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Media Release

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ACCC puts electricity sector on notice: time for change

Energy Consumers Australia today welcomed the ACCC's [Preliminary Report](#) for its *Electricity Supply & Prices Inquiry*.

In his Preliminary Report, Rod Sims has confirmed that the electricity market is not working as it should and not delivering good value for money outcomes for consumers.

ECA CEO Rosemary Sinclair said the ACCC's work assesses the health of the National Electricity Market from a new and unique vantage point, based on extensive consultation and company data not in the public domain.

"This is the most thorough assessment of the electricity market in a very long time and it will provide the evidence base for government policy reforms," Ms Sinclair said.

"Rod Sims' assessment is consistent with what consumers tell us in our [Energy Consumer Sentiment Survey](#) – they are not seeing good value for money from their electricity retailers.

"Consumers lack confidence in the retail market and are searching for control to contain costs. While many are switching, about half have never switched and for those who have, they often do not believe they ended up better off.

"This report sheds new light on why prices are increasing, identifying significant issues around network costs, concentration and structure, and the way that retailers are presenting offers and interacting with consumers.

"The report identifies the key areas where work is needed to improve value for money outcomes for consumers."

"Looking ahead, Rod Sims is signaling that the sector needs to make a major shift away from the old compliance and cost pass-through approach, to one where consumer outcomes and fairness are driving business strategy.

"This report effectively puts the sector on notice that they need to deliver lower electricity prices, which the Prime Minister made clear in his meetings with retailers in recent weeks.

"Industry needs to redouble their efforts to address issues uncovered by the ACCC, including by working to the spirit of the PM's package of retail measures negotiated in recent weeks."

Ms Sinclair said the ongoing ACCC review, coupled with the Finkel Blueprint provides a platform for positive change.

"We now need to pursue the issues identified by Rod Sims, and reconcile, sequence and prioritise the implementation of the Finkel Blueprint, and numerous State Government reviews to re-build trust and confidence with consumers that the market can deliver a better value outcome for consumers."

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