




# POLICY PRIORITY

## UNIFORM ELECTRICITY TARIFF

PROPONENTS:	Advance Cairns / RDA FNQTS
COUNCILS:	All Tropical North Queensland
STATE ELECTORATES:	All Tropical North Queensland
FEDERAL ELECTORATES:	Leichhardt / Kennedy



**CURRENT FOCUS**

To maintain the Uniform Tariff Policy and annual payment of the Community Service Obligation, remove the 5% headroom requirement and develop an energy strategy that provides opportunity, affordability security and transition.

### ISSUE

Tropical North Queensland is experiencing unsustainably high electricity costs to the detriment of regional industries, small to medium enterprises and urban/domestic consumers.

### RECOMMENDATION

**That the State Government maintains its commitment to the Uniform Tariff Policy (UTP) and annual payment of the Community Service Obligation (CSO). Consideration of any changes, including moving to a network CSO by the Queensland Government, must:**

- a) Ensure no regional household or business is worse off.
- b) Be informed by effective engagement with regional residential and business consumers, industry and communities.

**That the Queensland Government removes the 5% headroom requirement in areas where there is no electricity supplier competition.**

### OVERVIEW

Regional Queensland households are paying over 20% more and businesses over 30% more for electricity than those in Southeast Queensland. High and increasing electricity prices will further jeopardise industry growth opportunities across the region and be contrary to Queensland and Federal Government efforts to increase jobs and growth across the region.

The Queensland Government has provided annual funding of approximately \$650m as a Community Service Obligation (CSO) payment to Ergon Energy (Energy Queensland) for regional Queensland domestic and small to medium business users. The purpose of the CSO is to ensure that the Uniform Tariff Policy (UTP) is implemented.

The aim of UTP is to ensure wherever possible, customers of the same class pay no more for their electricity, regardless of their geographic location in Queensland. This acts to encourage economic development in regional Queensland and is premised on the understanding that the UTP will deliver electricity as an essential service, on a fair basis, regardless of location.

The Queensland Productivity Commission Electricity Pricing Inquiry recommended that the CSO be paid to the network provider, to enable retail competition in the regions. Changes to the way in which the CSO is paid could significantly affect the affordability of electricity in the regions. In maintaining the UTP, the Queensland Government needs to ensure that no regional household or business will be worse off.



Additionally, a 5% headroom charge introduced in 2013 to allow competition in the south-east, is applied state wide regardless of the fact that there is only one provider in regional Queensland.

#### PROJECT LOCATION

Tropical North Queensland

#### CONTACT

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Advance Cairns' Infrastructure and Policy Priorities are developed in collaboration with leading regional advocates. They are regularly reviewed and updated.

