

Shortfall charge for the 2008 liable year

From Section 135FA of the *Electricity Act 1994*:

- the amount of the shortfall charge for the 2008 liable year is “the shortfall charge for 2007 (i.e. \$11.85), CPI indexed”
- if this amount includes a fraction of a dollar, the amount is rounded up to the nearest 5 cents
- CPI means “the all groups index for Brisbane”
- CPI indexed means “the addition of an amount that equates to the percentage increase in the CPI from the December quarter for the previous year and the December quarter for the stated year”.

The all groups index number is published quarterly by the Australian Bureau of Statistics (Cat. No. 6401.0). The relevant all groups' index numbers for Brisbane are:

Quarter	All Groups Index Number, Brisbane
December 2007	163.4
December 2008	170.4

In calculating the shortfall charge for each liable year, the Regulator has decided to determine the percentage increase in the CPI to 4 significant figures.

The percentage increase in the CPI from December 2007 to December 2008 is:

$$\frac{(170.4 - 163.4) \times 100}{163.4} = \frac{7 \times 100}{163.4} = 4.283\%$$

Applying the CPI Index, and rounding to the nearest whole cent, results in:

$$\$11.85 + (\$11.85 \times 0.04283) = \$11.85 + \$0.51 = \$12.36$$

Since the amount includes a fraction of a dollar, the amount is rounded up to the nearest 5 cents.

Therefore, **\$12.40** is the Shortfall Charge for the 2008 liable year.