



Mike Baird MP
NSW Treasurer
Minister for Industrial Relations

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

MEDIA RELEASE

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ELECTRICITY BILL RELIEF FOR NSW HOUSEHOLDS

Households and businesses can look forward to a further easing in power costs from July, as the NSW Government's reforms to the energy sector take hold, NSW Treasurer Mike Baird and Minister for Resources and Energy Anthony Roberts announced today.

Mr Baird said, "The NSW Government has been working hard to rein in power prices through network reform."

"The pricing proposals lodged on Friday by the network businesses show that our reforms are working to take some of the pressure off businesses and deliver cost-of-living relief to hardworking NSW families.

"Following these proposals, it is expected that this will be the first time since the turn of the century that households will experience two successive annual reductions in power costs, in real terms.

"Ausgrid, Endeavour Energy and Essential Energy have submitted prudent investment proposals that will keep their networks safe and reliable, while keeping their share of customer electricity bill increases to CPI or below.

"The proposals lock in the gains that were made last year over the full five-year regulation period, keeping electricity bill rises below CPI.

"Labor ignored the interests of consumers and ran the electricity network at the direction of the unions.

"Let's remember that, when we introduced our reforms, John Robertson declared, 'It won't cut prices' (*SMH*, 18/3/2012).

"I particularly want to thank networks CEO Vince Graham and chairman Roger Massy-Greene for the work they have done to make the reform program an outstanding success for the NSW community."

Mr Roberts said the Government had finally turned around the double-digit electricity price increases that had slugged families and businesses under NSW Labor.

"If Federal Labor would now get out of the way and allow Tony Abbott to abolish the carbon tax, price relief for NSW households in 2014-15 would be around 10 per cent," he said.

“The Liberals & Nationals Government will continue to drive down the cost of electricity for households and businesses across NSW.”

On Friday, the three NSW electricity distribution businesses lodged their investment and pricing proposals with the Australian Energy Regulator. The plans show capital spending by the networks over the 5-year period to 2019 is down by 39 per cent compared to the period 2009-14.

Since the electricity network accounts for about half of household electricity bills, the submissions will have a major downward impact on the electricity bills of households and business, if they are accepted by the AER.

Under Labor, electricity prices rose by more than 60 per cent over five years, including by about 20 per cent in 2009-10, the year that John Robertson was Energy Minister for eight months.

Significant efficiencies have been achieved under the Government’s network reform program, which has brought the three network businesses under a joint board and CEO.

Following an initial savings target of \$400 million, the three businesses have 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.

Mr Graham said, “Our employees’ commitment to industry reform is making a real difference to families and businesses in NSW and we will continue to eliminate public sector inefficiencies from these businesses for the benefit of the community.”

Typical household electricity bills, proposed from 1 July 2014 (electricity distribution part of bill)

Table: Electricity bill impact from distribution network charges for typical household and small business customers (\$nominal)

	Typical Customers	Annual bill 2013/14 (\$ p.a)	Annual bill 2014/15 (\$ p.a)	Change (\$)	Change (%)
Ausgrid	Household (5MWh)	\$812.52	\$821.65	\$9.13	1.12%
	Small business (15 MWh)	\$2,612.73	\$2,656.34	\$43.61	1.67%
Endeavour	Household (6MWh)	\$705.58	\$703.87	- \$1.71	-0.24%
	Small business (26 MWh)	\$2,375.35	\$2,369.60	- \$5.75	-0.24%
Essential	Household (7MWh)	\$1,282.80	\$1,314.72	\$31.92	2.49%
	Small business (23 MWh)	\$4,435.03	\$4,545.39	\$110.36	2.49%

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