

Media Release: Analysis of Gentailer Profits

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Gentailers keep investing more in shareholders than consumers, says new analysis

Electricity consumer watchdog the Consumer Advocacy Council says updated analysis by FIRST Union, the NZCTU and 350 Aotearoa on gentailer profits and dividends makes for disturbing reading.

Their report states that for every dollar the 4 gentailers invest in new renewable energy capacity, \$2.41 is paid out to shareholders in dividends. It says they have earned \$7.6 billion in net profit after tax, over the past decade but paid out much more than that - \$10.8b to shareholders.

"The report findings suggest gentailers are prioritising returning dividends to shareholders, which include the Government, over investing in new renewable energy and keeping power prices affordable," said Council Chair Deborah Hart.

"At a time when over 100,000 households are struggling to keep their homes warm, and we remain in a cost-of-living crisis, the report shows that gentailers' priorities are all wrong. How can looking after shareholders in this way be fair when people are struggling to pay bills and when we have an urgent need in a climate crisis to decarbonise electricity production?"

"Gentailers make strong statements around their plans to invest in renewables, but clearly this analysis shows there is a lot of fat in their bank accounts which means they could do far more to address the urgent challenges we have.

"Quite simply, gentailers should be pouring money into new renewable energy generation and prioritising affordability of electricity for consumers.

"This is further evidence that the market model for electricity is not working well for small business and residential consumers. Something must change because the market is failing to deliver what consumers want and that is affordable, sustainable, and reliable electricity.

"We welcome the Government's commitment to accelerate investment in renewable energy and we look forward to its approach to ensuring the industry delivers for small businesses and residential consumers, and not just shareholders," said Deborah Hart.