AUSTRALIAN ENERGY MARKET COMMISSION

PROTECTING ENERGY CONSUMERS

GENERAL PROTECTIONS

Must provide information about rebates, concessions or relief schemes

Shortened collection cycles:

may be applied, unless customer experiencing payment difficulties

Payment plans for residential customers in hardship

Debt recovery limitations

General protections on disconnection and reconnection

The AEMC is working on changes

to make sure consumer protections

The National Energy Consumer Framework

(NECF) is designed to complement Australian

Consumer Law (ACL) by providing additional

consumer protections for the supply of essential

This interactive legal protections map has been

retail energy competition. It's a useful tool to

together to make sure families and businesses

are receiving appropriate protections as the

produced as part of the AEMC's annual report on

explore how all levels of government are working

Planned interruptions & rules for de-energising customers' premises

are keeping pace with the

restructuring power system.

ADDITIONAL PROTECTIONS

In difficult times

(financial difficulty,

life support

equipment), what

protections are

available?

What

procedures are

in place to

honour these

protections?

Additional protections for hardship customers

Hardship policy for residential customers: policy and any variation must be approved by the AFR & nublished on retailer's website

Obligation to inform hardship customers of hardship policy

Disconnection as last resort option

Contract terms have no effect if inconsistent with hardship policy

Centrepay as payment option

Waiver of late payment fee

Additional protections on life

support equipment

Explicit consent for planned interruption

Limitations for disconnection

Registration of customer with life support equipment

Requirements for medical confirmation

NECF

GENERAL PROTECTIONS

Unfair contract terms:

- Significant imbalance
- Unnecessary protection
- Detrimental to one party

Unfair contract terms are also those not considered transparent, which include terms:

• hidden in fine print/schedules

The contract

- phrased in legalese
- complex/technical
- ambiguous/contradictory
- Complaints and dispute resolution: mechanisms

What kind of

protection do

you have?

Standard retail contracts

Basis for bills: how retailers

what retailers must accept

Pricing: guidelines to follow

Bill content: minimum

information required

must bill customers

Payment methods:

available

Standard retail contract: additional protections

> Frequency of bills: how often retailers must issue bills

Payment date: setting the pav-bv-date

Allocation of payment: where retailers must first allocate payment

Final bill

Pricing: applicable price, variation & information about variations

Market retail contract: additional protections

SPECIFIC PROTECTIONS

Explicit informed consent

Rights of withdrawal (cooling off period)

Termination notice & early termination charge

Breach of contract or negligence & limits to indemnities

Prohibited discount practices

Notification of benefit change

GENERAL PROTECTIONS

General consumer protections: to prohibit misleading, deceptive or unconscionable conduct

Specific protections against unfair practices:

- False and misleading representations
- Offering rebates, gifts prices that will not deliver what the consumer is expecting
- Bait advertising

pre-conditions

Referral selling

Standard retail contracts

Pre-contractual information: that retailers and marketers must provide to small customers

No contact list: retailers must not make contact with small customers who choose to be on the list

Canvassing and advertising signs: retailers must comply with any signs

at a person's premises

ACI SPECIFIC PROTECTIONS

Specific protections for standard retail contracts

Declining a contract: a retailer cannot decline a contract if the customer complies with established

Refusing to sell energy: a retailer cannot refuse to sell energy on the grounds of unpaid accounts

Specific protections for market retail contracts

Pre-contractual information: ensuring retailers provide customers with information about: • applicable prices, charges and

- start, duration and termination of the contract
- electronic transactions

 rights relating to withdrawal & complaints

SPECIFIC PROTECTIONS

UNDER THE NECF, ENERGY CUSTOMERS HAVE TWO MECHANISMS TO RESOLVE COMPLAINTS AND DISPUTES:

Internal dispute resolution procedures

energy services.

system changes.

Under the National Energy Retail Law (NERL), retailers and distributors must have their own standard complaint and dispute resolution procedures and must also be members of an energy ombudsman scheme to resolve any matters concerning the customer and a retailer or distributor

Energy Ombudsman schemes

The NECF provides certain circumstances where the customer can initiate a dispute or submit a complaint to the retailer or distributor, under their standard complaints and dispute resolution procedures, or to the relevant energy ombudsman. These include:

- energy marketing activity
- retailer's obligations before and after a customer retail contract is formed
- standard connection contracts and standard arrangements
- negotiated connection contracts
- a distributor's decision under the small compensation
- billing disputes

COMPLAINTS AND DISPUTE RESOLUTION UNDER THE ACL

Consumers are encouraged to bring complaints to the consumer protection agency in their state or territory. Each state and territory has its own consumer protection agency that administers the ACL in its jurisdiction (e.g. State consumer affairs or Fair trading body).

