

Our Ref: DDG205

Department of
**Employment, Economic
Development and Innovation**

17 June 2010

Mr E J Hall
Chief Executive
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001


Dear Mr Hall

I refer to the Queensland Competition Authority's (QCA's) current review of credit support arrangements for electricity in Queensland and in particular, the Consultation Notice '*Review of Electricity Retailer and Distributor Credit Support Arrangements*' published in May 2010.

As highlighted in the Consultation Notice, concurrent work in relation to credit support is also being undertaken as part of the National Energy Customer Framework (NECF) project. Work on the NECF is currently in its final stages, with introduction of the legislative package into the South Australian Parliament expected to occur in Spring 2010.

Participating jurisdictions, including Queensland, have agreed to introduce the NECF progressively between July 2011 and July 2013. The Queensland Government is yet to determine a date for implementing the NECF, but the bulk of provisions, including credit support arrangements, are expected to be implemented between January and July 2012.

It would therefore be beneficial for the QCA to carefully consider the proposed national credit support regime under the NECF as part of its current review in order to reduce any unnecessary transitional costs for industry. While credit support arrangements under the NECF are yet to be finalised, they are not expected to vary significantly from the arrangements set out in the second exposure draft released in November 2009.

Thank you for bringing this matter to my attention and I trust this information is of assistance. Should you have any further enquiries, please contact Kate Ryan, Director, National Energy Market Reform of the Department of Employment, Economic Development and Innovation on telephone 3224 8296.

Yours sincerely


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