



FINANCIAL COUNSELLORS'
ASSOCIATION OF NSW INC



Improving consumer confidence in retail energy plans: Preferred Rule Change

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About the Justice and Equity Centre

The Justice and Equity Centre is a leading, independent law and policy centre. Established in 1982 as the Public Interest Advocacy Centre (PIAC), we work with people and communities who are marginalised and facing disadvantage.

The Centre tackles injustice and inequality through:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change to deliver social justice.

Energy and Water Justice

Our Energy and Water Justice work improves regulation and policy so all people can access the sustainable, dependable and affordable energy and water they need. We ensure consumer protections improve equity and limit disadvantage and support communities to play a meaningful role in decision-making. We help to accelerate a transition away from fossil fuels that also improves outcomes for people. We work collaboratively with community and consumer groups across the country, and our work receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- The Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

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The Justice and Equity Centre office is located on the land of the Gadigal of the Eora Nation.

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1. Introduction

The Justice and Equity Centre, Financial Rights Legal Centre, Mob Strong, Australian Council of Social Service, ACT Council of Social Service, South Australia Council of Social Service, Queensland Council of Social Service, Financial Counsellors' Association of NSW, Ethnic Communities Council of NSW and Council of the Aging Australia welcome the opportunity to respond to the AEMC's Draft Determination (the Draft) and Preferred Rule Change for *Improving consumer confidence in retail energy plans*.

Our organisations are broadly supportive of the Draft which will make important steps to improving outcomes in access to affordable energy services for all energy consumers.

The Commonwealth Governments *Better Energy Customer Experience*¹ process is intended to be the vehicle for a much-needed, comprehensive reform of energy laws, regulations and protections to ensure they best promote the needs of all energy consumers now, and through the energy transition. However, this process is not certain and is not likely to deliver outcomes for some time (if ever). This package of rule changes is a critical opportunity to make overdue improvements now, within the bounds of current regulations and legislation. It is important that these rule changes be grounded in consistent principles, aligned with positive outcomes for all consumers and commence steps which can be carried through to broader reforms.

We welcome the important improvements and clarifications the Draft makes to the initial rule change proposals. While the Draft recommendations differ from those in our submissions², we are pleased to see that they align with the principles underpinning our recommendations in many cases.

Having provided detailed feedback in our response to the Consultation Paper, our submission to the Draft outlines our support for each policy position and provides some direct feedback on detailed aspects of each individual aspect of the rule change.

2. Response to Preferred Rule Change

2.1 Ensuring contract terms last the length of the contract

We broadly support the draft position on contract benefits and strongly support the principle and intent of the Draft.

Fairer outcomes for all energy consumers depend on ensuring contract structures and practices better align with consumer understanding and expectations. This will also help improve low levels of trust in the energy sector.

We contend the good intent of this rule change would be better delivered by referring to 'energy related contract terms' or 'material contract terms' rather than 'benefits'. Differentiating between

¹ Commonwealth DCCEEW, 2025, [Better Energy Customer Experiences](#)

² The Justice and Equity Centre et al. 2025, [Submission to the AEMC on Delivering more protections for energy consumers: changes to retail energy contracts](#)

contract terms (and timeframes) and ‘benefits’ (and timeframes) is unreasonably complicated and potentially undermines meaningful choice and consent.

We reiterate points made in our response to the consultation paper³. This process must seek to provide clarity and consistency by defining what ‘material aspects’ (or benefits) of energy contracts this rule should apply to. It will also be important to ensure a similar level of consistency in communication of these (and any other) terms to the consumer, and when and how this must occur. We note this will likely happen through an update of the AER’s *Benefit Change Notice Guidelines*⁴. We recommend the AEMC provide direction to the AER to ensure this process (and any other relevant AER advice or guidelines) are updated promptly to ensure the full intent of the rule is delivered as soon as possible.

In this context we strongly support applying the rule consistently to all contracts, including those where benefits have already expired. We do not support allowing exemptions to the rule⁵. We support the AEMC improving this rule to protect customers against de-energisation.

2.2 Ending unreasonable conditional offers

We broadly support ceasing legacy offers with unreasonable conditional discounts, and ensuring the rule change resolves legacy issues which negatively impact many consumers.

As detailed in our submission to the consultation paper, conditional discounts often exacerbate or unfairly disadvantage many households already struggling to afford the energy they need. This is compounded when the ‘base offer’ is set at a level well above the DMO, leaving impacted consumers materially worse off.

We support the AEMCs analysis that placing the burden of resolving legacy contracts onto retailers is most appropriate and likely to result in them offering customers on these legacy contracts new contracts with more appropriate terms or simply terminating the offer and allowing them to default to a standing offer based on the DMO.

2.3 Restricting price increases under market retail contracts

Our organisations strongly support restricting price increases to no more than once every 12 months for all new and existing customers.

This is a critical measure to ensure retail pricing practices better align with consumer understanding and expectations. Notwithstanding required notice periods, price changes during the term of a contract undermine consumers ability to effectively understand, choose and consent to energy deals which meet their needs. Restricting price changes also strengthens the incentive

³ The Justice and Equity Centre et al. 2025, [Submission to the AEMC on Delivering more protections for energy consumers: changes to retail energy contracts](#)

⁴ Australian Energy Regulator, 2018, [Benefit change notice guideline](#)

⁵ We do however maintain our position that this rule change would not preclude one-off benefits (such as sign-up bonuses) or for ‘additional’, non-energy ‘benefits’ to be time limited – for instance free memberships of tv streaming services. To be effective this rule would need to clearly relate to the material terms of the energy contract and clearly communicate where other ‘non-energy’ terms are different.

for retailers to manage costs and risks on consumers behalf, by requiring them to offer products which are more easily understood by consumers.

We support the draft decision to allow price increases to occur either in the month of July, or at least 12 months after a contract has been entered into. The end result must be that a consumer experiences no more than one price change in any 12-month period. However, retailers must be required to determine this in advance and ensure this is clearly and simply conveyed:

- On Energy Made Easy and comparison listings,
- In the highlighted contract terms consented to at sign-up, and
- Somewhere on the consumers bills.

The 20-day notice period for price changes should also be maintained to ensure consumers have an opportunity to compare offers at the point of price change. The AEMC should ensure any guidelines or direction developed by the AER involves appropriate engagement with consumer and community organisations to ensure these communications are effective and accessible.

2.4 Restricting fees and charges

Our organisations broadly support the proposals to restrict fees and charges. Excluding fees and charges for defined consumers regarded as disadvantaged or vulnerable will contribute towards alleviating the ‘poverty tax’, as discussed in our submission to the consultation paper.

We broadly support the draft decision to also only allow reasonable costs for all other customers. However, we are concerned that paper bill fees were not included in the prohibition list alongside account establishment and move-in/move-out fees. Paper bill fees perpetuate disadvantage for people with lower digital literacy or digital access and should not be allowed. While some consumers with lower digital literacy or digital access will be covered by the exemptions for vulnerable consumers, there will be many who are not. We recommend including paper bill fees into the list of prohibited fees and charges.

3. Further engagement

We welcome the opportunity to meet with the AEMC, Energy Ministers and other stakeholders to discuss these issues in more depth.