

## AER ESTABLISHES BETTER CONSUMER ENGAGEMENT ON ENERGY

Consumers are in the spotlight as the Australian Energy Regulator announces reforms to the way consumer interests will be included in setting electricity and gas network prices.

The AER has established its Consumer Challenge Panel to assist us in making decisions on energy network costs that reflect the long term interests of consumers. The AER has appointed thirteen members to the challenge panel for an initial three year term. The AER has also released a draft guideline on how energy service providers should engage with their consumers.

“Our announcements today are an important step in moving Australia towards an improved regulatory regime that will ensure consumers pay no more than is necessary for a safe and reliable supply of electricity and gas,” AER Chairman Andrew Reeves said.

“The AER sought funding to create the challenge panel, which will sit within the AER, to help us examine spending proposals from a consumer perspective. Members of the panel will provide advice on whether spending proposals are justified in terms of the services to be delivered to consumers and whether they are in their long term interests,” Mr Reeves said.

The challenge panel formed a key component of the Council of Australian Governments’ energy reform agenda agreed to on 7 December 2012.

“Members of the panel possess vast local and international expertise, which they will use to provide consumer perspectives that challenge network businesses’ spending proposals,” Mr Reeves said.

The AER has also published a draft consumer engagement guideline - the first in a series to be published as part of the *Better Regulation* program. The guideline assists electricity and gas network service providers to develop consumer engagement strategies and approaches to apply across their business. It will also help them to prepare spending proposals that reflect the long term interests of their consumers.

“Consumer engagement is an important tool in increasing the accountability of network businesses to the community they serve. The guideline is an important step in aligning network services with the long term interests of consumers,” Mr Reeves said.

“The goal is for regulatory proposals from network service providers to be based on genuine consumer priorities. In order to achieve this, consumer engagement must be integrated throughout these network businesses,” Mr Reeves said.

### Further information

The Australian Energy Regulator’s *Better Regulation* program will also deliver improved approaches to assessing spending proposals from network service providers and setting the return they may earn on network investments. The AER sets the charges for electricity networks and for most gas networks in the eastern and southern Australian states.

The thirteen members of the inaugural CCP are:

Ms Jo De Silva	Mr Adrian Kemp	Mr Bruce Mountain
Mr Hugh Grant	Ms Ruth Lavery	Dr Gillian Owen
Mr David Headberry	Mr Bob Lim	Mr David Prins
Mr Mark Henley	Ms Fiona McLeod	Ms Robyn Robinson
Ms Bev Hughson		

Further information on the AER's Consumer Challenge Panel and its members is available at <http://www.aer.gov.au/about-us/consumer-challenge-panel>.

The AER invites stakeholders to provide comments on our draft consumer engagement guideline. Information on the Better Regulation program and how to make a submission is available at our website <http://www.aer.gov.au/better-regulation-reform-program>.

**Media inquiries**

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