

Turnbull's plan to make power bills cheaper1:31



Prime Minister Malcolm Turnbull has announced a widespread crackdown planned in a bid to ease continued bill increases.

Claire Bickers with wires and staff writers, News Corp Australia Network
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SICK of skyrocketing power prices? Relief could be finally on the way for fed up Australian households. The government today announced it's taking steps to make power companies take their foot off the gas when it comes to jacking up bills.

One of the key drivers of higher power prices has been the price of gas, partially due to a shortage of east coast domestic supply. Once the shortfall in supply is worked out, new regulations to restrict gas exports will start from January 1, 2018.

Mr Turnbull said wholesale gas prices would come down in the immediate term, but "how they translate into retail prices or prices for industrial users is another thing".

"Australian businesses and households are paying the price and what we're doing is taking strong action, decisive action, to address that," he told reporters in Canberra on Tuesday.

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As well, the government will seek parliament's approval to scrap a process electricity companies use to justify power price hikes. Energy Minister Josh Frydenberg said axing the limited merits review — the next round of which is due in 2019/20 — would put "downward pressure on electricity prices".

Limited merits review allows entities affected by decisions of the Australian Energy Regulator to have the decisions reviewed by the Australian Competition Tribunal. The courts have ruled against consumers 31 times out of 52 appeals by companies.

While not putting a figure on its impact on power bills, Mr Frydenberg said past processes had added an extra \$6.5 billion to electricity costs.

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The government also flagged possible taxpayer support for upgrading coal and gas-fired generators to secure affordable power for Australians. Picture: Steve Tanner

The prime minister rejected concerns the gas regulations could case sovereign risk for energy companies. “Our first duty, and it is consistent with our legal obligations ... is to protect our people, our businesses, our households.” The government is still weighing up other recommendations of Chief Scientist Alan Finkel’s review of the electricity sector, including a clean energy target.

The government also flagged possible taxpayer support for upgrading coal and gas-fired generators to secure affordable power for Australians.

Mr Turnbull will ask the Australian Energy Market Operator to review which power stations might be liable to close soon and report on ways, including government support, to secure investment in them. He said the move is consistent with recommendations from Chief Scientist Alan Finkel in his recent review of the electricity market. If necessary the government would step in beyond its existing commitment to Snowy Hydro 2.0, such as investing in clean coal technology. “We’d certainly consider that.”