



Electricity financial stress soars

MEDIA RELEASE- 8 November 2017

The Queensland Electricity Users Network (QEUN) is alarmed by the near tripling of uncollectible bad debt reported by Ergon Energy, the supplier of electricity to most homes and businesses in regional Queensland.

Coordinator of the QEUN Jennifer Brownie said the jump in uncollectible bad debt from \$10 million to \$28 million in just one year shows the high financial stress caused by soaring electricity costs.

Ergon Energy has around 700,000 customers so this blow out in bad debt equates to about \$40 per customer in 2016-17 versus only \$14 last year.”

“This is clear evidence that power bills must be reduced immediately,” Ms Brownie said.

The near tripling of bad debt has occurred before the Queensland Government announced yet another rise in both residential and business power bills this year.

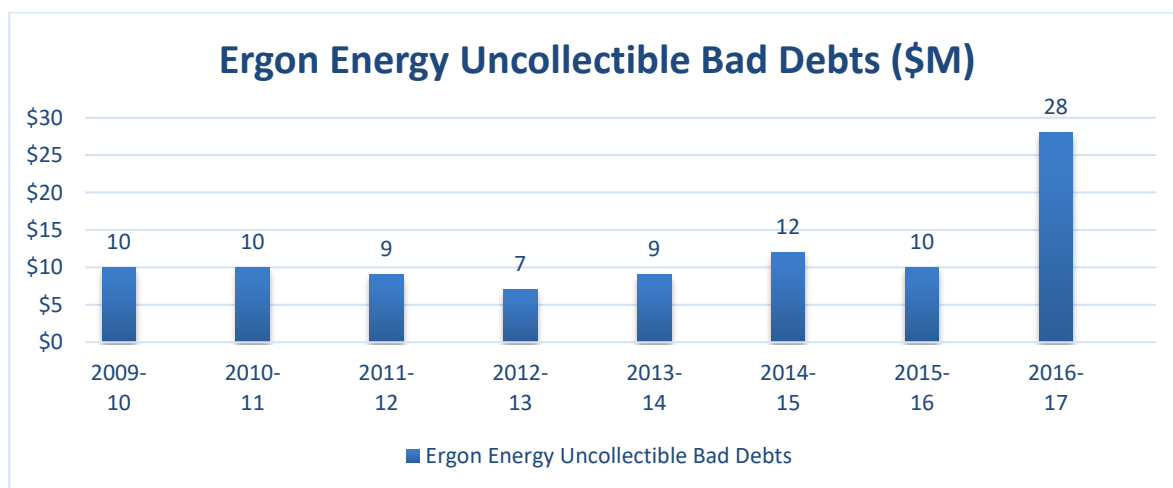
On 1st July 2017 the Queensland Government increased residential power bills by up to 4.3 per cent and business power bills by up to 7.4 percent.

“In the last two years regional Queensland businesses have endured power bill rises of 15 per cent or more.”

“To accommodate the increased cost of electricity, businesses are forced to make a choice between passing the cost onto their customers or absorbing the cost. Absorbing the cost can often mean reducing staff.”

“Almost every business needs electricity to operate. If a business can’t pay its power bills the power supply is cut. This means valuable regional jobs are lost. Some jobs will never to return because they will be replaced with imported product,” Ms Brownie said.

The Queensland Government sets the regulated retail electricity price in regional Queensland and Ergon Energy can only charge the electricity prices set by the Queensland Government. Most households and businesses in regional Queensland are captive to the 100 percent Queensland Government owned Ergon Energy.



Source: Compiled from data in Ergon Energy Annual Reports

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