

Review of Australia's Consumer Policy Framework
Productivity Commission
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30 January 2008

Dear Sir/Madam

**Productivity Commission 2007
Review of Australia's Consumer Policy Framework
Draft Report, Canberra**

The Energy Industry Ombudsman (SA) Limited ("EIO") welcomes the opportunity to comment on the Draft Report. In this submission the EIO addresses matters that are specifically of interest to the EIO Scheme. In relation to other matters, no comment has been made.

EIO is an independent Energy Industry Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity or gas.

EIO notes the comments and recommendations in the Draft Report with regard to a national energy and water ombudsman scheme. In general, we support a more nationally coherent consumer policy framework, and also support the view that industry based ombudsman schemes are an efficient and effective way to investigate and resolve disputes between consumers and suppliers.

However, it is important to note that there currently are jurisdictional and constitutional differences in the energy and water ombudsman schemes, with some schemes having responsibility for energy matters only and others for energy and water. The South Australian Scheme only has jurisdiction over gas and electricity matters, and there are no current plans for water to be included in the Scheme.

We note the current work underway towards the transference of retail and distribution regulation to the Australian Energy Regulator and the Australian Energy Market Commission, and note that non-economic distribution and retail (non-price) regulation is now planned to be introduced into the South Australian Parliament (as lead legislator) by no later than September 2009.

Until there is consistency about the constitution of the energy and water ombudsman schemes, we submit that it is difficult to compare the cost efficiency of the different schemes or the benefit to the consumers or the industry. We submit that it would be prudent to consider the consumer benefits and costs of a national energy and water ombudsman scheme further once the national regulation framework is established and operating effectively, and the jurisdictional scheme coverage and constitutional differences have been resolved.

We further submit that any consideration of a national ombudsman scheme should take into account the necessity for strong representation at the state (or some other regional) level. EIOSA's experience, including its contacts with users and representatives of consumer and welfare groups, demonstrates the importance of consumers having access to local offices able to deal directly with their problems. Centralised handling of complaints would diminish the effectiveness of an ombudsman scheme.

Should you require further information or have any enquiries in relation to this submission, please contact Mr Sandy Canale, Energy Ombudsman on (08) 8216 1866 or at sandy.canale@eiossa.com.au

Yours faithfully

Keith Hancock
Chairman, Energy Industry Ombudsman (SA) Ltd