1. The Energy and Water Legislation Amendment Bill 2013 formalises the Queensland Government’s decisions to:

* cease the Queensland Gas Scheme’s (the Gas Scheme) operation on 31 December 2013;
* cease the Smart Energy Savings Program (SESP) at the earliest opportunity; and
* facilitate the transfer of water and sewerage services for the new Noosa Council on 1 January 2014.

1. The Gas Scheme commenced in 2005 to incentivise the Queensland gas industry and reduce greenhouse gas emissions from electricity generation. The Queensland Government decided that the continued application of the Gas Scheme in its present form, combined with the effect of the Commonwealth Government’s carbon pricing mechanism (CPM), would result in an unnecessary duplication of costs to Queensland’s electricity providers, which is being passed on to consumers.
2. In relation to the Gas Scheme, the legislative changes proposed in the Bill primarily seek to cease the Gas Scheme at an earlier date than currently identified in legislation. It provides guidance on a range of administrative and transitional arrangements that will support Scheme participants in meeting their final obligations under the Gas Scheme. It also provides the Regulator with the ability to finalise administrative and compliance arrangements.
3. The Smart Energy Savings Program (SESP) commenced on 1 July 2009 with the objective of driving energy saving improvements in Queensland businesses with very high energy use. The SESP required businesses with energy consumption above certain thresholds to undertake energy audits, develop energy savings plans and publish their actions for each relevant site on a five-yearly cycle.
4. However in the current policy and regulatory context, the Queensland Government considers that there are sufficient drivers for businesses to make their own decisions in relation to whether they undertake energy management activities. These drivers include rising electricity prices and the introduction of the CPM.
5. In relation to the SESP, the legislative changes in the Bill are straightforward and repeal its enabling legislation, the *Clean Energy Act 2008*.
6. In regard to the deamalgamation of the Sunshine Coast Regional Council, the legislative change proposed will aid the transfer of water and sewerage services by adding the new Noosa Shire Council to the list of participating local governments in the Northern South East Queensland Distributor-Retailer Authority (i.e. Unitywater).
7. Cabinet approved that the Energy and Water Legislation Amendment Bill 2013, in accordance with the draft accompanying the submission, be introduced into the Legislative Assembly, to ensure that 2013 is the final liable year for the Gas Scheme, to cease the Smart Energy Savings Program as soon as possible and to facilitate the transfer of water and sewerage services to the new Noosa Shire Council on 1 January 2014.
8. *Attachments*

* [Energy and Water Legislation Amendment Bill 2013](Attachments/Bill.pdf)
* [Explanatory Notes](Attachments/ExNotes.pdf)