

The collective voice of  
electricity and gas retailers



## Media release

31 May 2013

### Energy retailers encourage Queenslanders to shop around after QCA price decision

Cameron O'Reilly, Chief Executive of the Energy Retailers Association of Australia (ERAA) has said that a number of factors have led to today's decision by the Queensland Competition Authority (QCA) to increase regulated electricity prices. The QCA has determined price increases of 22.6 per cent for Tariff 11 household customers across Queensland.

"The QCA's determination shows that customers will see a significant increase in their bills from 1 July. We ask customers to talk to their retailer to ensure they are on the best tariff in the market," Mr O'Reilly said.

"Around 90 per cent of electricity bills are determined by the wholesale cost of electricity and network charges as well as green schemes which include the carbon tax and feed-in tariffs. Unfortunately, these increasing costs have to be passed through," Mr O'Reilly said.

"A competitive and sustainable retail market is the best way to ensure downward pressure on electricity tariffs. Last year's tariff freeze only served to discourage competition in the market by artificially keeping prices below supply," he said.

Mr O'Reilly said the decision of the Government not to subsidise the electricity price increases was a practical solution for all Queenslanders. In Western Australia, such subsidies were offered to residents to cushion price rises for a decade. The legacy of this policy continues to haunt Western Australian taxpayers to the tune of hundreds of millions of dollars a year," he said.

"The ERAA emphasises that tariffs below the true economic cost of delivery could drive smaller retailers out of the market and restrict competition and choice."

Mr O'Reilly added that energy retailers are mindful of the impact of these rising prices and have hardship policies in place to help customers manage temporary payment difficulties.

"This may include the retailer creating affordable payment plans to help get back on track, arranging an extension on bill payments if necessary; providing financial counselling or making sure customers get full entitlements from government agencies such as Centrelink," Mr O'Reilly said.

"Retailers may also help customers make their home more energy efficient, leading to lower bills."

Mr O'Reilly said that retailers would support a move toward price monitoring and a fully deregulated energy market as it will allow for more competition in Queensland. Victoria phased out price regulation in 2009, while South Australia took the same step on 1 February this year.

"Since the Victorian market was deregulated in 2009 and South Australia in February, households have seen new products and more choice and consumers can save on their power bills by shopping around," Mr O'Reilly said. "There has also been a growth in the number and market share of smaller retailers.

"We look forward to working with the QCA and the Queensland Government to ensure future pricing allows for consumers to have choice and competition and those who shop around can get a better deal," Mr O'Reilly said.

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