



Business electricity disconnections jump 82%

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The unrelenting increase in power bills is taking its toll in regional Queensland with disconnections of small businesses jumping 82% in just one year.

Coordinator of the Queensland Electricity Users Network Jennifer Brownie said statistics released by the Australian Energy Regulator show that 698 small businesses were disconnected by Ergon Energy last financial year for non-payment.

“That’s equivalent to nearly two businesses a day being disconnected.”

“What is really alarming is that small business disconnections rose 17% in Queensland but 82% in regional Queensland. This shows the impact on regional Queensland businesses being forced by the Queensland Government to pay up to 30% more for electricity compared to Southeast Queensland.”

The increase in disconnections occurred last financial year before the Queensland Government again increased power bills for small business on 1st July 2017.

“Our recent survey indicated that almost 50% of businesses in regional Queensland were experiencing moderate to severe difficulties paying their power bills in full and on time.”

“The financial stress is not confined to a particular industry or location in regional Queensland, it’s widespread.”

“What is not obvious in the disconnection statistics is how many people lost their jobs as a result of their boss not being able to pay his power bills.”

“For some regional communities a disconnected business could have far reaching financial and social consequences as some businesses are the lifeblood of a town.”

The Queensland Government has increased electricity prices for regional Queensland businesses and farmers by more than 15% in just two years.

“To accommodate rising power bills regional businesses are being forced to pass the cost onto their customers or absorb the cost.”

“Our survey shows we are at a tipping point. Businesses are now considering their options and one option is to reduce staff hours and/or staff numbers.”

“If power bills do not fall the economy will decline and jobs will be lost in both regional Queensland and Brisbane,” Ms Brownie said.

The Queensland Government is responsible for setting the regulated retail electricity prices for small business and residential customers in regional Queensland.

The Queensland Government can lower electricity prices for ALL Queensland business and residential customers if it chooses to accept a lower return from its 100% Queensland Government owned generators; Stanwell Corporation and CS Energy. The Queensland Government owns 65% of the generation capacity in Queensland. Wholesale generation represents approximately 25% of a power bill. In 2016-17 the Queensland Government expected to earn \$482 million from its generators but over last year’s hot summer pushed wholesale electricity prices up to enable the earnings to jump to \$892 million. The Queensland Government expects to earn over a billion dollars this financial year. This will be reflected in higher power bills for ALL Queensland customers.

More information please contact: Jennifer Brownie, Coordinator, QEUN, ph: 0740 312 865.

For further information on electricity pricing and supply please visit the QEUN website www.qeun.com.au

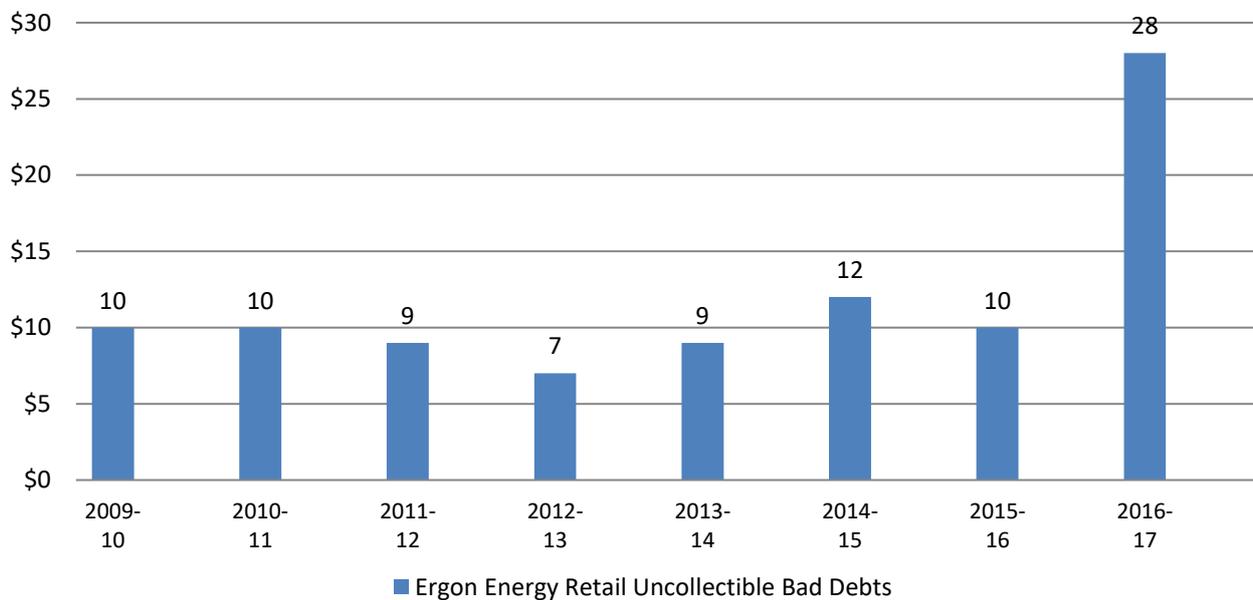
Small business customers disconnected for non-payment of electricity by jurisdiction

	2015-16	2016-17	Change to previous financial year
New South Wales ¹	3107	2137	-31%
Queensland ¹	1403	1641	+17%
Ergon Energy in regional Queensland¹	384	698	+82%
South Australia ¹	678	727	+7%
Tasmania ¹	84	83	-1%
ACT ¹	75	76	+1%
Victoria ²	4319	3434	-20%

1. Under the National Energy Retail Law the Australian Energy Regulator is not responsible for the reporting of retailer performance in Victoria.

2. Statistics for Victoria sourced from the Essential Services Commission of Victoria

Ergon Energy Retail Uncollectible Bad Debts (\$M)



Queensland Government owned electricity generation assets : Earnings before interest & tax

