

IPA MEDIA RELEASE

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ELECTRICITY PRICES SKYROCKET AROUND AUSTRALIA

Electricity prices in parts of Australia have increased at nearly four times the rate of inflation over the last 5 years according to new research released today.

New analysis of Australian Bureau of Statistics data, by the free market think tank the Institute of Public Affairs, reveals the increase in electricity prices in capital cities between 2005 and 2010:

Sydney	61.3%
Melbourne	56.8%
Brisbane	50.7%
Canberra	45.9%
Darwin	35.9%
Perth	35.8%
Adelaide	16.0%
Increase in consumer prices between 2005 and 2010: 16%	

(Source: ABS, Catalogue number 6401.0)

Julie Novak, IPA Research Fellow said, 'Given that the typical household has a power bill of \$1,000 it's no surprise families are suffering under the weight of rising living costs.'

'Australia has abundant sources of energy, but we are paying far too much for electricity. The blame rests firmly with state and federal governments. Renewable energy initiatives are hurting families because they push up the price of electricity.'

'Other reasons for these price increases include the fact that state governments have under-invested in electricity generation. In addition, energy companies are reluctant to make new capital investments because of uncertainty about carbon emission reduction schemes.'

'These prices rises are just the beginning. The introduction of a carbon tax is likely to cause electricity prices to at least double,' Ms Novak said.

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