Aside from compliance and enforcement by the ACL regulators, the ACL creates private rights that consumers can enforce through Commonwealth, state and territory courts and tribunals.

The ACL is enforced by courts and tribunals in each jurisdiction subject to the specific rules that apply to enforcement processes, courts and tribunals in each state and territory jurisdiction.

The ACCC does not handle individual disputes; rather it prioritises enforcement action on more widespread issues that reflect the potential for greater consumer detriment. State and territory ACL regulators therefore play an important role in resolving disputes between consumers and traders about goods and services covered by the ACL.

Service standards

These local regulators provide information on their websites about dispute resolution and trader engagement programs.

GENERAL PROTECTIONS

Consumer guarantees

How are you

protected before

and after your

contract is

formed?

What

protections are

in place once you

begin using new

energy products

and services?

provide consumers with a set of rights for the goods and services they acquire

Consumers can seek compensation for loss. damages or injuries caused by a safety defect in goods supplied

scheme: ensure that if a retailer fails, energy customers will continue to receive electricity and/or gas supply

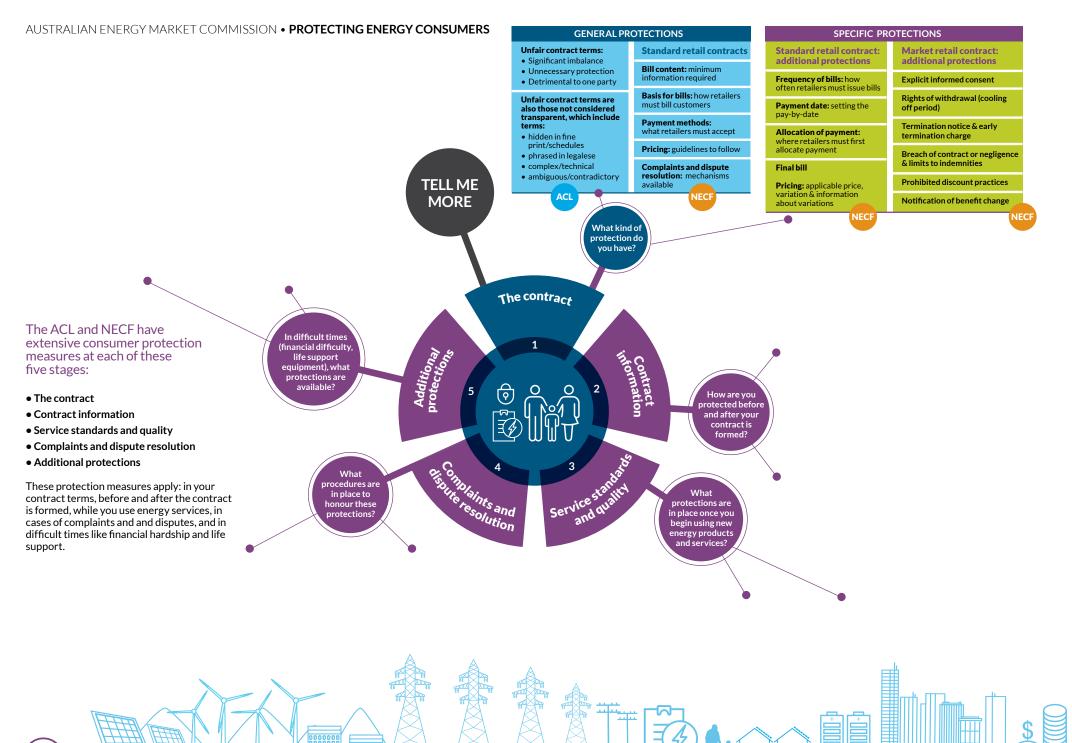
Retailer of Last Resort

Compensation claims: customers can make small claims for damage to appliances or equipment due to voltage variations

Distributors must comply with applicable distributor service standards, including Guarantee Service Level (GSL) schemes

Energy ombudsman: provide independent dispute resolution services Retailers and/or distributor are bound by the ombudsman's decision







1. Your contract



Energy contracts are covered by the ACL and unfair contract term provisions apply to retail energy contracts.

