

## QUESTION ON NOTICE

No. 433

asked on Wednesday, 2 May 2018

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**MRS B LAUGA** ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND ENERGY (HON DR A LYNHAM)—

QUESTION:

Will the Minister outline measures that the Palaszczuk Government has implemented which will help drive electricity prices down in regional Queensland?

ANSWER:

The Queensland Government has taken action to stabilise electricity prices. As a result, typical regional residential electricity bills have risen on average by just 1.1 per cent per annum for the last four years.

The Queensland Competition Authority's (QCA's) Final Determination for 2018–19 indicates that a typical regional customer on Tariff 11 will see a decrease of 1.3 per cent in their annual bill for 2018–19. Small businesses will see a decrease of 3.4 per cent. These are the largest decreases in tariffs for residential and small business customers since the QCA started regulating prices in 2007.

The Queensland Government has committed to keep changes in electricity prices for typical household and small business customers below inflation on average over the next two years. The QCA's Final Determination shows that we are on track to deliver on this commitment.

This outcome is the result of a series of co-ordinated actions by the government under the \$2 billion Affordable Energy Plan, placing downward pressure on electricity prices. Key aspects of the plan include:

- The Asset Ownership Dividend—which is cutting \$50 per year from every household electricity bill in Queensland for the next two years. The first rebate payment is appearing on bills being issued now and throughout this quarter.
- Rebates of up to \$300 for Queensland residents who purchased new energy efficient appliances, such as refrigerators, washing machines and air conditioners.
- No-interest loans and rebates for Queenslanders purchasing rooftop solar and battery systems.
- A \$770 million commitment to remove the impact of the Solar Bonus Scheme from electricity bills until 2020. This has reduced the network cost component of bills, resulting in a saving of \$56 on a typical household's bill in 2017–18.
- Directing Stanwell to adjust its bidding behaviour and return the 385 megawatt Swanbank E gas-fired power station to service. These actions have helped reduce Queensland's wholesale electricity prices and ensured security of supply through the peak summer period. On average, Queensland's wholesale prices are now the cheapest in the National Electricity Market.

- Investigating the restructure of government-owned generators and the establishment of 'CleanCo'—a separate generator to operate Queensland's existing renewable and low-emissions energy generation assets and develop new renewable projects.
- Implementing the Queensland Gas Action Plan and releasing over 450 km<sup>2</sup> of new gas tenures for supply to the Australian market.
- Investing \$15 million over three years in the EasyPay Reward Rebate program—regional households will receive a rebate of \$75 each year and small businesses will receive a rebate of \$120 each year if they register for direct debit and monthly eBilling.
- Up until recently, regional customers who left Ergon Energy for another electricity retailer were not able to return to Ergon Energy. This policy is being removed for small business customers and households. These customers will be able to return to Ergon Energy if they wish, and take up the EasyPay Reward plan.
- The Energy Savvy Families program provides digital meters to eligible low-income families in regional Queensland to help them gain a greater understanding of when and how they use their electricity. A further \$4 million is being invested to extend this program to a further 4000 low-income households.

The plan builds on the government's earlier directions to Energex and Ergon Energy in 2015 not to challenge the Australian Energy Regulator's decision on network revenues, reducing network tariffs between 2015 and 2020.

All regional customers continue to be supported through the approximately \$500 million per year community service obligation payment. This has the effect of providing regional customers with discounts of between 17 per cent and 54 per cent on the actual cost of supply, ensuring regional customers pay prices similar to customers in South East Queensland, regardless of their geographical location.

The government also provides assistance through:

- an electricity rebate of \$341 to households with a Pensioner Concession Card, Seniors Card, or DVA Gold Card, with access extended to 157,000 additional Commonwealth Health Care Card and asylum seeker households in 2017 through an extra \$170.1 million in funding over four years.
- specialised concessions to people with specific medical needs (Life Support Concession and Medical Cooling and Heating Electricity Concession), or emergency expenses and bill payment difficulties (Home Energy Emergency Assistance Scheme).