

ELECTRICITY PRICING IN QUEENSLAND: Regional business customer support package

The Queensland Government will deliver a \$10 million regional business customer support package to assist regional businesses on 'transitional and obsolete' tariffs, including farmers and irrigators, to understand their electricity use, minimise their electricity costs and make informed choices about future tariff options.

The package will deliver better access to digital metering, more information on tariff options and bill impacts, and government co-contributions to help customers invest in operational and equipment changes to manage bill impacts. The package includes:

- a tariff trial for small agricultural customers to better understand how the price signals of standard tariffs affect small customer bills;
- an awareness campaign to better explain the bill impacts of different tariff options and to promote energy audit services and case studies to help customers understand how to lower their electricity bills;
- deployment of digital meters to large customers, to help them understand the way they use electricity;
- a Large Customer Adjustment Trial to test the case for government co-contributions to help fund step changes in customer operations and equipment to lower bills.

The Queensland Government will work with businesses, industry bodies and Ergon Energy to deliver the package.

The Government remains committed to supporting all regional customers by subsidising the additional costs of supplying electricity outside south east Queensland. Around \$561.2 million has been allocated in 2016-17 to deliver this support. Without this subsidy, regional Queensland customers would pay much more for their electricity than they currently do.

The support package will also complement the Government's \$2.69 million Energy Savers Plus Program (ESPP) for agricultural customers. The ESPP has found considerable savings in energy and electricity bills are feasible using energy efficiency and demand management.

Background

Around 42,000 regional business customers are on transitional or obsolete electricity tariffs that are set below the cost of supply. The Queensland Competition Authority (QCA) is transitioning these tariffs to standard business tariffs by 2020, under an arrangement established in 2013.

The Queensland Productivity Commission (QPC) made a number of recommendations (Recommendations 33 – 37) aimed at assisting with the transition to standard cost-reflective tariffs. The Government's regional business support package responds to these QPC recommendations using targeted assistance.

The Government also recognises that some regional business customers will require additional support to transition to standard tariffs and it will work with businesses to develop practical solutions.

For more information, visit
www.dews.qld.gov.au/electricity