

Why is the QCA setting prices?

The Minister for Natural Resources, Mines and Energy, the Hon Dr Anthony Lynham MP, has delegated the task of setting prices to the QCA.

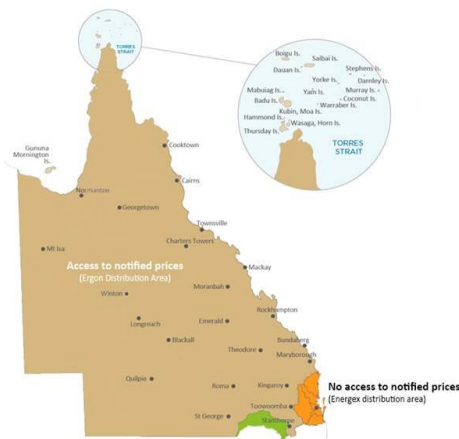
How does the QCA set prices?

The QCA is required to set prices in accordance with the requirements of the Electricity Act and the Minister’s delegation.

The QCA does so by setting prices using a cost build-up methodology. Consistent with that methodology, the QCA’s draft determination is based on draft network charges regulated by the Australian Energy Regulator, and the latest information from competitive wholesale and retail electricity markets.

Who can access notified residential electricity prices?

Only residents who live in regional Queensland can access notified electricity prices.



Does the QCA consider affordability when setting electricity prices?

Under the Queensland Government's Uniform Tariff Policy, the QCA sets regional small customer prices based on electricity supply costs in South East Queensland. Therefore, most residential and small business customers in regional areas pay electricity prices which are significantly below the cost of supplying them with electricity. In total, the Queensland Government subsidises regional electricity prices in excess of \$400m each year.

Why are notified prices expected to change between 2017–18 and 2018–19?

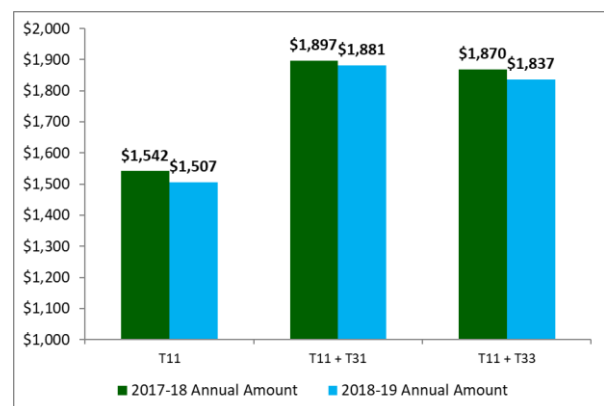
The largest driver of changes to regulated electricity prices for 2018–19 is network costs.

Based on draft network prices submitted by Energy Queensland, the energy usage charge for most retail tariffs has decreased—for each unit of energy customers use, they will pay less than in 2017–18. However, the daily fixed charge has increased by a small amount. With the exception of customers who consume very small amounts of electricity, most customers will be better off.

How will the draft determination affect residential customers?

The draft price determination will not affect any electricity bills. The draft determination is released to get feedback on how we plan to calculate prices for 2018–19. While it provides indicative price estimates, these are based on information at the time and will be updated for the final determination, based on updated data and feedback from stakeholders.

Draft estimates show that the 2018–19 bill for a typical household on the main residential tariff (tariff 11) is projected to be \$1,507 for the year—a 2.3% decrease from the 2017–18 bill of \$1,542. For a typical customer on a combination of tariff 11 and controlled load tariffs 31 or 33, the expected decreases are 0.8% and 1.7%.



Where can I find more information or make a submission?

You can find out more and/or make a submission on our website: www.qca.org.au