

# Gas Supply Act 1996 No 38

[1996-38]



New South Wales

## Status Information

### Currency of version

Historical version for 1 July 2001 to 14 July 2001 (accessed 27 December 2024 at 4:16)

Legislation on this site is usually updated within 3 working days after a change to the legislation.

### Provisions in force

Some, but not all, of the provisions displayed in this version of the legislation have commenced.

### Notes—

- **Does not include amendments by**
  - [Gas Supply Amendment \(Retail Competition\) Act 2001 No 18](#), Sch 1 [2] [3] [6] [12] (to the extent to which it inserts secs 33C and 33D) [13] [16] [21] and [24] (not commenced)
  - [Corporations \(Consequential Amendments\) Act 2001 No 34](#) (not commenced)

### Authorisation

This version of the legislation is compiled and maintained in a database of legislation by the Parliamentary Counsel's Office and published on the NSW legislation website, and is certified as the form of that legislation that is correct under section 45C of the [Interpretation Act 1987](#).

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# Gas Supply Act 1996 No 38



New South Wales

An Act to regulate the supply of gas; and for other purposes.

## Part 1 Preliminary

### 1 Name of Act

This Act is the *Gas Supply Act 1996*.

### 2 Commencement

- (1) This Act commences on a day or days to be appointed by proclamation.
- (2) Section 11 (2) (b) (ii) and (4) commences on 1 July 1999, or on such earlier date (occurring after the date of assent to the *Statute Law (Miscellaneous Provisions) Act 1997*) as may be appointed by proclamation under this subsection.

### 3 Objects

- (1) The objects of this Act are as follows:
  - (a) to encourage the development of a competitive market in gas, so as to promote the thermally efficient use of gas and to deliver a safe and reliable supply of gas in compliance with the principles of ecologically sustainable development contained in section 6 (2) of the *Protection of the Environment Administration Act 1991*,
  - (b) to regulate gas reticulation and gas supply, so as to protect the interests of customers and to promote customer choice in relation to gas supply,
  - (c) to promote the safe use of gas.
- (2) For the purpose of enabling the objects of this Act to be achieved, the Minister, the Tribunal and any review panel each have the duties set out in subsections (3)–(6).
- (3) In relation to licensed distributors involved in the reticulation of gas, the duties are as follows:
  - (a) to ensure that such persons satisfy, so far as it is economical for them to do so, all reasonable demands for the conveyance of gas,

- (b) to take proper account of the business interests of such persons and the ability of such persons to finance the provision of gas reticulation services,
  - (c), (d) (Repealed)
  - (e) to take proper account of the interests of gas users in respect of transportation tariffs and other terms of service.
- (3A) In relation to authorised reticulators and licensed distributors involved in the distribution or reticulation of gas, the duties are as follows:
- (a) to consider the development of efficient and safe gas distribution pipelines and gas distribution systems,
  - (b) to promote the efficient and safe operation of gas distribution pipelines and gas distribution systems.
- (4) In relation to persons involved in the supply of gas (authorised suppliers and licensed distributors), the duties are as follows:
- (a) to ensure that the public receives the benefit of a competitive gas market,
  - (b) to take proper account of the interests of tariff customers in respect of gas pricing and other terms of gas supply,
  - (c) to take proper account of the business interests of persons supplying gas to the tariff market,
  - (d) to promote a competitive gas market.
- (5) In relation to gas users, the duties are to promote the efficient and safe use of gas.
- (6) Nothing in this section permits or requires this Act to be construed in a way that is inconsistent with the *Gas Pipelines Access (New South Wales) Law* or the *Gas Pipelines Access (New South Wales) Regulations*.
- (7) Nothing in subsections (2)–(6) gives rise to, or can be taken into account in, any civil cause of action.

#### **4 Definitions**

Expressions used in this Act that are defined in the Dictionary at the end of this Act have the meanings set out in the Dictionary.

## **Part 2 Natural gas authorisations and pricing orders**



## Division 1 Authorisations

### 5 Prohibition of unauthorised gas reticulation and gas supply

(1) A person must not:

(a) operate a distribution pipeline for the purpose of conveying natural gas to any other person, or

(b) supply natural gas to any other person by means of a distribution pipeline,

otherwise than under the authority of an authorisation.

Maximum penalty: 500 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

(2) A person does not operate a distribution pipeline for the purpose of conveying natural gas to another person merely because the person supplies natural gas to that other person by means of a distribution pipeline.

(3) A person does not supply natural gas to another person merely because the person operates a distribution pipeline for the purpose of conveying natural gas to that other person.

### 6 Authorisations

Subject to any conditions imposed by or under this Act:

(a) a **reticulator's authorisation** authorises its holder, and any other person specified in the authorisation, to operate the distribution pipeline so specified for the purpose of conveying natural gas to other persons, and

(b) a **supplier's authorisation** authorises its holder, and any other person specified in the authorisation, to supply natural gas to other persons by means of a distribution pipeline.

### 7 Applications

(1) An application for an authorisation or for the transfer of an authorisation:

(a) must be accompanied by such fee as may be determined by the Minister, and

(b) must contain such information as may be determined by the Minister, and

(c) must be lodged at the office of the Tribunal.

(2) Such an application, if made in relation to a reticulator's authorisation, may only be made on behalf of a person who is a body corporate.

## **8 Public consultation**

- (1) Before determining an application for an authorisation or for the transfer of an authorisation, the Minister must cause notice of the application to be published in the Gazette and in a daily newspaper circulating throughout New South Wales.
- (2) The notice must indicate:
  - (a) the nature of the authorisation to which the application relates, and
  - (b) the identity of the proposed holder of the authorisation, and
  - (c) the district in which the authorisation, if granted or transferred, would operate, and
  - (d) where submissions on the application should be lodged, and
  - (e) the time (being at least 40 days from the date on which the notice is first published) within which any such submissions should be lodged, and
  - (f) such other matters as may be prescribed by the regulations.
- (3) The Minister must give due consideration to matters arising from any submissions under this section.

## **9 Determination of applications**

- (1) The Minister may determine an application for an authorisation or for the transfer of an authorisation by granting or transferring the authorisation (either unconditionally or subject to conditions of the kind referred to in section 11) or by refusing the application.
- (2) An application may be refused on any of the following grounds:
  - (a) that the proposed holder of the authorisation fails to satisfy such technical or prudential criteria as have been adopted by the Minister to determine whether a person is able to operate a viable business as an authorised reticulator or authorised supplier, as the case may be,
  - (b) such grounds as may be prescribed by the regulations,
  - (c) such grounds as the Minister considers relevant, having regard to the interests of consumers and the need to promote a competitive market for natural gas, to prevent misuse of market power and to ensure the security and reliability of the New South Wales supply system for natural gas.
- (3) The Minister must endeavour to determine an application within 6 months after it is made.

## **10 Duration of authorisations**

Subject to the conditions imposed on it, an authorisation remains in force until it is cancelled.

## **11 Conditions of authorisations**

- (1) An authorisation is subject to the following conditions:
  - (a) the conditions imposed by this Act and the regulations,
  - (b) such other conditions (not inconsistent with those imposed by this Act and the regulations) as the Minister may from time to time impose in relation to the authorisation.
- (2) Without limitation, the Minister may impose the following kinds of conditions on an authorisation:
  - (a) a condition specifying the period for which the authorisation is to remain in force,
  - (b) a condition requiring the holder of the authorisation to exercise its functions under this Act in accordance with specified guidelines or subject to specified restrictions, including conditions as to:
    - (i) the district within which those functions may be exercised, and
    - (ii) the implementation of Government policy on community service obligations to tariff customers,
  - (c) a condition requiring the holder of the authorisation to continue to satisfy such technical or prudential criteria as have been adopted by the Minister to determine whether a person is able to operate a viable business as an authorised reticulator or authorised supplier, as the case may be,
  - (d) a condition requiring the holder of the authorisation to maintain specified insurance cover in respect of specified risks,
  - (e) a condition requiring the holder of the authorisation:
    - (i) to prepare, and submit to the Minister for approval, a plan setting out (in accordance with guidelines established by the Minister) the holder's policies, practices and procedures with respect to the conduct of its affairs under the authorisation, and
    - (ii) to conduct its affairs under the authorisation in accordance with the plan as so approved,
  - (f) a condition requiring the holder of the authorisation to furnish to the Minister (at such times and in respect of such periods as the Minister may determine) such

information as the Minister may determine to enable the Minister to ascertain whether or not the holder is complying with the conditions imposed on the authorisation by this Act or the regulations or by the Minister,

(g) a condition requiring the holder of the authorisation to develop and implement a strategy promoting the adoption of thermally efficient appliances and efficient energy-use practices.

(3) The Minister may not impose conditions on an authorisation with respect to:

(a) the terms on which an authorised reticulator grants access to its distribution pipelines, or

(b) the price at which an authorised supplier supplies natural gas to its customers.

(4) The Minister may not impose a condition on an authorisation of the kind referred to in subsection (2) (b) (ii) unless the Minister has entered into an undertaking, on behalf of the State, to indemnify the holder of the authorisation with respect to the costs incurred by the holder in complying with the requirements of the condition.

## **12 Variation of conditions of authorisations**

(1) The Minister may vary the conditions of an authorisation, either on his or her own motion or on the application of the holder of the authorisation.

(2) In the case of an application to vary the conditions of an authorisation so as to extend a distribution district, section 8 applies to the application in the same way as it applies to an application for an authorisation.

(3) An application to vary the conditions of an authorisation so as to extend a distribution district must be accompanied by such fee as may be determined by the Minister.

## **13 Enforcement of authorisations by the Minister**

(1) The Minister may do either or both of the following:

(a) the Minister may impose a monetary penalty not exceeding \$100,000 on the holder of an authorisation,

(b) the Minister may cancel an authorisation.

(2) Action may be taken under this section only if the holder of the authorisation has knowingly contravened:

(a) the requirements of this Act or the regulations, or

(b) the conditions of the authorisation.

(3) Nothing in this section prevents an authorisation from being cancelled at the request

of its holder.

