

PRESS RELEASE

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Energy Issues Ignored in Federal Election Debate

Energy users today called on the political parties fighting for the federal election to drive energy market reform.

‘Energy users can only assume that the significant issues around the availability of competitive, reliable and sustainable gas and electricity across Australia are being ignored by both major parties,’ said Brian Morris, Chair of Energy Users Association of Australia. ‘We need a holistic energy policy to address the issues we face. The current state of play in terms of national gas and electricity law can only be described as a quagmire. We have seen very little evidence that the laws with the stated objective of “...meeting the long term interests of consumers” are actually achieving this’.

‘Australian industry’s contribution to the economy and international competitiveness has been built on this available and affordable energy supply,’ said Mr Morris. ‘However, this advantage is eroding fast and there seems little political will to address fundamental reform issues’.

‘The ACCC in its recent East Coast Gas Inquiry finally lifted the veil that many previous inquiries were unable or unwilling to do,’ said Mr Morris. ‘Large gas users are facing a dysfunctional east coast gas market. The transparency and liquidity required for a competitive market have evaporated. We call on both parties to commit to leading the implementation of the ACCC’s recommendations as soon as possible.’

Electricity markets do not fare much better. The regulatory structure for network revenue determination has left all National Electricity Market users paying high prices for an over built network as well as paying for a new network to meet the demands of a 21st century distributed generation landscape.

South Australia’s commitment to renewables combined with the closure of base load stations and increased gas prices has brought some of the highest prices in Australia and great user concerns about system reliability.

In Tasmania, large industrial consumers were impacted by energy shortages due to the Basslink failure and a record dry period that could not be mitigated by the low Hydro Tasmania water levels and delayed recommissioning of the Tamar Valley power station.

‘We need consistent, clear, long-term and binding climate policy at the Federal level with bi-partisan support,’ said Mr Morris. ‘Instead, we have a series of inefficient federal and state-based policies trying to plug the gap, imposing great costs on Australian businesses.’

‘Market-based mechanisms to achieve Australia’s emissions targets at the lowest cost will give businesses the greatest flexibility in how they meet their targets,’ said Mr Morris. ‘Australia’s climate policies must be considered alongside energy policy. They must be proportionate in the international context to address carbon leakage and issues for energy intensive trade exposed industries.’

The EUAA calls on the major parties to clearly announce their plan to restore Australia to the position of having a competitively priced, reliable and sustainable energy supply.

‘A robust, holistic energy policy requires bold reform measures,’ said Mr Morris. ‘We hope the political parties seeking Government post 2 July are up to the challenge.’

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

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