For a court to decide if a term is unfair, these three elements must be established:

- 1 If it would cause significant imbalance in parties' rights and obligations under the contract
- 2 It is not reasonably necessary to protect the legitimate interests of the party that would be advantaged by the term
- 3 If the term would cause detriment to a party if it were to be applied or relied on

When a court is determining if a contract term is unfair, the term must be considered in the context of the contract as a whole and it may take into account the extent to which the term is transparent. For example, terms that may not be considered transparent are those hidden in fine print or schedules, phrased in legalese or in complex or technical language or are ambiguous or contradictory. This transparency provision is an example of the principle-based regulation under the ACL that is applicable to consumer contracts including energy retail contracts



Bill contents: the rules set out the minimum information retailers must include on bills so small customers can verify the bill conforms with their contract

Basis for bills: the rules specify how retailers must bill customers, the metering data they must use and the circumstances and requirements where an estimated bill is permitted. This is aimed at preventing overestimation, underestimation and bill shock

Payment methods: the rules specify the payment methods retailers must accept to help customers comply with their payment obligations

Price: retailers must comply with the AER's Retail Pricing Information Guidelines when presenting standing and market offer prices

Customer complaints and dispute resolution: under the NECF, small customers have two mechanisms to resolve complaints and disputes. Under the National Energy Retail Law (NERL), retailers and distributors must have their own complaint and dispute resolution procedures.

Energy ombudsman schemes also have the power to resolve complaints and disputes once the retailer or distributor has had the opportunity to address these in accordance with their own procedures

Terms and Conditions: the NECF requires that retailers, energy marketers and distributors must include a provision in all contracts to inform customers that they have access to the retailers' standard procedures and to energy ombudsman schemes to resolve complaints and disputes



Frequency of bills: retailers must issue bills at least once every 100 days

Payment date: retailers must set the pay-by-date for standard retail contract bills no earlier than 13 business days from issue date

Allocation of payment: retailers must allocate payment to the sale and supply of energy before any other payable amounts for goods and services in the bill. unless the customer otherwise agrees

Final bill: a customer can request a final bill and the retailer must use its best endeavours to arrange a meter reading and issue it

Applicable price: standing offer prices are those that apply to standard retail contracts

Price variation: any variation to standing offer prices must be made in accordance with any jurisdictional requirements and cannot vary more often than every six months

Information: if retailers vary their standing offer prices, they have to publish this in a newspaper and on their website at least 10 business days before it starts



Explicit informed consent: retailers must obtain small customers' consent when entering into a market retail contract

Rights and obligation of withdrawal: the rules provide a cooling-off period to enable consumers to change their mind about a purchase they've made or contract they've entered into

Termination notice: customers don't have to give more than 20 business days' notice to terminate a contract. Any term and condition that extends this period has no effect

Breach of contract or negligence: retailers must not include any term or condition that limits their liability for breach of the contract or negligence

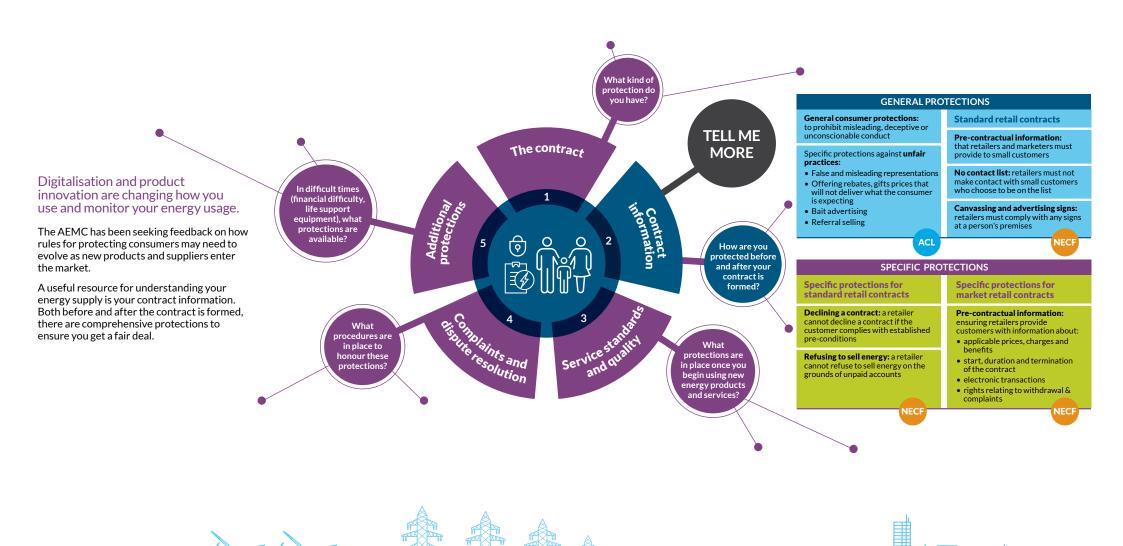
Limits to indemnities: retailers must not include any term or condition under which a customer indemnifies a retailer in an amount greater than the retailer would otherwise have been able to recover at general law for breach of contract or negligence of the customer