### **13A Enforcement of authorisations by Tribunal**

- (1) The Tribunal may impose a monetary penalty on the holder of an authorisation.
- (2) The Tribunal may, instead of imposing a monetary penalty, require the holder of the authorisation to take such action as the Tribunal considers appropriate in the circumstances, including (for example) requiring the sending of information to customers or the publication of notices in newspapers.
- (3) The Tribunal may not require action to be taken under subsection (2) by the holder of an authorisation if the cost of that action would exceed the monetary penalty that the Tribunal could impose under this section on the holder.
- (4) If the Tribunal requires information to be sent to a customer under subsection (2), the holder of the authorisation may satisfy that requirement by sending the information to the customer with the next account or bill to be sent to the customer by the holder or, if the holder is sending other information to that customer before the next account or bill, with that other information.
- (5) Action may be taken under this section only if the holder of the authorisation has knowingly contravened the conditions of the authorisation.
- (6) The monetary penalty that the Tribunal may impose under this section must not exceed \$10,000 for the first day on which the contravention concerned occurs and a further \$1,000 for each subsequent day (not exceeding 30 days) on which the contravention continues.
- (7) The Tribunal must not take action under this section unless:
  - (a) the Tribunal has considered whether the contravention has been or is likely to be the subject of any other penalty or action or any claim for compensation, and is satisfied that it is nevertheless appropriate to take action under this section, and
  - (b) the Tribunal has considered the action that the holder of the authorisation has taken or is likely to take in respect of the contravention and the cost to the holder in taking that action, and is satisfied that it is nevertheless appropriate to take action under this section.
- (8) The Tribunal is required to consider the seriousness of the contravention concerned in determining to impose a monetary penalty under this section.
- (9) The Tribunal must not take action under this section in respect of a contravention if the Minister has already taken action under section 13 in respect of the contravention.
- (10) Nothing in this section affects the Minister's powers under section 13 in respect of a contravention, whether or not the Tribunal has already taken action under this section

in respect of the contravention.

#### **14 Holder of authorisation to be notified of proposed action**

- (1) The Minister must not take action under section 11, 12 or 13, or the Tribunal must not take action under section 13A, unless:
  - (a) notice of the proposed action has been given to the holder of the authorisation, and
  - (b) the holder of the authorisation has been given a reasonable opportunity to make submissions with respect to the proposed action, and
  - (c) the Minister or Tribunal has given due consideration to any such submissions.
- (2) In addition, the Minister must not take action under section 13, or the Tribunal must not take action under section 13A, in respect of any contravention referred to in that section unless:
  - (a) notice of the contravention has been given to the holder of the authorisation, and
  - (b) the holder of the authorisation has been given a reasonable opportunity to discontinue the contravention and take such steps (if any) as are specified in the notice to remedy the effects of the contravention, and
  - (c) the holder of the authorisation has failed to discontinue the contravention or take those steps.
- (3) Subsection (1) does not apply to action taken at the request of the holder of the authorisation.

#### **15 Annual authorisation fees**

- (1) The Minister may require the holder of an authorisation to pay to the Minister such amount, by way of an annual authorisation fee, as the Minister may from time to time determine on the advice of the Treasurer.
- (2) The amount of an annual authorisation fee must be determined in such a manner that the amount payable by the holder of the authorisation for a particular year is equivalent to the amount estimated by the Treasurer as being the cost to the State of administering this Act and the *Gas Pipelines Access (New South Wales) Law* during that year (or the cost of doing so during any previous year to the extent to which that cost has not previously been taken into consideration in any estimate under this section) in relation to that holder.
- (3) It is a condition of an authorisation that the holder of the authorisation must comply with all relevant requirements under this section.
- (4) For the purposes of this section, the cost to the State of administering this Act and the

*Gas Pipelines Access (New South Wales) Law* during any year in relation to the holder of an authorisation includes such proportion of the State's retail competition implementation costs as the Minister determines, in accordance with the regulations, should be borne by the holder of that authorisation.

- (5) In subsection (4), **the State's retail competition implementation costs** means the costs or expenses incurred by the State during that year:
- (a) for the purpose of implementing retail competition in the market for natural gas, and
  - (b) for any other purpose (being a purpose that is ancillary to the purpose of implementing retail competition in the market for natural gas) prescribed by the regulations.

## **16 (Repealed)**

## **17 Appeals against decisions concerning authorisations**

- (1) A person aggrieved by any of the following decisions of the Minister may appeal to the Supreme Court against the decision:
- (a) a decision cancelling an authorisation,
  - (b) a decision imposing a condition on an authorisation (other than a condition imposed when the authorisation is granted),
  - (c) a decision varying the conditions of an authorisation,
  - (d) a decision refusing an application for the transfer of an authorisation,
  - (e) a decision imposing a monetary penalty on the holder of an authorisation.
- (2) An appeal is to be by way of a new hearing and fresh evidence, or evidence in addition to or in substitution for the evidence on which the original decision was made, may be given on the appeal.
- (3) For the purposes of an appeal, the Minister may certify in writing that a specified policy applies to the subject matter of the appeal.
- (4) In deciding an appeal to which such a certificate relates, the Supreme Court is required to apply the policy so certified, except to the extent to which the application of that policy would be contrary to law.
- (5) The decision of the Supreme Court in respect of an appeal is taken to be the decision of the Minister and is to be given effect to accordingly.

### **17A Review of certain decisions concerning authorisations**

- (1) The holder of an authorisation who is aggrieved by a decision of the Tribunal to take action under section 13A in relation to the holder of the authorisation may apply to the Administrative Decisions Tribunal for a review of the decision.
- (2) Section 53 (Internal reviews) of the *Administrative Decisions Tribunal Act 1997* does not apply to such a decision of the Tribunal.

### **18 Register of authorisations**

- (1) A register of authorisations is to be kept at the office of the Tribunal.
- (2) The register is to contain details of all authorisations that are granted or transferred, including details concerning the conditions imposed on them by the Minister, and is also to contain details of all determinations made by the Minister with respect to authorisations and their conditions.
- (3) The register is to be kept available for inspection by members of the public, free of charge, during normal office hours.
- (4) Copies of entries in the register are to be made available to members of the public, at cost, during normal office hours.

## **Division 2**

### **19-26 (Repealed)**

## **Division 3 Gas pricing orders**

### **27 Tribunal may make gas pricing orders**

- (1) The Tribunal may, by order published in the Gazette, establish a pricing mechanism according to which the following tariffs, fees, charges and other payments are to be fixed in relation to the supply of natural gas to small retail customers under standard form customer supply contracts (a **gas pricing order**):
  - (a) tariffs for natural gas,
  - (b) security deposits and other payments in the nature of security deposits,
  - (c) fees and charges in relation to late or dishonoured payments,
  - (d) fees and charges in relation to the establishment or maintenance of accounts,
  - (e) fees and charges in relation to the disconnection of premises from, or the reconnection of premises to, a distribution system,
  - (f) such other fees, charges and payments as are prescribed by the regulations.



- (2) The Minister may give the Tribunal a written referral requiring the Tribunal to make a gas pricing order within a time specified in the referral and, in that event, the Tribunal must take all reasonable steps to comply with the requirements of the referral.
- (3) Before making a gas pricing order, the Tribunal must notify the Minister of its intention to do so (except in the case of an order given pursuant to a referral under subsection (2)).

### **27A Gas pricing orders generally**

- (1) A gas pricing order:
  - (a) may fix tariffs, fees, charges and other payments, or the methodology by which tariffs, fees, charges and other payments are to be calculated, either generally or in relation to any specified class of small retail customers, and
  - (b) may prohibit the imposition of any specified fees, charges or other payments, or any class of fees, charges or other payments for any specified service or class of services, provided to small retail customers either generally or in relation to any specified class of small retail customers.
- (2) A gas pricing order takes effect on the date on which it is published in the Gazette or on such later date as may be specified in the order in that regard, and continues to have effect until it is superseded by a further gas pricing order.
- (3) At any time after the expiry of 12 months from the date on which the current gas pricing order is published in the Gazette, an authorised supplier may apply to the Tribunal for a new gas pricing order on the basis that changes in circumstances (such as general inflationary trends) mean that the current gas pricing order is out of date.
- (4) It is a condition of a standard supplier's authorisation that the supplier, in imposing tariffs, fees, charges and other payments on a small retail customer in relation to the supply of natural gas under a standard form customer supply contract, must do so in accordance with any relevant gas pricing order.
- (5) Section 42 of the *Interpretation Act 1987* applies to and in respect of a gas pricing order in the same way as it applies to and in respect of a statutory rule within the meaning of that Act.

### **28 Review of gas pricing orders**

- (1) An authorised supplier who is aggrieved by a gas pricing order may apply to the Minister for a review of that order.
- (2) An authorised supplier who is aggrieved by the Tribunal's decision not to make a new gas pricing order as a result of an application made by the supplier under section 27A (3) may apply to the Minister for a review of that decision.

- (3) An application under this section must be made within 28 days after the date on which notice of the decision to which the application relates was given to the applicant.
- (4) The regulations may make provision for or with respect to the procedure for making an application under this section and, in particular, may require the payment of fees in connection with the making of such an application.
- (5) An application under this section does not affect the gas pricing order to which it relates, and that order continues to have effect unless and until it is revoked or amended by a review panel.

## **Division 4 Review panels**

### **29 Establishment of review panel**

- (1) The Minister is to establish a review panel to review a matter in respect of which an application for review has been made under this Part.
- (2) A review panel is to consist of 3 persons appointed by the Minister, of whom one is to be appointed as the chairperson.
- (3) Subject to this Act, the regulations may make provision for or with respect to the members and procedure of a review panel and, in particular, for or with respect to the payment of costs of proceedings before a review panel.

### **30 Determinations by review panel**

- (1) A review panel is to review the matter in respect of which it has been established.
- (2) In considering the matter under review, the review panel:
  - (a) may conduct investigations, and
  - (b) may have regard to such evidence as it considers relevant including, in particular, any submissions made by persons who are (or who may be) affected by the matter.
- (3) Except to the extent to which the regulations otherwise provide, Division 7 of Part 3 of the *Independent Pricing and Regulatory Tribunal Act 1992* applies to an investigation under this section in the same way as it applies to an investigation under that Act, and so applies as if a reference in that Division to the Tribunal were a reference to a review panel.
- (4), (5) (Repealed)
- (6) The decision of the review panel on the matter under review:
  - (a) takes effect on the day on which it is given, or on such later day as may be

specified in the decision, and

- (b) has effect as if it were a decision or order, as the case requires, of the person by whom the original decision or order was made, and
- (c) does not affect any access agreement or access determination that is in force when it takes effect.

## **Division 5 General**

### **31 (Repealed)**

### **32 Investigations by Tribunal**

- (1) The Tribunal may conduct investigations for the purpose of enabling it to exercise its functions under this Part.
- (2) Except to the extent to which the regulations otherwise provide, Division 7 of Part 3 of the *Independent Pricing and Regulatory Tribunal Act 1992* applies to an investigation under this section in the same way as it applies to an investigation under that Act.
- (3), (4) (Repealed)

### **33 Maintenance of records**

- (1) The Tribunal may, by order in writing, direct the holder of an authorisation:
  - (a) to keep specified records, and
  - (b) to furnish specified information to the Tribunal,for the purpose of enabling the Tribunal to ascertain whether or not the holder of the authorisation is complying with the requirements of this Act.
- (2) It is a condition of an authorisation that its holder must comply with the requirements of any such direction.
- (3) It is the duty of the Tribunal to notify the Minister if it becomes aware of any contravention of this Part by the holder of an authorisation.
- (4) In this section, a reference to the holder of an authorisation extends (in the case of a body corporate) to any of its related bodies corporate within the meaning of the *Corporations Law*.

