

PRESS RELEASE

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Incentives for Privatisation of Government Power Assets

The Energy Users Association of Australia (EUAA) today calls on the Commonwealth and State governments to reach agreement on a plan to privatise state-owned power assets. Providing extra funding to states in exchange for selling state-owned assets including electricity generators is the key to unlocking the inertia in further privatisation. The announcement comes ahead of the State Treasurers Meeting today with agreement to the plan expected to be ratified at the next Council of Governments meeting.

‘This plan is a long time coming,’ said Phil Barresi, CEO of EUAA. ‘For many years now the EUAA has been advocating for privatisation, particularly in light of the impact of rising energy costs in Queensland, many times greater than other states. We urge State Treasurers to embrace this discussion and find agreement for the sake of energy users.’

Australians are in an enviable position globally with abundant natural resources. However energy users have faced supply and pricing dilemmas, clearly indicating a need for decisive action on how best to cost-effectively manage energy resources.

EUAA research suggests that performance of transmission network service providers is drawn along ownership lines. Energy networks in Victoria are privatised and appear to have consistently delivered better outcomes than what seems to be the case where the network service providers are publicly owned. Network costs in Victoria are half to a third of those in the other states. Publicly owned assets are temptations for governments seeking to reap extraordinary returns on their energy networks at the expense of all energy users.

‘After years of financial pressure relating to soaring energy bills in NSW and Queensland energy users have patiently waited for action, said Mr Barresi. ‘Today’s State Treasurers meeting is an opportunity to lay the ground work for further cost efficiencies to be passed through the market to consumers.’

‘There is no compelling reason for maintaining government owned networks which have been allowed to issue their captive users unreasonable and unjustified price hikes. Network charges for non-residential customers in Victoria are also much lower than elsewhere.

Our members have long term interests for better economic outcomes and economic stability. We support endeavors to curb rise in power costs but we urge any savings be passed on to the users as soon as possible.’

The EUAA is the peak industry body for Australia’s energy users including manufacturers, retailers and resource-based industries.

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