Prohibited discount practices: a retailer must not include any term or condition offered as discounts that might leave customers worse off with a higher rate than the retailer's standing offer rate. This prevents retailers confusing customers by advertising a larger discount on an inflated base rate.

Early termination charge: the NECF limits the nature of a term or condition that provides an early termination charge

Notification of benefit change: retailers must notify customers of a benefit change no later than 20 business days before each such change to their contract and must comply with AER's Benefit Change Notice Guidelines





2A. Required contract information - before the contract is formed



ACL General protections

Core consumer general protections prohibiting misleading or deceptive conduct, unconscionable conduct

Specific protections against unfair practices, including:

- false or misleading representations about goods or services
- misleading or deceptive conduct as to the nature of goods or services
- offers and unsolicited supplies of goods and services

Offering rebates, gifts, prizes: the ACL also limits the offer of any rebate, gift, prize or other free item that is not intended to be provided or is not provided as offered. Consumers are protected against unfair commercial practices that will not deliver what the customer is expecting

Bait advertising: consumer law specifically prohibits bait advertising which occurs when an advertisement promotes certain (usually 'sale') prices on products that are not available or available only in very limited quantities. This provision considers the specific price, quantities, nature of the market and of the advertisement

Referral selling: a person must not induce a consumer to buy goods or services by representing that the consumer will receive some benefit, such as a rebate or commission, in return for helping the business supply goods or services to other customers



NECF General protections for market retail contracts

Pre-contractual information: under the NECF retailers and marketers are obliged to provide the following information to small customers:

If the retailer is the designated retailer it has to inform the customer about its available standing offer. If it is not the designated retailer it must refer the customer to its relevant distributor who must advise the customer which retailer is obliged to make a standing offer

No contact list: retailers must create and maintain a 'no-contact list' for marketers, whether by the retailer itself or by a person or organisation on behalf of the retailer. Small customers may indicate they wish to be placed on the list and a retail marketer must not make contact with a small customer whose name is on the relevant contact list

Canvassing and advertising signs: under the NECF retailers and marketers must comply with any signs at a person's premises indicating that canvassing is not permitted or no advertising or similar material is to be left at the premises or letterbox. The protection is intended to stop any undesired marketing activities



NECF specific protections for standard retail contract

A designated retailer cannot decline to enter into a standard retail contract if the consumer makes the request and complies with the pre-conditions set out in the NFRR

A designated retailer cannot refuse the sale of energy to a residential customer under a standard retail contract on the grounds that the customer owes the retailer outstanding amounts from an unpaid account



NECF specific protections for market retail contract

Pre-contractual information: to ensure a consumer is well-informed about contract terms and conditions, retail marketers are required to provide a small customer with the information relating to:

- a all applicable prices, charges and benefits to the customer, early termination payments and penalties, security deposits, service levels, concessions or rebates, billing and payment arrangements and how any of these may be changed
- b the commencement date and duration of the contract, the availability of extensions, and the termination of the contract if the customer moves out during the term of the contract
- c any requirement that is to be or may be complied with by an electronic transaction, how the transaction operates and, if appropriate, an indication that the customer will be bound by the electronic transaction or will be recognised as having received the information contained in the electronic transaction
- d the rights that a customer has to withdraw from the contract during the cooling-off period, including how to exercise those rights
- e the customer's right to complain to the retailer about any energy marketing activity of the retail marketer conducted on behalf of the retailer and, if the complaint is not satisfactorily resolved by the retailer, of the customer's right to complain to the energy ombudsman

