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New Energy Bill measures welcome but more to be done

The regions peak business industry group, **Business Hunter** has welcomed the initiatives emerging from the National Cabinet meeting on Friday aimed at reducing the bill shock for households and businesses into early 2023 and 2024.

Whilst the details of the mechanisms and working of the scheme announced by the Prime Minister are yet to be revealed, it flags further recognition by government of the difficult and painful position that many households and businesses find themselves in.

Business Hunter CEO, Bob Hawes said “It is pleasing to see the government has responded and in a manner that has gone beyond just capping the price of gas and coal which on its own was going to have a limited impact.”

“The last federal budget was forecasting increases in energy bills for households of between 40 and 50 percent over the next two years and the latest measures look like being able to restrict that to between 20 and 30 percent. It’s a great start and we hope the same rates can be achieved for businesses, but the bills are still going to hurt when they come in.

“The situation concerning the cost businesses in the Hunter are paying for power is far more complex than it is for households, and we are seeing cases where costs for some local businesses have gone up by in excess of 200 percent. Whilst this is not the norm, the cases aren’t isolated. This is simply not sustainable, and we’ll be looking closely at the latest measures to see how this might mitigate the situation in which some businesses find themselves”.

“We’re also hoping this is not seen by any elements of the market as a long term solution because it isn’t. We must be wary of short term relief measures that make the system more complex and risk becoming ingrained for fear of distracting from the main game which has to be bringing on as quickly as possible large scale renewable projects that bring not just the promise but a reality of cheaper power,” said Mr Hawes.

“We’re also pleased Premier Perrottet has announced the state government will look further at ways to prioritise and fast track the gas pipeline project that promises to bring gas from the Narrabri fields and relieve the concerning situation we have currently on the east coast of Australia. Even so, its still three to four years away and that’s a long time in the current circumstances.

“The shortcomings we now have in the east coast gas market were foreshadowed in 2019 by Business NSW in its [Running on Empty](#) report and unfortunately, international events have exacerbated the situation.

We’re still some considerable time away from being able to provide the community and businesses the assurance and certainty of re-establishing a reliable and affordable energy

supply, and one that won't require continued intervention by government to smooth out the gyrations associated with costs," Mr Hawes added.

We must keep working with government and industry to entice investors and project proponents to get on with the job of securing approvals and permits, sorting out their offtakes and getting on with the job of building and commissioning the large scale renewable generation and storage projects that have been announced but fallen into a hiatus the circumstances of which the current market does not appear to be assisting.

The Hunter region is sitting in two sets of cross hairs – one because we have a high proportion of businesses that use lots of power and are vulnerable to energy price increases and the second, because we have the skills, expertise and willingness to drive and be a major player in the new energy economy. It's just that one set of cross hairs is crystal clear and the other a little shaky. We've got to fix that in a big hurry if the outcome isn't lopsided and we lose businesses before we have the chance to build the new ones," Mr Hawes noted.

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