



Queensland

Electricity Amendment Regulation (No. 1) 2012

Explanatory Notes for SL 2012 No. 88

made under the
Electricity Act 1994

General outline

Short title

Electricity Amendment Regulation (No. 1) 2012.

Authorising law

Section 55GA(5) and 263 of the *Electricity Act 1994* (the Act).

Policy objectives and reasons for them

The policy objective of the regulation is to prescribe a statement for inclusion on residential bills concerning the cost of the Australian Government's carbon price, based on an estimate determined by the Queensland Competition Authority. Including a carbon price estimate on residential electricity bills is part of the Government's *Lower Cost of Living for Families* Package for Queenslanders.

The regulation is required to give certainty to electricity retailers on the text that will be required to be included on electricity bills.

Achievement of policy objectives

The policy objectives will be achieved by setting out the statement about the Commonwealth Government's carbon price that will need to be included on electricity bills.

Consistency with policy objectives of authorising law

The regulation is consistent with the objectives of the Act and amends the *Electricity Regulation 2006* to specify the statement that will need to be included on residential electricity bills from 1 July 2012.

Inconsistency with policy objectives of other legislation

The regulation is not inconsistent with any policy objectives of any other legislation.

Alternative ways of achieving policy objectives

The Act sets out the framework for how carbon price impacts are to be displayed on residential electricity bills. There are no alternative means to effectively achieve the policy objectives.

Benefits and costs of implementation

The Regulation will assist residential customers to better understand the impact of the Commonwealth Government's carbon price on electricity prices.

A Preliminary Impact Statement completed in June 2012 determined the Regulation did not require a Regulatory Assessment Statement (RAS) as the proposal will not impose significant impacts on the community, business or government. Compliance with Part 5 of the Statutory Instruments Act 1992 (SIA) is determined pursuant to section 43 of the SIA for the same reason.

Consistency with fundamental legislative principles

The amendment has been drafted with regard to the fundamental legislative principles and is considered to comply with these principles.

Consultation

Limited consultation has been undertaken with retailers on the Regulation. No major concerns have been identified.

Notes on Provisions

Section 1 cites the short title of the Regulation.

Section 2 provides that the Regulation amends the *Electricity Regulation 2006*.

Section 3 inserts a new section 125A into the *Electricity Regulation 2006* which prescribes a statement that retail authority holders must include on residential electricity bills for the 2012-13 financial year, in accordance with section 55GA of the *Electricity Act 1994*. The statement is based on an estimate developed by the Queensland Competition Authority and concerns the impact of the Australian Government's carbon price on the main residential electricity tariffs – residential tariff 11 and economy tariffs 31 and 33.

The expression 'c/kWh' used in the statement refers to the estimated cost impact expressed in cents for each kilowatt hour.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Energy and Water Supply.