## **Part 2A Operation of natural gas retail market**

### **Division 1 Standard suppliers**

**33A Endorsements on suppliers' authorisations** (cf section 33A of *Electricity Supply Act 1995*)

- (1) One or more of the following endorsements may be attached to a supplier's authorisation:
  - (a) a standard supplier's endorsement,
  - (b) such other categories of endorsements as the Minister determines.
- (2) A standard supplier's endorsement consists of:
  - (a) a condition that designates the endorsement as a standard supplier's endorsement in respect of a specified supply district, and
  - (b) the condition referred to in section 33C (5), and
  - (c) any other condition imposed by the Minister or the regulations.
- (3) Other categories of endorsements have such designations and are subject to such conditions as the Minister thinks fit or as are imposed by the regulations.
- (4) A supplier's authorisation may have no endorsements, or one or more endorsements, attached to it.

**33B Transfer of endorsements** (cf section 33B of *Electricity Supply Act 1995*)

- (1) Subject to the regulations, the provisions of this Act that apply to the transfer of authorisations extend to the transfer of endorsements referred to in section 33A.
- (2) The regulations may make provision for or with respect to the transfer of endorsements between holders of suppliers' authorisations.
- (3) When approving the transfer of an endorsement, or of an authorisation together with an endorsement:
  - (a) the Minister may impose such additional conditions on the authorisation as the Minister considers appropriate, including conditions imposed for the purpose of ensuring that the transferee will comply with the conditions comprised in the endorsement, and
  - (b) the Minister may impose a condition transferring specified small retail customers or classes of small retail customers, and
  - (c) the Minister may amend a condition describing the supply district of a standard supplier by varying the supply district, whether by way of reducing or increasing its size, or may revoke such a condition.
- (4) Without limitation, the supply district of a standard supplier may be varied by the addition of the whole or a part of the supply district of another standard supplier or

former standard supplier.

- (5) The regulations may make provision for or with respect to the conditions that may be imposed by the Minister under subsection (3).

## **Division 2 Gas supply**

## **Division 3 Resolution of customer disputes**

### **33E Internal review of certain decisions disputed by customers** (cf section 96 of *Electricity Supply Act 1995*)

- (1) A small retail customer may apply to a supplier for a review of a decision of the supplier in relation to any matter arising under a customer supply contract or any other matter prescribed by the regulations for the purposes of this subsection.
- (2) Without limiting subsection (1), a person may apply to a supplier for a review of a decision of the supplier to classify the person as being or as not being a small retail customer.
- (3) The regulations may make provision for or with respect to the following matters:
  - (a) the procedures for making an application and for dealing with an application that are to be contained in standard form customer supply contracts,
  - (b) imposing conditions on suppliers' authorisations relating to the provision and implementation of procedures for dealing with an application.
- (4) The regulations may treat a failure to make a decision within a specified period as a decision of a particular kind.
- (5) An application made and dealt with under this section is to be free of charge to the applicant.

### **33F Review of certain decisions under gas industry ombudsman scheme** (cf section 96A of *Electricity Supply Act 1995*)

- (1) A small retail customer, and any other person of a class prescribed by the regulations, may apply to the gas industry ombudsman under an approved gas industry ombudsman scheme for review of a decision in a dispute or complaint to which the scheme relates.
- (2) Except as provided by the scheme or by the regulations, a person does not have a right of review under this section in respect of a decision for which a review may be sought under section 33E unless the decision has been the subject of review under that section.
- (3) A review under this section is to be free of charge to small retail customers and to

other persons of such classes as are prescribed by the regulations.

- (4) This section does not affect any jurisdiction that the Fair Trading Tribunal has under the *Consumer Claims Act 1998* or the Residential Tribunal has under the *Residential Tribunal Act 1998*.
- (5) The gas industry ombudsman may decline to deal with a matter if it has been, is being or should be dealt with by another person or tribunal or there are, in the ombudsman's opinion, not sufficient grounds for further investigation.
- (6) Without limiting subsection (5), the gas industry ombudsman may deal with a matter by making arrangements for it to be referred to another person or tribunal.

**33G Gas industry ombudsman scheme** (cf section 96B of *Electricity Supply Act 1995*)

- (1) The Minister may approve a gas industry ombudsman scheme for the purposes of this Act, being a scheme that provides for the appointment of a gas industry ombudsman to deal with:
  - (a) disputes and complaints under customer supply contracts entered into with small retail customers, and
  - (b) disputes between small retail customers and gas marketers (within the meaning of Division 5) and complaints by small retail customers about gas marketers, and
  - (c) any other disputes and complaints of such classes (whether or not under contracts referred to in paragraph (a)) as are prescribed by the regulations.
- (2) Before approving such a scheme, the Minister must be satisfied that the scheme meets the following objectives:
  - (a) that all suppliers who are required to be members of the scheme are members of the scheme, have agreed to be bound by decisions of the gas industry ombudsman under the scheme and, as members, are so bound,
  - (b) that the scheme has satisfactory arrangements in place to deal with all disputes and complaints referred to in subsection (1),
  - (c) that the gas industry ombudsman will be able to operate independently of all suppliers in exercising functions under the scheme,
  - (d) that the scheme will be accessible to small retail customers and other customers prescribed by the regulations,
  - (e) that membership of the scheme will be accessible to all potential members and will provide appropriate representation for all members in relation to the scheme's governing body,
  - (f) that, without limiting any other application of the scheme, the scheme will apply to

all disputes and complaints arising under customer supply contracts relating to small retail customers,

- (g) that the scheme will operate expeditiously and without cost to small retail customers and to other persons of such classes as are prescribed by the regulations,
- (h) that the scheme will allow customers to choose whether or not they wish to be bound by determinations under the scheme,
- (i) that 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,
- (j) that the scheme will provide for a monetary limit on claims covered by the scheme of an amount or amounts approved by the Minister,
- (k) that the scheme will maintain the capacity of the gas industry ombudsman, where appropriate, to refer disputes or complaints to other forums,
- (l) that the scheme will require the gas industry ombudsman to inform the Minister of substantial breaches of authorisation conditions, the Marketing Code of Conduct (within the meaning of Division 5) or of the Act of which the ombudsman becomes aware,
- (m) such other objectives as are prescribed by the regulations.

(3) A scheme may treat a failure to make a decision within a specified period as a decision of a particular kind.

(4) The Minister may at any time revoke an approval under this section.

(5) If a dispute or complaint involving a gas marketer (within the meaning of Division 5) or person other than a supplier is prescribed as a dispute or complaint to which an approved scheme may apply, the regulations may make it an offence for the gas marketer or person to fail to comply with a decision of the gas industry ombudsman under the scheme.

(6) Notice of any approval given by the Minister under this section, and of the revocation of any such approval, is to be published in the Gazette.

(7) Subject to this section, the same scheme may be approved for the purposes of both this Act and any other Act or law.

**33H Authorisation conditions relating to approved gas industry ombudsman schemes** (cf section 96C of *Electricity Supply Act 1995*)

It is a condition of a supplier's authorisation under which a supplier supplies natural gas to

small retail customers that:

- (a) the supplier must be a member of an approved gas industry ombudsman scheme, and
- (b) the supplier is bound by, and must comply with, any decision of the gas industry ombudsman under the scheme relating to a dispute or complaint involving the supplier and a small retail customer.

**33I Other kinds of review** (cf section 96D of *Electricity Supply Act 1995*)

Nothing in this Act prevents provision being made in negotiated customer supply contracts for the resolution of disputes with persons not covered by either or both of sections 33E and 33F.

## **Division 4 Market operations**

**33J Definitions** (cf section 63B of *Electricity Supply Act 1995*)

In this Division:

**market operations rule** means a rule approved under section 33K.

**retail market business system**, in relation to the natural gas industry, means a system of practices and procedures that is designed to facilitate a competitive retail market in that industry, including practices and procedures with respect to the transfer of customers between suppliers, being a system that includes any one or more of the following features:

- (a) procedures for the identification of delivery points along a reticulator's distribution system, and for collecting, processing, recording and transmitting information associated with the delivery points so identified,
- (b) procedures for collecting, processing, recording and transmitting information arising from the metering of natural gas,
- (c) procedures for estimating natural gas consumption, either generally or in relation to particular customers or classes of customers,
- (d) procedures for the apportioning of natural gas flows among the various suppliers having customers supplied with natural gas from a single distribution system,
- (e) procedures for accrediting persons engaged in any of the procedures referred to in paragraphs (a)-(d), and for auditing the activities of persons so engaged,
- (f) procedures with respect to the administration, reporting, accounting, enforcement and review of the procedures referred to in paragraphs (a)-(e).



**33K Market operations rules** (cf section 63C of *Electricity Supply Act 1995*)

- (1) The Minister may approve rules for or with respect to the following matters:
  - (a) obligations to enter into, and the form and content of, agreements between reticulators and suppliers for the use by suppliers of the reticulators' distribution systems,
  - (b) the circumstances in which customers may be transferred between suppliers and the procedures for the transfer, including procedures relating to consent of and notice to customers and determination of time of transfer and costs as at transfer,
  - (c) the operation of distribution systems,
  - (d) the establishment and operation of retail market business systems for the natural gas industry,
  - (e) the ancillary market activities of ancillary market participants,
  - (f) any other matter prescribed by the regulations,
  - (g) matters ancillary to or consequential on the matters set out in paragraphs (a)-(f).
- (2) A rule may make provision for or with respect to a matter by applying, adopting or incorporating, with or without modification, the provisions of any Act or statutory rule or any other publication, whether of the same or of a different kind.
- (3) A rule may:
  - (a) apply generally or be limited in its application by reference to specified exceptions or factors, or
  - (b) apply differently according to different factors of a specified kind, or
  - (c) authorise any matter or thing to be from time to time agreed, determined, applied or regulated by any specified person or body.
- (4) The Minister may from time to time approve amendments to the rules or the revocation of rules.
- (5) If a rule, or a rule amending or revoking a rule, is approved by the Minister:
  - (a) written notice of the approval of the rule must be published in the Gazette, and
  - (b) the rule takes effect on the day on which notice is so published or, if a later day is specified in the rule for commencement, on the later day so specified, and
  - (c) the Minister must make available a copy of the rule to each supplier or reticulator.
- (6) A rule must not be inconsistent with this Act or the regulations, or the *Gas Pipelines*

*Access (New South Wales) Law or Gas Pipelines Access (New South Wales) Regulations*, and is unenforceable to the extent of any such inconsistency.