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2B. Once the contract is formed



2B. Once the contract is formed



Historical billing data: customers can request their historical data for the previous two years from their retailer and distributor

Bill review: a retailer must review a bill if requested by a small customer. In reviewing the bill the small customer may request a meter reading or metering data be checked or the meter tested

End of fixed term contract notice: customers must be told when their retail contract is due to end

General information provision: retailers must publish on their website a summary of a small customer's rights, entitlements and obligations and if a customer requests any of this information, retailers must provide a copy without charge

Customers on transfer: after receiving notice that they are responsible for transferring customers, retailers must notify customers that they have commenced selling energy and the date on which the selling commenced New electricity meter deployment: if a retailer proposes to undertake a new meter deployment, it must inform customers of the proposed deployment and the applicable rates for the new meter. Customers can elect not to have their meters replaced.

When energy is interrupted the following information must be provided to consumers:

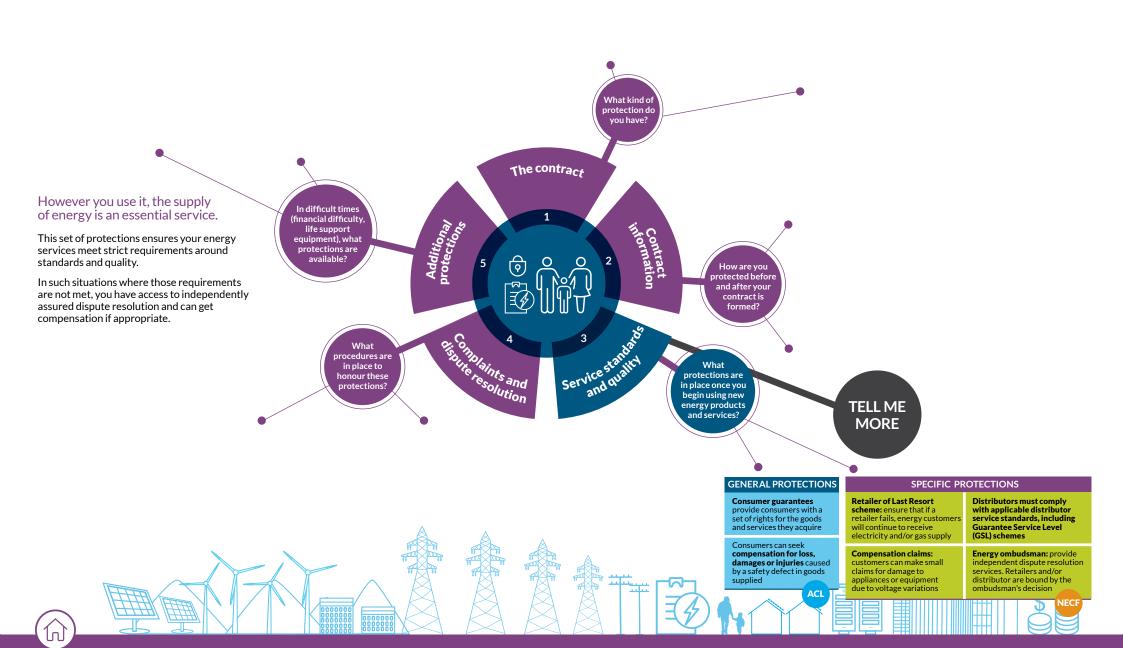
Retailers: a retailer may arrange a planned interruption by obtaining customers' consent and must notify affected customers that the supply of energy will be interrupted. If the retailer doesn't obtain consent, it must notify affected customers by any appropriate means at least four business days before the interruption. In some specific cases, such as life support, retailers need a customer's explicit consent to interrupt the supply of energy

Distributors: a distributor may arrange a planned interruption by obtaining customers' consent and must notify affected customers that the supply of energy will be interrupted. If it doesn't obtain consent, it must notify affected customers by any appropriate means at least four business days before the interruption



Once a small customer requests the sale of energy under a retailer's standing offer, the retailer must provide the customer with:

- a description of its standard retail contract and how copies can be obtained
- a description of its and customers' rights and obligations
- a description of its complaints and dispute resolution procedures
- the availability of government funded energy charge rebates, concessions or relief schemes



