



**Mike Baird MP
NSW Treasurer
Minister for Industrial Relations**

**Chris Hartcher MP
Minister for Resources and
Energy
Minister for the Central Coast
Special Minister of State**

MEDIA RELEASE

Friday 22 November 2013

NETWORK SAVINGS NOW 10 TIMES ABOVE TARGET

Households across NSW will benefit from \$4.3 billion in savings that have been identified through the Government's restructure of the three electricity distribution businesses, Treasurer Mike Baird and Energy Minister Chris Hartcher said today.

Updated savings forecasts by Ausgrid, Endeavour Energy and Essential Energy confirm the total projected savings in the five years to 2015/16 are now more than 10 times the original target of \$400 million in operating expenses over four years.

"The \$4.3 billion in savings achieved through network reform guarantee households in NSW will be spared the double-digit annual electricity price hikes they suffered under Labor," Mr Baird said.

"Lower costs by the electricity businesses mean downward pressure on prices.

"Networks NSW board and management, including chairman Roger Massy-Greene, CEO Vince Graham and all employees, should be congratulated for their efforts on behalf of NSW taxpayers."

A recent report by the NSW Auditor-General confirmed savings in the first two years of the reform program, in both capital expenditure and operating costs, were \$1.4 billion (for 2011/12 and 2012/13).

The additional \$2.9 billion in savings identified over the next three years includes \$200 million that will flow from amended reliability license conditions that will come into effect on 1 July next year.

"These savings represent costs that will no longer flow through into household power bills," Mr Hartcher said.

"Regulated prices set by IPART increased at an average of just 1.7 per cent for 2013-14, compared with 18 per cent last year.

"The savings realised through network reform have also assisted the Government in providing more than 800,000 rebates to eligible families and households in 2012-13 from the Government's Family Energy Rebate and Low Income Household Rebate."

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