

Why is the QCA setting prices? We have been delegated to undertake this task by the Minister for Natural Resources, Mines and Energy (the Hon Dr Anthony Lynham MP).

How does the QCA set prices? We set prices based on the requirements under the Electricity Act and directions provided in the Minister’s delegation. We use a cost build-up methodology and assess each component making up the total electricity price. This includes using regulated network charges set by the Australian Energy Regulator and the latest information on competitive wholesale and retail electricity markets.

Who can access notified small business electricity prices? They are only available to small businesses outside of the Energex Distribution area in Queensland (that is, the Ergon distribution area and the Essential Energy distribution area).

Does the QCA consider affordability when setting electricity prices? The Queensland Government has a Uniform Tariff Policy, which means the QCA sets small business regional customer prices at broadly the same level as prices in South East Queensland. This reduces the cost of electricity for regional customers—because the Government

pays the gap between the price we set and the actual cost of supply (the gap is in excess of \$460m each year, which the Government pays to the electricity retailer).

Why will notified prices change in 2019–20? Small businesses on tariff 20 will see a drop in their electricity prices. This is primarily due to reduced wholesale energy costs (one cost component in the cost build-up of notified prices). Small businesses on tariff 22A will see an increase in their electricity prices. This is due to offsetting increases in network costs which outweighed the drop in wholesale energy costs.

How will the final determination affect small business customers? This depends on the tariff you are on and your consumption. We have worked out the impact for a typical small business on the main flat rate and seasonal time of use tariffs (tariff 20 and 22A) to use as a guide—see small business customer bill impact charts below.

Where can I find more information? All information relating to the QCA’s process for setting prices in 2019–20, including stakeholder submissions, is available at: www.qca.org.au

