

FACT SHEET

Gas Industry Amendment Bill 2020

- The *Gas Industry Amendment Bill 2020* (the Bill) establishes two minor amendments to the *Gas Industry Act 2019*, which makes provision for licensing and regulation of the gas supply industry in Tasmania.
- The *Gas Industry Act 2019* and the *Gas Safety Act 2019* (the Acts) separated industry regulation provisions from industry safety provisions that were contained in the *Gas Act 2000*, and eliminated some inconsistencies and duplications. These Acts were passed by Parliament on 9 April 2019.
- The Acts were not proclaimed immediately because time was required for the review of existing subordinate instruments. Following the review of subordinate instruments, two provisions of the *Gas Industry Act 2019* were identified as requiring amendment.
- The Acts are cognate and therefore neither Act can be proclaimed until the amendments are made.
- The first issue the amendments address relates to the provision of the *Gas Industry Act* that defines 'retailing'. The new Act provides for a threshold in the retail definition, which effectively limits the meaning of 'retailing' to persons selling gas to customers who consume less than 1 TJ of gas per year. There is currently no such threshold provided for by the *Gas Act*, though the gas Codes refer to a threshold of 10 TJ.
- This unintentionally creates a class of gas retailers (who sell to customers who consume more than 1 TJ per year) who would no longer need to be licensed, and would, as a consequence, not be required to comply with the relevant gas codes. The undesirable consequences that flow from this are:
 - the Customer Transfer and Reconciliation Code (which facilitates transfer of customers between retailers) would not apply to participants in the market who were not licensed; and
 - an uneven playing field would be created for retailers who are licensed and retail gas to both small and large customers.
- The second issue the amendments address relates to the provisions for the making, review, amendment, and replacement of gas Codes. The current provisions state that either the Regulator or the Minister can create or make changes to gas Codes on the

proviso that codes made by the Regulator can be amended by the Minister, but Codes made by the Minister can only be reviewed by the Regulator at the express request of the Minister.

- This may have been appropriate when the industry was in its infancy, but now the restrictions on the Regulator need to be relaxed, and the functions of the issuing authorities need to be clarified, so as to ensure the Regulator's powers and functions have more flexibility, particularly in relation to initiating reviews and the making of minor amendments.