



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

9 July 2018

Department of the Environment and Energy
John Gorton Building, King Edward Terrace
ACT, 2601

By email: NationalEnergyGuarantee@environment.gov.au

Dear whom it concerns

NATIONAL ENERGY GUARANTEE – COMMONWEALTH ELEMENTS

We support the Commonwealth elements of the National Energy Guarantee (NEG). Long-term policy for setting and amending emissions targets, providing exemptions and allocating offsets will provide certainty to market participants. Setting key parameters for the energy market will lower the risk for investors to develop and build low emission technologies.

Action to reduce the end cost to consumers is critical for our SMEs. SMEs make a valuable contribution to our economy – employing 67 per cent of Australians and contributing 57 per cent to our GDP. Their contribution to our economy will be negatively impacted by continued increases to energy costs.

Yet rising energy prices remain a key concern. Energy Consumers Australia found that between April 2017 and April 2018, businesses using 20,000 kWh paid \$610 or 10% more than they had in previous years.¹ SMEs are finding they need to terminate staff, delay hiring or curb growth to offset higher energy prices.

The NEG will provide certainty across jurisdictions and attract investment in clean technologies. That investment will lead to increased competition in the retail market which will result in lower prices to the end consumer.

We support the intent to implement the NEG by adapting the current mechanisms and being technology neutral. In addition we request that the impact on SMEs be specifically monitored to avoid unintended consequences where SMEs are discriminated against by preferential treatment of bigger operators.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Jill Lawrence on 02 6263 1558 or at jill.lawrence@asbfeo.gov.au.

Yours sincerely

Kate Carnell AO

Australian Small Business and Family Enterprise Ombudsman

¹ Energy Consumers Australia, *Analysis of small business retail energy bills in Australia, SME Retail Tariff Tracker Project*, October 2017