

PRESS RELEASE

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Asset sales and power of choice to drive lower energy bills

Today's speech by Mr Rod Sims – Chair of the Australian Competition and Consumer Commission (ACCC) at the Australian Energy Regulators' conference in Brisbane calling for the sale of publicly-owned energy assets as well as energy policies that promote demand management rather than fixed charges is welcomed by the Energy Users Association of Australia (EUAA).

'Energy costs continue to be a burden on all energy users – from the domestic to the large commercial and industrial users. Embracing a demand management regime as opposed to a fixed energy charge is a welcome advancement in the debate to provide all energy users with a choice,' said EUAA CEO Phil Barresi.

'There is no compelling reason for maintaining government owned electricity assets,' said Mr Barresi. 'Study after study demonstrates government-ownership has driven up the cost of energy for consumers. These serve no purpose other than issuing their captive users unreasonable and unjustified price hikes. The price of distribution network services in NSW is now more than twice the price in Victoria. Network prices in Victoria and SA have fallen significantly since privatisation in the 1990s, however, our NSW and Queensland energy users have experienced network price increases well over 100% over the same time frame.'

'Publicly owned assets are temptations for governments seeking to reap extraordinary returns on their energy networks at the expense of all energy users. Energy asset sales are a means of driving down energy costs where it counts – with large energy users employing Australians against the pressure of international markets,' said Mr Barresi.

'Low energy costs, our once great asset, was at the base of our strong manufacturing industry. It is quickly turning into a millstone, an input cost barrier to survival. Energy asset sales are more than a means to reach budgetary objectives to pay for neglected and vital infrastructure but more importantly as a means of delivering affordable energy prices to the state's struggling employers, small business and families,' said Mr Barresi.

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

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