

MEDIA RELEASE

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Energy retailers call for scrapping of Ambulance Levy on electricity bills

Energy retailers have today called upon the Queensland Government to scrap the ambulance levy on the State's electricity bills as a way to minimise potential billing errors.

The levy, which is only applied to electricity bills in Queensland, has been one of the causes of the errors that yesterday led the Queensland Minister to impose \$40 rebates for customers who have received and paid an incorrect bill from their retailer.

"Queensland is part of the national electricity market and most retailers who compete here have to adjust all their systems to collect the levy for the State Government", the Executive Director of the Energy Retailers Association of Australia, Mr Cameron O'Reilly said.

"This distortion to the market has a cost to the industry like any form of red tape, and clearly has contributed to some of the errors which have driven the Government's heavy handed regulatory response".

Where mistakes had previously been made all consumers had been notified, received a refund and in many cases were offered an ex-gratia payment from their retailer.

"Now that the Government has resorted to a punitive and mandatory fine for any billing mistake, this becomes a major business risk for what are often small retailers, who will choose not to compete in the market."

"The impact of this legislation in reducing competition will be far more detrimental to consumers than any billing problems have been in the past. It will push the energy equivalents of the Wizards and Aussie Home Loans who compete by offering lower prices from the market", Mr O'Reilly said.

Besides suggesting that the Government scrap the levy and look at other ways to fund the ambulance service, retailers were also willing to work with Government to allow them to take over the implementation and delivery of pensioner rebate schemes which have also contributed to billing errors.

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About ERAA

The Energy Retailers Association of Australia (ERAA) is the peak industry body representing retailers of electricity and gas in Australia's National Electricity Market (NEM) and national gas market. Member companies operate in all the States of Australia and have over 11 million customers. The members include AGL, Origin Energy, TRUenergy, Energy Australia, Integral Energy, Country Energy, Aurora Energy, Australian Power & Gas, Queensland Electricity, Simply Energy, Horizon Power, Synergy Energy and ActewAGL.

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