

MEDIA RELEASE

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CONSUMER GROUPS TAKE ON DISTRIBUTORS TO KEEP ENERGY PRICES DOWN

Consumer advocates are preparing to fight Victoria's billion-dollar electricity distribution businesses in the Federal Court in a last ditch bid to prevent consumers feeling the pain of unfair electricity price rises.

The Consumer Action Law Centre and the Consumer Utilities Advocacy Centre have applied to the Australian Competition Tribunal for leave to intervene on behalf of consumers, in the appeals lodged by Victoria's five electricity distributors against the Australian Energy Regulator's recent price determinations that cut back the amounts the distributors wanted to charge consumers over the next five years.

Consumer Action's Director of Policy & Campaigns, Nicole Rich, said that distribution costs accounted for around 40% of household electricity bills and it would be very unfair if Victorian consumers were forced to pay millions of unnecessary extra dollars because distributors were able to argue for more money in court proceedings in which consumers did not get a say.

"The regulator has already approved distribution price rises and while we don't argue with paying for important electricity services, maintenance and infrastructure, we don't think Victorians should have to pay more than is needed for these functions. The regulator's most recent report shows that the distribution businesses have generally been charging Victorian consumers more than they needed to and pocketing the difference," Ms Rich said.

Jo Benvenuti, Executive Officer of the Consumer Utilities Advocacy Centre, said, "this legal action is a first for consumers in Australia. The appeal system isn't fair to consumers as we get to have a say in the regulator's decision, but have no automatic right to intervene if the distributors are permitted to proceed with their appeal."

"We hope that by standing up for consumers in this process we will bring home to energy businesses the seriousness of the cost of living pressures confronting Victorians every day. Just as every dollar counts for consumers, the businesses need to be brought to account for every dollar they claim when putting their costs before the regulators.

"Electricity is an essential service and we're pleased to see the Victorian Government also recognises the importance of challenging these businesses by announcing it too will intervene if the appeal goes ahead. Unlike consumer representatives, the Minister does not need permission to intervene."

Law firm Maurice Blackburn is representing the organisations in the proceedings on a pro bono basis, supported by barristers Kristine Hanscombe SC and Melanie Szydzik.

A hearing will be held on 17 February 2010 to determine whether the distributors will be given leave to proceed with their appeal and, if so, whether consumer advocates will be given permission to intervene. If given the go ahead, the appeal is expected to be heard in March 2010.

Consumers can find out more or leave comments on our blog <http://fairpricesforpolesandwires.blogspot.com/>.

The Australian Competition Tribunal is established under Australia's competition and consumer laws to hear certain types of legal reviews. For the purpose of hearing and determining proceedings, the Tribunal is constituted by a judge of the Federal Court of Australia and two other members, who have knowledge of or experience in industry, commerce, economics, law or public administration. The Federal Court houses the Tribunal.

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