

20 May 2014

The Hon Mark McArdle MP
Department of Energy and Water Supply
Level 13, Mineral House
41 George Street
BRISBANE QLD 4000
Via email: EnergyandWater@ministerial.qld.gov.au

Dear Minister

The Chamber of Commerce and Industry Queensland (CCIQ) wishes to provide its support for the Queensland Government's *National Energy Retail Law (Queensland) Bill 2014* and the *Electricity Competition and Protection Legislation Amendment Bill 2014*.

CCIQ commends this package of reforms and the Queensland Government's preparedness to address rising electricity prices. CCIQ are strong proponents for the removal of barriers to competition in the retail electricity market in South East Queensland (SEQ) whilst maintaining strong customer protections.

Queensland businesses have experienced continuing increases in electricity prices that have eroded their viability and created an extremely difficult operating environment. CCIQ believes that these reforms are a necessary step towards the development of a long term and sustainable energy strategy for Queensland.

CCIQ provided a submission to the State Government's 30 year electricity strategy which highlighted the need to progress to market monitoring in place of retail price regulation for residential and small business customers in SEQ.

CCIQ believes that the removal of price regulation and its replacement with market or price monitoring is required to increase competition by allowing customers to shop around for the best contract deal, consequently placing downward pressure on retail prices.

Seventy per cent of customers in SEQ are already on market contracts and removing regulated prices will allow the remaining 30 per cent to negotiate their own market contracts to suit individual needs. Following implementation of a fully contestable market CCIQ urges the Government and retailers to work to ensure customers understand the market and what types of offers are available.

Additionally CCIQ is supportive of the State Government allowing for increased access arrangements to the Energy and Water Ombudsman Queensland (EWOQ) services. Currently only small customers consuming less than 100 megawatt hours per year can access these services. Increasing this threshold will allow otherwise excluded small business customers access to the support of EWOQ in resolving energy disputes. This is particularly important as we move to full contestability.

In summary CCIQ believes these reforms will benefit customers through increased competition, better outcomes in terms of choice, efficiency, customer service and price discounts. The change will also reduce red tape, encourage new investment and allow retailers to offer better products and prices.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nick Behrens', with a long horizontal flourish extending to the right.

Nick Behrens
General Manager of Advocacy