

# Electricity Reform Bill 2012

The *Electricity Reform Bill 2012* provides for an Act that will facilitate the implementation of the Government's electricity reform package for the Tasmanian electricity supply industry.

The reforms will involve some major policy changes to the Tasmanian electricity supply industry as well as some major structural changes to the three State-owned electricity entities - Aurora Energy, Transend Networks and Hydro Tasmania.

The Bill:

- *defines the objectives of the reforms;*
- *determines measures that may be taken to implement the reforms; and*
- *establishes the necessary functions and powers to ensure the reforms are implemented in a timely manner.*

A Ministerial Power of direction is provided in the Bill, which enables the Shareholding Ministers of the State-owned electricity entities to direct those businesses to take actions for the purpose of implementing the reforms. This power may be required where a State-owned electricity entity needs to take an action that is not in its own strict commercial interest, but is in the interest of the sector as a whole.

In addition, the Treasurer has the power to ensure that information obtained by the Electricity Supply Industry Expert Panel can be accessed for the purposes of implementing the reforms.

The Bill creates a Statutory Position of Electricity Reform Co-ordinator. The Co-ordinator has the power to request information, advice and assistance from the State-owned electricity entities for the purposes of implementing the reforms.

The powers of direction and the Statutory Office of Electricity Reform Coordinator expire on 30 June 2015, as they only relate to the electricity reform process,

which is expected to be completed by 30 June 2014. The date chosen is 12 months after this to allow a contingency in the event of any unforeseen delays.

The Bill also indemnifies the Directors, officers, agents and employees of the State-owned electricity entities for any actions taken in implementing the reforms. This is necessary because some actions that are required to achieve the Government's policy objectives might not be in the commercial interests of the individual businesses.

To facilitate the restructuring of the Tasmanian electricity supply industry, the Bill contains provisions:

- *to enable the transfer of employees between the businesses, while ensuring employee entitlements are protected;*
- *to facilitate the sale of Aurora Energy's retail customer base, by providing the Treasurer with the necessary powers to sell Aurora Energy's retail business; and*
- *for the Treasurer to transfer assets, rights and liabilities between the State-owned electricity entities.*

Once the merger of the network businesses and the sale of Aurora Energy's retail customer base is complete, the Bill allows the transfer of any residual business to the Crown.

Other provisions of the Bill will ensure that there are no impediments to prevent the implementation of the reforms from other State or national legislation.