



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



Urgent call to register for workshops on electricity prices

MEDIA RELEASE- 14 February 2018

Coordinator of the Queensland Electricity Users Network (QEUN) Jennifer Brownie is strongly urging businesses and residents throughout Queensland to voice their opinion on electricity prices by registering for Queensland Competition Authority workshops.

“The Queensland Competition Authority has announced they will only hold workshops across regional Queensland if there is “**sufficient interest**” in electricity prices in a particular location,” Ms Brownie said.

In February the Queensland Competition Authority will release the *Draft* 2018-19 regulated retail electricity prices for regional Queensland with *Final* prices to be announced by 31st May.

“The regulated retail electricity prices are the electricity prices that appear on business and household power bills throughout regional Queensland, therefore it is imperative that consumers attend QCA’s regional workshops,” she said.

A recent survey of over 700 businesses in regional Queensland found that around 70% of businesses have become less profitable as a result of higher electricity prices, yet 86% said their viability would improve if the cost of electricity was reduced.

In the covering letter accompanying the Queensland Energy Minister’s Delegation to the Queensland Competition Authority, Minister Lynham stated that “public consultation is a vital part of the QCA’s process for determining retail electricity prices.”

If there is **sufficient interest** the Queensland Competition Authority will hold workshops in Bundaberg, Cairns, Cloncurry, Emerald, Mackay, Mount Isa, Rockhampton, Toowoomba, Townsville, Brisbane and other locations subject to stakeholder interest.

“We encourage consumers to urgently register their interest to ensure regional workshops are not cancelled,” Ms Brownie said.

To register for a QCA workshop click on: www.qca.org.au/workshops

To read the findings of the regional Queensland business survey click on:
www.qeun.com.au/index.html#business

For more information on how to reduce power bills in 2018-19 please refer to the next page.

Media enquiries please contact: Jennifer Brownie, Coordinator, QEUN on 0740 312 865

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Power Bill reductions not enough and not certain

MEDIA RELEASE- 28 February 2018

The **Draft** prices released today by the Queensland Competition Authority (QCA) show that the QCA has not listened to households and businesses when setting their **Draft** 2018-19 regulated retail prices.

Over the last 2 years household power bills in regional Queensland have risen by at least 6.1%. If the QCA **Draft** prices become the **Final** prices, household power bills would have increased by around 4% over the last 2 years.

Of equal concern are small business power bills. Almost half of Queensland's workforce is employed by small business.

Small business power bills have increased by 15.3% in the last 2 years. A potential reduction of 4.3% still means small businesses have been hit with more than a 10% rise over 2 years.

To pay their power bills small businesses are making difficult decisions which includes cutting staff hours or jobs or passing on the extra cost of electricity to their customers. Power bills are at unsustainable levels and need to be substantially reduced.

We call on the Queensland Competition Authority to immediately remove the standing offer adjustment and headroom charge from all power bills.

This 5% charge is added to all power bills in regional Queensland to promote retail competition. Ergon Energy Retail has a near monopoly in regional Queensland and therefore this nonsensical charge needs to be immediately removed.

The prices announced today are only **Draft** prices for 2018-19. Last year the Queensland Competition Authority announced a **Final** price that was 7% higher than their **Draft** price.

There is no certainty that these reductions will be delivered when the **Final** price is announced on the 31st of May.

If you cannot make it to a Queensland Competition Authority Workshop to discuss the **Draft** 2018-19 prices, we encourage all businesses to post their power bill experiences on the QEUN website (www.qeun.com.au) and we will include your comments in our submission. This will enable your voice to be heard.

To register for a QCA workshop click on www.qca.org.au/workshops

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



People Power needed to drop power bills

MEDIA RELEASE- 3 April 2018

If your blood pressure rises when you open your power bills, we need your story.

The Queensland Electricity Users Network is encouraging residents and businesses throughout Queensland to post their power bill stories on the QEUN website www.qeun.com.au

“Power bills are at unsustainable levels and must fall substantially,” said QEUN Coordinator Jennifer Brownie.

The time to have your say on the Draft 2018-19 electricity prices set by the Queensland Competition Authority (QCA) ends on 9th April.

“The QCA ran workshops to explain their Draft prices but it meant finding 2 hours in the middle of a working day to attend their workshops.”

“People simply can’t afford that time away from work.”

“That’s why we are giving them the opportunity to tell their power bill story by posting a couple of sentences on the QEUN website.”

“We are asking people and businesses to tell us how rising power bills are affecting them,” Ms Brownie said.

“There is no certainty that the Queensland Competition Authority’s proposed reduction of 2.3% for household power bills, 4.3% for business power bills or a freeze on irrigator’s power bills will happen in 2018-19.”

“Last year there was at least a 5% difference between the Draft and Final electricity prices announced by the Queensland Competition Authority.”

“If the same happens again this year, power bills will rise in 2018-19.”

“People power is needed to keep the pressure on to drop power bills.”

The power bill stories will be included in the QEUN’s submission to the Queensland Competition Authority and can be posted on the QEUN website until 9th April.

