



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

18 December 2018

Australian Competition and Consumer Commission
23 Marcus Clarke St
Canberra ACT 2601

By email: ElectricityMonitoring@accc.gov.au

Dear Mr Drake,

ACCC Monitoring of Electricity Supply in the National Electricity Market

We welcome the ACCC engaging in monitoring electricity supply. When building the analytical framework it is critical that small and family business are captured as a distinct customer type.

Consumer have protections under law, large businesses have the power to negotiate. Small and family businesses operating from home have neither the law nor power to negotiate fair offers from retailers. Capturing small and family businesses as a distinct group will allow the ACCC to monitor if electricity providers are using predatory pricing tactics to extract as much money as possible from these businesses to offset discounted pricing offered to large businesses.

To fully inform the expectations of market outcomes and participant behaviour the framework will need to capture how pricing offers are conveyed to consumers. A distinct category for small and family businesses is needed. Consumer offers are simple to understand and allow comparison of offers. Yet retailer offerings for small and family businesses are convoluted and prevent comparison between providers. A key factor that enables predatory pricing by the retailer.

As flagged in our earlier submission on monitoring of prices, actions must recognise and address the imbalance of power held by retailers in the electricity market. The monitoring framework must capture not only prices but how they are conveyed. The framework must include a distinct category to allow the ACCC to identify participant's behaviours to small and family businesses.

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Yours sincerely

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