

# PRESS RELEASE

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## Energy Prices Scrutiny Welcomed

Energy users welcome the Minister for Small Business and the ACCC's announcements of increased ACCC vigilance on energy prices as affected by the abolishment of the carbon tax. 'Our members are at the forefront of impacts of energy policy and pricing,' said Phil Barresi, CEO of the Energy Users Association of Australian. 'Last year, we raised our concerns with the government regarding market power behaviour of all energy industry stakeholders, including possible cost flow on.'

'We encourage the government to look out for all energy consumers and users, not just small business whilst working towards the repeal of the carbon tax,' said Mr Barresi. 'This announcement assures us that the carbon tax won't be replaced by higher energy prices. The sooner energy users can return to pricing that could save them more than \$1.2 billion a year the better.'

The EUAA represents some of Australia's largest consumers of gas and electricity who were not only impacted by the carbon tax but had the potential to be adversely impacted to its repeal, with commercial contractual uncertainty. 'Our members are some of the country's biggest employers,' said Mr Barresi. 'They will certainly welcome more realistic pricing that will flow after the carbon tax legislation is repealed.'

'Some EUAA members have carbon inclusive and carbon exclusive energy supply contracts that may still be operating' said Mr Barresi. 'The Minister's statement puts everyone on notice, including power companies about to enter the next round of contractual arrangements with our members.'

'All energy users can approach their energy contractual negotiations with confidence even more so if Parliament secures the repeal of the carbon tax within the specified time. Any extensive transitional period compounds our problems and could also bring large energy users unfairly under the watchful eye of the ACCC.' said Mr Barresi

Our report on the *Impact of Emission Prices on the Electricity Prices in the NEM* released last year showed pass through rates of over 115% in the wholesale spot market. We recommended greater vigilance by the ACCC and AER going into a carbon tax regime we definitely need it as we come out of it. Lets not repeat the previous failure of pricing oversight.

'We applaud Coalition plans that penalise those corporations that maintain prices attributable to the carbon tax with fines of up to \$1.1 million and individuals who do the same with penalties of up to \$220,000.'

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

**For interviews with the EUAA please contact Phil Barresi on 03 9898 3900.**