3. Service standards and quality



Consumer guarantees provide consumers with a set of rights for the goods and services they acquire. Suppliers and manufacturers automatically provide guarantees about certain goods they sell, hire or lease, and services they provide to consumers. These rights exist regardless of any specific warranty provided by the supplier or manufacturer

Consumers can also seek compensation for loss or damages caused by a safety defect in goods supplied by a manufacturer (such as batteries or solar panels). A manufacturer of goods is liable to compensate an individual if a good is supplied with a safety defect and the consumer or another individual suffers injures as a result and/or if other consumer goods, land, buildings or fixtures are destroyed or damaged



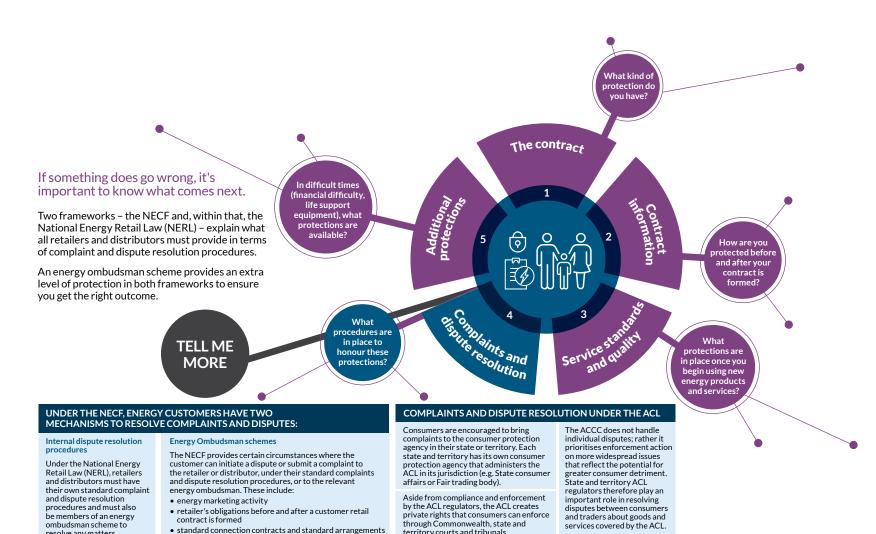
The **Retailer of Last Resort** scheme is designed to ensure that if a retailer fails, energy consumers continue to receive electricity and/or gas supply

The NERL incorporates a regime to enable small customers to make **small claims for compensation** from distributors who provide customer connection services to their premises. At present, the scope of this regime is limited to compensation for property damage to a customer's appliances or equipment due to voltage variations

Under the NECF, distributors must also comply with any applicable distributor service standards, including **Guarantee Service Level (GSL) schemes**

Each jurisdiction prescribes GSL schemes, generally for each distribution business. These schemes are determined by jurisdictional regulators and are usually included in a code or licence conditions administered by the regulator

Additionally, distributors and retailer are required to be members of **jurisidictional energy ombudsman scheme**. Energy ombudsmen provide independent dispute resolution services for disputes relating to energy. Small customers can access the jurisdictional energy ombudsman to resolve disputes and complaints with their retailer and/or distributor who are bound by the ombudsman's decision



territory courts and tribunals.

The ACL is enforced by courts and

tribunals in each jurisdiction subject to

processes, courts and tribunals in each state and territory jurisdiction.

the specific rules that apply to enforcement

These local regulators provide

information on their websites

about dispute resolution and

trader engagement programs.

resolve any matters

concerning the customer

and a retailer or distributor

• negotiated connection contracts

billing disputes

• a distributor's decision under the small compensation

4. Complaints and dispute resolution procedures



Under the NECF, energy customers have two mechanisms to resolve complaints and disputes:

Internal dispute resolution procedures

Under the NECF and the ACL, compliance and enforcement powers are exercised in different ways. Each framework has its own regulators, agencies and processes to ensure consumer protection. The NECF has civil and private enforcement remedies, while the ACL, in addition to these, has administrative and criminal enforcement remedies. The NECF does not set administrative responses or actions.

Contact your retailer for questions about:

- getting connected to the network
- supply of electricity or gas arrangements to your home or business
- concerns with salespeople or how the service was sold to you (marketing)
- your rights in relation to cancelling or varying a contract (retailer's obligations under your energy contract)
- new energy contracts
- billing issues

Contact your distributor for questions about:

- your electricity and/or gas meters
- power lines and gas pipelines connecting your property to the network
- power or gas outages
- problems with supply quality, such as low frequency (for example, when your lights dim).

