



## *Express law* fast track information for clients

16 March 2011

### **New national arrangements governing the retail supply of electricity and gas**

On 9 March 2011, the South Australian Parliament passed the [National Energy Customer Framework](#) (NECF) legislative package, which includes the National Energy Retail Law (NERL). The NERL is the third national applied law regime in the energy sector and, along with the [National Electricity Law](#) (NEL) and the [National Gas Law](#) (NGL), completes the major reform of Australia's national energy market. When applied by participating jurisdictions, anticipated to be on 1 July 2012, the NECF will provide a national regime for the regulation of the retail supply of energy.

#### ***National Energy Customer Framework legislative package***

---

The NECF will be implemented using the same cooperative legislative model used for the implementation of the NEL and NGL. It consists of:

- the National Energy Retail Law (South Australia) Bill 2010, which contains as its schedule the National Energy Retail Law (NERL)
- the Statutes Amendment (National Energy Retail Law) Bill 2010, which contains consequential amendments to the NEL and the NGL.

Royal Assent for both Bills is expected in the next few weeks, with commencement in South Australia to occur on a date to be set.

Other legislative instruments forming part of the NECF package, include the National Energy Retail Regulations and, when they have been made by the South Australian Minister, the National Energy Retail Rules and proposed amendments to the National Electricity Rules and the National Gas Rules. Together these Rules will:

- establish a retail support framework for the regulation of the relationship between distributors and retailers (to be known as the Retail Support Rules)
- establish a national framework for the establishment of new connections for the supply of energy (to be known as the National Connections Framework)
- make other necessary amendments consequential upon the enactment of the NERL.

The NECF will be applied in all jurisdictions that are part of the National Electricity Market: the Commonwealth, the Australian Capital Territory, New South Wales, Queensland, South Australia, Tasmania and Victoria.

The application of the NECF in these jurisdictions is expected to require significant transitional legislative work. Commencement of the NECF is therefore being delayed, with 1 July 2012 as the target commencement date.

### ***Regulatory bodies***

---

The NECF brings the retail supply of energy under the jurisdiction of:

- the Australian Energy Regulator (AER) (established by the *Competition and Consumer Act 2010* (CCA), formerly known as the *Trade Practices Act 1974*)
- the Australian Energy Market Commission (a South Australian statutory authority), responsible for rule-making and market development
- the Australian Competition Tribunal (continued by the CCA) as a merits review body.

Consistent with its role under the NEL and NGL, the Ministerial Council on Energy has policy oversight of the NERL.

### ***Outline of reforms***

---

The primary aims of the NECF are to streamline regulatory requirements, notably in relation to consumer protection measures in the retail of energy; increase efficiency through regulatory harmonisation; and maintain best-practice consumer protection. The legislation will also provide for a national retailer authorisations framework and a national Retailer of Last Resort framework.

AGS was closely involved with the Department of Resources, Energy and Tourism in formulating the reforms and ensuring that the legislative instrument reflected the policy intent.

*For further information please contact:*

Leo Hardiman  
Senior General Counsel  
T 02 6253 7074 F 02 6253 7304  
[leo.hardiman@ags.gov.au](mailto:leo.hardiman@ags.gov.au)

Jenny Francis  
Senior General Counsel  
T 02 6253 7108 F 02 6253 7304  
[jenny.francis@ags.gov.au](mailto:jenny.francis@ags.gov.au)

Danielle Chifley  
Counsel  
T 02 6243 7317 F 02 6213 7110  
[danielle.chifley@ags.gov.au](mailto:danielle.chifley@ags.gov.au)

Adam Kirk  
Counsel  
T 02 6253 7293 F 02 6253 7304  
[adam.kirk@ags.gov.au](mailto:adam.kirk@ags.gov.au)

---

**Important: The material in *Express law* is provided to clients as an early, interim view for general information only, and further analysis on the matter may be prepared by AGS. The material should not be relied upon for the purpose of a particular matter. Please contact AGS before any action or decision is taken on the basis of any of the material in this message.**

This message may contain confidential or legally privileged information. Only the addressee has the right to use or disseminate this information. If you think it was sent to you by mistake, please delete all copies and advise the sender. For the purposes of the *Spam Act 2003*, this email is authorised by AGS. Find out more about AGS at <http://www.ags.gov.au>.

If you do not wish to receive similar messages in the future, please reply to:  
<mailto:unsubscribe@ags.gov.au>