

Energy Legislation Amendment Regulation (No. 1) 2015

Explanatory Notes for SL 2015 No. 59

made under the

Electricity Act 1994
Gas Supply Act 2003

General outline

Short title

Energy Legislation Amendment Regulation (No. 1) 2015

Authorising law

Section 263 of the *Electricity Act 1994* (Electricity Act)
Section 323 of the *Gas Supply Act 2003* (Gas Supply Act)

Policy objectives and reasons for them

The objective of the subordinate legislation is to increase the prescribed regulatory fees and charges by the current Government endorsed indexation factor of 3.5 per cent for the new financial year beginning 1 July 2015 until 30 June 2016.

It will also remove all retail authority fees due to the commencement on 1 July 2015 of the National Energy Retail Law (NERL).

Achievement of policy objectives

The subordinate legislation will index all relevant fees and charges contained within Schedule 7 and Schedule 8 of the *Electricity Regulation 2006*, and Schedule 1 and section 51 of the *Gas Supply Regulation 2007* by 3.5 per cent.

This indexation is in accordance with Queensland Treasury Financial Circular No. 2014-15/05 dated 22 April 2015, which requires all fees and charges to be indexed by 3.5 per cent per annum for the new financial year beginning 1 July 2015 until 30 June 2016.

Due to the commencement of NERL on 1 July 2015, provisions relating to the retail sale of electricity and gas will be removed from the *Electricity Act 1994* and *Gas Supply Act 2003*.

Accordingly, all fees pertaining to retail authorities will be removed from the Electricity and Gas regulations.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the objects of the Electricity Act to:

- (a) set a framework for all electricity industry participants that promotes efficient, economical and environmentally sound electricity supply and use; and
- (b) regulate the electricity industry and electricity use; and
- (c) establish a competitive electricity market in line with the national electricity industry reform process; and
- (d) ensure that the interests of customers are protected; and
- (e) take into account national competition policy requirements.

The subordinate legislation is consistent with the purpose of the Gas Supply Act to:

- (a) implement the franchising and licensing principles under clauses 13 and 14 of the national gas agreement; and
- (b) promote efficient and economical processed natural gas supply; and protect customers in reticulated processed natural gas markets.
which are achieved by—
 - (a) regulating the distribution and retail services for reticulated processed natural gas; and
 - (b) providing, under chapter 5A, for the making of industry codes for reticulated processed natural gas markets.

Inconsistency with policy objectives of other legislation

The subordinate legislation is not inconsistent with any policy objective of any legislation.

Alternative ways of achieving policy objectives

The Electricity Act and Gas Supply Act establish the framework for the administration of electricity and gas fees and charges. There are no alternative means to effectively achieve the policy objectives.

Benefits and costs of implementation

The Government will not incur additional costs to implement this subordinate legislation.

Consistency with fundamental legislative principles

The subordinate legislation is consistent with fundamental legislative principles.

Consultation

The Office of Best Practice Regulation was consulted regarding the need for a Regulatory Impact Statement and confirmed a Regulatory Impact Statement is not required for this subordinate legislation.