Energy Ombudsman schemes

- Under the NERL, retailers and distributors must have their own standard complaint and dispute resolution procedures and must also be members of an energy ombudsman scheme to resolve any matters concerning the customer and a retailer or distributor.
- The NECF outlines certain circumstances where the customer can initiate a dispute or submit a complaint to the retailer or distributor, under their standard complaints and dispute resolution procedures, or to the relevant energy ombudsman. These include:
- · energy marketing activity
- retailer's obligations before and after a customer retail contract is formed
- standard connection contracts and standard arrangements
- negotiated connection contracts
- a distributor's decision under the small compensation regime
- billing disputes

If you have difficulty resolving a problem directly with your energy provider or distributor, you can contact your energy ombudsman.

Common issues involve:

- Connection or disconnection issues
- Marketing or transfers
- Electricity outages
- High bills and billing disputes
- · Changes in your contract
- Metering



Consumers who are unable to resolve issues directly with traders are encouraged to bring complaints to the consumer protection agency in their state or territory. Each state and territory has its own consumer protection agency that administers the ACL in its jurisdiction (e.g. State consumer affairs or Fair trading body).

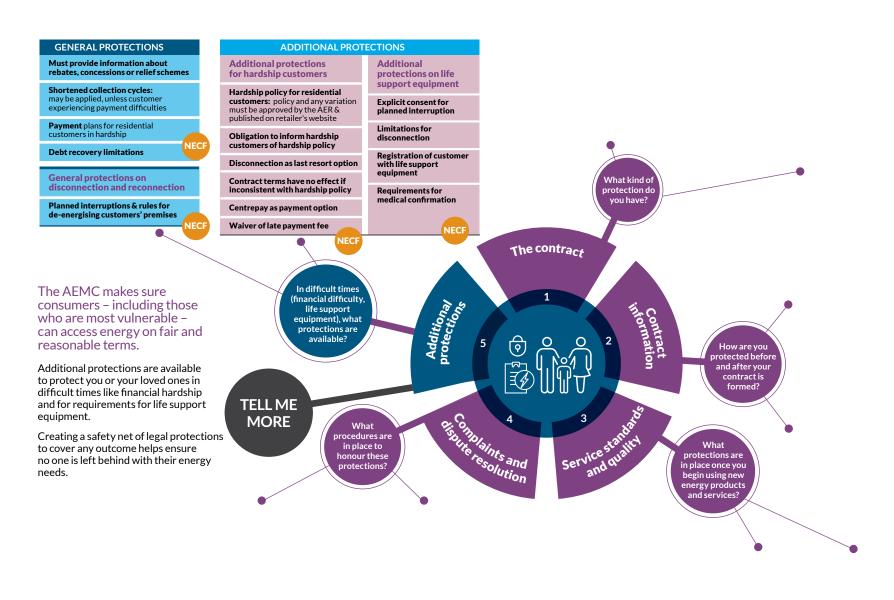
Aside from compliance and enforcement by the ACL regulators, the ACL creates private rights that consumers can enforce through Commonwealth, state and territory courts and tribunals.

The ACL is enforced by courts and tribunals in each jurisdiction subject to the specific rules that apply to enforcement processes, courts and tribunals in each state and territory jurisdiction.

The ACCC does not handle individual disputes; rather it prioritises enforcement action on more widespread issues that reflect the potential for greater consumer detriment. State and territory ACL regulators therefore play an important role in resolving disputes between consumers and traders about goods and services covered by the ACL.

These local regulators provide information on their websites about dispute resolution and trader engagement programs.









