
EXPLANATORY MEMORANDUM

ENERGY OPERATORS (POWERS) AMENDMENT BILL 2005



Office of Energy
Government of **Western Australia**

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The purpose of this Bill is to repeal section 55 of the *Energy Operators (Powers) Act 1979*, which requires the approval of the Coordinator of Energy prior to any new gas undertaking being established, and to make a consequential amendment to the *Gas Pipelines Access (Western Australia) Act 1998* which references the approval power.

The Bill is consistent with the:

- Final Report of the Project Development Approvals System (Keating Report) released 8 May 2002 in relation to duplication of resources;
- Government's policy to simplify and centralise the function of economic regulation and remove regulatory functions from policy agencies; and
- Regulatory requirements in the electricity market where electricity authorisations were repealed on 1 January 2005.

The requirement for the Coordinator of Energy to approve new gas undertakings overlaps with the petroleum pipeline licence function administered by the Department of Industry and Resources. This two-prong approach was noted as a duplication of resources in the Keating Report.

The gas authorisation role remains a functional anomaly for the Coordinator of Energy, who is principally responsible for policy advice, with the transfer of gas licensing functions to the Economic Regulation Authority.

This anomaly was further exacerbated with the abolition of electricity authorisations, also previously undertaken by the Coordinator of Energy, on 1 January 2005 and the establishment of the electricity licensing regime administered by the Economic Regulation Authority.

In broad terms, the Bill will abolish the requirement for gas authorisations by the Coordinator of Energy.

Clause 1 Short title

This clause provides that the Act may be cited as the *Energy Operators (Powers) Amendment Act 2005*.

Clause 2 Commencement

This clause provides that the *Energy Operators (Powers) Amendment Act 2005* will come into operation on the day it receives Royal assent.

Clause 3 The Act amended

This clause provides that the amendment is to the *Energy Operators (Powers) Act 1979*.

Clause 4 Section 55 repealed

This clause provides for section 55 of the *Energy Operators (Powers) Act 1979* to be repealed.

Clause 5 Consequential amendment of the *Gas Pipelines Access (Western Australia) Act 1998*

This clause deletes reference to the Coordinator of Energy's approval powers in section 8(1)(a) of the *Gas Pipelines Access (Western Australia) Act 1998*.