

QUESTION ON NOTICE

No. 127

asked on 5 March 2014

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

QUESTION:

Will the Minister outline what actions the Government has undertaken to put downward pressure on electricity prices and how this benefits the Ferny Grove Electorate?

ANSWER:

The Queensland Government has a comprehensive approach to electricity prices, with short, medium and long-term actions to help put downwards pressure on electricity prices for Queensland residents living in the Ferny Grove electorate.

One of the Newman Government's first actions was to freeze the standard residential electricity tariff (Tariff 11) for 2012-13 and to pass legislation so that customers can avoid break fees if their electricity retailer raises their market contract rates above regulated prices.

More recently, the Government has announced reforms to the Solar Bonus Scheme that will put downward pressure on electricity prices by removing the 8 cent solar feed-in tariff (FiT) from July this year. Retail businesses will instead be responsible for offering tariffs to those who are currently in receipt of the 8 cent FiT.

The Government is also working in the energy concessions space to respond to rising energy prices. We are continuing to offer a range of concessions and rebates to help eligible electricity and gas customers manage their energy bills including the electricity and natural gas rebates, and the electricity life support concession. Last year, the electricity rebate for pensioners and seniors was increased by 22.6 per cent to \$282 per year.

We are also looking after Queenslanders who face an emergency by doubling the funding available through the Home Energy Emergency Assistance scheme from 2013-14. This means that households in need can receive up to \$720 if they are facing an emergency and cannot pay their electricity bill.

To address the drivers of electricity prices in the medium-term, the Queensland Government also established an Inter-Departmental Committee (IDC) and an Independent Review Panel (IRP). These processes have delivered outcomes that will assist the Government to ensure that electricity in Queensland is delivered in the most cost-effective manner possible. This will put downward pressure on future electricity prices.

A major reform that the Government is working on is the introduction of price monitoring in South East Queensland (SEQ) by 1 July 2015, subject to satisfactory consumer protection and engagement. This reform is expected to further boost competition, which will put downward pressure on electricity prices and allow retailers to offer better deals to customers in Ferny Grove and the rest of SEQ.

To complement this work, the Government has also conditionally agreed to adopt the National Energy Customer Framework. One of the major elements of this is to increase customer protection for those experiencing hardship. For example, this will require retailers to more actively identify and offer assistance to those customers finding it difficult to pay their bill on time.

The Government is also in the final stages of the development of a 30 Year Plan that takes a long-term view of the energy challenges facing Queensland. This Plan will identify opportunities across the entire supply chain to secure the State's energy future, and includes elements like the development of a long-term tariff reform strategy aimed at providing customers with a greater choice of options, while leading to a more efficient electricity network.