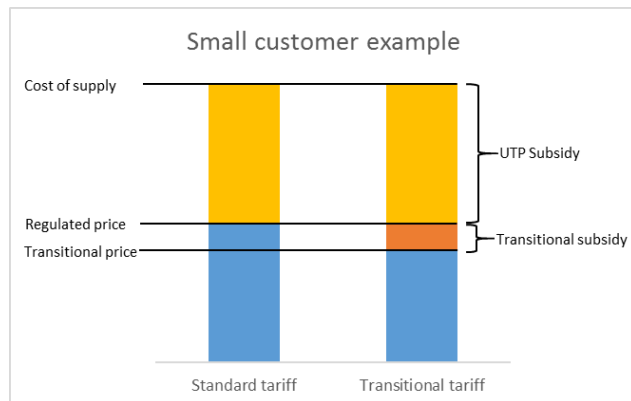


How does the QCA set prices?

The Minister for Energy, Biofuels and Water Supply, the Hon Mark Bailey, MP, delegates the task of setting prices to the QCA. Under the Queensland Government's uniform tariff policy, the QCA sets regional small customer prices based on electricity supply costs in south east Queensland. As a result, most residential and small business regional customers pay electricity prices which are significantly below the cost of supplying them with electricity.

What are transitional and obsolete tariffs?

Some business customers, including farmers and irrigators, are supplied under transitional or obsolete tariffs (20 (large), 21, 22 (small and large), 37, 62, 65 and 66). These are outdated legacy retail tariffs which do not reflect the costs of supply faced by retailers. These tariffs are being retained until 2020 to allow customers on these tariffs to adapt their business operations to standard tariffs, which better reflect the costs of supply. For some customers on legacy tariffs, particularly those with high usage levels, their electricity costs are subsidised to a greater extent than other regional business customers.

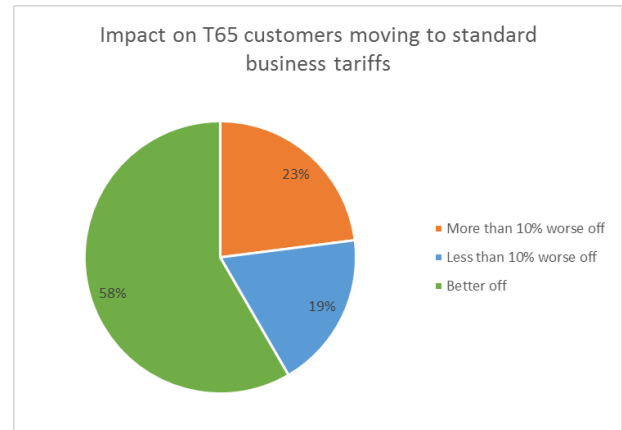


Electricity costs have increased in recent years. Does the QCA take into account affordability when setting prices?

We set prices in accordance with the Queensland Government's uniform tariff policy, which means most regional customers pay significantly less for electricity than it costs to supply. The Queensland Government subsidises electricity prices to make them more affordable. This subsidy costs taxpayers over \$500m each year. We also allow regional customers to access legacy transitional and legacy obsolete tariffs.

How do I save on my electricity bills?

Many customers on transitional tariffs can save money simply by switching to standard business tariffs and continue operating their business as usual. As you can see below the majority of tariff 65 customers can save money right now by switching. You should contact your retailer to find out if you can save.



How does the QCA's draft determination affect my business?

The draft pricing determination does not affect your electricity bills. The draft determination is released to get feedback on how we plan to calculate prices for 2017-18. While it provides indicative price estimates, these are based on information available at the time, and these prices will be updated for the final determination based on updated data and feedback from stakeholders.

Based on the draft forecasts irrigation tariffs 62, 65 and 66 are expected to increase by 1.7-1.9%, tariff 21 by 2.3% and tariffs 20 (large), 22 (small and large) and 37 by 2.9%.

Why are electricity prices expected to increase?

The forecast increases are primarily due to increases in energy costs. However, these are being offset to some extent by falls in network costs.

Where can I find out more information or make a submission?

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