To hear what others are saying about the impact of rising power bills visit www.qeun.com.au

For further information please contact: Jennifer Brownie, Coordinator, QEUN Ph: 0740 312 865

Regional businesses battling to survive amid surging electricity prices

HIT HARD: Publican Callum Foo with Italian backpackers Jessica Bellachioma and Giorgia Alessi, who work on local farms picking bananas. Picture: Brian Cassey

POWER COSTS A SHOCKER

DARYL PASSMORE

ALMOST half of businesses in regional Queensland struggle to pay their power bills on time.

Exclusive research for the Queensland Electricity Users Network (QEUN) reveals that seven out of 10 firms have lost profitability as they try to avoid passing on soaring energy costs to customers.

Nearly a third say any further increases will force them to consider shedding staff or cutting hours – and one in six already has.

The shocking findings come as businesses brace for yet another price hike. The Queensland Competition Authority (QCA) is due to announce the draft 2018-19 regulated retail electricity prices for regional Queensland this month.

QEUN co-ordinator Jennifer Brownie said the results were alarming.

"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," Ms Brownie said.

The study by Compass Research covered 741 businesses in Mareeba, Southern Downs, Whitsundays and Mount Isa.

More than 90 per cent reported their energy costs had risen over the past year, even though 85 per cent said they used the same, or less, power.

"The survey found that nearly 50 per cent of businesses were experiencing moderate to severe difficulties paying their power bills in full and on time," Ms Brownie said.

The average bill was \$30,000 but businesses averaged 2.3 bills each, with up to 14 for farms.

It showed that seven in 10 businesses had suffered a loss in profitability as they battled to counter or absorb the escalating power prices.

Only one-fifth passed on the extra cost to customers.

Two-thirds tried to reduce consumption and 42 per cent installed more energy-efficient equipment.

A quarter of the regional bosses said they had increased their business debt and one in six were forced to lay people off or reduce staff hours.

"I'm seeing grown men with tears in their eyes," Ms Brownie said. "If electricity prices go up again, some 52 per cent said they would experience strong to severe stress in their business. Some 30 per cent said they would consider reducing staff or staff hours."

Callum Foo, who runs the Gateway Hotel and 49-bed backpacker accommodation at Mareeba near Cairns, said energy was a major business

AMPING IT UP



cost with weekly bills of \$5000 for electricity and \$900 for gas.

"We ran the whole business off a generator for two weeks during renovations and even with the cost of hiring the generator and \$4000 on diesel, it was remarkably

cheaper than using mains power," Mr Foo said.

Many backpacker guests work on farms also suffering from exorbitant power prices.

"If they have to lay off staff, it means fewer backpackers and less money being spent in town so we all suffer," Mr Foo said.

On the flip side, companies are ready to grow and hire more people if the Government can turn around surging energy costs.

"Instead of putting the brakes on the economy and jobs with unsustainable power bills, imagine what we could do for agriculture, tourism and mining businesses if electricity prices were

reduced," Ms Brownie said.

"It's viable and profitable businesses that grow the economy and create jobs ... and 86 per cent of businesses said their viability would improve if electricity prices were reduced."

A third said they would consider employing extra staff and 35 per cent would look at upgrading equipment, with a quarter ready to consider expansion.

QEUN is urging businesses to tell their stories about the impact of power prices, on the group's website.

And the QCA is planning to hold workshops on the regulated prices for 2018-19 in at least 10 regional cities and towns next month.

Anyone interested in attending should register at qca.org.au/workshops

I'M SEEING GROWN MEN WITH TEARS IN THEIR EYES
JENNIFER BROWNIE



PEOPLE POWER: Elizabeth Proust, chairwoman of the Australian Institute of Company Directors, is urging public submissions to the Queensland Electricity Users Network. Picture: GLENN HUNT/THE AUSTRALIAN

Politics mire energy fixes

PETER MARTINELLI
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POLITICS was fuelling the energy crisis faced by families and businesses, Advance Cairns heard yesterday.

Elizabeth Proust, Australian Institute of Company Directors' chairwoman, told an Advance Cairns members' breakfast yesterday that Australia could remain in "perpetual crisis" over energy.

"There was little evidence of bipartisanship on this crucial issue," she said.

"For too long, short-term 'fixes' have been prioritised over the development of durable, long-term solutions.

"In what seems to have been a blink of the eye, Australia has gone from having the world's cheapest energy to

among the world's most expensive."

Advance Cairns chief executive Nick Trompf said the speech was particularly relevant to Cairns.

"Energy is the great issue for businesses and consumers up here," he said.

"We are more vulnerable because we have more power transmission than other parts of the state."

Mr Trompf said the power bills of one Advance Cairns member skyrocketed from \$750,000 to \$2 million in the last decade.

"It is a crisis that affects mums and dads and the profitability of small and large businesses," he said.

"It has become one of the big three expenses along with rent and staff."

Ms Proust argued that "people power" was the way to break through the quagmire of partisan politics.

Her speech coincides with calls for public submissions about power bills to be logged with the Queensland Electricity Users Network at qeun.com.au

The QEUN is collating posts to present to the Queensland Competition Authority and argue for lower power bills.

The QCA formulates power prices for regional Queensland and has given an April 9 deadline for submissions regarding prices for 2018-2019.

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Register for power prices workshop



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Minister Dr Anthony Lynham stated that “public consultation is a vital part of the QCA’s process for determining retail electricity prices.”

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