

30 October 2024

DEM Consultation
Department for Energy and Mining
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To whom it may concern,

RE: National Energy Retail Law (Local Provisions) Regulations 2013

Thank you for the opportunity to make a submission regarding the consultation paper reviewing the National Energy Retail Law (Local Provisions) Regulations 2013 (the Regulations). As you may be aware, the South Australian Business Chamber is a not-for-profit, membership-based organisation representing the interests of the state's businesses.

Reducing Unnecessary Regulation

The Chamber supports the recommendations in the consultation paper that various regulations be removed where there is duplication with the National Energy Customer Framework which commenced in 2013, or where it creates greater national consistency, providing that South Australian customers are not disadvantaged.

Small Business Customers and Embedded Networks

The Chamber strongly supports retention of the 160 MWh per year upper consumption threshold for small customers, as this provides more businesses the benefits of small customer protections.

We note the consultation paper is silent on small businesses on embedded networks. Given that reviews of the regulations are rare, this may be a missed opportunity to do more to protect and support small business customers on embedded networks. For example, when government energy grants for small businesses were available recently, without the Chamber advocating for those businesses on embedded networks to be included, they would not have received the grant. It would be ideal to see the regulations account for similar circumstances in the future.

Tariffs

In addition to current high energy prices, retailers mandating time of use (TOU) structures for standing offer smart meter customers can increase complexity and costs for small business customers. Some businesses may simply be unable to adjust to suit given the nature of their operations. For example, where peak energy usage for business-critical activities occurs during peak demand pricing periods (e.g. a restaurant's high energy use for preparation and operation of dinner service between 4-9pm each day).

It remains important that small business customers, including those with smart meters, retain a choice of tariff structures from retailers including a flat market offer particularly when this might affect the commercial viability of critical business operations during peak demand periods.

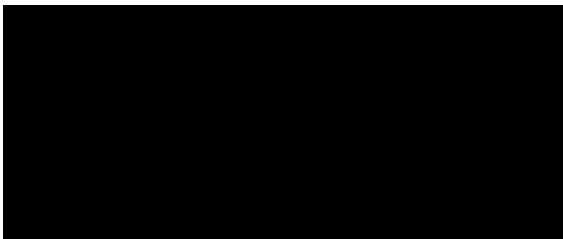
Given the ongoing concern regarding the cost of doing business in South Australia, the Chamber is continuing to monitor the impact of electricity costs and tariffs on all local businesses, in particular small business customers.

In the Chamber's September 2024 quarter Survey of Business Expectations (report yet to be released), 70.5% of respondents told us the *cost of doing business* was the main issue affecting their business. This was closely followed by 60.5% reporting issues with profitability. These have been the top two issues for business for some time now and energy costs factor highly in both metrics.

Since 2022, the Chamber's Survey of Business Expectations for the December quarter includes questions relating to business energy costs and challenges. We would be happy to engage with the Department for Energy and Mining when crafting the proposed survey questions and share the data from responses.

Thank you once again for the opportunity to provide feedback on this important matter. Should you require further information or wish to discuss the December quarterly survey, please contact [REDACTED], Senior Policy Adviser, via email [REDACTED] or telephone [REDACTED]

Yours sincerely,



Andrew Kay
Chief Executive Officer
South Australian Business Chamber