Building trust through new customer entitlements

Implementation of recommendations 3F-H of the Retail Market Review

September 2018
Agenda

• Overview
• Detailed run through
• Next steps
Overview

• ‘Bill change notice’ (recommendation 3F)
• Best offer on bills (recommendation 3G)
• Clear advice entitlement
• GST inclusive pricing (recommendation 3H)
GST inclusive pricing

Dollar amounts to be presented in GST inclusive terms.

(except where required to presented differently in order to comply with the GST Act)
Giving customers advance notice of price and benefit changes

Details
- Single ‘change’ notice with two triggers: benefit change or price change
- Content includes retailer’s ‘best offer’, plus content aligned with:
  - Energy Retail Code benefit change notice
  - AEMC’s proposed price change notice
  - some elements of the AER’s benefit change notice guidelines
- Exemptions aligned with AEMC’s proposal + AER’s benefit change notice guidelines
- Notice period aligned with AEMC’s proposal (5 days)
- Manner and form not prescribed but must align with objective of the new requirement
Putting the best offer on customer bills

Key questions:

• How should ‘best offer’ be defined?
• How should the best offer information be presented?
• How often should it appear on bills?
Defining ‘best offer’

- Simplest approach:
  - cheapest generally available offer
  - on the basis of the customer’s previous 12 months meter data
  - if 12 months meter data not available, retailer to use best estimate.
Putting the best offer on customer bills (cont)

Presenting the information on bills

<table>
<thead>
<tr>
<th>Your electricity bill</th>
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<tbody>
<tr>
<td><strong>DUE DATE</strong></td>
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<td><strong>AMOUNT DUE</strong></td>
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<tr>
<td><strong>YOUR ENERGY PLAN</strong></td>
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<td><strong>YOUR USAGE SUMMARY</strong></td>
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*Conditions may apply*
Presenting the information on bills

• short, focused message intended to nudge customers to engage

• rules for location, presentation, prominence

How often it appears

• Minimum of every 6 months. Must appear on the first bills following 1 July and 1 January.
Clear advice entitlement

• Before signing up a customer, a retailer must step the customer through any terms of conditions that could impact the customer’s bill, whether now or in the future.
• The retailer must explain the potential impact of these terms and conditions in dollar terms.
• Retailer should take into account anything they know about the customer when providing the information.
• If the terms and conditions mean the offer isn’t right for the customer, the retailer must help the customer find a better one.
Code amendments

1. New part 2A – Market Integrity
   - bill change notice
   - clear advice entitlement
   - best offer entitlement

2. GST inclusive amendments

3. Consequential technical amendments

Continues the commission’s approach of including objectives and customer entitlements.
(ie more than just a list of regulatory requirements.)
Next steps

- **September** – Stakeholder consultation (workshop or drop in session)
- **5 October** – Submissions due
- **October** – Stakeholder consultation session (workshop or drop in session)
- **October** – Final decision
- **1 July 2019** – Commencement
### Contact us

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<th>Email Address</th>
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<tbody>
<tr>
<td>Sugi Sivarajan</td>
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<td><a href="http://www.esc.vic.gov.au">www.esc.vic.gov.au</a></td>
<td>/company/essential-services-commission</td>
<td>@EssentialVic</td>
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<td>James Clinch</td>
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