

Thursday 30<sup>th</sup> April, 2015

## **AER Network Determinations 'Luke warm' At best**

The National Irrigator's Council (NIC) today welcomed what could only be described as a 'luke warm' attempt by the Australian Energy Regulator (AER) to reign in out of control electricity prices.

Chair of the National Irrigator's Council Energy Committee, Dale Holliss said he was disappointed the cuts did not go further and said NIC would be closely examining the final determinations in NSW/ACT and the draft Determinations in SA and Qld.

Mr Holliss said whilst NIC welcomed the fact that in the next five year determination period there would not be double digit year on year price hikes, the damage had been done and the cost of electricity was already far too high.

"While the revenue reductions announced by the AER in order of 30%, appear impressive at first glance, the reality is that in some case these cuts will still lead to small increases in power bills, and at best reductions in the order of 10%. This does little to relieve the pressure that has come from 300% power price increases over recent years.

"NIC will consider its options in relation to launching an appeal to the tribunal if it was found, following the final determinations, that Australia's irrigated agricultural industries were going to continue to be short changed by the monopoly run electricity networks," he said.

"Australia is an energy producing super-power, however the only thing super about the price we pay for electricity is that it is super expensive for consumers.

"NIC has been a constant voice fighting for not only cheaper electricity for irrigators but for all consumers and following today's announcement we have no choice but to continue that fight.

"It comes as no surprise to us that poll after poll around the country list cost of living/doing business as a major issue for many Australians. In a large measure this is driven by energy prices," Mr Holliss said.

"The current regulatory arrangements for setting the price determinations for network companies are complicated and convoluted and are designed to ensure that no one level of government has to take responsibility for the ridiculous electricity price increases consumers have been and will be slugged with."

NIC welcomes the current review of Australian Energy Markets Governance Arrangements and hopes that this will result in changes that will remove complex energy market operations and be part of delivering a fairer go for consumers.

Mr Holliss said the issue of electricity prices is too important not to be a top of mind issue for political representatives across all parties. The NIC will continue to fight the crippling cost of electricity which is undermining the viability of rural businesses and impacting on the social and economic wellbeing of rural and regional communities.

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