

Fact Sheet

National Gas (Tasmania) Bill 2008

This Bill will implement the new national energy market governance and regulatory arrangements for gas pipelines in Tasmania.

The new regulatory and governance framework for the national energy market has the following key elements:

- alignment of the economic objective of the electricity and gas regulatory regimes;
- transfer of economic regulation and rules enforcement for transmission and distribution networks to the Australian Energy Regulator;
- transfer of rule-making and market- development to the Australian Energy Market Commission;
- implementing a common economic regulatory framework for revenue and network pricing decisions;
- streamlining the rule-change process;
- implementing common arrangements for merits review of regulatory decisions under the electricity and gas regulatory regimes; and
- strengthening and aligning consumer advocacy arrangements for both gas and electricity.

The Australian Energy Market Agreement (AEMA) commits the Commonwealth, State and Territory Governments to establish and maintain the new national energy market framework through the introduction of implementing legislation designed to achieve the policy objectives of the reform program.

The new framework was implemented for electricity in 2007, and it will be implemented for gas in the same manner; that is a lead-application legislative model. This has also been the approach under the current regulatory and governance regime.

The mechanism through which the new governance framework for gas access will be implemented is a new South Australian Act called the National Gas (South Australia) Act 2008. This Act is currently awaiting passage through the South Australian Parliament. It contains a Schedule called the ‘National Gas Law’ (NGL), which embodies the new regulatory and governance regime and deals with the economic regulation of gas

pipelines. Consistent with the electricity regime, the NGL will be supplemented by the National Gas Rules (NGR) and regulations.

In a manner similar to the current regime, each State and Territory will apply the NGL, NGR and regulations made under the South Australian Act through local application acts. The National Gas (Tasmania) Bill 2008 will apply the NGL, NGR and any regulations as a law of Tasmania, and will continue to fulfil Tasmania's commitment under the AEMA to introduce implementing legislation for the new national energy market framework.

While the Bill implements the new national energy market framework for gas pipelines in Tasmania, there will effectively be no impact on Tasmania's gas pipelines as they are not "covered" under the current or new regulatory regime. "Uncovered" pipelines, such as those in Tasmania, are not currently subject to economic regulation and will not be under the new regime.