

28 August 2023

## **POWER COSTS AND PREVENTING BLACKOUTS KEY FOR BUSINESSES**

The region's peak business organisation, Business Illawarra, has today released preliminary results from its [Business Conditions Survey](#) highlighting how businesses want government to focus on keeping energy costs down and preventing blackouts when it comes to deciding on the fate of the state's largest power station.

The NSW Government is reviewing a report which may determine the future of the Eraring coal-fired power station. Keeping it open would cost an estimated \$200-400 million per year. Closing the facility, which accounts for about 25 per cent of the state's total power needs, would drive up the wholesale cost of electricity.

The August Business Conditions Survey, undertaken by Business NSW in collaboration with Business Illawarra, had more than 1,000 respondents and has revealed business's priorities when it comes to what the government should do.

"Thirty-nine per cent of respondents said keeping bills down was the number one priority," Business Illawarra Executive Director Adam Zarth said.

"Thirty percent said lowering the risk of blackouts was a top priority, while 21 per cent listed reducing emissions.

"The majority of businesses tell us that they want to transition to a net zero future, so we need to have a solid plan which considers all the options and actively accelerates delivery of reliable and affordable greener power."

While NSW small businesses on default tariffs have endured an average price increase of 15-22 per cent since July 1, many businesses are facing more severe increases.

One small hospitality business said their yearly electricity bill went from \$16,500 in February to \$28,000 in July, a 70 per cent increase. The business said the support from government is a \$150 rebate quarterly.

"Businesses want governments to find solutions to these challenges that do not entail adding extra costs to consumers' bills," Mr Zarth said.

"The government needs to find ways to finance its Eraring decision without passing the cost on to energy consumers."

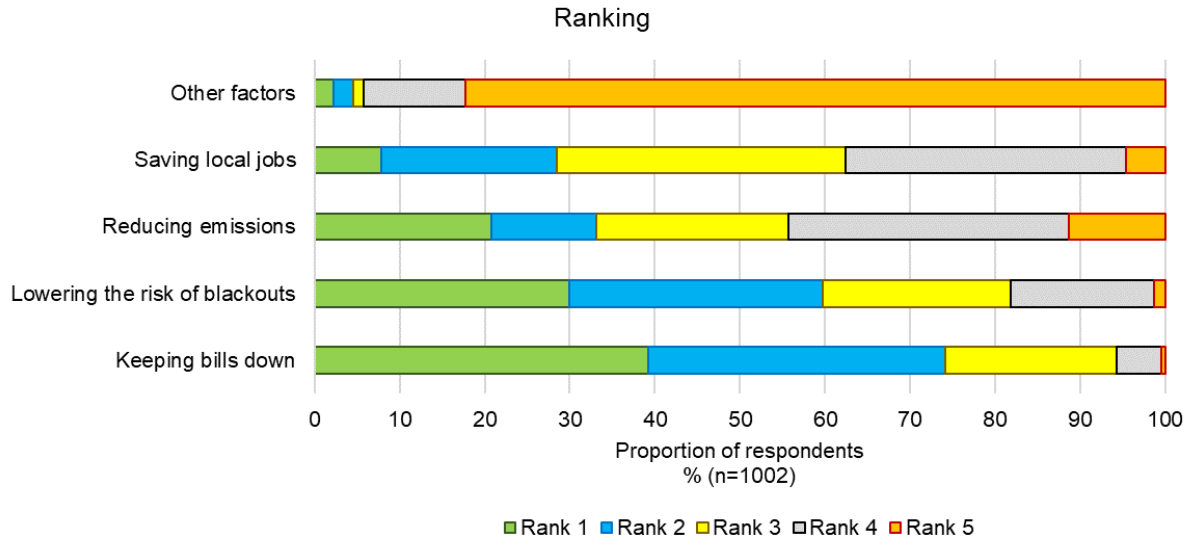
Based on these results, Business Illawarra is backing Business NSW's calls on the NSW Government to:

- Ensure that energy consumers don't carry the cost of keeping Eraring open in their bills;
- Remove planning barriers presently hindering the delivery of new energy infrastructure;
- Introduce a simple and accessible energy advice program for small businesses to help them reduce their costs and support them to get to net zero; and
- Ensure that gas supplies are brought online promptly to provide cleaner alternatives to burning coal.

In the August Business Conditions Survey, businesses were asked:

*The NSW Government is currently deciding whether to extend the life of the Eraring coal-fired power station, the state's largest power station. When making its decision, how should the government prioritise the following factors?  
(1 = highest priority, 5 = lowest priority)*

### Business views on key priorities



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#### **About Business Illawarra**

Formerly the Illawarra Business Chamber, Business Illawarra is the region's peak business organisation, and the regional office of Business NSW responsible for the south-east of the state, including the Southern Highlands.