

# PRESS RELEASE

FOR IMMEDIATE RELEASE – Monday, May 29, 2017



## Energy users are not a magic pudding

The peak industry body representing the needs of large energy users, the Energy Users Association of Australia (EUAA), are disappointed with this week's Federal Court Decision that will see energy users pay billions more for energy network services over the coming years.

A number of NSW network businesses have been successful in overturning price cuts of about 20 per cent imposed by the Australian Energy Regulator (AER) in its recent pricing determination. This decision may also affect upcoming price resets in other states.

Speaking at the end of the EUAA National Conference in Brisbane, CEO Andrew Richards said this decision is another blow to energy users already under extreme cost pressure brought about by escalating energy costs.

"It's hard for energy users to not feel like a magic pudding from which a range of market participants can continue to feast."

"Energy users accept and understand that a rapid transition of energy markets is upon them, but they should not be expected to accept an ad-hoc approach to change and a regulatory environment that does not protect their long-term interests."

Over the last two days at the EUAA National Conference, a broad range of speakers from energy regulators, customers, financiers and energy market participants have spoken about the multiple drivers of energy costs and the unprecedented changes going on in energy markets.

"There are many moving parts to the energy market and what makes up the final energy bill. Unfortunately over the last decade all these parts seem to be moving against the long-term interests of consumers."

The COAG Energy Council is currently reviewing the processes by which network business

can appeal AER decisions that will hopefully lead to less appeals and better outcomes for energy users.

The EUAA supports strengthening the AER and narrowing the scope of appeals so that their original decisions are robust and that only specific issues can be appealed. We would also like to see more resources made available to energy user groups to facilitate greater participation in the process to ensure the customer is properly represented.

“We understand energy networks need to make acceptable returns for shareholders, but it appears the current rules allow them to do so at the expense of energy users, ” added Mr Richards.

“We are not seeking to undermine the financial viability of network businesses but to rebalance the process so that the interests of energy users are better represented and protected.”

-ends-

Media Contact: Emily Wood 0421 042 121