



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

Ms Nicole Joffe
Director
Electricity Markets Branch
Australian Consumer and Competition Commission

By email: ElectricityMonitoring@acc.gov.au

30 May 2019

Nicole
Dear Ms Joffe

Consultation on ACCC Guide to the Electricity Retail Code

High electricity costs continue to cause significant difficulty for Australian small business. The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) made a submission to the ACCC's Retail Electricity Pricing Inquiry setting out the difficulties small business has coping with unexpected price increases, often far in excess of 20%.

The ASBFEO is pleased that the 2018 ACCC report on this matter, and the government response, have resulted in legislation that should see an end to previous 'price gouging activity'.

Post-implementation review

The ASBFEO notes that post-implementation review of the effectiveness of the changes was not part of the questions posed in this consultation. However, post-implementation review activity undertaken by the ACCC will be critical to ensure success of the regulations and draft guidelines. It is important that clear evidence is found of a reduction in small business electricity charges as a result of the Code. In particular, the ASBFEO looks forward to seeing the expected \$453 - \$937 savings for small business that were foreshadowed by the ACCC report.

Monitoring electricity retailers' improvements in advertising approaches will be crucial to seeing savings for small business being realised. Electricity retailers failed to improve their approaches voluntarily when encouraged by the ACCC prior to this legislation being introduced. Close monitoring will be required as well as the imposition of penalties to ensure compliance.

Comparator websites

Comparator websites are not covered by the Code. This creates problems where these websites represent pricing and discounts to small business consumers as there is no guarantee that these websites will follow the standards set out in the *Guide for Comparator Website Operators and Suppliers*. The ACCC should expand their compliance checking to these websites if small business is to achieve the promised savings. The ACCC should also bring comparator websites under the Code if problems persist.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Alexandra Hordern on 02 6121 5312 or at alexandra.hordern@asbfeo.gov.au.

Yours sincerely

Kate Carnell AO

Australian Small Business and Family Enterprise Ombudsman

T 1300 650 460 E info@asbfeo.gov.au

www.asbfeo.gov.au

Office of the Australian Small Business and Family Enterprise Ombudsman
GPO Box 1791, Canberra City ACT 2601