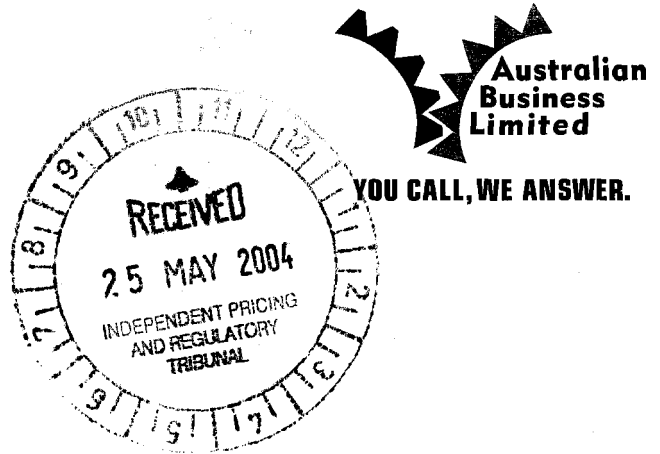


20 May 2004

Ms Fiona Towers
2004 Electricity Network Review
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
SYDNEY NSW 1230



Dear Ms Towers

Australian Business Limited wishes to draw IPART's attention to the significant levels of business concern regarding increases in energy costs.

IPART recently released the "Review of Regulated Retail Prices for Electricity to 2007, Draft Report and Draft Determination". Table 4.1 in the report details average increases in network charges of between 3.7% - 5.6% for NSW consumers. Coupled with expected increases from the ACCC determination into Transgrid transmission charges, ABL believes the concerns of business are justified.

This is detailed in the ABL member survey where **83%** of all respondents indicated concern regarding energy costs, **53%** indicated this was of a major or moderate concern. Survey results further indicated a greater degree of concern amongst regional and rural consumers with 60% showing moderate to major concern regarding the costs of energy.

ABL recognises the need for reliable and cost effective infrastructure, however energy use is relatively inelastic, with price increases passed through to consumers. These pricing 'pass throughs' restrict the competitiveness of the NSW business community and should be given significant consideration during this important determination process.

Yours Sincerely

Paul Orton
General Manager, Policy