



Minister for Energy, Renewables and Hydrogen
Minister for Public Works and Procurement

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Professor Flavio Menezes
Chair
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Professor Menezes

The Queensland Competition Authority (QCA) continues to play an important role in monitoring and reporting on the operation of the competitive South East Queensland (SEQ) retail electricity market. The QCA's reports also provide valuable data to enable government to monitor the impacts of the COVID-19 pandemic on the SEQ market and customers. I appreciate the QCA's fourth market monitoring report for the 2019-20 financial year, which contained detailed findings on price movements, discounts, fees and charges, and outcomes for vulnerable customers.

The Queensland Government continues to support vulnerable Queensland households with their electricity costs and remains committed to ensuring vulnerable consumers can benefit from the potential savings that are available in the market. Although the number of SEQ customers on standing offers has decreased in recent years, the number of vulnerable customers on a standing offer remains a matter of particular interest for the government.

To this end, in 2020 my predecessor asked all retailers operating in SEQ to pledge their commitment to assist these customers to access a more competitive price that could save them money. It was pleasing to see 17 retailers, including the six largest retailers in SEQ, sign up to the pledge and commit to taking all necessary steps to encourage and assist SEQ customers to access a better deal.

The QCA's annual SEQ market monitoring report continues to provide a valuable tool for government to assess retailers' compliance with the pledge. It also provides valuable insights about each retailer in terms of the changes in the number of vulnerable customers on standing and market offers during the reporting period and the prices paid.

Accordingly, I am issuing a direction under section 89B of the *Electricity Act 1994* (Electricity Act), directing the QCA to monitor and report annually on the operation of the retail electricity market in SEQ (the Energex distribution area) for the five years commencing 1 July 2020. This timeframe is to provide improved certainty to the QCA and retailers about their reporting requirements.

I may, in writing for any given reporting year, extend the monitoring requirements to include emerging or significant issues of concern to the Queensland Government. As an established practice, the Department of Energy and Public Works (DEPW) will consult with the QCA should such need arise. Similarly the QCA may determine it relevant to include significant issues, for example the COVID-19 pandemic, on competition and innovation in the SEQ retail electricity market, in a reporting year.

The QCA is to provide a final report to me by 20 December each year and publish the report on its website no later than 21 December of that year. As with the 2019–20 report, it would be useful for the coming reports to include a chapter that presents the consolidated annual findings, and for the QCA to publish fact sheets to assist consumers in understanding the key findings of each report.

If you have any questions, please contact Ms Ty Taylor, Acting Executive Director, Energy Policy, DEPW on (07) 3199 4978 or email ty.taylor@dnrme.qld.gov.au who will be pleased to assist you.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mick de Brenni', with a horizontal line extending to the right.

Mick de Brenni MP
Minister for Energy, Renewables and Hydrogen
Minister for Public Works and Procurement