

TOWNSVILLE WATER AND WASTE

DIRECTORATE



Date >> 20 April 2016

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Dear Sir/Madam

**SUBJECT >> SUBMISSION TO THE DRAFT DETERMINATION OF REGULATED
RETAIL ELECTRICITY PRICES: 2016/17**

Thank you for the opportunity to make a submission on the Draft Determination of Regulated Retail Electricity Prices for 2016/17.

Over recent years Townsville City Council (TCC) has experienced significant increases in its electricity costs. In 2015/16 it is expected council will incur more than \$12 million on electricity costs. As a consequence of this, and in an effort to support the objective of keeping rates affordable for our community, TCC has invested in numerous projects over the last 3-4 years to help understand and manage our electricity demand and reduce council's overall electricity consumption and cost.

The regulated price increase outlined in the Draft Determination will however lead to a material increase in council's electricity costs, in spite of the initiatives that council has taken to manage this cost.

Much of the electricity used at TCC is for the provision of services essential to the health, safety and wellbeing of the community. This includes street lighting, and pumping and treatment of sewage and potable water.

Increases in the cost of electricity, as foreshadowed in the Draft Determination, will force TCC to consider increasing rates and utility charges to the community or to find savings which may impact the service delivery to the community.

North Queensland and the Townsville community in particular, are experiencing difficult times with the current economic down turn, and, most recently, the impact on the community of the closure of the Queensland Nickel refinery.

Increases in electricity prices will result in further financial stress on the community and is likely to present an additional barrier to the growth and development of industry in North Queensland.

Furthermore, it is council's view that the 'typical bills' represented in the Draft Determination do not reflect the average profile of typical businesses and residential bills in Townsville. Council believes customers would benefit if the final report were to outline the 'typical bills' for all major regional centres, in addition to information disclosed in the Draft Determination.

INFRASTRUCTURE SERVICES

TECHNICAL SERVICES

While it is recognised that TCC has not provided specific technical comment on the Draft Determination, council feels it is important for the QCA to understand the impact that the proposed electricity price increases will have on a community already under considerable stress.

TCC would welcome the opportunity to discuss this submission and/or provide further information to QCA as required.

Should you have any enquiries about the content of this letter, please contact council on 1300 878 001.

Yours faithfully

Keith Parsons

Director Townsville Water and Waste

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