



STEVEN GRIFFITHS MP JP

Member for Goyder



14 February 2017

Australian Competition & Consumer Commission
GPO Box 520
MELBOURNE VIC 3001

Dear Sir / Madam

I give my full support to the joint application lodged by the South Australian Chamber of Mines and Energy (SACOME) on behalf of 12 prominent South Australian businesses seeking authorisation to establish a multiparty electricity buying group to provide a competitive and reliable energy supply.

The application lodged with the Australian Competition & Consumer Commission (ACCC) on 4 January is in direct response to South Australia's growing energy crisis. It is well known that SA has the most expensive and least reliable electricity in the nation – impacting business, investment and jobs growth. With no certainty in sight, it is imperative for these significant business ventures to implement energy solutions to ensure ongoing prosperity – not only for direct commercial operations but the wider South Australian community.

The joint commercial venture consists of 12 prominent businesses operating in South Australia, namely SACOME, Nystar, Arrium, Oz Minerals, Hillgrove Resources, Rex Minerals, Adelaide Brighton Cement, Seeley, SMR Automotive, Thomas Foods, Intercast and Forge and Central Irrigation Trust. All of these businesses are vital to South Australia's economy and are significant employers – crucially at a time when SA's economy continues to fall behind the rest of Australia, the proposal should be supported.

As outlined in the application, all of these companies operate in global markets where they compete against businesses that enjoy lower input costs i.e. electricity, wages etc. Enabling a joint buying group to secure long term contracts for the supply of their combined electricity loads will assist greatly in providing a more cost-competitive and secure energy supply – removing the level of volatility that these businesses currently endure, and enabling them to better compete at a global level.

In light of the above I trust the joint application lodged by SACOME will be supported.

Yours sincerely

Steven Griffiths MP JP
Member for Goyder