



Energy Retailers Association
of Australia Limited

MEDIA RELEASE

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ERAA welcomes NSW Government focus on competition

The Energy Reform Transaction Strategy, outlined today by the NSW Government, gives welcome priority to competition in the State's retail and generation sectors, according to the Energy Retailers Association of Australia (ERAA).

While the focus has been on the sale of NSW Government owned retailers, Energy Australia, Integral Energy and Country Energy, the ERAA said that bidder and new entrant retailer confidence in the NSW market would be influenced by the level of competition and "liquidity" on the generation side.

"While the so called Gentrader approach is more complex than the generation privatisation plan voted down by the NSW parliament last year, private sector retailers are likely to feel more comfortable entering a market where their counter-parties, the generators, are managed by competing private sector traders", the Executive Director of the ERAA, Mr Cameron O'Reilly said today.

"For that reason, we have to acknowledge that in seeking more retail competition, the NSW Government has done its best to address arguments about the market structure prevailing on the generation side", Mr O'Reilly said.

Having sought to address market structure issues, the ERAA believes the state government now needs to follow through on its commitment to introduce cost reflective tariffs in NSW, so that not just the buyers of the existing retailers, but a range of smaller second tier retailers enter the market to compete for customers.

"The real benefit for the people of NSW will come from the introduction of a more competitive dynamic in energy retailing and generation, and in that regard, today's release of the next stage of the energy reform plan is a step in the right direction."

"The onus is now on IPART to ensure that the retail tariff setting in NSW for the next three years supports the government's objective of seeing more competition in the retail market", Mr O'Reilly said.

The ERAA's policy position is that once effective competition is achieved in the energy retail sector, the regulation of retail prices should be replaced by price monitoring, as is now the case in Victoria, which has been independently rated by global energy think tank, VaasaETT, as the most competitive retail energy market in the world.



For further information: Cameron O'Reilly – Executive Director, ERAA Ph 0413150560 or (02) 9437-6180

About the ERAA

The Energy Retailers Association of Australia (ERAA) is the peak industry body for retailers of electricity and gas in Australia's energy markets. Its members supply over 95% of customers on the east coast. Member companies include AGL Energy, Origin Energy, Energy Australia, Country Energy, Integral Energy, TRUenergy, Australian Power & Gas, Victoria Electricity, Simply Energy, Momentum Energy, Red Energy, Babcock & Brown Power and Aurora Energy. Associate Members include ActewAGL, NT Power and Water, Synergy, Horizon Power and Ergon Energy.

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