

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.

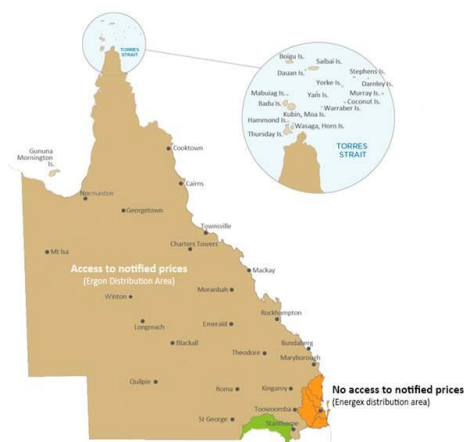
How does the QCA set prices?

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

The QCA sets prices using a cost build-up methodology. Consistent with this 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 \$460m each year.

Why are notified prices expected to change between 2018–19 and 2019–20?

The largest driver of changes to regulated electricity prices for 2019–20 is a decline in wholesale energy costs (WEC). Compared to the 2018–19 final determination, WEC for tariff 11 and tariff 33 have declined by 10.1% and 7.8%. However, WEC for tariff 31 are estimated to increase by 5.9%. This increase can be attributed to approximately 65% of tariff 31 usage occurring between 10 pm and 2 am, creating a peak demand period of higher prices.

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 2019–20. 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 2019–20 bill for a typical household on the main residential tariff (tariff 11) is projected to be \$1,340 (GST incl.) for the year—a 4.1% decrease from the 2018–19 bill of \$1,398 (GST incl.). For a typical customer on a combination of tariff 11 and controlled load tariffs 31 or 33, the expected decreases are 3.8% and 5.1%.



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.gov.au