- (7) Subject to subsection (6), a rule may be approved for the purposes of both this Act and any other Act or law.

**33L Obligations under rules** (cf section 63D of *Electricity Supply Act 1995*)

- (1) A person must not contravene the market operations rules.

Maximum penalty: 200 penalty units.

- (2) It is a condition of a supplier's authorisation that the supplier must comply with the market operations rules.

- (3) It is a condition of a reticulator's authorisation that the reticulator must comply with the market operations rules.

- (4) Subsection (1) does not apply to a person in the person's capacity as a customer of a supplier.

## Division 5 Marketing of gas

**33M Definitions** (cf section 63F of *Electricity Supply Act 1995*)

In this Division:

**gas marketer** means any of the following persons:

- (a) a person who is a supplier,
- (b) a person who acts as agent of a supplier for the purposes of obtaining new customers, or retaining existing customers, for the supplier,
- (c) a person who acts as agent of one or more customers in respect of the retail supply of natural gas,
- (d) a person who acts as an intermediary in any other capacity between one or more customers and a supplier in respect of the retail supply of natural gas,
- (e) a person who engages in or carries on any other activity relating to natural gas or the natural gas industry prescribed by the regulations for the purposes of this definition.

**Marketing Code of Conduct** means the code of conduct approved by the Minister under section 33N.

**33N Marketing Code of Conduct** (cf section 63G of *Electricity Supply Act 1995*)

- (1) The Minister may approve a code of conduct as the Marketing Code of Conduct for the purposes of this Division.

- (2) An approval may be revoked.
- (3) If a Marketing Code of Conduct is approved by the Minister:
  - (a) the Code must be published in the Gazette, and
  - (b) the Code takes effect on the day on which it is so published or, if a later day is specified in the Code for commencement, on the later day so specified.
- (4) Subject to this section, the same code of conduct may be approved for the purposes of both this Act and any other Act or law.

**330 Obligations under Marketing Code of Conduct** (cf section 63H of *Electricity Supply Act 1995*)

A gas marketer that contravenes a requirement of the Marketing Code of Conduct in relation to a small retail customer is guilty of an offence.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

**33P Authorisation conditions relating to marketing activities relating to small retail customers** (cf section 63I of *Electricity Supply Act 1995*)

It is a condition of a supplier's authorisation that:

- (a) the supplier must comply with the Marketing Code of Conduct, and
- (b) before entering into a negotiated customer supply contract with a small retail customer introduced to the supplier by a gas marketer, or that is arranged or facilitated by a gas marketer, the supplier must be satisfied that the gas marketer has complied with the Marketing Code of Conduct (including any requirements relating to the customer's consent).

**33Q Non-licensed gas marketers to provide statements** (cf section 63J of *Electricity Supply Act 1995*)

- (1) A gas marketer (other than a supplier) must, if the marketer introduces a small retail customer to a supplier, or arranges or facilitates a customer supply contract between any such customer and a supplier, give to the supplier a written statement to the effect that the gas marketer has complied with the Marketing Code of Conduct with respect to the customer (including any requirements relating to the customer's consent).
- (2) A gas marketer must not give to a supplier a statement under this section knowing that it is false or misleading in a material particular.

Maximum penalty: 100 penalty units.

## Division 6 Miscellaneous

### 33R Small retail customers (cf section 92 of *Electricity Supply Act 1995*)

- (1) For the purposes of this Act, a **small retail customer** is:
  - (a) a person who consumes or is expected to consume natural gas at premises at a rate that is less than the prescribed rate, determined in accordance with any relevant provisions of the regulations, or
  - (b) a person who consumes or is expected to consume natural gas at premises used for a purpose prescribed by the regulations, or
  - (c) a person who is treated in accordance with any relevant provisions of the regulations as a small retail customer, even though the person is not a person described in paragraph (a) or (b).
- (2) The regulations may make provision for or with respect to determining whether or not a person consumes or is expected to consume natural gas at a rate that is less than the prescribed rate for the purposes of subsection (1) (a).
- (3) The regulations may make provision for or with respect to:
  - (a) treating a person who consumes or may consume natural gas at a rate that is the prescribed rate per year or more, or
  - (b) treating a person who consumes or may consume natural gas at premises used for a purpose referred to in subsection (1) (b),as a small retail customer.
- (4) Subject to the regulations, this section applies separately in relation to each premises at which a person consumes or is expected to consume natural gas.
- (5) Without limiting any other provision of this section, a regulation made for the purposes of this section may apply to a person only in respect of the consumption of natural gas at certain premises (in which case the regulation does not apply to that person in respect of the person's consumption of natural gas at other premises).
- (6) In this Act, a reference to a small retail customer extends only to the supply of natural gas to premises in relation to which the person is such a customer and does not extend to the supply of natural gas to any other premises for which the person is not a small retail customer.
- (7) In this section:

**prescribed rate** means the rate, expressed as a number of gigajoules per year or in any other manner, specified in the regulations.

### **33S Declaration of ancillary market activities and ancillary market participants**

- (1) The Minister may, by order published in the Gazette, declare any activity that is ancillary to the supply of natural gas, or that facilitates the supply of natural gas, to be an ancillary market activity.
- (2) The Minister may, by order in writing served on any person who, in the Minister's opinion, is involved in the conduct of an ancillary market activity, declare that person to be an ancillary market participant in relation to that activity for the purposes of this Act.

### **33T One document may serve several purposes** (cf section 99 of *Electricity Supply Act 1995*)

Nothing in this Act or the *Electricity Supply Act 1995* prevents a contract under this Act and a contract under that Act from being embodied in a single document.

## **Part 3 Liquefied petroleum gas and other gases**

### **34 Prohibition of unlicensed distribution of LPG and other gases**

A person must not operate a distribution system for the purpose of conveying to any other person:

- (a) liquefied petroleum gas, or
- (b) any other gas (other than natural gas) prescribed by the regulations for the purposes of this section,

otherwise than under the authority of a distributor's licence.

Maximum penalty: 500 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

### **35 Licences**

Subject to any conditions imposed by or under this Act, a **distributor's licence** authorises its holder, and any other person specified in the licence, to operate the distribution system so specified for the purpose of conveying to other persons any gas so specified.

### **36 Applications**

An application for a licence or for the transfer of a licence:

- (a) must be accompanied by such fee as may be determined by the Minister, and
- (b) must contain such information as may be determined by the Minister, and
- (c) must be lodged at the office of the Tribunal.

### **37 Public consultation**

- (1) Before determining an application for a licence or for the transfer of a licence, the Minister must cause notice of the application to be published in the Gazette and in a daily newspaper circulating throughout New South Wales.
- (2) The notice must indicate:
  - (a) the nature of the licence to which the application relates, and
  - (b) the identity of the proposed holder of the licence, and
  - (c) the district in which the licence, if granted or transferred, would operate, and
  - (d) where submissions on the application should be lodged, and
  - (e) the time (being at least 40 days from the date on which the notice is first published) within which any such submissions should be lodged, and
  - (f) such other matters as may be prescribed by the regulations.
- (3) The Minister must give due consideration to matters arising from any submissions under this section.

### **38 Determination of applications**

- (1) The Minister may determine an application for a licence or for the transfer of a licence by granting or transferring the licence (either unconditionally or subject to conditions of the kind referred to in section 40) or by refusing the application.
- (2) An application may be refused on any of the following grounds:
  - (a) that the proposed holder of the licence fails to satisfy such technical or prudential criteria as have been adopted by the Minister to determine whether a person is able to operate a viable business as a licensed distributor,
  - (b) such grounds as may be prescribed by the regulations,
  - (c) such grounds as the Minister considers relevant, having regard to the interests of consumers and the need to promote a competitive market for the gas concerned, to prevent misuse of market power and to ensure the security and reliability of the New South Wales supply system for gas (other than natural gas).
- (3) The Minister must endeavour to determine an application within 6 months after it is made.

### **39 Duration of licences**

Subject to the conditions imposed on it, a licence remains in force until it is cancelled.

#### **40 Conditions of licences**

- (1) A licence is subject to the following conditions:
  - (a) the conditions imposed by this Act and the regulations,
  - (b) such other conditions (not inconsistent with those imposed by this Act and the regulations) as the Minister may from time to time impose in relation to the licence.
- (2) Without limitation, the Minister may impose the following kinds of conditions on a licence:
  - (a) a condition specifying the period for which the licence is to remain in force,
  - (b) a condition requiring the holder of the licence to exercise its functions under this Act in accordance with specified guidelines or subject to specified restrictions, including conditions as to:
    - (i) the district within which those functions may be exercised, and
    - (ii) the implementation of Government policy on community service obligations to tariff customers,
  - (c) a condition requiring the holder of the licence to continue to satisfy such technical or prudential criteria as have been adopted by the Minister to determine whether a person is able to operate a viable business as a licensed distributor,
  - (d) a condition requiring the holder of the licence to maintain specified insurance cover in respect of specified risks,
  - (e) a condition requiring the holder of the licence:
    - (i) to prepare, and submit to the Minister for approval, a plan setting out (in accordance with guidelines established by the Minister) the holder's policies, practices and procedures with respect to the conduct of its affairs under the licence, and
    - (ii) to conduct its affairs under the licence in accordance with the plan as so approved,
  - (f) a condition requiring the holder of the licence to furnish to the Minister (at such times and in respect of such periods as the Minister may determine) such information as the Minister may determine to enable the Minister to ascertain whether or not the holder is complying with the conditions imposed on the licence by this Act or the regulations or by the Minister.
- (3) The Minister may not impose a condition on a licence of the kind referred to in subsection (2) (b) (ii) unless the Minister has entered into an undertaking, on behalf of

the State, to indemnify the holder of the licence with respect to the costs incurred by the holder in complying with the requirements of the condition.

#### **41 Variation of conditions of licences**

- (1) The Minister may vary the conditions of a licence, either on his or her own motion or on the application of the holder of the licence.
- (2) In the case of an application to vary the conditions of a licence so as to extend a distribution district, section 37 applies to the application in the same way as it applies to an application for a licence.
- (3) An application to vary the conditions of a licence so as to extend a distribution district must be accompanied by such fee as may be determined by the Minister.

