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Submitted by **email** to Katharine Hole (katharine.hole@planning.nsw.gov.au)
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Proposed amendments: NSW Affordability Package

The Australian Energy Council (the Energy Council) welcomes the opportunity to provide feedback following Wednesday's briefing from the Department on its approach to consultation and implementation of the NSW Government's energy affordability package.

The Energy Council is the industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

The Energy Council has serious concerns arising from Wednesday's briefing, regarding both the consistency between the consultation undertaken by the Department and the NSW Government's Guide to Better Regulation, and the Departments proposed approach to implementing the amendments. We urge the Government to consider the timing of the proposed amendments in the context of customers' likely experience of these measures. Further, the Commonwealth Government is also considering similar matters in the current Federal Treasury review of service fees, and the Energy Council urges the Department to consider alignment with this Commonwealth review.

Approach to better regulation

The energy industry is very aware of the importance of consultation. Consultations serve an important purpose in ensuring all effected stakeholders have a voice. As an industry we do not believe that the approach taken in this instance at limiting the response time for submissions to 24 hours, as outlined at the Wednesday briefing, has served the long term interests of consumers well. The truncated and abrupt nature of the consultation establishes a precedent that circumvents, or even ignores, the proper process of making regulation.

This approach has now placed us in the unfortunate position that the draft regulations may be disallowable, as the process has not been consistent with the NSW Government's Guide to Better Regulation. Published in 2016, the Guide says:

Effective consultation with stakeholders is required to inform the development of regulatory proposals and to assist the Government to thoroughly understand the impacts.

And importantly:

The minimum consultation period on draft regulations is 28 days.

Regardless of the Departments perceived consumer benefit in the current package, the Energy Council wishes its protest at the approach to consultation to be noted.

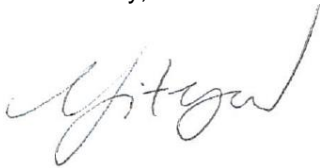
Transition and implementation arrangements

The Energy Council has previously contended that imposing a blanket ban on paper billing fees will reduce the incentive for customers to take up lower cost electronic billing channels, which will inevitably increase business operating costs. In our experience improving customer engagement with competitive retail energy markets remains the key to better customer outcomes for both price and service.

To align the implementation of the proposed regulatory amendments with the current Federal Treasury review of fees on billing types and channels, the Energy Council proposes a minimum six month transition period. This will provide the necessary opportunity to reflect on the findings of the Treasury review and make a more informed decision in July 2018. Greater uniformity around how paper billing fees are administered across jurisdictions is consistent with NECF objectives, and helps align the necessary system changes to comply with any new obligations into a single project.

Any questions about our submission should be addressed to Tess Fitzgerald, Retail Policy Manager by telephone on (03) 9205 3115.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Tess Fitzgerald', written in black ink.

Tess Fitzgerald
Retail Policy Manager
Australian Energy Council