

Energy Industries

Public Accounts and Estimates Committee

Tuesday, 4 July 2006

The Hon. Theo Theophanous MLC
Minister for Energy Industries



Department of Infrastructure



Energy Industries

Overview

- Energy industries portfolio has a growing work program
- Major challenges include:
 - Attracting investment in power generation to meet Victoria's future energy needs while promoting sustainability and greenhouse abatement;
 - Victoria's central role in the national energy market reform process;
 - Ensuring consumers are adequately protected in an increasingly competitive retail market;
 - Responding to security threats to critical energy and transport infrastructure, and improving electrical safety.
- Budget for Energy Policy Output 2006/07: \$11.7m

Investment and Sustainability

- Victoria is addressing the Greenhouse Challenge for Energy on several fronts:
 - National Emissions Trading Taskforce
 - Energy Technology Innovation Strategy
 - Renewable energy strategy
 - Facilitation of Alcoa expansion
 - Energy Efficiency Campaign

National Energy Market Reform

- Victoria's leadership of the national energy market reform process has led to:
 - The Australian Energy Regulator (AER) being based in Melbourne, creating jobs and ensuring that we are at the centre of the reform debate
- Victoria has much to gain from national energy market reform:
 - National regulation lowers the costs faced by Victoria for regulation of energy transmission, distribution and retailing activities
 - Victoria's network pricing and consumer protection regimes are national best practice
- Key projects in 2006/07:
 - Gas Market Reform
 - National regulation of energy retailing and distribution
 - Energy Reform Implementation Group

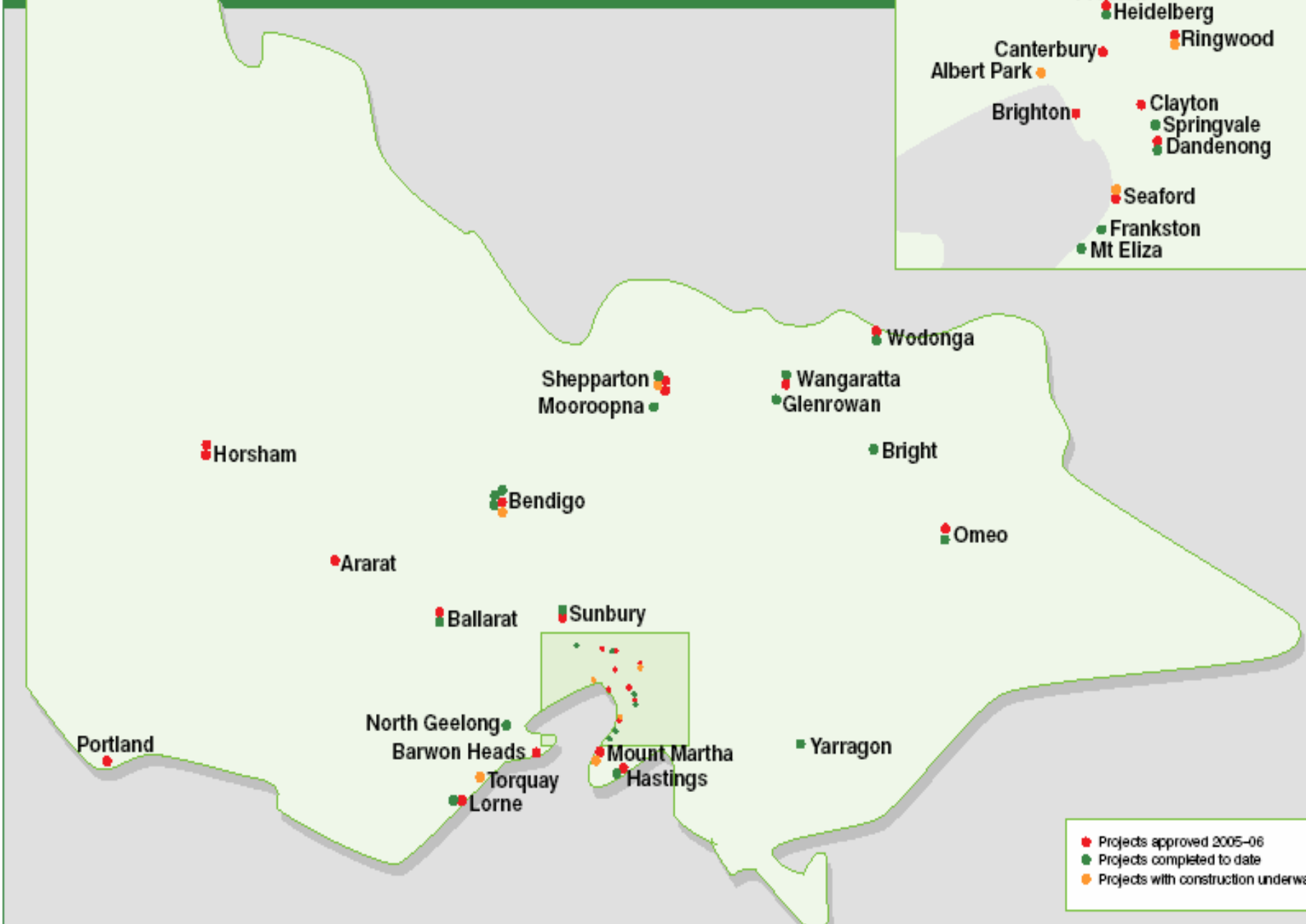
Consumer Protection and Competition

- Victoria is a national leader on energy consumer protection, retail competition and energy infrastructure development
 - Customer churn rates
 - Safety Net prices
 - Government response to Hardship Inquiry
 - Advanced Interval Meter Rollout
 - Natural Gas Extension Program

Energy Safety and Amenity

- Energy Safety is of the highest priority to the Government
 - Establishment of Energy Safe Victoria
 - Energy fatalities in Victoria
- The Government is also investing in improving the visual amenity of local communities:
 - Powerline Relocation Scheme

Powerline Relocation Scheme



- Projects approved 2005-06
- Projects completed to date
- Projects with construction underway

Energy Industries

Supply Security

- The Government has facilitated 1725MW of new supply capacity since 1999
- Recent achievements:
 - Basslink
 - Reserve Trader tender
- Future outlook
 - Summer 2006/07
 - Laverton North (312 MW)
- Terrorist threat to critical energy infrastructure
 - DOI working with energy operators and Victoria Police to monitor security threat.