



15 February 2013

Mr Percy Bell  
Financial Markets Unit  
Corporations and Capital Markets Division  
The Treasury  
Langton Crescent  
Parkes, ACT 2600

Submission by email: [financialmarkets@treasury.gov.au](mailto:financialmarkets@treasury.gov.au)

Dear Mr Bell

### Implementation of Australia's G-20 Over-the-Counter Commitments

Origin Energy (Origin) appreciates the opportunity to comment on the Treasury Proposals Paper (the Paper) on the Implementation of Australia's G-20 Over-the-Counter (OTC) Derivatives Commitment. Origin's interest in the implementation of Australia's G20 commitments relates to the application of the Corporations Legislation Amendment (Derivative Transactions) Bill 2012 to energy OTC derivatives.

In line with the Government's earlier commitments, Origin notes that the Commonwealth Treasury is not proposing to make a decision on any mandate relating to electricity derivatives until after the completion of the reviews of the sector currently underway.<sup>1</sup> We support that approach. We consider it important for the Australian Energy Market Commission to conclude its National Electricity Market (NEM) financial markets resilience review - an electricity industry specific review - prior to the Government considering the appropriateness or need to impose additional regulation on electricity OTC derivatives. Such decisions need to be made in an informed environment.

Origin also notes the proposed Regulations amendment to require the Australian Securities and Investment Commission (ASIC) to consult with the AEMC prior to making any derivative transaction rule. We broadly support the proposed amendment. In the NEM, the AEMC is responsible for making market Rules and recommending market development opportunities to the Standing Council of Energy and Resources. It is therefore appropriate for ASIC to consult with the AEMC on the drafting of electricity-specific derivative transaction rules. This is consistent with the requirements for ASIC to also consult with the Reserve Bank and the Australian Prudential Regulatory Authority for derivative transaction rules related to their respective jurisdictions.

Should you have any questions or wish to discuss this information further, please contact Hannah Heath (Manager, Wholesale Regulatory Policy) on (02) 9503 5500.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Phil Moody".

Phil Moody  
Group Manager - Energy Market Regulatory Development  
Energy Risk Management

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<sup>1</sup> Commonwealth Treasury, *Implementation of Australia's G-20 over-the-counter derivatives commitments*, Proposals Paper, December 2012, p.ix.