

QUESTION ON NOTICE

No. 629

asked on 10 September 2013

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

QUESTION:

Will the Minister outline any reforms the Newman Government is undertaking to stabilise electricity costs for residents and businesses in the Morayfield Electorate?

ANSWER:

The Queensland Government is aware that increasing electricity costs have placed significant pressure on residential and small business budgets. The Government has committed to undertaking significant reforms to improve the delivery of electricity in a cost-effective manner while maintaining the viability, sustainability and competitiveness of the industry.

Removing the Carbon Tax is the biggest – and quickest – way to reduce electricity bills and other cost-of-living pressures right throughout Australia, especially in Queensland. In this regard, our state's Federal MPs and Senators could very easily deliver a significant – and early – cut in electricity bills by supporting the new Federal Coalition Government's efforts to remove the carbon tax and wind-back economically-irresponsible green schemes. In context, the Labor-Greens Carbon Tax and renewable energy target program continue to hurt Queensland Businesses, farmers and households – acting as a competitive disadvantage – adding about \$260 to average household electricity bills.

The Queensland Government has taken a range of steps to address the build-up of costs which are driving the unsustainable electricity price rises we have witnessed over the past few years. Network costs are considered one of the most critical and urgent issues we must address. In this respect, we are focussed 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 Tariff Reform Working Group has been formed to develop a long-term reform strategy. This work will complement the move to price monitoring rather than price setting in South East Queensland (SEQ). Over time, this change will promote competition and allow residential and business customers to benefit from discounts and improved choice of products.

The Government recognises that many customers are currently struggling with rising electricity bills. To help address cost-of-living pressures, the Government has increased assistance for pensioners, people with specific medical needs and those customers facing hardship. This includes doubling the funding of the Home Energy Emergency Assistance Scheme to \$10 million in 2013-14 and increasing the Electricity Rebate by 22.6 per cent. Accordingly, vulnerable customers who are eligible for the rebate can receive up to \$282 in 2013-14.

While recognising Morayfield is within SEQ and is therefore covered by Energex, the Honourable Member should also be aware that the Queensland Government is also forecast to spend \$620 million this year to ensure regional electricity customers pay the same regulated electricity prices as customers in SEQ. This is despite the higher cost of delivering electricity in the regional areas of our vast state.

In order to tackle challenges in the long-term, we must ensure a robust policy and regulatory framework is in place. This will ensure that the State's electricity supply system is resilient, cost-effective and customer-focused to support the economic and lifestyle aspirations of Queenslanders. With this in mind I released the 30-Year Electricity Strategy Discussion Paper on 11 September 2013 seeking feedback on issues critical to our State's electricity future.

The Discussion Paper sets out a series of proposals and principles to address current and future challenges in the electricity sector. Consultation with customers is a vital part of this process and I encourage residents and businesses in the Morayfield area to contribute to re-shaping the State's future electricity supply. Submissions relating to the 30-Year Electricity Strategy Discussion Paper can be lodged by accessing the online survey form at www.dews.qld.gov.au or by email or post.