#### **42 Enforcement of licences by the Minister**

- (1) The Minister may do either or both of the following:
  - (a) the Minister may impose a monetary penalty not exceeding \$100,000 on the holder of a licence,
  - (b) the Minister may cancel a licence.
- (2) Action may be taken under this section only if the holder of the licence has knowingly contravened:
  - (a) the requirements of this Act or the regulations, or
  - (b) the conditions of the licence.
- (3) Nothing in this section prevents a licence from being cancelled at the request of its holder.

#### **42A Enforcement of licences by Tribunal**

- (1) The Tribunal may impose a monetary penalty on the holder of a licence.
- (2) The Tribunal may, instead of imposing a monetary penalty, require the holder of the licence to take such action as the Tribunal considers appropriate in the circumstances, including (for example) requiring the sending of information to customers or the publication of notices in newspapers.
- (3) The Tribunal may not require action to be taken under subsection (2) by the holder of a licence if the cost of that action would exceed the monetary penalty that the Tribunal could impose under this section on the holder.
- (4) If the Tribunal requires information to be sent to a customer under subsection (2), the holder of the licence may satisfy that requirement by sending the information to the



customer with the next account or bill to be sent to the customer by the holder or, if the holder is sending other information to that customer before the next account or bill, with that other information.

- (5) Action may be taken under this section only if the holder of the licence has knowingly contravened the conditions of the licence.
- (6) The monetary penalty that the Tribunal may impose under this section must not exceed \$10,000 for the first day on which the contravention concerned occurs and a further \$1,000 for each subsequent day (not exceeding 30 days) on which the contravention continues.
- (7) The Tribunal must not take action under this section unless:
  - (a) the Tribunal has considered whether the contravention has been or is likely to be the subject of any other penalty or action or any claim for compensation, and is satisfied that it is nevertheless appropriate to take action under this section, and
  - (b) the Tribunal has considered the action that the holder of the licence has taken or is likely to take in respect of the contravention and the cost to the holder in taking that action, and is satisfied that it is nevertheless appropriate to take action under this section.
- (8) The Tribunal is required to consider the seriousness of the contravention concerned in determining to impose a monetary penalty under this section.
- (9) The Tribunal must not take action under this section in respect of a contravention if the Minister has already taken action under section 42 in respect of the contravention.
- (10) Nothing in this section affects the Minister's powers under section 42 in respect of a contravention, whether or not the Tribunal has already taken action under this section in respect of the contravention.

#### **43 Holder of licence to be notified of proposed action**

- (1) The Minister must not take action under section 40, 41 or 42, or the Tribunal must not take action under section 42A, unless:
  - (a) notice of the proposed action has been given to the holder of the licence, and
  - (b) the holder of the licence has been given a reasonable opportunity to make submissions with respect to the proposed action, and
  - (c) the Minister or Tribunal has given due consideration to any such submissions.
- (2) In addition, the Minister must not take action under section 42, or the Tribunal must not take action under section 42A, in respect of any contravention referred to in that section unless:

- (a) notice of the contravention has been given to the holder of the licence, and
  - (b) the holder of the licence has been given a reasonable opportunity to discontinue the contravention and take such steps (if any) as are specified in the notice to remedy the effects of the contravention, and
  - (c) the holder of the licence has failed to discontinue the contravention or take those steps.
- (3) Subsection (1) does not apply to action taken at the request of the holder of the licence.

#### **44 Annual licence fees**

- (1) The Minister may require the holder of a licence to pay to the Minister such amount, by way of an annual licence fee, as the Minister may from time to time determine on the advice of the Treasurer.
- (2) The amount of an annual licence fee must be determined in such a manner that the amount payable by the holder of the licence for a particular year is equivalent to the amount estimated by the Treasurer as being the cost to the State of administering this Act during that year in relation to that holder.
- (3) It is a condition of a licence that the holder of the licence must comply with all relevant requirements under this section.

#### **45 Appeals against decisions concerning licences**

- (1) A person aggrieved by any of the following decisions of the Minister may appeal to the Supreme Court against the decision:
  - (a) a decision cancelling a licence,
  - (b) a decision imposing a condition on a licence (other than a condition imposed when the licence is granted),
  - (c) a decision varying the conditions of a licence,
  - (d) a decision refusing an application for the transfer of a licence,
  - (e) a decision imposing a monetary penalty on the holder of a licence.
- (2) An appeal is to be by way of a new hearing and fresh evidence, or evidence in addition to or in substitution for the evidence on which the original decision was made, may be given on the appeal.
- (3) For the purposes of an appeal, the Minister may certify in writing that a specified policy applies to the subject matter of the appeal.

- (4) In deciding an appeal to which such a certificate relates, the Supreme Court is required to apply the policy so certified, except to the extent to which the application of that policy would be contrary to law.
- (5) The decision of the Supreme Court in respect of an appeal is taken to be the decision of the Minister and is to be given effect to accordingly.

#### **45A Review of certain decisions concerning licences**

- (1) The holder of a licence who is aggrieved by a decision of the Tribunal to take action under section 42A in relation to the holder of the licence may apply to the Administrative Decisions Tribunal for a review of the decision.
- (2) Section 53 (Internal reviews) of the *Administrative Decisions Tribunal Act 1997* does not apply to such a decision of the Tribunal.

#### **46 Register of licences**

- (1) A register of licences is to be kept at the office of the Tribunal.
- (2) The register is to contain details of all licences that are granted or transferred, including details concerning the conditions imposed on them by the Minister, and is also to contain details of all determinations made by the Minister with respect to licences and their conditions.
- (3) The register is to be kept available for inspection by members of the public, free of charge, during normal office hours.
- (4) Copies of entries in the register are to be made available to members of the public, at cost, during normal office hours.

### **Part 4 Gas works**

#### **Division 1 Powers and duties relating to gas works**

##### **47 Erection and placement of gas works**

- (1) This section applies to work connected with the erection, installation, extension, alteration, maintenance and removal of gas works.
- (2) For the purposes of this Act, a network operator:
  - (a) may carry out work to which this section applies, and
  - (b) in particular, may carry out any such work on a public road.
- (3) Work to which this section applies is exempt from the requirement for an approval under the *Local Government Act 1993* except in relation to buildings.

- (4) However, no such work (other than routine connections, repairs or maintenance work) may be carried out unless:
  - (a) notice of the proposal to carry out the work has been given to the local council, and
  - (b) the local council has been given a reasonable opportunity (being at least 40 days from the date on which the notice was given) to make submissions to the network operator in relation to the proposal, and
  - (c) the network operator has given due consideration to any submissions so made.
- (5) Subsection (4) does not apply to the carrying out of any such work to cope with emergencies.

#### **48 Damage to be made good**

- (1) If a public road or public reserve is damaged by any work carried out by a network operator, the local council or roads authority may require the network operator to make good the damage without delay.
- (2) If the network operator fails to carry out appropriate work in accordance with any such requirement, the local council or roads authority may carry out the work itself.
- (3) The cost of carrying out the work may be recovered by the local council or roads authority in a court of competent jurisdiction as a debt owed to it by the network operator.

#### **49 Altering position of conduits**

- (1) A network operator may serve a written notice on a person if:
  - (a) the network operator needs an alteration to be made in the position of a conduit owned by the person, and
  - (b) the alteration would not permanently damage the conduit or adversely affect its operation.
- (2) The notice:
  - (a) must specify the work to be carried out, and
  - (b) must specify a reasonable time within which the work is to be carried out, and
  - (c) must include an undertaking by the network operator to pay the reasonable cost of carrying out the work.
- (3) If the work is not carried out as required by the notice, the network operator may carry out the work in a manner that does not permanently damage the conduit or

adversely affect its operation.

- (4) In this section, **conduit** means anything that is in or under a public road (or any other land on which no building or other structure is located) and is used for the conveyance of a substance, energy or signals.

#### **50 Obstruction of gas works**

- (1) This section applies if a network operator has reasonable cause to believe that any structure or thing placed in, on or near its gas works is destroying, damaging or interfering with those works.
- (2) In those circumstances, a network operator:
- (a) may serve a written notice on the person having control of the structure or thing requiring that person to modify or remove it, or
  - (b) in an emergency, may, at its own expense, modify or remove the structure or thing itself.
- (3) A notice under subsection (2) (a):
- (a) must specify the work to be carried out, and
  - (b) must specify a reasonable time within which the work is to be carried out.
- (4) If the person fails to carry out the work in accordance with the requirement, the network operator may carry out the work itself.
- (5) The costs of:
- (a) carrying out the work, and
  - (b) repairing any damage done to the network operator's gas works by the structure or thing,
- may be recovered by the network operator in a court of competent jurisdiction as a debt owed to it by the person.
- (6) A network operator may apply for an injunction to prevent a structure or thing being placed in, on or near its gas works.

#### **51 Charges for placement of gas works**

No annual or other periodic or special charge is payable by a network operator to a local council or roads authority in respect of any gas works located in a public reserve or public road or in respect of the space in a public reserve or public road that is occupied by any such works.

## **52 Ownership of gas works**

- (1) A network operator is the owner of its gas works, whether or not the land in, on or over which they are situated is owned by the network operator.
- (2) A network operator's gas works are not to be taken in execution of any judgment against a person other than the network operator under any process of a court.

## **53 Interruption to gas supply for maintenance**

A network operator may interrupt the supply of gas to a customer, at such reasonable times as the network operator determines:

- (a) for the purpose of inspecting, testing or carrying out repairs or maintenance work on its gas works, or
- (b) for such other purpose as the network operator considers necessary for the safe and efficient operation of its gas works.

## **54 Liability for failure of gas supply**

A network operator is not liable for any loss suffered by any person as a consequence of any failure to supply gas, or of any defect in that supply, if the failure or defect arises from causes beyond the network operator's control.

## **Division 2 Powers of entry**

### **55 Powers of entry**

- (1) A gas industry inspector may enter any premises for the purpose of exercising any function conferred or imposed on a network operator by or under this Act, including:
  - (a) carrying out preliminary investigations in connection with the proposed installation or extension of gas works, or
  - (b) installing, extending, maintaining, repairing or removing gas works, or
  - (c) reading gas meters, or
  - (d) checking if the network operator's conditions relating to tariffs and the use of gas are being complied with, or
  - (e) ascertaining whether an offence against this Act or the regulations has been committed.
- (2) A government inspector may enter any premises for the purpose of ascertaining whether an offence against this Act or the regulations has been committed.
- (3) Except in emergencies, the power of entry may be exercised only during daylight hours.

## **56 Notice of entry**

- (1) Before an inspector exercises a power of entry under this Division, the network operator must give the owner or occupier of the land written notice of the intention to enter the land.
- (2) The notice must specify the day on which the inspector intends to enter the land and must be given before that day.
- (3) This section does not require notice to be given:
  - (a) if entry to the land is made with the consent of the owner or occupier of the land, or
  - (b) if entry is required for the sole purpose of reading a gas meter, or
  - (c) if entry is required in an emergency.

