale of shares and on the appointment of shareholding Ministers (section 11 of the Principal Act), and
- (b) the appointment and removal of the board of directors (clause 1 of Schedule 2 to the Principal Act), and
- (c) the appointment and other provisions relating to the chief executive officer (clause 2 of Schedule 2 to the Principal Act), and
- (d) the payment of dividends (clause 4 of Schedule 2 to the Principal Act).

**Schedule 1 [12]** inserts provisions consequent on the enactment of the proposed Act, including:

- (a) the dissolution of the Electricity Transmission Authority. and
- (b) the transfer, by Ministerial order, of the assets, rights and liabilities of the Authority to TransGrid. and

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- (c) the appointment of the existing part-time directors of the Board as part-time directors of the Board of TransGrid for a period of 1 year, and
- (d) the automatic transfer of all staff of the Authority (including the chief executive officer) to the service of TransGrid on existing terms and conditions of employment, and
- (e) provisions relating to the management of the State electricity market should the proposed Act commence before the commencement of the national electricity market.

**Schedule 1 [13]** authorises the finalisation of arrangements relating to asset transfers arising from the establishment of TransGrid and the other energy services corporations.

## **Schedule 2 Amendment of other Acts and regulations**

The Schedule amends the following Acts and regulations consequentially:

*Electricity (Pacific Power) Act 1950*

*Electricity Safety Act 1945*

*Electricity Supply Act 1995*

*First State Superannuation Act 1992*

*Government and Related Employees Appeal Tribunal Act 1980*

*Independent Pricing and Regulatory Tribunal Act 1992*

*National Electricity (New South Wales) Act 1997*

*Occupational Health and Safety Amendment Act 1997*

*Public Authorities (Financial Arrangements) Act 1987*

*Public Authorities (Financial Arrangements) Regulation 1995*

*Public Finance and Audit Act 1983*

*Public Sector Executives Superannuation Act 1989*

*Public Sector Management Act 1988*

*Rural Fires Regulation 1997*

*Snowy Hydro Corporatisation Act 1997*

*State Authorities Non-contributory Superannuation Act 1987*

*State Authorities Superannuation Act 1987*

*Superannuation Act 1916*

*Superannuation Administration (Electricity Superannuation Scheme Transitional Provisions) Regulation 1997*