1. In December 2015, the Queensland Government, announced its intention to effect a merger of Energex and Ergon into a single business under a new parent company (Parent Co). A separate Energy Services Business will be established as a subsidiary of Parent Co. The merger is to be implemented on 1 July 2016 with the objective of improving network efficiencies.
2. Implementation of the merged network business structure on 1 July 2016 requires a number of consequential amendments to various Acts to ensure that Energex and Ergon can continue to operate under the same level of regulation and to ensure their contractual rights and obligations remain unchanged. Further minor and clarifying general amendments are also required to be made to the *Government Owned Corporations Act 1993* to facilitate the network merger and future restructures.
3. Amendments are also required to Part 7A of the *Aboriginal and Torres Strait Islander Communities (Justice, Land and other Matters) Act 1984*, which currently provides for the Island Industries Board, trading as IBIS. The Island Industries Board provides essential retail services through a network including two supermarkets, a service station and 16 retail convenience stores throughout Torres Strait and in the Northern Peninsula Area.
4. Contemporary trends in the retail industry have resulted in increasing pressures upon smaller operators, such as the Island Industries Board, resulting in declining terms of trade, escalating costs and pricing pressures, especially given the remoteness of the area it services and the limited incomes of many of its customers.
5. The amendments will: strengthen governance; provide the opportunity for enhanced Ministerial oversight; strengthen administrative arrangements; and enhance the ability of the organisation to respond to commercial opportunities which emerge outside its current geographically-limited region. The amendments are intended to assist the organisation in addressing current pressures, while mitigating risks and the impacts of possible future costs to Government.
6. Cabinet approved that the Electricity and Other Legislation Amendment Bill 2016 be introduced into the Legislative Assembly.
7. *Attachments*
* [Electricity and Other Legislation Amendment Bill 2016](Attachments/Bill.PDF)
* [Explanatory Notes](Attachments/ExNotes.PDF)