## **57 Use of force**

- (1) Reasonable force may be used for the purpose of gaining entry to any land (other than such part of a building as is being used for residential purposes) under a power conferred by this Division, but only if authorised by the network operator in accordance with this section.
- (2) The authority:
  - (a) must be in writing, and
  - (b) must be given in respect of the particular entry concerned, and
  - (c) must specify the circumstances that must exist before force may be used.

## **58 Notification of use of force or urgent entry**

- (1) An inspector:
  - (a) who uses force for the purpose of gaining entry to land, or
  - (b) who enters land in an emergency without giving written notice to the owner or occupier of the land,must promptly advise the network operator of that fact.
- (2) The network operator must give notice of the entry to such persons or authorities as appear to the network operator to be appropriate in the circumstances.

## **59 Care to be taken**

- (1) In the exercise of a power under this Division, an inspector must do as little damage as possible.

- (2) As far as practicable, entry onto fenced land is to be made through an existing opening in the enclosing fence or, if entry through an existing opening is not practicable, through a new opening.
- (3) Any new opening is to be properly closed when the need for entry ceases.
- (4) If, in the exercise of a power under this Division, any pit, trench, hole or bore is made, the network operator must, if the owner or occupier of the land so requires:
  - (a) fence it and keep it securely fenced so long as it remains open or not sufficiently sloped down, and
  - (b) without unnecessary delay, fill it up or level it or sufficiently slope it down.

#### **60 Recovery of cost of entry and inspection**

If an inspector enters any land for the purpose of making an inspection and, as a result of the inspection, the network operator requires any work to be carried out on the land, the network operator may recover the reasonable costs of the entry and inspection from the owner or occupier of the land.

#### **61 Compensation**

The network operator must pay compensation to the owner of any land in respect of which a power has been exercised under this Division for any loss or damage arising from the exercise of the power, but is not so liable to the extent to which the loss or damage arises from work done for the purposes of an inspection which reveals that there has been a contravention by the owner of any provision of this Act or the regulations.

#### **62 Certificates of authority to enter land**

- (1) A power of entry under this Division may not be exercised by an inspector unless the inspector:
  - (a) is in possession of a certificate of authority issued by the network operator, and
  - (b) produces the certificate when required to do so by the owner or occupier of the land.
- (2) The certificate of authority:
  - (a) must state that it is issued under this Act, and
  - (b) must give the name of the person to whom it is issued, and
  - (c) must describe the nature of the powers conferred and the source of those powers, and
  - (d) must state the date (if any) on which it expires, and



- (e) must describe the kind of land to which the power extends, and
- (f) must be under the seal of the network operator or must bear the signature of the principal officer of the network operator, of a prescribed officer of the network operator or of an officer belonging to a prescribed class of officers of the network operator.

### **63 Entry to residential premises**

A power of entry conferred by this Division is not exercisable in relation to such part of a building as is used for residential purposes except:

- (a) with the consent of the occupier of that part of the premises, or
- (b) for the sole purpose of reading a gas meter, or
- (c) under the authority conferred by a warrant of entry.

### **64 Warrants of entry**

- (1) The network operator may apply to an authorised justice for a warrant of entry if it is of the opinion that it is necessary for an inspector to enter and inspect any land (including any building used for residential purposes) for the purposes of this Act.
- (2) An authorised justice to whom such an application is made may, if satisfied that there are reasonable grounds for doing so, issue a warrant of entry authorising an inspector named in the warrant to enter and inspect the land for the purposes of this Act.
- (3) Part 3 of the [Search Warrants Act 1985](#) applies to a warrant of entry under this section in the same way as it applies to a search warrant under that Act.
- (4) In this section, **authorised justice** has the same meaning as it has in the [Search Warrants Act 1985](#).

## **Part 5 Offences**

### **Division 1 Offences**

#### **65 Theft of gas**

A person must not abstract, cause to be wasted or diverted, consume or use any gas from a distribution pipeline or distribution system unless authorised to do so under a contract with an authorised supplier or licensed distributor.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

#### **66 Interference with gas works**

A person must not interfere with a network operator's gas works unless authorised to do so by the network operator.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

#### **67 Interference with gas meters**

A person must not alter or otherwise interfere with a meter that is connected to a network operator's distribution pipeline or distribution system unless authorised to do so by the network operator.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

#### **68 Interference with network operators' seals**

A person must not alter or otherwise interfere with any seal that has been attached to a gas installation by a network operator unless authorised to do so by the network operator.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

#### **69 Unauthorised connections**

A person must not connect a gas installation to a network operator's distribution pipeline or distribution system unless authorised to do so by the network operator.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

#### **70 Unauthorised increase in capacity of connections**

A person must not increase the capacity of an existing connection to a network operator's distribution pipeline or distribution system unless authorised to do so by the network operator.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

#### **71 Unauthorised alterations and additions to gas installations**

A person must not alter or add to a gas installation that is connected to a network operator's distribution pipeline or distribution system so as to cause the supply of gas to the installation or any part of it to be incorrectly metered unless authorised to do so by the network operator.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in

any other case).

## **72 Obstruction of inspectors**

A person must not:

- (a) prevent an inspector from exercising any function conferred on the inspector under this Act, or
- (b) hinder or obstruct an inspector in the exercise of any such function, or
- (c) impersonate an inspector.

Maximum penalty: 200 penalty units (in the case of a corporation) and 50 penalty units (in any other case).

## **Division 2 General**

### **73 Court may order disconnection and discontinuance of gas supply**

- (1) A court that finds a person guilty of an offence under Division 1 may make either or both of the following orders:
  - (a) an order that the premises to which the offence relates be disconnected from the distribution pipeline or distribution system of the network operator concerned, or
  - (b) an order that the supply of gas to those premises be discontinued.
- (2) An order under this section has effect regardless of the provisions of any contract.

### **74 Court may order payment for stolen gas**

A court that finds a person guilty of an offence under section 65 of unlawfully causing gas to be abstracted, wasted, diverted, consumed or used may make an order directing the person to pay to the authorised supplier or licensed distributor concerned such amount as the court considers appropriate for the gas so abstracted, wasted, diverted, consumed or used.

### **75 Orders for payment operate as judgments**

- (1) An order under this Division for the payment of money:
  - (a) may be made by a court on its own motion, or on the application of the authorised supplier or licensed distributor concerned, at any time within 6 months after the date of the finding, and
  - (b) if made by a Local Court, may be enforced in a Local Court exercising jurisdiction under the *Local Courts (Civil Claims) Act 1970*.
- (2) Part 5 of the *Local Courts (Civil Claims) Act 1970* applies to and in respect of such an

order made by a Local Court as if:

- (a) the order were a judgment of the Local Court exercising that jurisdiction, and
  - (b) the amount ordered to be refunded were a judgment debt referred to in that Part, and
  - (c) the person against whom the order was made were a judgment debtor referred to in that Part, and
  - (d) the person in favour of whom the order was made were a judgment creditor referred to in that Part.
- (3) The remedy provided by this section is an alternative to any other remedy that may be available apart from this section.

## **Part 5A Regulatory functions of Tribunal**

### **75A Regulatory functions of Tribunal**

- (1) The regulatory functions of the Tribunal under this Act are:
- (a) the function of making recommendations under subsection (2), and
  - (b) the function of monitoring and reporting under subsection (3), and
  - (c) the function of imposing monetary penalties, or requiring other action to be taken, under section 13A or 42A, and
  - (d) such other functions of the Tribunal under this Act as are specified by the regulations for the purposes of this section.
- (2) The Tribunal has the function of making recommendations to the Minister for or with respect to:
- (a) the grant, transfer or cancellation of an authorisation or licence, and
  - (b) the imposition, variation or cancellation of conditions in relation to an authorisation or licence, and
  - (c) action to be taken, and sanctions to be applied, in respect of a contravention of the conditions of an authorisation or licence, and
  - (d) any remedial action that may be warranted as a result of a contravention of the conditions of an authorisation or licence.
- (3) The Tribunal has the function of monitoring and reporting to the Minister on compliance by the holder of an authorisation or licence with the conditions of the authorisation or licence.

- (4) Part 4B of the *Independent Pricing and Regulatory Tribunal Act 1992* applies in relation to the Tribunal's regulatory functions under this Act.

## Part 6 Miscellaneous

### 76 Act binds Crown

This Act binds the Crown in right of New South Wales and, in so far as the legislative power of Parliament permits, the Crown in all its other capacities.

### 77 Inspectors

- (1) The Minister administering section 31 of the *Dangerous Goods Act 1975* may appoint inspectors (**government inspectors**) for the purposes of this Act.
- (2) A network operator may, in accordance with any guidelines in force under this section, appoint inspectors (**gas industry inspectors**) for the purposes of this Act.
- (3) A gas industry inspector has such of a network operator's functions under this Act as are specified in the inspector's instrument of appointment.
- (4) A gas industry inspector may exercise a network operator's functions under this Act only within the network operator's distribution district.
- (5) The Head of the Department may, by order published in the Gazette, establish guidelines for the appointment of gas industry inspectors.
- (6) An order under this section takes effect on the day on which it is published in the Gazette or on such later day as is specified in the order.

### 78 Service of documents

- (1) A document that by this Act or the regulations is required to be served on a person may be served:
  - (a) on an individual, by delivering it to the individual personally or by sending it by post to (or leaving it at) the person's place of residence or business, and
  - (b) on a corporation, by sending it by post to (or leaving it at) the corporation's registered office within the meaning of the *Corporations Law*.
- (2) This section does not affect any other law governing the service of documents.

### 79 Exclusion of personal liability

A matter or thing done or omitted to be done by a review panel, a member of a review panel or an inspector does not, if the matter or thing was done or omitted in good faith for the purpose of executing this Act, subject any such member or inspector personally to any action, liability, claim or demand.

## **80 Directors and managers liable for offences committed by corporations**

- (1) If a corporation contravenes a provision of this Act or the regulations, each person who:
  - (a) is a director of the corporation, or
  - (b) is concerned in the management of the corporation,is to be treated as having contravened that provision if the person knowingly authorised or permitted the contravention.
- (2) A person may, under this section, be proceeded against and convicted for a contravention of that provision whether or not the corporation has been proceeded against or convicted for a contravention of that provision.
- (3) Nothing in this section affects any liability imposed on a corporation for an offence committed by the corporation against this Act or the regulations.

