



Queensland

Energy Legislation Amendment Regulation (No. 1) 2012

Explanatory Notes for SL 2012 No. 94

made under the

Electricity Act 1994

Gas Supply Act 2003

General outline

Short title

Energy Legislation Amendment Regulation (No. 1) 2012.

Authorising law

Section 263 of the *Electricity Act 1994* and section 323 of the *Gas Supply Act 2003*.

Policy objectives and reasons for them

The objectives of the subordinate legislation are to:

1. increase the prescribed regulatory fees and resource rent fees by the annual rate for indexing fees and charges; and
2. rectify minor errors in the existing legislation.

Achievement of policy objectives

The subordinate legislation will achieve its objectives by increasing the relevant fees and charges under Schedule 7 and Schedule 8 of the *Electricity Regulation 2006* by 3.5 percent. Queensland Treasury and Trade has advised that the annual rate for indexing fees and charges is 3.5% per annum from 1 July 2012. All amended fees have been rounded to coinable amounts.

Consistency with policy objectives of authorising law

The subordinate legislation is consistent with the main policy objective of the *Electricity Act 1994*:

- (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 take into account national competition policy requirements.

The subordinate legislation is consistent with the main policy objective of the *Gas Supply Act 2003*:

- (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.

(2) The purposes under subsection (1)(b) and (c) 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 objectives of any legislation.

Alternative ways of achieving policy objectives

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

Benefits and costs of implementation

The State Government will not incur any additional costs in the implementation of this subordinate legislation.

Consistency with fundamental legislative principles

The subordinate legislation is consistent with fundamental legislative principles.

Consultation

Queensland Treasury and Trade advised that 3.5 percent figure should be used as the basis for annual increases in fees and charges.

The Regulatory Review Branch in Queensland Treasury and Trade was also consulted regarding the need for a Regulatory Assessment Statement. The result of the consultation was that a Regulatory Assessment Statement was not required for this subordinate legislation.

ENDNOTES

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

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