

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, building materials and food processing industries. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

The Energy Users' Association of Australia (EUAA) makes two comments on the Directions Paper.

1. We were surprised and disappointed to see the endorsement of the Draft Decision by the CEO of Energy Consumers Australia. We do not think it is good practice for the Commission to use a stakeholder endorsement in a Directions Paper (or indeed any decision). There is a submissions process for all stakeholders to express their views. In this case it had the effect of saying consumers supported the rule change and sent a message to other consumer advocates that any submission they made that differed from the Directions Paper would be a waste of time. This is a long way from best practice engagement.
2. We believe the Directions Paper misrepresented the EUAA view on the rule change. The Directions Paper says (p.12):

“The EUAA is not in favour of an increase in the APC.”

and then goes on to refer to a range of issues raised in our submission that did not relate to the claimed opposition to an increase but were issues that we invited the Commission to consider as they considered whether an increase in justified.

What our submission did say was (p.1):

We are being asked to express a view on a major policy change that could have potentially large impacts on consumers on the basis of very high level modelling in the Consultation Paper and a ‘qualitative judgement’ or intuition. The Consultation Paper agreed that ‘further analysis’ is required (p.14). The AEMC reported to the Forum on 17th August on progress with that modelling, encouraging stakeholders to engage with the Commission. But, in the absence of details being provided by the Commission, that is difficult to comment on. It would be a very disappointing outcome for consumers were the final expedited decision to contain additional modelling to justify the Commission’s decision.

We are being asked to express a view on the basis of assessment criteria including:

Outcomes for consumers: Will consumers face lower costs as a consequence of changes to the APC?

We are unable to do this and in the absence of that modelling our only course is to oppose the rule change.

Our core proposition was that it was not possible to come to a view on whether the APC should rise in the absence of more analysis. That is why we objected to the expedited process. In our objection we said:

“The EUAA supports a review of the APC, but our proposition is that it should be done with the appropriate rigour that comes with a normal two stage process.”

In discussions with Commission staff, we emphasised that we may support an increase in the APC based on seeing the comprehensive modelling and stakeholder engagement that results from a normal two stage consultation process. We have yet to see that.

Thank you for the opportunity to make this submission. Do not hesitate to be in contact should you have any questions.

Kind regards,

A handwritten signature in black ink, appearing to read 'A Richards', written in a cursive style.

Andrew Richards
Chief Executive Officer