



Survey reveals electricity prices harming business and jobs

MEDIA RELEASE- 9 February 2018

Alarming findings from a survey released today into the impact of high electricity prices on businesses in regional Queensland has prompted a call for businesses to *"tell their power bill experience"*.

Coordinator of the Queensland Electricity Users Network (QEUN) Jennifer Brownie is urging businesses throughout Queensland to add their voice to the growing number of businesses calling on the Queensland Government to reduce power bills.

"The survey found that nearly 50% of businesses were experiencing moderate to severe difficulties paying their power bills in full and on time."

"Power bill stress is not confined to a particular industry or location in regional Queensland, it's widespread."

"Of great concern is that power bills are affecting the business sectors that drive the Queensland economy such as agriculture, mining, tourism and the retail trade."

"Most businesses reported they were unable to pass on the rising cost of electricity."

"To accommodate rising power bills businesses have modified their electricity consumption, installed more energy efficient equipment and in some cases invested in alternative energy generation."

"However, the main result is businesses have absorbed the increased cost and that has affected their profitability and viability, with about a quarter surviving by taking on more debt."

"The squeeze on profitability has meant a lesser ability for businesses to pay staff higher wages."

"While job and employee work hour losses have so far not been large, the reduction in employment is impacting on the economy of regional towns and cities."

"If the price of electricity rises again, about half of the businesses said they would experience strong to severe stress and further jobs losses can be expected."

"Since small businesses account for almost half of the jobs in Queensland, it is critical that small businesses are viable."

"The survey clearly indicated that if electricity prices were reduced the viability of businesses would improve with many considering employing more staff and expanding," she said.

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

"With the help of small businesses throughout Queensland, we can post their power bill experience on the QEUN website which will demonstrate to the Queensland Government the urgent need to reduce power bills," Ms Brownie said.

To post ***"your power bill experience"*** and to read the findings of the Regional Queensland Business Survey please visit the QEUN website www.qeun.com.au

For more information on how to reduce power bills please refer to the next page.

Your help is needed to reduce power bills in 2018-19

Posting your “power bill experience” on the QEUN website will demonstrate to the Queensland Government that power bills are causing financial stress to the engine room of the Queensland economy – small business.

The **DRAFT** 2018-19 regulated retail electricity prices for regional Queensland will be announced by the Queensland Competition Authority **in FEBRUARY**, with the **FINAL** 2018-19 retail prices announced **by 31st MAY**.

The Queensland Government can lower electricity prices for ALL Queensland business and residential customers if it chooses to accept lower profits from its 100% Queensland Government owned electricity assets.

Generation represents about 25% of a power bill

The Queensland Government owned generators; Stanwell Corporation and CS Energy, account for about 65% of the electricity generation capacity in Queensland.

In 2016-17, the Queensland Government expected to earn \$482 million from its electricity generation assets 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 in 2017-18.

Network charges represent about 50% of a power bill

The Queensland Government owns the entire Queensland transmission network (Powerlink) and the Queensland distribution networks (Ergon Energy Network in regional Queensland and Energex in Southeast Queensland).

Retail charges account for about 25% of a power bill

The Queensland Government owns 100% of Ergon Energy Retail. Ergon Energy Retail has a near monopoly position in the retail market in regional Queensland selling electricity to over 700,000 customers. Ergon Energy Retail can only charge customers the retail electricity prices stipulated in the Queensland Government Gazette. Since 2007 the Queensland Competition Authority (QCA) has received a delegation from the Queensland Government to set regulated retail electricity prices in the Queensland Government Gazette. However, the Queensland Government is responsible for setting regulated retail electricity prices in regional Queensland. This was clearly evident last year when the Queensland Government overturned the decision of the Queensland Competition Authority only hours after the QCA announced the 2017-18 regulated retail prices for regional Queensland.

The Southeast Queensland retail electricity market has over 1.4 million customers; business customers can access offers from 17 retailers and residential customers from 19 retailers.

The Queensland Government can reduce business and residential power bills if it chooses to accept lower profits from its 100% Queensland Government owned generation, network and retail electricity assets.

Help us to reduce power bills by telling us your power bill experience.

Click here to post your experience. <http://www.qeun.com.au/index.html>

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