



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

**Anthony Roberts MP**  
Minister for Resources and  
Energy  
Special Minister of State

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## **MEDIA RELEASE**

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### **COST-OF-LIVING RELIEF FOR NSW HOUSEHOLDS**

Treasurer Mike Baird and Minister for Resources and Energy Anthony Roberts today welcomed the Australian Energy Regulator's (AER) decision to ease household electricity bills this year, which comes as a direct result of the NSW Government's reforms to the electricity sector.

"The regulator's decision locks in our commitment that there will be no real increases in the networks' share of electricity bills from 1 July this year," Mr Baird said.

"This decision will lower electricity bills for an average residential household in NSW by \$38 annually.

"That figure rises to \$76 if you add the AER's recent determination on transmission charges, along with the impact on currently regulated customers of the Government's recent decision on the removal of retail price regulation and a transitional tariff.

"In contrast to the situation under NSW Labor, when electricity prices rose by more than 60 per cent over five years, the NSW Liberals & Nationals Government will continue to drive down the cost of electricity for households and businesses across NSW."

The AER's decision announced today is in line with the aim of the NSW electricity networks' one-year proposals submitted in January to keep their share of bill increase to CPI or below.

However Mr Baird said that the regulator's decision goes even further in placing downward pressure on prices, as it reduces average network charges to be passed on to households by \$36 (-1.7%) for Ausgrid, \$47 (-2.3%) for Endeavour Energy, and \$33 (-1.2%) for Essential Energy, a further reduction on what the networks proposed.

"Electricity network charges make up about half of household electricity bills, so the AER's acceptance of key parts of the submissions is a key factor in keeping electricity bills lower," Mr Baird said.

Minister Roberts said AER has accepted the one-year capital and operating programs proposed by Ausgrid, Endeavour Energy and Essential Energy to maintain the safety and reliability of the electricity supply.

“I want to congratulate the electricity networks, because their hard work in achieving efficiency savings is paying off for the families and businesses of NSW,” Mr Roberts said.

“And let’s not forget what John Robertson had to say when we introduced our reform program -- ‘It won’t cut prices’.

“Having presided over an increase of about 20 per cent when he was Energy Minister in 2009-10, Mr Robertson is the last person to be commenting on electricity.

“He has done more damage to the NSW electricity market and to NSW customers than any other figure in recent years.”

Since the electricity network reforms began on 1 July 2012, the three businesses achieved total savings of \$1.1 billion in 2012-13, with projected savings of more than \$4.3 billion over the five years to 2015-16. This is far in excess of the initial savings target of \$400 million.

On the back of those savings, the three NSW electricity distribution businesses lodged their one-year investment and pricing proposals with the Australian Energy Regulator on 31 January this year, and outlined the direction for the next five years.

The proposals showed capital spending by the networks over the five-year period to 2019 is down by 39 per cent compared to the approved program for the period 2009-14.

**Table: AER’s estimated impact of transitional decisions on the average household customer and average small business customer electricity charges in NSW from 1 July 2014**

Electricity network	AER estimated final retail bill – annual (\$ nominal)*	Impact on annual charge – AER decision
<b>Ausgrid - household (6.5MWh)</b>	\$2106	-\$36 (-1.7%)
<b>small business (10MWh)</b>	\$3374	-\$58 (-1/7%)
<b>Endeavour - household(6.5MWh)</b>	\$2026	-\$47 (-2.3%)
<b>small business (10MWh)</b>	\$2909	-\$68 (-2.3)
<b>Essential Energy - household (6.5MWh)</b>	\$2703	-\$33 (-1.2%)
<b>small business (10MWh)</b>	\$4567	-\$56 (-1.2%)

*\*Note: Electricity distribution charges make up approximately 40% of the final retail bill*

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