

QUESTION ON NOTICE

No. 574

asked on 21 August 2013

MR HOBBS ASKED THE MINISTER FOR ENERGY AND WATER SUPPLY (MR MCARDLE)—

QUESTION:

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

ANSWER:

The Newman Government is committed to addressing electricity price rises and established the Inter-Departmental Committee on Energy Sector Reform (IDC) to tackle the issue. The IDC delivered its Final Report to Government in June 2013 and the Government accepted the vast majority of the recommendations made.

A Program Office has been established within the Department of Energy and Water Supply to implement the reforms identified by the IDC. The Program Office will co-ordinate delivery of these important reforms and ensure there is consistency with the implementation of overarching initiatives including the Commission of Audit and the delivery of the 30 Year Electricity Strategy.

The IDC identified network costs as the key driver of recent electricity price rises. Addressing network cost pressures was also identified as being central to the implementation. Initial initiatives in this area will focus on ensuring that the State's network businesses are operating as efficiently as possible.

The reforms are also targeting electricity tariffs. The Government recognises that having equitable and efficient tariff structures that customers can understand is an important part of reform, and will assist customers as they engage in the market. A strategic tariff reform reference group with representation from consumer organisations is being established to drive this work.

A key area of the reform package in relation to regional Queensland is the Uniform Tariff Policy and the Community Service Obligation payments made to support this policy, which currently total more than \$600 million annually. Work is underway to examine whether competition could be brought into regional Queensland to provide greater benefits to regional customers.

The Government is developing a 30 Year Electricity Strategy to drive longer term reform. Consultation with customers is a vital part of this process and I would encourage constituents of the Warrego Electorate to have an active voice on issues that matter the most to them when the Discussion Paper is released.

The Government is also helping to address issues for customers that face significant pressure from electricity bills. The Government announced in the recent budget a doubling of the funding of the Home Energy Emergency Assistance Scheme along with increases to programs that support pensioners and people with specific medical needs and those customers facing hardship.

The impacts of the Newman Government's reform program will set Queensland on a path to a more sustainable and competitive industry and deliver better outcomes for customers across the state.