



**ENERGISING
NEW ZEALAND**



David SHEARER MP

Thank you all for coming along today.

I'd like to welcome you Russel, and thank you for joining me here today to tackle an issue that is of deep concern to all Kiwis.

Power prices are out of control and New Zealanders are being ripped off.

This can't go on. It's time to act to bring down power bills for New Zealand families. That's what the Government I lead will do.

People are working hard but they're not getting ahead.

Many families with young children tell me they can't afford to heat their homes properly.

One woman at a Grey Power meeting told me she should be kicking back at her age but instead she was worried about whether she could afford to put her electric blanket on this early in the year.

I don't want people risking their health or taking a hit in the back-pocket because of sky high power prices anymore.

That's why I'm announcing today that Labour will:

- Bring down power bills by up to \$330 a year
- Put a lid on future price rises
- Lower costs for businesses
- Give our economy a \$450 million boost
- And create more than 5000 jobs

We'll do this by creating a new agency called NZ Power to act as a single buyer of wholesale electricity.

For too long, power companies have been making super profits on the backs of hard-working Kiwis.

Our power should be among the cheapest in the world because two-thirds of it comes from hydro, where water is free and our dams have been paid off.

But instead prices in New Zealand are rising faster than in many other countries.

The average household power bill has gone up by almost \$770 over the past 15 years.

We can't go on this way.

So rather than paying power companies the same high price for all electricity – regardless of how much it costs to produce – we'll introduce a fairer pricing system.

It means companies will still get a fair return and families will finally get a fair go.

As Prime Minister, I'll put a stop to super profits and pass the savings onto Kiwi families.

Our policy will cut the nation's power bills by up to \$700 million a year.

It will cost the Crown between \$60 to \$90 million dollars but that's a small price to pay when 1.7 million Kiwi households will benefit.

We'll cover the cost within the current budgeted allocations for new spending and we'll stay on track to reach surplus by 2014/15.

This policy is likely to have an impact on share prices.

That's why I've written to the board of Mighty River Power and shareholding Ministers asking them to use their powers to issue a Supplementary Disclosure.

This will allow Kiwis who've applied for shares since Monday to reconsider.

But I want to be clear about one thing.

People can choose to buy shares but they don't have a choice about buying electricity.

We acknowledge this isn't a new problem. But that's no excuse for just giving up.

The last Labour Government wasn't able to go far enough.

Under my leadership, the next one will.