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Department of Energy, Environment and Climate Action

Submitted online

Small Business Energy Customers

The Australian Financial Markets Association (AFMA) is responding to the Department of Energy, Environment and Climate Action's (DECCA) Review of Regulatory Approach to Small Business Energy Customers.

AFMA is the leading industry association representing Australia's financial markets - including the capital, credit, derivatives, foreign exchange, and other specialist markets such as environmental products. We have more than 140 members, from Australian and international banks, leading brokers, securities companies, and state government treasury corporations to fund managers, energy firms, and industry service providers. AFMA's members include energy retailers who supply over 90% of east coast energy customers.

Key Points

- **The proposed changes strike a better balance between large customer choice and small customer protection**

AFMA supports the proposed changes as we consider they better balance customer choice for large customers and consumer protection for small customers. Victoria's current relatively low 40MWh threshold for electricity small business customers combined with the inability to aggregate multiple sites has meant that consumer protection rules have applied to a narrower class of single site small business customers than in other NEM jurisdictions, while at the same time capturing individual small sites within the portfolios of sometimes very large multi-site customers. AFMA considers that Victoria's current approach has led to sub-optimal targeting of consumer protections for small businesses while imposing cost and inconvenience on large energy consumers, we therefore support DECCA's proposals to allow aggregation and to raise the business small customer threshold.

AFMA would also like to point out that, in addition to the benefits identified in the paper for small and medium sized business customers, this change will be of significant assistance to very large multi-site business customers who will benefit from being able to include all of their sites under a single retail contract. For example under the current arrangements very large customers, such as mines or a smelters, have to enter into separate small customer contracts for smaller secondary sites, such as offices, rather than including them in their main energy contract. This is burdensome for them, partially when they may have a single retail contract for all their sites nationally or when their preferred retailer is not licenced to supply small customers.

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information about this submission. Please contact me at lgamble@afma.com.au or 02 9776 7994.

Yours sincerely,

Lngamble

Lindsay Gamble

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