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Businesses urged to view electricity prices with caution

The Queensland Electricity Users Network (QEUN) is urging all businesses in regional Queensland to view the Draft 2017-18 retail electricity prices announced by the Queensland Competition Authority with extreme caution.

Coordinator of the QEUN Jennifer Brownie said the draft retail electricity prices did not take into account the surging wholesale electricity prices experienced in Queensland in 2017.

“Most businesses will be unaware of how drastic a change could be possible when the final retail electricity prices are announced on 31st May.”

“Businesses are being lulled into a false sense of security believing their power bills will only go up by 1.5 percent from 1st July 2017,” she said.

Wholesale electricity prices make up about 25 percent of a power bill.

The wholesale electricity price has risen from an average of \$59.99/MWh in calendar year 2016 to \$96.89/MWh so far this year.

“Queensland has the dubious honour of being the highest average weekly wholesale electricity price in the National Electricity Market almost every week this year. This is despite the Queensland Government owning and controlling 65 percent of the electricity generation capacity in Queensland,” Ms Brownie said.

Businesses in regional Queensland were stung with increases ranging from 11.2 percent to 15.8 percent in 2016-17.

“The Queensland Government has failed to receive the message that regional businesses need power bills to go down not up.”

“If the recent surge in the wholesale electricity price continues it’s possible that Queensland businesses will suffer a rise in their power bills in excess of 20 percent over a 2 year period.”

“We strongly urge businesses to use extreme caution in relation to using the draft retail electricity prices as a basis for their budgets,” Ms Brownie said.

In March the QEUN will conduct business surveys in four regional centres in Queensland to estimate the impact of rising power bills on the regional economy and regional jobs.

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