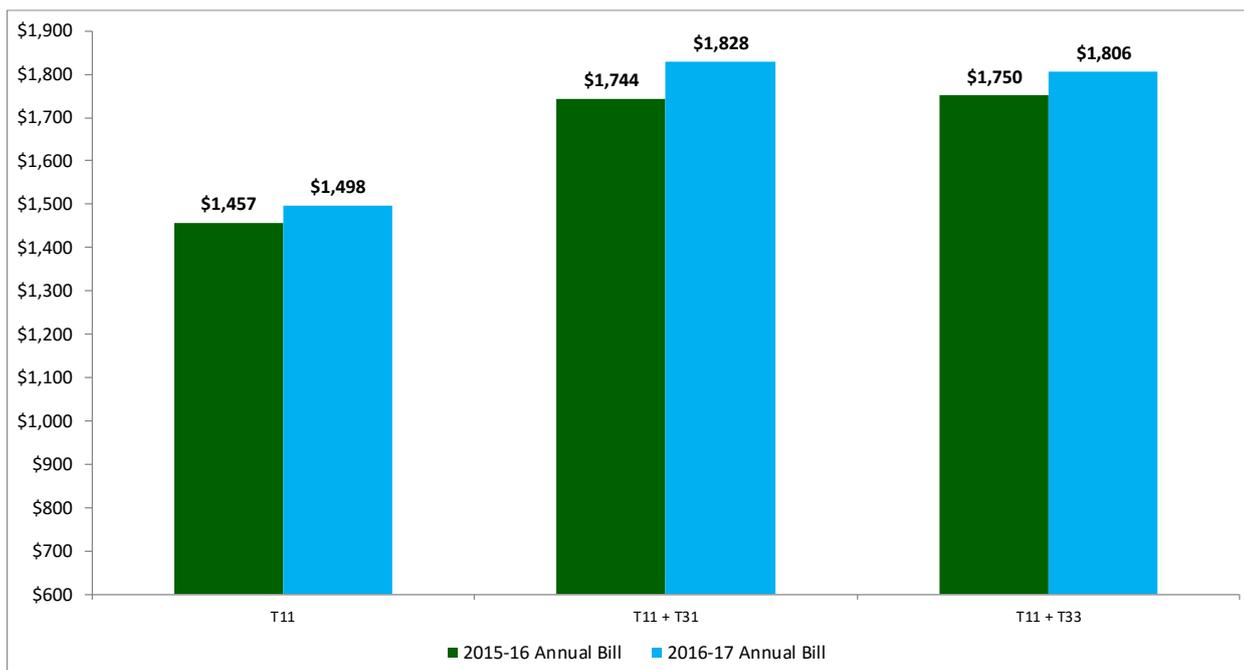


FACT SHEET - 2016-17 residential regulated electricity prices for regional Queensland

The QCA has released its final determination on regulated electricity prices for regional Queensland in 2016 -17. The QCA has set residential prices consistent with the Queensland Government's uniform tariff policy. Under this policy, prices for regional residential customers are set based on the significantly lower costs in south east Queensland, with the government providing a subsidy, called a community service obligation, to make up the difference. This subsidy was around \$600m in 2014-15.

The annual electricity bill for a typical customer on tariff 11 will increase by 2.8 per cent from \$1,457 to \$1,498. For a typical customer on a combination of tariffs 11 and 31 or tariffs 11 and 33, the increases will be slightly higher (4.8 per cent and 3.1 per cent respectively). However, as the service fee will decrease in 2016-17, the impact on individual customers will vary depending on their consumption. Annual bills for tariff 11 customers with lower consumption than the typical customer will either decrease or increase by less than 2.8 per cent. Almost one-third of customers on tariff 11 will face lower annual bills in 2016–17 compared to 2015–16. Annual bills for tariff 11 customers with higher consumption than the typical customer will increase by more than 2.8 per cent. The lower service fee provides customers with greater capacity to control their electricity bill by reducing their usage, for example by increasing their energy efficiency.

Annual bills for typical residential customers (GST inclusive)



Why is the electricity bill for a typical customer expected to increase?

The increase in typical tariff 11 customer bills is primarily due to higher energy costs. Our consultant, ACIL Allen, advised that the rise in energy costs is driven largely by increasing demand from liquefied natural gas plants, and higher Renewable Energy Target costs.

Do these prices apply to south east Queensland customers?

No, electricity prices will be deregulated in south east Queensland from 1 July 2016.