



Government  
of South Australia

Department of  
State Development

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

AEMC reference: RRC0001

Dear Mr Pierce *John*

Thank you for the opportunity to comment on the Australian Energy Market Commission's (AEMC) Draft Rule Determination – *National Energy Retail Amendment (Retailer price variations in market retail contracts) Rule 2014*.

The Energy Markets and Programs Division (Division) of the Department of State Development supports the findings set out in the Draft Rule Determination and the making of the Draft Rule.

The Division provided a submission to the AEMC's Consultation Paper on the rule change request that focused on the benefits of a competitive retail energy market for customers. The submission argued that the ability of retailers to offer a wide range of contract types is a critical part of a competitive market and provides greater opportunity for customers to find an offer that suits their needs. The Division considers that the AEMC's Draft Rule will ensure that customers continue to benefit from a level of choice in the market which allows them to select an offer which suits their particular needs.

In retaining a level of choice for consumers, the Division's submission noted that it is important that consumers are aware of and can readily understand the various contract types available to them. Concerns around the complexity of available information and consumer's ability to extract relevant information that will help them make an efficient decision were expressed.

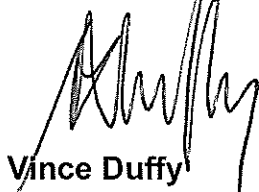
The Division considers that the AEMC's Draft Rule helps address this issue by ensuring that consumers are provided with early information regarding whether prices can vary during a contract and if so, when consumers will be notified of any actual price changes. The Division agrees that this will ensure consumers are fully aware of the nature of the contract they are entering into prior to the expiry of the cooling off period.

The AEMC's Draft Rule is supported by other activities underway in the industry which help address the Division's concerns. In particular, the primary tool used by South Australian consumers to compare offers, Energy Made Easy, is being improved and relaunched by the Australian Energy Regulator. The rule change process also provided an opportunity for retailers, consumer representatives, governments and regulators to engage on the provision of energy information to consumers. The Division considers that it is important for continued engagement on this issue to ensure that consumers are receiving clear information.

The Division is supportive that the AEMC's Draft Rule builds on current information provision requirements. As the Draft Rule does not introduce new compliance processes for retailers, it should not result in a price increase for consumers. Accordingly, the Division considers that the AEMC's Draft Rule combined with other information provision improvements underway will help consumers actively engage with the energy market and select the energy offer that best suits their needs.

I look forward to the release of the AEMC's Final Rule Determination later this year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Vince Duffy', written over a horizontal line.

**Vince Duffy**  
**EXECUTIVE DIRECTOR**  
**ENERGY MARKETS AND PROGRAMS DIVISION**  
**RESOURCES AND ENERGY GROUP**

20 August 2014