

Mr John Pierce
Chairman
Australian Energy Market Commission
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Lodged online

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Dear Mr Pierce,

RE: National Energy Retail Amendment (Notification of the end of a fixed benefit period) Rule 2017

Thank you for the opportunity to comment on this rule change. As the peak body for the health and community services sector in South Australia, the South Australian Council of Social Service (SACOSS) has an established history of interest, engagement and provision of proposed advice on the necessary market mechanisms for and regulation of essential services. Our research shows that the cost of basic necessities like electricity impacts greatly and disproportionately on vulnerable people. Our advocacy is informed by our members and direct consultations with consumers and other consumer organisations: organisations and individuals who witness and experience these impacts in our community.

SACOSS supports the proposal to require retailers to inform their customers of the impending expiry of their fixed benefit period and to provide them with relevant financial information before the end of a fixed benefit period under a market retail contract. SACOSS believes that the lack of information regarding the end of a fixed benefit period has led to a negative effect on the overall competitiveness of the market to a significant extent. SACOSS believes that the proposed rule change should apply to market retail energy contracts including gas, as competition in gas retail is in the long term interests of consumers. SACOSS does not support the exemption as we believe customers should have choice in all situations.

SACOSS supports the proposed commencement date for notices that a financial benefit (such as a time-limited discount) is coming to an end before the end of their contract to be provided to customers. However, we believe that advice to the consumer of the real financial value of that benefit, advice to the consumer on how to compare their existing contract with other available offers in the market and advice on the potential costs the consumer may bear in switching to a new contract before their existing contract expires should be the subject of an AER review as per the usual guideline process which subjects these issues to consultation and more extensive consideration.

We thank you in advance for consideration of our comments. If you have any questions relating to the above, please contact SACOSS Senior Policy Officer, Jo De Silva on (08) 8305 4211 or via jo@sacoss.org.au.

Yours sincerely,

Ross Womersley
Chief Executive Officer