



**Hon Stephen Robertson MP**  
Member for Stretton



**Queensland  
Government**

**Minister for Natural Resources,  
Mines and Energy and  
Minister for Trade**

MC5172

**05 FEB 2010**

Mr Brian Parmenter  
Chairperson  
Queensland Competition Authority  
GPO Box 2257  
BRISBANE QLD 4001

Dear Mr Parmenter

I refer again to your letter dated 22 October 2009 regarding the time available to the Queensland Competition Authority (QCA) to implement a new price setting approach for notified prices for 2010-2011 as a result of the QCA Review of Electricity Pricing and Tariff Structures (Review), and the commencement of the Benchmark Retail Cost Index (BRCI) process to establish notified electricity prices for the 2010-2011 tariff year.

Your advice is noted that the timeframes available to complete the Review have drawn criticism from stakeholders. Due to their concerns over a perceived lack of detail and consultation on the proposed new methodology, I confirm that should the Government determine that a proposed new methodology is to be adopted, the implementation of such a methodology will be deferred until 1 July 2011. However, the Government will require the QCA to finalise and publish the pricing to commence from 1 July 2011, no later than 31 January 2011.

As a result of this decision, the QCA's approach to utilising the existing BRCI methodology for the calculation of notified prices for the 2010-2011 tariff year is supported. Please find attached an amended Certificate of Delegation for the calculation of the BRCI for 2010-2011 only.

The Government is now undertaking detailed analysis of the financial and social implications for consumers of the QCA's proposals resulting from the Review, prior to making any changes to the existing pricing structure and retail tariffs.

The work undertaken by the QCA to date in relation to the Review and the BRCI for 2010-2011 is acknowledged.

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Should you have any queries regarding my advice to you, Ms Kathie Standen, Acting Director, Policy Division, Department of Employment, Economic Development and Innovation, will be pleased to assist you and can be contacted on telephone 3225 8256.

Yours sincerely



**STEPHEN ROBERTSON MP**

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