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Minister for Consumer Affairs

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Mr Peter Cain MLA

Chair

Standing Committee on Justice and Community Safety (Legislative Scrutiny Role)

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Dear Mr Cain

I write in response to the Standing Committee on Justice and Community Safety (Legislative Scrutiny Role) Scrutiny Report 20, which was released on 13 September 2022. Specifically, this letter addresses comments made by the Committee on the Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill 2022 (the Bill). The Committee seeks comment and further information about:

- the basis on which areas or stated premises will be selected for inclusion in any prohibition of new gas connections
- the inclusion of a provision, which is a form of Henry VIII clause, which enables the making of regulations which have the effect of modifying the operation of Territory laws, and
- the justification for why the proposed prohibition of new gas connections and modification of the listed national laws requires the enablement of regulation-making powers as provided in the Bill.

To respond to the Committee's first comment, the areas or stated premises that will be selected for the prohibition of gas connections will initially be limited to new connections. However, in accordance with stated government policy, and as a part of the implementation of legislated greenhouse gas reduction targets, there will be a staged approach to the eventual cessation of all natural gas (fossil gas) mains connections. As such, the Bill only includes provisions that facilitate this staged approach. For further context, I refer the Committee to section 6(1) of the *Climate Change and Greenhouse Gas Reduction Act 2010* (the CCGGR Act) which sets a target for the ACT to achieve zero net emissions by 30 June 2045. Through the CCGGR Act, the ACT has also set interim greenhouse gas reduction targets for 2025, 2030 and 2040.

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To address the second and third comments made by the Committee, I can advise that the inclusion of a provision, which is a form of Henry VIII clause, is the only mechanism that will enable the required modification and application of the National Energy Retail Law (through the *National Energy Retail Law (ACT) Act 2012*) to be able to limit new natural (fossil) gas mains connections. The inclusion of a limited regulation-making power is an appropriate legislative approach to address the conflict between the Territory's phase-out of new natural gas main connections and the National Energy Retail Law, as the latter includes an obligation for gas distributors to provide new connections to proponents when requested. New section 13B within clause 6 of the Bill is therefore limited so that it can only modify the National Energy Laws to give effect to new section 13A: that is, to modify or exempt a natural gas distributor from the requirement to provide connection services in prescribed areas to prevent the distributor from otherwise breaching the law.

As a final point regarding the concerns raised by the Committee about the Henry VIII clause, it is pertinent to consider such provisions within the national framework for energy legislation and regulation. While the ACT has adopted the national approach, the changes to the CCGRR Act are required, which in this instance includes regulation-making powers to assist the Territory to meet its legislated emissions reduction targets. As such, the relevant provisions are not expressed to, nor are they intended to, authorise the making of a regulation limiting any future enactment of the Legislative Assembly.

I thank the Committee for its comments on the Bill and I trust this information is of assistance.

Yours sincerely

Shane Rattenbury MLA