



31 July 2025

Submitted Online

## **Draft Rule Determination – Improving the ability to switch to a better offer**

Alinta Energy welcomes the opportunity to provide comment on the draft rule determination, “Improving the ability to switch to a better offer.”

As an active investor in energy markets across Australia with an owned and contracted generation portfolio of nearly 3,000MW and more than 1.1 million electricity and gas customers, we have a strong interest in energy market design. This includes consumers accessing energy products and services aligned with their needs and preferences, through practical and effective regulatory settings.

Alinta Energy does not support the draft rule determination or the proposed amendments to the National Energy Retail Rules in their current form. We have two principal concerns with the proposal.

First, the AEMC “envisages” that the eventual obligation would require the deemed better offer message to appear on additional customer communications. Implementing this would require significant system changes for retailers, resulting in material costs that would inevitably be passed on to consumers. Yet this added burden is proposed without evidence that duplicating the better offer message across multiple channels would be more effective than a simpler, lower-cost alternative. The issue is one of awareness, and that is unlikely to be resolved by simply repeating the same message in more places.

A more practical and efficient solution would be to require retailers to include a clear, generic message in relevant communications, directing customers to the better offer information already available on their bill. This would maintain transparency, avoid duplication, and achieve the intended outcome without unnecessary administrative complexity or cost.

Second, the draft rule improperly delegates the specification of key regulatory obligations from the AEMC to the AER. While the AEMC is responsible for rule-making under the National Energy Retail Law, the proposed approach would leave critical elements of the obligation to be defined through the AER's Better Bills Guideline. As a result, these obligations may not be subject to the same level of rigour or formality as the rule change process, which is designed to ensure openness, consistency, and appropriate stakeholder input in the development of regulatory requirements. This approach also blurs the clearly defined roles of market bodies under the national

energy framework, undermining regulatory certainty and setting an unhelpful precedent for how rule changes are made and implemented.

Further comments on the draft rule determination are set out below.

Alinta Energy welcomes any further opportunity to discuss our response with the Commission, please contact Shaun Ruddy ( [shaun.ruddy@alintaenergy.com.au](mailto:shaun.ruddy@alintaenergy.com.au) ) in the first instance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'G Hamilton', is positioned above the printed name.

**Graeme Hamilton**

General Manager, Regulatory & Government Affairs

## **Draft Rule Determination – Improving the ability to switch to a better offer**

The AEMC's draft rule determination draws on behavioural research conducted by the Behavioural Economics Team of the Australian Government (BETA), which found that customers are more likely to engage in the market when presented with clear opportunities to save. However, the draft also suggests that some customers may not notice the message on their bill alerting them to the potential to switch to a better offer or to visit the Energy Made Easy website.

It is important to acknowledge that customer engagement is a complex issue, shaped by behavioural, structural, and personal factors that extend beyond the scope of this rule change. The draft determination itself notes that the time and effort to switch retailers was negligible, and that once a customer decided to switch, the process was fairly easy. This confirms that access to information is not the primary barrier to engagement. Rather, the key issue is how to prompt more customers to notice and act on the information already available to them.

There is no evidence to suggest that requiring comparative better offer messaging across multiple communication channels would materially improve engagement; and it is unlikely to do so in practice. What is needed is a targeted, cost-effective solution that increases awareness of the existing message, without requiring costly and unnecessary system changes.

### **A Simpler, Lower-Cost Alternative**

A more practical and efficient approach would be to require retailers to include a clear, generic message in relevant communications, directing customers to the better offer information already provided on their bill. This would maintain transparency while avoiding unnecessary duplication, enabling retailers to meet the objective in a more cost-effective and administratively efficient manner.

Mandating the inclusion of better offer messaging across multiple communication channels would instead add considerable complexity and cost to retailer operations; with those costs ultimately passed through to consumers with no clear evidence of additional benefit.

### **Regulatory Process and Role Clarity**

The draft rule determination places significant responsibility on the AER to define the detailed obligations retailers must meet when communicating better offer information to customers.

While the AER is responsible for monitoring, investigating, and enforcing compliance with the National Energy Retail Law, Rules and Regulations (NERL s.204), it is the AEMC that holds the formal rule-making power under the NERL (s.238). This separation of

functions is also reflected in the Australian Energy Market Agreement. To support consistent and accountable rule-making, and uphold the structure and intent of the regulatory framework, it is critical that each body remains focused on its legislated role.

By delegating the design of key obligations to the AER's Better Bills Guideline, the AEMC risks diminishing the rigour and deliberative nature of the rule change process. Retailers are left with uncertainty about the final form of the obligation, making it almost impossible to provide a meaningful response to the draft determination. It also sets a concerning precedent for detailed regulatory requirements to be developed outside the formal rule-making framework.

To address these concerns, the AEMC should re-issue the draft determination with a revised proposed rule that adopts the simpler alternative outlined in this submission: requiring retailers to include a generic message in relevant communications directing customers to the better offer information already provided on their bill. This approach would not require any amendment to the AER's Better Bills Guideline and could be implemented without significant cost or regulatory complexity.

### **The Value of Independent Messaging**

While not the primary focus of the draft rule determination, the issue of customer engagement is referenced throughout. Engagement in the energy market is a complex issue, shaped by a wide range of behavioural, structural, and contextual factors. It cannot be explained or addressed through a single cause or intervention.

Improved access to and awareness of information can support greater engagement, particularly when that information is delivered through independent and authoritative sources. Research shows that customers are more likely to trust and act on messages attributed to government or the AER. The AER's own review, *Testing the better offer notice on energy bills*, found that government-branded messages increased the perceived credibility of information and the likelihood it would be acted upon.

This insight is particularly relevant to better offer messaging. There is a clear opportunity for the AER and government to play a greater role in raising awareness and encouraging engagement, including through direct communication and targeted education campaigns. Enhanced independent promotion of the Energy Made Easy website could also help increase customer confidence and usage.