

Santos. The BassGas Project will initially produce some 20 petajoules of gas per year, representing about 10% of Victoria's consumption. It will also produce about 13.5 million barrels of condensate and 1,000 kilotonnes of LPG over a 15 year period with the first production scheduled in the September quarter of 2004.

There have also been notable exploration successes in the onshore Otway Basin, north of Port Campbell. Santos recently announced that it had signed a 30 month agreement to sell natural gas to a retailer in Victoria. Gas sales totalling 25 petajoules will begin in July and will add further to the diversification of Victoria's gas supply sources. Santos said that it had also agreed to buy Beach Petroleum's NL's (its exploration and production joint venture partner in the region) 10% share of production.

Santos has also enhanced its position in the offshore Gippsland Basin region by taking a 20% stake in the \$120 million Patricia Baleen gas development project led by OMV. The acquisition compliments the recent increase in its stake in the nearby Sole field and its existing offshore interests in the Kipper and Golden Beach fields. Gas from the Patricia Baleen field is due to flow in about October 2002, with peak production of 11 petajoules a year expected to be reached in 2003. The gas will be transported 24 km through a pipeline to a new processing facility at Orbost.

This article merely provides a flavour of recent gas supply developments in Victoria. There is much further exploration and production activity being carried out which has not been mentioned here. If there is a trend to be seen from recent developments, it is perhaps that gas discoveries are becoming smaller and more numerous. In some cases, discoveries are not sufficient to support their own infrastructure and market conditions may well dictate that field owners collaborate in order to effectively present themselves to the market – perhaps by agreeing sequenced production to optimise reserves coverage and deliverability or by sharing existing infrastructure in neighbouring fields. The use of unitisation agreements may become much more prevalent in the region as a result.

LEGISLATIVE DEVELOPMENTS AFFECTING THE ELECTRICITY AND ENERGY INDUSTRIES*

Electricity Industry (Amendment) Act 2002

On 23 April 2002 the *Electricity Industry (Amendment) Act 2002* was assented to. It inserts a new s 23A into the *Electricity Industry Act 2000* requiring a licensee who sells electricity to include in each bill information concerning greenhouse gas emissions as a result of the generation of electricity.

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Energy Legislation (Further Miscellaneous Amendments) Act 2002

This Act, which was assented to on 12 April 2002, amends the *Electricity Safety Act 1998*, the *Gas Safety Act 1997*, the *Electricity Industry Act 2000* and the *Gas Industry Act 2001*.

Electricity Safety Act 1998

The most significant amendment to the *Electricity Safety Act 1998* (the Act) was the insertion of a new Part 6 entitled 'Rights of Review'. The new s 69(1) provides that an aggrieved person may apply to the Victorian Civil and Administrative Tribunal (the Tribunal) for review of a decision of the Office of the Chief Electrical Inspector (the Office). This replaces the previous appeal rights to the Electrical Appeals Board (the Board) which body is abolished. The section outlines the decisions that are reviewable, such as a refusal by the Office to supply a certificate of electrical safety form or to approve prescribed electrical equipment, and the timeframe within which an application for review must be made. Amended section 163 outlines transitional provisions dealing with the change from the Board to the Tribunal.

Gas Safety Act 1997

A provision similar to that inserted into the *Electricity Safety Act 1998* is also provided under amendments to the *Gas Safety Act 1997*. An opportunity to seek review from the Victorian Civil and Administrative Tribunal (the Tribunal), instead of the Gas Appeals Board (the Board) of a decision of the Office of Gas Safety (the Office) is provided by the amendment. The provision also abolishes the Board, although transitional provisions are specified. Reviewable decisions include a decision by the Office not to approve a person to carry out upstream gas work or to refuse to accept a gas installation. The timeframes within which an application for review must be made are also specified.

Electricity Industry Act 2000

Section 68(8) of the *Electricity Industry Act 2000* (the Act) currently provides that authorisations or determinations by the ACCC under the relevant merger and acquisition provisions of the *Trade Practices Act 1974* (Cth) operate as an exemption to the general prohibition against cross ownership under the Act. The insertion of a new provision, s 68(8AA), clarifies that a decision by the ACCC that it does not intend to take action in respect of a particular acquisition will allow this exemption to apply whether or not an application has been made under the Trade Practices Act for authorisation of the acquisition.

Gas Industry Act 2001

A similar provision regarding cross ownership and the ACCC is inserted into the *Gas Industry Act 2001*. Under section 129(3A) a person is deemed not to hold a prohibited interest as a result of an acquisition if the ACCC authorises the acquisition, regardless of whether or not an application has been made under the Trade Practice Act for authorisation of the acquisition.

Environment Protection (Resource Efficiency) Act 2002

The Environment Protection (Resource Efficiency) Act (the Act), was assented to on 18 June 2002 and inserts a new Division 1A into Part IX. This provides that the Environment Protection Authority (the Authority) may become a signatory to sustainability covenants for an industry (s 49AC(1)). A “sustainability covenant” is a voluntary agreement undertaken by a person or body to increase the efficiency of resources use in the production of products or services and the reduction of the ecological impact of the products, services and processes by which they are produced.

Section 49AD gives the Governor in Council, on the recommendation of the Authority, the right to declare that an industry has the potential to have a significant impact on the environment. Where a declaration exists, or a covenant has been entered into and a member of the industry is not a signatory to the covenant or is a signatory but has failed to meet one of more of the undertakings, the Authority may require an ecological impact statement.

Under s 49AG, if a declaration in respect of an industry is in force and the industry fails to produce a viable covenant, the Authority may require each member of the industry to produce an ecological impact statement. The Authority may require this statement to be published (excepting confidential or commercially sensitive information). Failure to comply with any of these requirements is an indictable offence and liability up to 2400 penalty units is imposed. Liability of 1200 penalty units per day is additionally imposed for each day the offence continues.

Pursuant to s 49AH the Authority may require the person who was required to produce a statement to produce a plan of proposed actions to implement resource use efficiency improvement or ecological impact reductions. It may also require the actual implementation of the plan and order that any specified action under the plan that has not been taken, be taken.

Section 49AN provides that guidelines may be produced by the authority for the production of statements.

Section 36BA of the Act is amended to permit review of selected decisions of the Authority in relation to this new Division.

Utility Meter (Metrological Controls) Bill 2002

This Bill was introduced by the Hon S M Garbutt and on 16 May 2002 was moved for a Second Reading Speech in the House of Assembly. The purpose of the Bill is to provide for trade measurement legislation in respect of utility meters for the electricity, gas and water industries. It deals specifically with the requirement that a meter must bear an inspector’s or licensee’s mark prior to being traded. The requirements for the re-verification and certification of utility meters, and associated rights and responsibilities of licensees, inspectors and the administering authority are also outlined. Various offences are created under this Bill for failure to comply.