

QUESTION ON NOTICE

No. 366

asked on 21 May 2013

MR GULLEY ASKED THE MINISTER FOR ENERGY AND WATER SUPPLY (MINISTER McARDLE) —

QUESTION:

What reforms is the Newman Government undertaking to reduce the short and long term electricity costs for businesses within the Murrumba Electorate?

ANSWER:

As you are aware, the Queensland Competition Authority (QCA) is responsible for setting regulated retail electricity prices for customers on regulated tariffs. In its Final Determination on Electricity Prices for 2013-14, the QCA announced price increases to the main tariffs for small business (Tariffs 20 and 22). The price increases will see typical Tariff 20 and 22 customers facing bills that are around 16 and 12 per cent higher respectively.

The cost drivers which are pushing up electricity prices were set in motion a long time ago. These include rising network costs and the Commonwealth Government's carbon tax and Renewable Energy Target.

The Queensland Government is examining the entire electricity sector to identify immediate challenges, longer term opportunities for reform and to target efficiencies. Addressing the long-term cost drivers has been a key focus of the Inter-Departmental Committee (IDC) on Electricity Sector Reform, which includes the work undertaken by the Independent Review Panel (IRP) on Network Costs. I am confident that over the medium to long-term, the extensive work of the IDC will help to deliver a more cost-effective electricity supply, and result in annual adjustments in electricity prices which are sustainable, unlike those we have seen over the last five or six years.

However, I acknowledge that this will not assist businesses with their electricity bills in the immediate term. In the first instance, my advice to these businesses is to contact their retailer, or perhaps several retailers, to ensure they are getting the best deal they possibly can.

There are also a range of experts such as energy advisors and Energex or Ergon who are able to provide advice to business to help them become more energy efficient. Undertaking an energy audit could prove to be a small financial investment for some businesses that could lead to long lasting benefits through energy efficiency measures and ongoing savings.

To ensure that we have a responsive electricity sector, and one that will enable businesses to meet their full potential, this Government has embarked on an

ambitious path to develop a 30 Year Electricity Strategy. In mid-2013, I will be releasing a Discussion Paper to engage Queensland industry and communities on the electricity issues that matter most to them. The process will build on the short-term electricity reform agenda and culminate in the delivery of the final Strategy in early 2014.

I encourage your constituents in the Murrumba Electorate to provide input into this process. This way they can have an active voice in the way in which we proactively respond to emerging challenges and ensure access to cost-effective electricity supply.