

5 July 2016

Hon Anastacia Palaszczuk MP  
Premier and Minister for the Arts  
PO Box 15185  
CITY EAST QLD 4002

Dear Premier Palaszczuk,

### **Energy Queensland**

I write on behalf of concerned members of the National Electrical and Communications Association (NECA) Queensland branch regarding your Government's decision to create Energy Queensland, a state owned enterprise to compete against family owned, small and medium sized electrical contractors.

The National Electrical and Communications Association (NECA) is Australia's peak industry body for the electrical and communications contracting industry that employs upwards of 145,000 people, maintaining an annual turnover in excess of \$23 billion. In Queensland, we represent approximately 400 members, many of whom are located outside of the South East corner of the state.

Premier, as you would be aware, the electrical contracting sector across Queensland is dominated by small and privately owned businesses. In fact, the 2015 NECA Market Monitor, a research tool that's funded and supported by our state's industry has identified that work within the commercial and residential portions of our sector is carried out by some 93% of businesses employing 25 staff or less.

Our members and the wider sector believe that the role of Government is to ensure that the necessary safety and legislative settings are in place so that an efficient, sustainable and market-based electrical contracting sector can strongly deliver for Queensland consumers. Given that Government business enterprises such as Ergon and Energex play a role in the approval and regulation of electricity supply and connections, we remain deeply concerned about the perception of conflict and role of this new division across the Government, which has been set up to compete against the private sector.

NECA is not aware of another example within the electrical contracting sector across Australia, where a Government acts as both the regulator of electrical supply and connections and as a supplier of contracting work upon those same connections. We believe this perception and the created advantage of a taxpayer funded enterprise against SME contractors has the potential to not only distort the present market conditions, but would also lead to higher prices at the expense of the closure of smaller, private enterprises, particularly in regional parts of the state.

Given these potential outcomes, we question whether the creation of Energy Queensland as a vehicle to compete against privately owned electrical contractors is an effective use of Queensland taxpayers' funds. NECA shares the concerns of our sector about this decision and we respectfully ask that your Government reconsiders its position, so that taxpayers' funds can be redirected towards more significant and urgently required priorities.

**Yours faithfully**

A handwritten signature in black ink, appearing to read 'Mick Logan', with a stylized flourish at the end.

**Mick Logan**  
**Executive Director**  
**NECA Queensland**