



12 January 2006

**SUBMISSION ON CONSULTATION PAPER ON A NATIONAL
FRAMEWORK FOR ENERGY DISTRIBUTION AND RETAIL
REGULATION**

BACKGROUND

The Queensland Consumers' Association (QCA) is the peak body for consumer groups in Queensland. The Association's members work in a voluntary capacity. The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups.

QCA made a written submission on the Ministerial Council on Energy's 2004 issues paper and on the national framework schedule released for consultation in October 2005.

In view of the fact that the QCA has already made the above-mentioned written submissions on this subject and reflecting its lack of resources, this submission consists only of the following comments.

COMMENTS

- QCA endorses most of the comments and conclusions in submission of the Centre for Credit and Consumer Law, Griffith University.
- QCA considers that a key test for any national energy reforms and new regulations should be whether or not they contribute to the achievement of the NEL objective of meeting "the long term interests of consumers".
- QCA is concerned that the paper has too great an industry focus and places insufficient emphasis on assessing and meeting consumers' long term needs and interests.
- QCA is concerned that the paper places excessive emphasis on pure economic efficiency and takes insufficient account of distributional, equity and externality issues.
- QCA considers that the characteristics of energy products, industries and markets mean that effective and extensive regulation is required in many areas, including consumer protection.

- QCA considers that if there is to be national legislation it must not be lowest common denominator but be based on the highest possible standards.
- QCA emphasises the need for individual jurisdictions to retain the ability to act independently in some key areas to ensure their special needs and circumstances are met and to increase the scope for innovation.
- QCA's comments on the proposed framework schedule issues noted that distributor failure was not included. The paper also fails to mention or address this issue. Although much less likely than retailer failure, distributor failure would have massive consequences for consumers and should be provided for in any regulatory arrangements

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