
Consultation paper: Delivering more protections for energy consumers: changes to retail energy contracts

STAKEHOLDER FEEDBACK

To submit this form, [follow this link](#), and select the project reference code **RRC0058**.

SUBMITTER DETAILS

ORGANISATION: COTA Australia

The submission has been prepared by **COTA Australia's Energy Advocates**.

COTA Energy Advocates is a panel of consumers, consisting of representatives from each State and Territory jurisdiction in the National Energy Market. COTA Energy Advocates are supported by COTA Australia.

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DATE 22 January 2025

PROJECT DETAILS

NAME OF RULE ECMC Consumer rule change requests x 4

CHANGE:

- Ensuring energy plan benefits last the length of the contract (RRC0061)
 - Removing unreasonable conditional discounts (RRC0065)
 - Preventing price increases for a fixed period under market retail (RRC0058)
 - Removing fees and charges (RRC0059)
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PROJECT CODE: RRC0058

PROPONENT: The Hon Chris Bowen MP, Minister for Climate Change and Energy, as Chair of the Energy and Climate Change Ministerial Council

SUBMISSION DUE DATE: January 16, 2025

CHAPTER 1 – CONTEXT FOR THESE RULE CHANGES

Question 1: What are the interactions between the four rule change requests that we should consider?

What are the interactions between the four rule change requests that we should consider?	No comment
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CHAPTER 2 – MAKING OUR DECISION

Question 2: Assessment framework

<ul style="list-style-type: none"> Do you agree with the proposed assessment criteria? Are there additional criteria that the Commission should consider, or criteria included here that are not relevant? 	No comment
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CHAPTER 3 –ENSURING ENERGY PLAN BENEFITS LAST THE LENGTH OF THE

CONTRACT

Question 3: Ensuring energy plan benefits last the length of the contract

<p>1. How material do you consider the proposed issue to be?</p> <ul style="list-style-type: none"> Do you have any information you can provide us on how many consumers are on contracts with expired or expiring benefit periods? How many of these consumers are vulnerable or receiving concessions? Are there differences in the extent or nature of the problem between retail electricity and gas contracts? 	No comment
<p>2. Will the proposed solution address the issue raised in the rule change request?</p> <ul style="list-style-type: none"> Does the proposed solution address issues of consent by including a standard term for end of contract arrangements? Is there an alternative solution that would better address the underlying issues? What transitional provisions would help retailers 	No comment

<p>implement this rule at least cost?</p> <ul style="list-style-type: none"> Are there any other considerations we should assess in the rule change 	
<p>3. Would this proposed rule change impact the variety of tariff structures available in the retail market?</p>	No comment
<p>4. Is there any information we should consider based on the experience of the similar rule in Victoria?</p>	No comment

CHAPTER 4 – REMOVING UNREASONABLE CONDITIONAL DISCOUNTS

Question 4: Removing unreasonable conditional discounts

<p>1. What is the materiality of the problem raised in the rule change request?</p> <ul style="list-style-type: none"> Do you have any information you can provide about the impact of large conditional fees and discounts on vulnerable customers? 	No comment
<p>2. Will the proposed solution address the issue raised in the rule change request?</p> <ul style="list-style-type: none"> Is there any information we should consider based on the application of the current rules relating to conditional discounting? Are there alternative options we should consider to best achieve the long-term interests of energy consumers.? 	No comment
<p>3. What would be the cost of the proposed solution, if implemented, to both consumers and retailers?</p>	No comment
<p>4. Are there any issues with implementation we need to consider?</p> <ul style="list-style-type: none"> What transitional provisions could address those issues? 	No comment

CHAPTER 5 – PREVENTING PRICE INCREASES FOR A FIXED PERIOD UNDER MARKET RETAIL CONTRACTS

Question 5: Preventing price increases for a fixed period

<p>1. What is the materiality of the problem raised in the rule change request?</p> <ul style="list-style-type: none"> Do you have any data on how often retail energy prices change per year? Do electricity and gas consumers experience the same issues? 	<p>COTA frequently hears from people 50 years and older who have 'done the right thing' by shopping around for a better energy plan, only to discover that the retailer has applied a permitted price rise before their first bill has arrived.</p> <p>Often the customer would have been better off financially staying on their original plan. This practice completely undermines the logic of a competitive market and erodes customer trust in the industry.</p>
<p>2. Which of the proposed solutions would best address the issue raised in the rule change request? Are there other options we should consider?</p>	<p>We consider that Option 2 – 'Allow price increases only once a year, similar to arrangements in Victoria' would provide the most predictable arrangement for customers. Option 2 would give energy customer more confidence to change their energy plan to a better offer.</p> <p>This option also demonstrates the energy industry's preparedness to optimise opportunities for residential customers to be make informed energy industry stakeholders and trust that their decision will be upheld within the agreed period.</p>
<p>3. What are the costs and benefits of each approach?</p>	
<p>4. What are your views on the appropriate fixed period for prices (if any)?</p>	12 months
<p>5. Are there any implementation issues we need to consider?</p>	

CHAPTER 6 – REMOVING FEES AND CHARGES

Question 6: Removing fees and charges

<p>1. What is the materiality of the problem in this rule change request?</p>	<p>Charges for paper bills and over the counter transactions at a Post Office are particularly disliked by older energy customers. While we understand that not all retailers apply these fees for concession customers, they are not uniformly prohibited. In many situations, older people, especially those in regional or rural areas have no alternative for access to bills or payment options. Many older customers do not have online access or feel uncomfortable when using online payment methods.</p> <p>At a time of considerable cost of living pressure, it is unacceptable for organisations to shift administrative costs - that is, costs which used to be and still are costs of conducting business - onto customers, especially vulnerable customers. Within the energy industry, costs such as paper billing, establishment costs etc. should be uniformly prohibited as costs to be paid by residential energy customers.</p>
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Stakeholder feedback

National Energy Retail Amendment
(Delivering more protections for
energy consumers: changes to retail
energy contracts) Rule 2025

	At a time when bank branches and ATMs are being removed from many locations, especially from nonurban areas, it is vital to retain the option of fee-free post office transactions.
2. Will the proposed solution address the issues raised in the rule change request? <ul style="list-style-type: none"> Are there any alternative solutions we should consider? Is a rule change the best approach to solving this problem? If not, what approach would be better? 	Yes
3. What fees and charges should be prohibited in the NERR, if any? <ul style="list-style-type: none"> What are the benefits of removing these fees and charges? 	Retailers should also be required to provide consumers with free access to an online payment method. This could include a free app and, for those seeking to make an online payment, a data free access arrangement.
4. Will a change to the NERR (in lieu of jurisdictional derogations) help provide consistency for retailers?	COTA supports national consistency on these issues.
5. Besides existing jurisdictional derogations, are there any other implementation issues we should consider (eg, timing, costs)?	No comment

OTHER COMMENTS

5. Information on additional issues	N/A
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