## **81 Proceedings for offences**

- (1) Proceedings for an offence against this Act or the regulations are to be dealt with summarily before a Local Court constituted by a Magistrate sitting alone.
- (2) Proceedings for an offence against this Act may instead be dealt with summarily before the Supreme Court in its summary jurisdiction.
- (3) Proceedings for an offence against this Act or the regulations may be instituted at any time within 2 years after the commission of the offence.
- (4) The maximum monetary penalty that may be imposed by a Local Court in proceedings for an offence against a provision of this Act or the regulations is:
  - (a) the maximum monetary penalty specified by that provision in respect of the offence, or
  - (b) 100 penalty units (in the case of a corporation) and 50 penalty units (in any other case),whichever is the lesser.
- (5) The maximum penalty that may be imposed by the Supreme Court in proceedings for an offence against a provision of this Act or the regulations is the maximum penalty specified by that provision in respect of the offence.

## **82 Recovery of monetary penalties**

A monetary penalty imposed by the Minister on the holder of an authorisation or licence may be recovered in any court of competent jurisdiction as a debt due to the Crown.

### 83 Regulations

- (1) The Governor may make regulations not inconsistent with this Act, the *Gas Pipelines Access (New South Wales) Law* or the *Gas Pipelines Access (New South Wales) Regulations* for or with respect to any matter that by this Act is required or permitted to be prescribed or that is necessary or convenient to be prescribed for carrying out or giving effect to this Act.
- (2) In particular, the regulations may make provision for or with respect to the following matters:
  - (a) the production, storage and conveyance of gas,
  - (b) the establishment of gas quality and gas safety standards,
  - (c) the design and construction of gas pipes and associated equipment,
  - (d) the regulation of ancillary market participants in their conduct of ancillary market activities,
  - (e) the obligations of persons who obtain or receive information about customers or prospective customers with respect to the collection, keeping, disclosure or other use of that information and the inclusion of such obligations in customer contracts,
  - (f) the construction, alteration, extension, maintenance, repair and operation of distribution pipelines or distribution systems,
  - (g) the carrying out of gasfitting work,
  - (h) the reporting of accidents,
  - (i) the keeping of records, information and statistics in relation to the operation of distribution pipelines or distribution systems and the supply of gas,
  - (j) the circumstances under which gas supply may be refused or discontinued,
  - (k) the procedures to be adopted by reticulators, suppliers and distributors for the resolution of customer complaints,
  - (l) fees, charges and payments (other than fees, charges and payments of the kind for which orders may be made under section 27).
- (3) Without limiting subsection (2), the regulations must make provision for each of the following matters:
  - (a) standard form contracts to be used in connection with the supply of gas to customers by suppliers and distributors,
  - (b) the form and content of bills to be rendered to customers by suppliers and

distributors in connection with the supply of gas,

(c) the debt collection procedures to be observed by suppliers and distributors in relation to amounts owed by customers in connection with the supply of gas,

(d) the standards of service to be provided to customers by suppliers and distributors in connection with the supply of gas,

(e) the constitution and procedures of customer councils to advise suppliers and distributors on matters concerning the supply of gas to customers.

(4) Regulations may not be made with respect to any of the matters referred to in subsection (3) unless the Minister certifies to the Governor that the Minister has consulted with appropriate representatives of consumers, the public, relevant interest groups, and any sector of industry or commerce, likely to be affected by those regulations and with the Minister for Fair Trading in connection with those regulations.

(5) (Repealed)

(5A) Regulations may not be made with respect to any of the matters referred to in subsection (3) (a) unless the Minister certifies to the Governor that the Minister has consulted with the Tribunal in connection with those regulations.

(6) A regulation may create an offence punishable by a penalty not exceeding 100 penalty units (in the case of a corporation) and 25 penalty units (in any other case).

(7) A regulation may apply, adopt or incorporate the provisions of any standard, code or specification, either as in force as at a particular day or as in force for the time being.

### **83A Regulations as to gas appliances and gas meters**

Without limitation, the regulations may make provision for or with respect to the following matters:

(a) the design, construction and labelling of gas appliances,

(b) the prohibition of the sale or supply of unsafe gas appliances,

(c) the imposition of conditions on the sale or supply of gas appliances to ensure their safe use,

(d) the connection, alteration, maintenance, repair, replacement and operation of gas appliances,

(e) the installation, alteration, maintenance, repair, replacement and operation of gas installations and flues,

(f) the examination and testing of gas meters.



#### **84 Repeals**

The following Acts are repealed:

- (a) the *Liquefied Petroleum Gas Act 1961*,
- (b) the *Liquefied Petroleum Gas (Grants) Act 1980*,
- (c) the *Liquefied Petroleum Gas (Grants) Amendment Act 1981*.

#### **85 Amendment of other Acts and instruments**

Each Act and instrument specified in Schedule 1 is amended as set out in that Schedule.

#### **86 Savings, transitional and other provisions**

Schedule 2 has effect.

#### **87 Review of Act**

- (1) The Minister is to review this Act to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives.
- (2) The review is to be undertaken as soon as possible after the period of 5 years from the date of assent to the *Gas Supply Amendment (Retail Competition) Act 2001*.
- (3) A report on the outcome of the review is to be tabled in each House of Parliament within 12 months after the end of the period of 5 years.

### **Schedule 1 Amendment of other Acts and instruments**

(Section 85)

#### **Note—**

Certain amending provisions are not reprinted: *Reprints Act 1972*, section 6.

## **1.5 Energy Administration (General) Regulation 1995**

### **Clause 6 Sales exempt from contributions to State Energy Research and Development Fund**

Omit subclause (2).

## **1.7 Gas Act 1986 No 213**

### **[1] Section 1**

Omit the section. Insert instead:

**1 Name of Act**

This Act is the *Gas Industry Restructuring Act 1986*.

**[2] Section 3 Definitions**

Omit section 3 (1).

**[3] Section 4 Reticulation of gas**

Omit the section.

**[4] Section 5 Application of Act**

Omit the section.

**[5] Section 7 Duty of the Minister, Council and Review Panels**

Omit the section.

**[6] Part 2 Authorisations to reticulate gas**

Omit the Part.

**[7] Section 30 AGL not to carry on certain gas activities**

Omit the section.

**[8] Section 52 Additional director appointed by Minister**

Omit the section.

**[9] Section 56 Separation and self-containment of gas distributors**

Omit the section.

**[10] Part 5 Regulation of gas distributors**

Omit the Part.

**[11] Part 6 Gas Council of New South Wales**

Omit the Part.

**[12] Part 8 Supply of gas**

Omit the Part.

**[13] Section 136 General offence**

Omit the section.

**[14] Section 137 Injunctions**

Omit the section.

**[15] Section 139 Regulations**

Omit subsections (2)–(6).

**[16] Schedule 2 Provisions relating to members and procedure of the Council**

Omit the Schedule.

**[17] Schedule 2A Provisions relating to Review Panels**

Omit the Schedule.

**[18] Schedule 3 Savings and transitional provisions**

Omit clause 17 (1). Insert instead:

(1) The Governor may make regulations containing provisions of a savings or transitional nature consequent on the enactment of the following Acts:

- (a) *Gas Act 1986*,
- (b) *Gas (Amendment) Act 1990*,
- (c) *Gas Supply Act 1996*.

**Schedule 2 Savings, transitional and other provisions**

(Section 86)

**Part 1 Preliminary**

**1 Regulations**

(1) The regulations may contain provisions of a savings or transitional nature consequent on the enactment of the following Acts:

- Gas Supply Act 1996*
- Gas Supply Amendment (Safety) Act 1999*
- Gas Supply Amendment (Retail Competition) Act 2001*

(2) Any such provision may, if the regulations so provide, take effect from the date of assent to the Act concerned or a later day.

(3) To the extent to which any such provision takes effect from a date that is earlier than the date of its publication in the Gazette, the provision does not operate so as:

- (a) to affect, in a manner prejudicial to any person (other than the State or an authority of the State), the rights of that person existing before the date of its publication, or
- (b) to impose liabilities on any person (other than the State or an authority of the State) in respect of anything done or omitted to be done before the date of its publication.

## **Part 2 Provisions consequent on enactment of [Gas Supply Act 1996](#)**

### **2 Definition**

In this Part:

**the 1986 Act** means the [Gas Industry Restructuring Act 1986](#).

### **3 Authorisations for natural gas**

- (1) An authorisation for natural gas that, immediately before the repeal of Part 2 of the 1986 Act, was in force under that Act is taken:
  - (a) to be both a reticulator's authorisation and a supplier's authorisation under this Act, and
  - (b) to be subject to the same conditions (in addition to those to which it is subject under this Act) as those to which it was subject immediately before that repeal.
- (2) A reticulator's authorisation arising under subclause (1) is taken to be subject to the following additional conditions:
  - (a) a condition to the effect that the reticulator must not supply or install a gas meter unless the gas meter complies with the standards prescribed by or in accordance with the regulations,
  - (b) a condition to the effect that the reticulator must not reticulate gas to a gas user unless the gas complies with the standards prescribed by or in accordance with the regulations.
- (3) Any condition referred to in subclause (1) (b) that relates to the price that may be charged for the supply of gas has effect despite section 11 (3) (b), but ceases to have effect when a gas pricing order first comes into effect.
- (4) The regulations may provide for:
  - (a) any specified gas supplier's authorisation arising under subclause (1) to be taken to have become 2 authorisations, namely:
    - (i) an authorisation with respect to the supply of natural gas to tariff customers, and

- (ii) an authorisation with respect to the supply of natural gas to persons who are not tariff customers, and
  - (b) the transfer of either or both of the authorisations referred to in paragraph (a) (i) and (ii) to other persons or bodies.
- (5) A regulation referred to in subclause (4) may exclude any application for a transfer referred to in subclause (4) (b) from the operation of section 8, but only in respect of an application that is made within 12 months after the commencement of this clause.

#### **4 Authorisations for LPG**

- (1) An authorisation for liquefied petroleum gas that, immediately before the repeal of Part 2 of the 1986 Act, was in force under that Act is taken:
- (a) to be a distributor's licence under this Act, and
  - (b) to be subject to the same conditions (in addition to those to which it is subject under this Act) as those to which it was subject immediately before that repeal.
- (2) A distributor's licence arising under subclause (1) is taken to be subject to the following additional conditions:
- (a) a condition to the effect that the distributor must not supply gas to a gas user unless the gas complies with the standards prescribed by or in accordance with the regulations,
  - (b) a condition to the effect that the distributor must not supply or install a gas meter unless the gas meter complies with the standards prescribed by or in accordance with the regulations.

