

Australian electricity bills double those of Canada

Simon Benson, The Australian, 12:00AM September 22, 2017

Australian households are paying 60 per cent more for their power than those in the US and double their Canadian counterparts after enjoying the third-lowest electricity prices of any OECD nation a decade ago.

A report from the International Energy Agency has ranked Australian household electricity costs as the 11th most expensive of 30 countries, reflecting the spiralling prices of the past 10 years, which are also now damaging the nation's commercial competitiveness.

In 2007, the IEA ranked Australia as the fifth-cheapest for consumers with an average price of 9c a kilowatt hour, below the US and comparable nations. That had grown to 20c, a 120 per cent increase, according to the 2017 report released this week.

Comparatively, the US had experienced a 25 per cent rise over the same period, with countries such as France, Chile, Greece and South Korea now having cheaper power than Australia. With a political arm wrestle between the government and opposition over energy policy continuing, the IEA report showed Australia had experienced the highest spike in prices over 10 years of any OECD country.

Energy Minister Josh Frydenberg said the global data comparison showed the price hike had occurred largely under federal Labor governments since 2007. "The latest IEA data released this week shows that Australia, as of December 2016, has the 11th highest household electricity prices in the OECD," Mr Frydenberg said. "While this is still too high, it is down from the third highest in 2012 under Labor and the sixth highest in 2013 when the Coalition took office.

"It is obvious the benefits of the shale gas revolution are being felt in the United States, where electricity prices remain the fifth lowest. The Turnbull government understands that households are doing it tough with rising power prices, which is why we are taking unprecedented action across the board to reduce pressure on their household bills. "While household and business concern about electricity prices is genuine, Bill Shorten's concern is not. He misled the Australian people with baseless claims which he is now reluctantly trying to crabwalk away from."

HOUSEHOLD ELECTRICITY PRICES

| | Country | \$US per kWh | % change from 2007 | | Country | \$US per kWh | % change from 2007 |
|----|------------------|---------------|--------------------|----|-----------------|--------------|--------------------|
| 1 | Germany | 329.71 | ▲5 | 15 | Slovenia | 177.1 | NA |
| 2 | Belgium | 289.07 | NA | 16 | Netherlands | 176.12 | ▼14 |
| 3 | Italy | 276.8 | — | 17 | Sweden | 174.19 | NA |
| 4 | Spain | 269.08 | ▲11 | 18 | Finland | 169.87 | ▼2 |
| 5 | Portugal | 261.4 | ▲2 | 19 | Slovak Republic | 169.82 | ▼7 |
| 6 | Ireland | 243.57 | ▼2 | 20 | Chile | 169.19 | NA |
| 7 | Austria | 223.51 | ▲1 | 21 | Czech Republic | 155.97 | ▼4 |
| 8 | Japan | 221.54 | ▲1 | 22 | Poland | 155.26 | ▼4 |
| 9 | Britain | 207.59 | ▼4 | 23 | Turkey | 132.44 | — |
| 10 | Switzerland | 203.28 | ▲9 | 24 | Estonia | 130.54 | NA |
| 11 | Australia | 202.04 | ▲15 | 25 | Hungary | 125.7 | ▼14 |
| 12 | Greece | 190.7 | ▲10 | 26 | US | 125.48 | ▼1 |
| 13 | France | 182.75 | ▲1 | 27 | South Korea | 119.05 | ▼3 |
| 14 | Luxembourg | 181.55 | ▼4 | | | | |

Source: International Energy Agency

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The Opposition Leader yesterday continued to try to turn the attack on the government for rising prices while arguing that the Coalition had to “get over its out-of-touch views on renewable energy”. The IEA report showed that the many countries which had embarked on large renewable programs over the past decade, such as Germany, were now the most expensive for consumers.

“There is no doubt in my mind that the Turnbull government needs to get over its out-of-touch views on renewable energy,” Mr Shorten said yesterday. “It needs to make sure there is a greater supply of gas in Australia, including prioritising gas for Australian markets before they go overseas, and we need to start getting agreement on a clean energy target, and that’s what the Chief Scientist has said.” Mr Shorten was forced to again back away from his claims that power bills had gone up \$1000, admitting he had no source for the figures.

The Australian revealed this week that the recent increasing reliance on gas for generation, with the loss of significant coal-fired generation, had been the main driver in electricity price rises since 2015. Australian Competition and Consumer Commission chairman Rod Sims, in an address to the National Press Club on Wednesday, said prior to this, the primary contributing factor to high household prices was network charges, which had been forced on consumers as a result of state government reliability standards resulting in “gold plating” investments in poles and wires.

The annual rise in these network costs have been starting to slow and are expected to fall further following the Turnbull government's decision to abolish an appeals mechanism used by the energy companies to legally challenge prices set by the energy regulator. Mr Sims warned that there was not a "silver bullet" that would resolve the competing policies of reduce greenhouse gas emissions and driving down prices.