

# Energy Consumers Australia

**2016-17 Pre-Budget  
submission**

**February 2016**

## ECA 2016-17 Pre Budget Submission

The long term interests of consumers (LTIC) is promoted by “best practice” regulation of (transmission and distribution) networks and promoting competition in the generation and retail markets. The LTIC is promoted where the regulator of networks and energy markets, the Australian Energy Regulator (AER) is well resourced to perform these functions to a high performance level.

### ECA’s role

Energy Consumers Australia (ECA) was established by agreement of all Energy Ministers in Australia to provide a strengthened national voice for consumers in the energy sector. It is funded by National Energy Market consumers<sup>1</sup>, collected through a levy on market participants.

ECA’s Constitution directs the ECA to:

- build national and jurisdictional expertise and capacity through research, knowledge development and consultation to advance the interests of Australian Energy Consumers (residential and small business);
- undertake robust research to build knowledge, engage and influence policy development and educate consumers in the energy markets; and
- fund and manage grants to build knowledge and sectoral capacity supporting policy development and consumer education in the National Energy Market.

### Long term interests of consumers

Australia’s national energy markets have been established by the agreement reached between participating jurisdictions with the objective of promoting the long term interest of consumers. The three laws that govern the regulatory arrangements also have the promotion of the long term interests of consumers (through efficient investment in, operation and use of, services) as their objective.

The long term interests of consumers with respect to price, reliability, quality, safety and security of supply depends on the economically efficient operation of the electricity markets. The policy framework employed for the Australian market is based on the strict separation of potentially competitive markets from services that have natural monopoly characteristics. The LTIC is promoted by “best practice” regulation of (transmission and distribution) networks and promoting competition in the generation and retail markets.

### ECA support for AER funding

The AER regulates energy markets and networks. The AER’s functions are set out in the national energy legislation and rules, which include the National Electricity Law, the National Gas Law and the National Energy Retail Law.

The LTIC is promoted where the regulator of networks and energy markets, the Australian Energy Regulator (AER) is well resourced to perform these functions to a high performance level.

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<sup>1</sup> The ECA Constitution refers to the National Energy Market, meaning the National Electricity and National Gas Markets established under national energy law.

In the context of the Australian Government's consideration of its 2016-17 Budget priorities, ECA requests that within the 2016-17 estimates for the Australian Competition and Consumer Commission, that the budget appropriation sought by the AER is fully supported.