#### **5 Annual authorisation and licence fees**

- (1) The annual authorisation fee payable under section 15 by the holder of an authorisation who, immediately before the repeal of section 18 of the 1986 Act, was required to pay authorisation fees under that section is taken to be:
- (a) the amount that would have been payable by that holder under that section, as in force immediately before its repeal, had that section not been repealed, or
  - (b) such lesser amount as the Minister, on the advice of the Treasurer, may determine.
- (2) The annual authorisation fee or annual licence fee payable under section 15 or 44 by the holder of an authorisation or licence (not being a holder referred to in subclause (1)) is taken to be such amount as the Minister, on the advice of the Treasurer, may determine.
- (3) This clause ceases to have effect on 1 July 1999.

## **6 Applications relating to authorisations**

- (1) An application with respect to an authorisation under the 1986 Act is taken to be:
  - (a) to the extent to which it relates to an authorisation for natural gas, the corresponding application with respect to an authorisation under Part 2 of this Act, or
  - (b) to the extent to which it relates to an authorisation for a gas other than natural gas, the corresponding application with respect to a licence under Part 3 of this Act,and anything done in connection with the application is taken to have been done under Part 2 or 3 of this Act, as the case requires.
- (2) Sections 8 and 37 do not apply to any application arising under subclause (1) in connection with an amendment of an authorisation or licence that was originally proposed under section 16 of the 1986 Act.

## **7 Review panels**

- (1) Except to the extent to which the regulations otherwise provide, the provisions of Schedule 2A to the 1986 Act, as in force immediately before the repeal of that Schedule, apply to a review panel under this Act in the same way as they applied to a Review Panel under the 1986 Act.
- (2) This clause ceases to have effect on 31 December 1996.

## **8 Charges for use of public roads and public reserves**

- (1) Section 51 does not prevent a local authority or roads authority from imposing on a network operator a periodic charge of the kind referred to in that section if, immediately before the commencement of that section, the network operator was liable to pay such a charge to the authority.
- (2) This clause ceases to have effect on 1 July 1999.

## **9 Inspectors**

- (1) A person who, immediately before the repeal of section 121 of the 1986 Act, held office as a government inspector or gas inspector under that section is taken to hold office as a government inspector or gas industry inspector under section 77 of this Act.
- (2) A certificate of authority that, immediately before the repeal of section 121 of the 1986 Act, had effect under that section is taken to have effect as a certificate of authority under section 62 of this Act.

## 10 Search warrants

A search warrant that, immediately before the repeal of section 127 of the 1986 Act, was in force under that section continues to have effect as if it were a warrant of entry in force under section 64 of this Act.

## 11 Abolition of Gas Council

- (1) The Gas Council is abolished.
- (2) Part 8 of the *Public Sector Management Act 1988* applies to each member of the Gas Council as if the member had been removed from office by the Governor under section 90 of that Act.

## 12 Gas Customers Reserve Account

- (1) Pending the repeal of section 70 of the 1986 Act, money standing to the credit of the Gas Customers Reserve Account may be applied only for such purposes as are approved by the Tribunal after consultation with the persons or bodies referred to in Schedule 1 to that Act.
- (2) Such an approval may be given only if the Tribunal is satisfied that the money is to be applied in such a manner as to benefit tariff customers.
- (3) On the repeal of section 70 of the 1986 Act, the Gas Customers Reserve Account referred to in that section is abolished.

## 13 Regulations

The *Gas Regulation 1991* is taken to be a regulation under this Act, and may be amended and repealed accordingly.

## 14 Amendment of regulations

An amendment made by this Act to a Regulation referred to in Schedule 1 does not affect the future amendment or repeal of that Regulation.

## 15 Construction of certain references

A reference in any other Act or instrument to the *Gas Act 1986* extends to this Act.

## Part 3 Provisions consequent on enactment of *Gas Supply Amendment (Retail Competition) Act 2001*

### 16 Definitions

In this Part:

**the 2001 amending Act** means the *Gas Supply Amendment (Retail Competition) Act 2001*.

## **17 Reviews of suppliers' decisions**

Section 33E, as inserted by the 2001 amending Act, extends to matters arising before the commencement of that section.

## **18 Gas industry ombudsman**

Section 33F, as inserted by the 2001 amending Act, extends to disputes and complaints arising before the commencement of that section.

## **19 Interim gas pricing orders**

- (1) The Tribunal may, by order served on a standard supplier, establish an interim pricing mechanism according to which the following tariffs, fees, charges and payments are to be fixed by the supplier in relation to the supply of natural gas to small retail customers under standard form customer supply contracts (an ***interim gas pricing order***):
  - (a) tariffs for natural gas,
  - (b) security deposits and other payments in the nature of security deposits,
  - (c) fees and charges in relation to late or dishonoured payments,
  - (d) fees and charges in relation to the establishment or maintenance of accounts,
  - (e) fees and charges in relation to the disconnection of premises from, or the reconnection of premises to, a distribution system,
  - (f) such other fees, charges and payments as are prescribed by the regulations.
- (2) Such an order may not be made in relation to any class of small retail customers in respect of whom a gas pricing order is in force under section 27.
- (3) The Minister may give the Tribunal a written referral requiring the Tribunal to make an interim gas pricing order within a time specified in the referral and, in that event, the Tribunal must take all reasonable steps to comply with the requirements of the referral.
- (4) Before making an interim gas pricing order, the Tribunal must notify the Minister of its intention to do so (except in the case of an order given pursuant to a referral under subclause (3)).
- (5) An interim gas pricing order:
  - (a) takes effect on the date on which it is served on the standard supplier concerned or on such later date as may be specified in the order in that regard, and
  - (b) continues in force for such period as is specified in the order, not exceeding 6



months from the date on which it takes effect,

but may be extended by the Tribunal (on one occasion only) for up to 3 months by a further order served on the standard supplier.

- (6) Section 27A (subsections (2) and (3) excepted) applies to an interim gas pricing order under this clause in the same way as it applies to a gas pricing order under section 27.
- (7) Section 28 does not apply to or in respect of an interim gas pricing order under this clause.
- (8) This clause ceases to have effect on such date as may be appointed by a regulation published in the Gazette before 1 July 2003 or, if no such date is so appointed, on 1 July 2003.

## Dictionary

(Section 4)

**ancillary market activity** means an activity that is the subject of an order in force under section 33S (1).

**ancillary market participant** means:

- (a) a person who is supplied with natural gas by means of a distribution system otherwise than by a supplier, or
- (b) a person who is the subject of an order in force under section 33S (2).

**approved gas industry ombudsman scheme** means a scheme approved under section 33G.

**authorisation** means a reticulator's authorisation or a supplier's authorisation.

**authorised reticulator** means a person who holds a reticulator's authorisation.

**authorised supplier** means a person who holds a supplier's authorisation.

**council** means the council of a local government area.

**Department** means the Ministry of Energy and Utilities.

**distribution district** means the district to which a network operator is restricted under the conditions of an authorisation or licence.

**distribution pipeline** has the same meaning as it has in the *Gas Pipelines Access (New South Wales) Law*.

**distribution system** means the gas pipes and associated equipment that are used to convey and control the conveyance of gas (other than natural gas) to the premises of customers, but does not include:

- (a) any pipeline in respect of which a licence is in force under the *Pipelines Act 1967* (other than a

pipeline that the regulations declare to be, or to form part of, a distribution system), or

- (b) any gas installation, or
- (c) any gas pipe or associated equipment that is wholly situated on land owned by the person who owns or controls the gas pipe or equipment, or
- (d) any gas pipe or associated equipment that the regulations declare not to be, or not to form part of, a distribution system.

**distributor** means a person who supplies gas (other than natural gas) to other persons by means of a distribution system.

**distributor's licence** means a licence referred to in section 35.

**exercise** a function includes perform a duty.

**flue** means any system of pipes and associated fittings designed to convey exhaust gases away from a gas appliance.

**function** includes a power, authority or duty.

**gas** means:

- (a) natural gas, or
- (b) liquefied petroleum gas, or
- (c) any other substance that the regulations declare to be a gas for the purposes of this Act.

**gas appliance** means any gas burning appliance that is manufactured, adapted or designed for connection to a gas installation, whether by means of a gas outlet socket or otherwise.

**gas installation** means the gas pipes and associated equipment that are used to convey and control the conveyance of gas within premises to which gas is supplied, whether from distribution pipeline or a distribution system or otherwise, but does not include anything connected to and extending or situated beyond a gas outlet socket.

**gas pricing order** means a gas pricing order referred to in section 27 (1).

**gas works** means any gas pipes or associated equipment that form part of, or connect premises to, distribution pipeline or a distribution system.

**gasfitting work** means any work involved in:

- (a) the installation, alteration, extension or repair of a gas installation, or
  - (a1) the installation, alteration, extension, removal or repair of a flue, or
- (b) the connection of a gas installation to, or the disconnection of a gas installation from, distribution pipeline or a distribution system, or
- (c) the connection of a gas appliance to, or the disconnection of a gas appliance from, a gas

installation (otherwise than where the point of connection is a gas outlet socket).

**inspector** means a government inspector or gas industry inspector appointed under section 77 (1) or (2).

**licence** means a distributor's licence.

**licensed distributor** means a person who holds a distributor's licence.

**liquefied petroleum gas** means a liquid or gaseous substance containing a mixture of hydrocarbons, basically consisting of butane or butene or propane or propene, or any mixture of them.

**natural gas** has the same meaning as it has in the *Gas Pipelines Access (New South Wales) Law*.

**negotiated customer supply contract** means a customer supply contract that is not a standard form customer supply contract.

**network operator** means a reticulator or a distributor.

**premises** includes any building or part of a building, any structure or part of a structure, any land (whether built on or not) and any river, lake or other waters.

**retail customer** means a customer who owns or occupies premises to which natural gas is supplied under a contract between the customer and the holder of a supplier's authorisation.

**reticulator** means a person who owns or controls a distribution pipeline for natural gas.

**reticulator's authorisation** means an authorisation referred to in section 6 (a).

**roads authority** has the same meaning as it has in the [Roads Act 1993](#).

**small retail customer**—see section 33R.

**standard form customer supply contract** means a contract that is declared by the regulations to be a standard form customer supply contract.

**standard supplier** means an authorised supplier to whose authorisation is attached a standard supplier's endorsement as referred to in section 33A.

**supplier** means a person who supplies natural gas to other persons, whether end user customers or other suppliers.

**supplier's authorisation** means an authorisation referred to in section 6 (b).

**supply district** of a standard supplier means the supply district described in its standard supplier's endorsement as referred to in section 33A (2) (a).

**tariff customer** means a person whom the regulations declare to be a tariff customer or who belongs to a class of persons so declared.

**Tribunal** means the Independent Pricing and Regulatory Tribunal established under the [Independent Pricing and Regulatory Tribunal Act 1992](#).