

PRESS RELEASE

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Energy Users Welcome NSW TransGrid Lease Announcement

Energy users welcomed today's announcement by the NSW Government of the successful lease by an Australian-led consortium of electricity transmission asset TransGrid.

'For many years, energy users have called for the release of state-owned energy assets,' said Phil Barresi, CEO of the Energy Users Association of Australia. 'The potential savings arising such privatisation is significant, particularly in light of the impact on rising energy costs.'

Energy users feel most encouraged by the leasing conditions imposed by the federal government,' said Mr Barresi.

'The roll out of the State's energy assets leasing program is clearly a step in the right direction to pass the expected efficiency gains and opportunities provided by privatisation on to consumers and users through lower energy costs.' said Mr Barresi, 'It is a win for much needed infrastructure development in the State and a win for all energy users and consumers.'

'For too long, energy users in NSW have been disadvantaged by the existing policy of government-ownership,' said Mr Barresi. 'Study after study demonstrates government-ownership drives up the cost of energy. Today's announcement gives energy users in NSW some cautious optimism that the trend of overbuild in networks assets along with any built in inefficiencies by such state owned businesses can be reversed.'

'Network prices in Victoria and SA have fallen significantly since privatisation in the 1990s, said Mr Barresi. 'However, NSW energy users have experienced significant disadvantage- with the price of their network services in NSW more than double those in Victoria.'

'Energy asset sales are a means of delivering affordable energy prices to the state's struggling employers, small business and families,' said Mr Barresi. 'Energy users welcome today's long-awaited announcement with open arms and look forward to the asset leasing program of the State government being extended across all network businesses.'

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

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