



13 December 2016

## ENERGY REFORM IS URGENT TO AVERT SYSTEMIC CRISES

Representatives of Australia’s communities, households, business energy users and energy suppliers today called on the Commonwealth Government, the States and all other stakeholders to support reform of Australia’s energy systems and markets to ensure reliability and affordability as we decarbonise the energy system. The status quo of policy uncertainty, lack of coordination and unreformed markets is increasing costs, undermining investment and worsening reliability risks. This impacts all Australians, including vulnerable low-income households, workers, regional communities and trade-exposed industries.

Energy has been a source of advantage for our industries and prosperity for our households. It should become so again even as Australian governments, businesses and communities deliver our national contribution to the global net zero emissions goal of the Paris Climate Agreement.

Much depends on the success of two closely connected policy processes.

The **2017 climate change review** should assess all policy options and provide advice to Government. Taking policy options off the table at this point risks a less efficient transformation, continued investment uncertainty, higher electricity prices and lower international competitiveness. If the 2017 review fails to deliver a clear path forward for stable climate policy, Australian consumers face reliability risks and failing to meet the Government’s international emissions commitments.

As the Preliminary Report of the **Finkel Review** correctly notes, many of the technological, economic and consumer trends transforming our energy systems are irreversible. Policy and market designs need to evolve if investors are to deliver the energy services Australians require at a price they can afford. A raft of reforms are needed to encourage and support flexibility throughout the system. The next stage of the Finkel Review should be an opportunity to explore these possibilities and develop a comprehensive and integrated suite of reforms. Policy should be implemented promptly with broad based political support.

There is broad agreement across Australia's energy users and suppliers on the urgency of fixing the situation. All sides of politics and all levels of government share responsibility for the current state of our energy systems – and for taking action with the energy industry and its customers to improve it. A collective failure to act would come at a cost to all Australians.

*Statement made by:*

Australian Aluminium Council	Clean Energy Council
Australian Conservation Foundation	Energy Consumers Australia
Australian Council of Social Services	Energy Efficiency Council
Australian Council of Trade Unions	Energy Networks Australia
Australian Energy Council	Energy Users Association of Australia
The Australian Industry Group	Investor Group on Climate Change
Australian Steel Institute	St Vincent de Paul Society National Council
Business Council of Australia	The Climate Institute
Cement Industry Federation	WWF Australia

*Please contact the respective organisations for media comment.*