5A. Additional protections for customers experiencing financial difficulty and on life support equipment



Payment difficulties: for hardship customers or other residential customers experiencing payment difficulties, retailers must provide information about the availability of government funded energy charge rebate, concessions or relief schemes

Shortened collection cycles: retailers may place a small customer on a shortened collection cycle, unless the customer is experiencing payment difficulties

Payment plans: a retailer must offer and apply payment plans for hardship customers and customers experiencing payment difficulties and comply with the requirements on how, and when, to offer payment plans

Debt recovery: retailers must not commence proceedings for recovery of a debt if the customer is complying with a payment plan or other payment arrangement or the retailer has failed to comply with the requirements of its hardship policy, payment plans and assistance for customers experiencing hardship or payment difficulties



NECF additional protections for hardship customers

Hardship policy: retailers must develop and maintain a hardship policy for residential customers that must be approved by the AER and be publicly available on their websites. The policy must:

- comply with the customer hardship policy guideline
- include standardised statements informing customers of how it will comply with the minimum requirements and providing guidance on customer rights and retailer obligations
- contain clear and specific statements of the actions it will take to meet the minimum requirements
- be submitted within three months of any amendment to the AER's guideline
- be implemented as approved by the AER
- be published on its website as soon as practicable after it has been approved

Any variation to a hardship policy is subject to the approval of the AER

Obligation to inform consumers: the NERL requires that where it appears to a retailer that a customer has not paid an energy bill due to hardship, it must inform the customer of the availability of the hardship policy as soon as practicable after this identification has ben made. The hardship policy must be provided on request and at no expense

Disconnection as last resort: a retailer must give effect to the general principle that de-energisation (disconnection) of the premises of a hardship customer due to the inability to pay is a last resort option

Contractual consistency: the terms of a market retail contract have no effect to the extent they are inconsistent with the application of the retailer's hardship policy to the relevant customer



NECF additional protections for those on life support equipment

Planned interruption limitations: a retailer or distributor may only arrange a planned interruption to the premises of a person who requires life support equipment by obtaining the customer's explicit consent to the interruption occurring on a specific date

Limitations for disconnection: a retailer or distributor must not arrange the de-energisation of a customer's premises where the premises are registered as having life support equipment

Registration of life support equipment: when a retailer is advised by a customer that a person residing or intending to reside at the premises requires life support equipment, the retailer or distributor must:

- register that a person at the premises requires life support equipment and the date from which it is required
- inform the customer who is being registered within five business days
- notify the retailer or distributor (as applicable) that a person residing or intending to reside at the premises requires life support equipment and the date from which it is required

Medical confirmation requirements: the retailer or the distributor must give the customer 50 business days to give medical confirmation and during this period, send two reminder notices to the customer that this must be provided

Ongoing obligations: the retailer or the distributor must not arrange for the de-energisation of premises registered as requiring life support equipment, except in the case of an interruption

Deregistration of premises: a retailer or distributor may only deregister a customer's premises that requires life support equipment if:

- the customer did not provide medical confirmation and the retailer or distributor has:
- complied with the timeframe and notification requirements
- taken reasonable steps to contact the customer
- provided the customer with a deregistration notice no less than fifteen business days from the issue of the second confirmation reminder notice
- the customer has advised that the person for whom the life support equipment is required has vacated the premises or no longer requires it and the retailer or distributor has provided the required written notice with the date of deregistration
- the distributor becomes aware that the customer at that premises has transferred retailers and provided the required written notice and the date of deregistration

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5B. Additional protections for disconnection/reconnection



5.B. Additional protections for disconnection/reconnection



Distributor planned interruptions: a distributor must use its best endeavours to restore a customer's energy supply as soon as possible

Limitations for de-energisation: retailers and distributors must not de-energise a customer's premises except in accordance with the rules. The circumstances where retailers or distributors may de-energise a customer's premises are prescribed by the rules. They may not de-energise a premises if:

- it is registered as having life support equipment
- the customer has made a complaint directly related to the reason for the de-energisation
- the customer has contacted the retailer raising the issue that no explicit consent was obtained, and the issue remains unresolved
- the customer is a hardship customer or a residential customer on a payment plan
- the retailer is aware that the customer has formally applied for help to an organisation responsible for a rebate, concession or relief scheme
- the de-energisation ground is for non-payment of goods and services other than the sale of energy
- the amount outstanding that has not been paid by the customer is less than an amount approved by the AER
- the customer is going to be disconnected for not paying the bill during an extreme weather event or during a protected period

Re-energisation of gas and electricity: retailers and distributors are required to re-energise a customer gas and electricity supply in accordance with the energy laws. Retailers and distributors must notify each other that the premises have been re-energised as soon as practicable

Obligation to re-energise: retailers and distributors must arrange the re-energisation of premises if, within ten business days, the customer rectified or made a satisfactory arrangement to resolve the matter that led to the de-energisation

