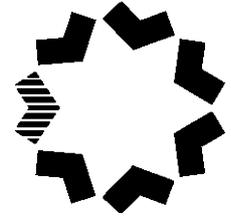


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Media Statement

20 December 2001

INCREASED COMPETITION KEY TO BENEFITS FOR ELECTRICITY CONSUMERS

The President of the National Competition Council, Mr Graeme Samuel today welcomed the Bracks Government's management of the introduction of retail choice for all Victorian electricity consumers.

Electricity reform is a complex process with numerous competing interests. The Bracks Government's approach of progressing choice for consumers, while shielding them from significant fluctuations during the transition to full competition, is to be commended.

The Council also welcomes the open and transparent manner in which the Victorian Government has alleviated the higher cost of electricity supply to rural and regional consumers.

Ultimately the National Electricity Market combined with supplier choice for electricity customers will create the necessary environment to bring improved services and competitive prices.

Electricity is no different to mobile phones. The more competition between suppliers the better the deal for customers.

The introduction of choice and the development of the National Electricity Market will mean that Australia will have an efficient competitive electricity industry and thus the lowest possible prices for electricity users. An important factor will be the continued development of the National Electricity Market and interconnections between the eastern States with the result that surplus power in one State is increasingly able to meet demand in another.

While it is important that the price paid for electricity is sufficient to encourage investment in new generation facilities, the Bracks Government has an understandable interest in protecting Victorians from large price fluctuations while competition is still in its infancy.

For further comment contact: Mr Graeme Samuel - 03 9285 7493
