



29 May 2013

Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

Thank you for the opportunity to comment on the AEMC *Strategic Priorities for Energy Market Development Discussion Paper 2013*.

The Energy & Water Ombudsman NSW investigates and resolves complaints from customers of electricity and gas providers in NSW, and some water providers.

In contributing to the AEMC *Strategic Priorities for Energy Market Development Discussion Paper 2011* EWON identified the issue of affordability as one needing strategic consideration. EWON continues to hold this view and again points out that the current discussion paper does not cover this issue.

Affordability of essential utility services in the face of significant price increases is a significant issue. It is important for the industry and for disadvantaged consumers that responses are driven from an evidence base and that there is a policy framework for understanding the issue of affordability and best practice responses.

As the AEMC is the body charged with providing policy advice to Energy Ministers there are opportunities for the AEMC to develop and support strategic research and policy. AEMC could build into its strategic priorities work commissioning research into the effectiveness of differing community service obligations in the NEM. In the context of national regulation, research to provide an evidence base for identifying best practice and potentially harmonising areas such as rebates and emergency assistance would benefit both consumers and the industry.

EWON along with the other energy ombudsmen, the Energy Retailers Association of Australia (ERAA) and the Australian Council of Social Services (ACOSS) recently hosted the National Energy Affordability Roundtable to discuss practical solutions to address the issue of energy affordability. The Roundtable was held in April 2013 and at its request, a report of the Roundtable outcomes has been submitted to the Standing Council on Energy & Resources (SCER) for their consideration.

We recommend this report for consideration by the AEMC.

The discussion paper has proposed three new strategic priorities. These are:

- Strengthening consumer participation while continuing to promote competitive retail markets ("*consumer priority*").



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- Promoting the development of efficient gas markets (*"gas priority"*).
- Market arrangements that encourage efficient investment and flexibility (*"market priority"*).

EWON would like to particularly endorse the proposals for strengthening consumer participation and further developing opportunities to allow consumer choice in the energy market. We would point to the Power of Choice process which, based as it was on extensive consultation, has provided a strong policy base for a staged implementation of significant consumer focused reforms.

If you would like to discuss this matter further, please contact me or Emma Keene, Manager Policy, on 8218 5250

Yours sincerely

A handwritten signature in dark ink that reads "Clare Petre".

Clare Petre

Energy & Water Ombudsman NSW