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16th of February, 2007

Manager, MCE Secretariat,
Department of Industry, Tourism and Resources,
GPO Box 9839
Canberra ACT 2601

To the Manager, MCE Secretariat,

Re: Retail Policy Working Group: Working Paper 3: National Framework for Distribution and Retail Regulation.

The Centre for Credit and Consumer Law, Griffith University has the overall objective of promoting the attainment of a fairer, safer and more efficient marketplace for all consumers who use under 100 Megawatt hours per annum including low income and vulnerable small end-users. The National Consumers Electricity Advocacy Panel funds a research/advocate position in our organisation which is advised by a broad cross-section of Queensland consumer representatives/organisations.

As previously submitted in our commentary on Working Paper 1 our overarching principles in relation to a national framework for distribution and retail regulation were outlined in our earlier submission to the MCE in response to the NERA Economic Consulting and Gilbert+Tobin discussion paper. We make the following points in relation to the topics covered by the working paper three.

1.2 Business authorisation

In our first submission entitled 'Public consultation on a national framework for energy distribution and retail regulation' we expressed support for the licensing regime from a consumer protection point of view and would seek to ensure that there are no fewer obligations on retailers than there are currently in the proposed national arrangements. Enforcement and compliance a vital pillars for consumers in the effectiveness of the new national regime being proposed and we look forward to receiving more details from the RPWG on enforcement mechanisms. We are concerned that a move from a licensing regime to a 'Law and Rules' model will result in an accompanying loss of enforcement capability provided by standard and additional licensing obligations.

We are favour of Option 4 for its clarity and balanced weighting of requirements for both retailers and distributors with one proviso - the retailer entry tests should not

include one or other test but rather all three – financial viability, regulatory compliance as and a fit and proper person test. In contrast we do not think it is appropriate for NEMMCO to undertake the business authorisation nor should there be more limited requirements for distributors than retailers (recommended Option 5).

1.3 Ring-fencing

We do not have any significant points to make in relation to 'Ring-fencing' and the preferred model at this stage. We anticipate that the preferred model will become clearer once the 2006 legislative package is nearer completion. We anticipate that there will be robust arrangements in place for ring-fencing in the transition to the national regime.

1.4 Retailer failure arrangements

We look forward to seeing more detail on the ROLR Rules. At this stage we favour Option 2 and would commend the Working Group to the ROLR arrangements currently being finalised as part of the Queensland Electricity Amendment Regulations.

Thank you for your consideration of these matters.

Yours sincerely,

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