1. The National Energy Retail Law (Queensland) Bill 2014 and the Electricity Competition and Protection Legislation Amendment Bill 2014 implement the Government’s decision to increase competition by removing retail price regulation in south east Queensland (SEQ) and introducing a more light-handed market monitoring approach for small (residential and small business) customers, commencing from 1 July 2015. The legislation will also improve customer protections, reduce the regulatory burden on retailers and improve market efficiency.
2. To ensure customers can benefit from the move to market monitoring, the Government will not remove price controls in SEQ unless it is satisfied the following pre-conditions have been met:
* there is sufficient competition in the SEQ retail electricity market to provide the right incentives for retailers and to deliver real benefits for consumers;
* adequate consumer protections and support mechanisms are in place;
* a strategy to improve customer engagement and increase the capacity for customers to make effective decisions in the market is developed;
* an effective regulatory framework with clearly defined roles and responsibilities for retailers, regulators and government is established; and
* a viable and credible methodology for setting regulated retail electricity prices in regional Queensland is developed.
1. Market monitoring is central to the Government’s electricity reform agenda and aims to increase competition to reduce cost pressures and drive better outcomes for consumers in terms of product choice, market efficiency and customer service. The legislation contains the necessary changes to remove price controls in SEQ and establish an effective market monitoring regime. Regulated prices will still apply for customers outside SEQ.
2. The Government also agreed to implement the National Energy Customer Framework (NECF) in Queensland, subject to COAG Energy Council agreement on state-specific variations to support consumers. NECF aims to improve consumer protection, reduce the regulatory burden on retailers and support the efficient operation of the electricity and gas retail markets. The legislation contains the provisions necessary to apply the NECF in Queensland. The amendments are critical to the success of market monitoring in SEQ as they will ensure the state’s most vulnerable consumers are adequately protected once price controls are removed. Measures to reduce retailer operating costs and barriers to entry into the market will also help ensure the move to market monitoring is a success.
3. Cabinet approved that the National Energy Retail Law (Queensland) Bill 2014 and the Electricity Competition and Protection Legislation Amendment Bill 2014 be introduced into the Legislative Assembly.
4. Attachments
* [National Energy Retail Law (Queensland) Bill 2014](Attachments/energy%20Bill.pdf)
* [Explanatory Notes](Attachments/energy%20ExNotes.pdf)
* [Electricity Competition and Protection Legislation Amendment Bill 2014](Attachments/elec%20Bill.pdf)
* [Explanatory Notes](Attachments/elec%20ExNotes.pdf)