

# Electricity price regulation in Queensland on hold: What this means for the implementation of the National Energy Customer Framework (NECF) in South East Queensland

29 April 2015

3 min. read

[policy change](#) / [electricity](#) / [resources and energy](#) / [on-suppliers](#) / [manufactured homes](#) / [tenancy](#)

Yesterday the Queensland Government announced that it would hold off on implementing part of the NECF known as the “market monitoring regime” in Queensland. The impacts of the change in policy on the implementation of the NECF is discussed below.

## Electricity pricing - existing regime

Currently tariffs for small standard contract (non-market) customers are regulated by way of tariffs published in the Government Gazette. Since 1 July 2014, electricity charges for large non-market customers in South East Queensland are not the subject of approved published tariffs. Standard (non-market) contracts outside of South East Queensland (i.e. regional Queensland) remain regulated.

## Changes to electricity pricing proposed in the NECF

As part of the package of reforms to come into effect in Queensland under the NECF on 1 July 2015, a new market monitoring regime was proposed. If implemented, this would have meant that the Queensland Competition Authority (as delegated by the Minister) would no longer set regulated retail electricity prices within “Energex's distribution area” under the *Electricity Act 1994* (Qld). Instead retail electricity prices in South East Queensland were to be determined by market forces. The role of the Queensland Competition Authority (as directed by the Minister) would have been to undertake a market monitoring function and to publish an annual market comparison report about electricity prices. In the face of market failure, there were to be limited powers for the Minister could reintroduce price controls.

## Impact of policy change - electricity regulation to be retained for now

The consequence of the Queensland Government’s change of policy is that the existing regime of regulated pricing will remain in place for at least another 12 months, while the government reviews the likely impact on electricity prices of the proposed deregulation.

Despite the announced changes to the market monitoring regime, the NECF will otherwise commence in Queensland as planned.

This means that from 1 July 2015, the following will be implemented in Queensland:

- stronger customer protection measures; and
- a comprehensive “exempt seller” framework for on-suppliers (this will be relevant for entities selling electricity to tenants in the context of shopping centres, retirement villages, office buildings, apartments, residential homes, manufactured homes, caravan parks etc).

On-suppliers in sectors subject to the legislative regimes covering caravanning and manufactured homes, community titles, and residential tenancies, remain subject to separate and specific restrictions on the pricing of the on-supply of electricity.

For more information on the on-supply of electricity, please contact [Emily Collins](#). For queries regarding manufactured homes specifically, please contact [Anthony Pitt](#).

29 April 2015

[policy change](#) / [electricity](#) / [resources and energy](#) / [on-suppliers](#) / [manufactured homes](#) / [tenancy](#)  
[Previous article](#) [Next article](#)