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## **Power price enquiry stopped as pensioners turn off fridges**

**Mt Barker, South Australia, 2 January 2013. Skyrocketing power prices have resulted in some pensioners in South Australia turning off their refrigerators and resorting to buying canned and long life foods in desperate efforts to slash their electricity bills. In the U.S., consumers are paying around one quarter the price for their power and yet the South Australian government have just announced the cancellation of a review into power prices.**

Andrew Sendy, CEO of Solar Wholesalers Australia recently visited the U.S. and was stunned to find that Americans are paying as little as 8.9 cents per kwh for power, and only 12 cents per kwh on average across the US. Compared with the price he is paying in South Australia of 37 cents, the disparity is glaring.

“This is a disgrace,” Mr Sendy says. “It’s a failure of public policy both initially with the Liberal Government privatising our electricity assets without robust enough legislative protections and more significantly with the Labor government of the last ten years doing nothing to reign in the price increases.”

The result today is severe economic hardship inflicted on the elderly and people on lower incomes.

Mr Sendy explains that the rough break up of electricity prices is as follows and also compares this with similar figures for an equivalent size state in America:

	South Australia	Idaho (USA)
<b>Total retail price (mid usage)</b>	<b>37 cents</b>	<b>8.9 cents/kwh</b>
<b>Network Operator</b>	<b>15 cents/kwh</b>	<b>3 cents</b>
Solar Feed in Tariff	4	0 cents
Cost paid to generator	5	4
<b>Retailer Margin</b>	<b>17 cents</b>	<b>1.9 cents</b>

(GST and US Sales Tax is excluded for a more accurate comparison)



I was more astounded upon arriving back in Adelaide for Christmas to hear that the SA Government had cancelled a planned enquiry into power prices

“I’m not claiming there is any rorting going on but the price difference alone between the cost of running a power network in Australia and the US must raise enough suspicion for an enquiry and is surely proof that the regulatory regime is failing,” says Mr Sendy,

As Solar Wholesalers purchases solar equipment from overseas, Mr Sendy has watched as manufacturing prices have plummeted; a fact he believes would be echoed in the cost of equipment such as the transformers used by SA Power Networks. He feels that this, in line with the strong Australian dollar should be going a long way towards the easing the cost of maintaining the grid, but that this is not being reflected in lower power prices.

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Andrew Sendy is the CEO of Solar Wholesalers, a South Australian owned company that specialises in the sale of high quality and affordable solar power systems in Adelaide and across most of regional South Australia.

A page has been provided on the Solar Wholesalers website showing the US Energy Administration’s reported figures for retail power prices in each state as at October 2012.

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