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To: Retail Electricity Inquiry
Subject: TRIM: Pricing
Attachments: Retail Electricity Inquiry - Issues Paper.pdf; ATT00001.txt

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Good Afternoon,

I would like to provide a brief overview of our companies situation with regard to electricity pricing.

We are today coming off a 3 year contract at 4.5 cents per kw hour for peak and 2.6 cents per kw hour for off peak power.

As of July 1st our peak rate rises to 17 cents per kWh and off peak to 10 cents.

Our business historically has been heavily invested in the Australian automotive industry. We have been endeavoring to diversify our business since the first announcement from Ford that they were ceasing manufacturing in this country. This of course was followed by both Holden and Toyota.

The manufacturing climate in Australia is extremely difficult at present and this enormous rise in the cost of electricity will further reduce our competitiveness.

I am not aware of any time in our businesses history where we have been faced with over a 300% increase for any of our inputs. We are told continually that as a business in our space we must be globally competitive and embrace the latest in technology which we do. We are then hit with an increase such as power and any efficiencies that we have found are eroded away.

How is it possible that our government can allow our gas reserves to be sold offshore to the point where we are now told there is a shortage and that this is the primary reason for the huge hike in electricity prices.

Manufacturing in Australia has survived many challenges. The unprecedented rise in electricity costs will see many businesses find the landscape too harsh and simply close their doors. We need to find a resolution to this current price gouging or this will certainly become the norm and Australia without a strong manufacturing sector will lose vital capabilities.