

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.

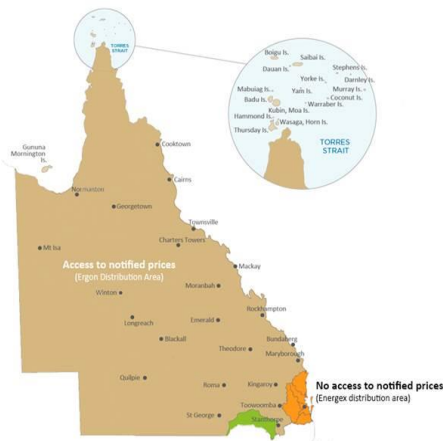
How does the QCA set prices?

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 regulated small business electricity prices?

Only small businesses located in regional Queensland can access the regulated 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 regional customers pay electricity prices that 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 regulated prices expected to change between 2017–18 and 2018–19?

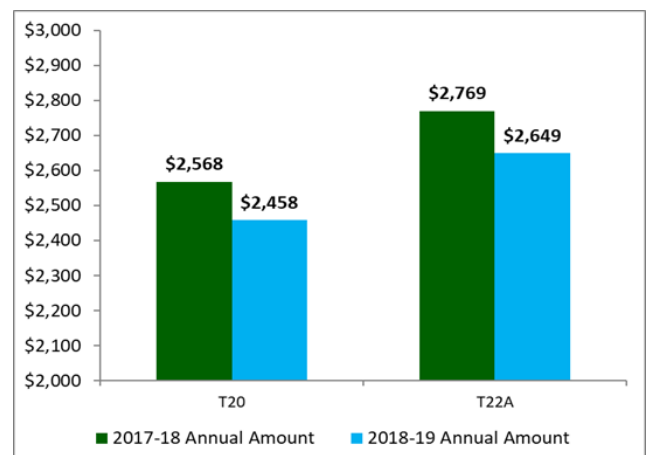
The largest driver of changes to regulated electricity prices for 2018–19 is network costs.

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 small business customers?

The draft price determination will not affect 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 available at the time and will be updated for the final determination, based on updated data and feedback from stakeholders.

Draft estimates show that a typical small business on the main small business tariff 20 is projected to pay \$2,458 on their 2018–19 annual bill—a 4.3% decrease from the 2017–18 annual bill of \$2,568. For a typical customer on tariff 22A, the expected decrease will also be 4.3%.



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

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