

18 October 2018

Ms Kate Wild  
Senior Adviser  
Australian Energy Market Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

Dear Ms Wild,

### **Strengthening Protections for Customers in Hardship**

Simply Energy welcomes the opportunity to provide feedback on the Australian Energy Market Commission's (AEMC) draft rule determination on strengthening protections for customers in hardship.

Simply Energy is a leading second-tier energy retailer with over 660,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. As a second-tier retailer, Simply Energy is focused on promoting effective customer engagement and access to energy services. Simply Energy is also committed to providing consumers with affordable access to energy, including those who may be struggling to pay their household energy expenses.

In view of this commitment, Simply Energy supports well adapted measures aimed at ensuring that energy consumers experiencing hardship are afforded the assistance they need to support them in breaking free from the cycle of indebtedness. With this in mind, the following submission evaluates:

- the proposed scope of the Australian Energy Regulator's (AER) powers to mandate standardised statements in retail hardship policies; and
- the recommendation that any prospective retailer should have an approved hardship policy in place before receiving retail authorisation.

### **Standardised Statements in Hardship Policies**

Simply Energy acknowledges that there are potential benefits in ensuring all retailers offer a standard set of minimum protections to customers experiencing financial hardship. However, any powers conferred on the AER to prescribe these statements should be tailored to ensure that retailers retain the flexibility to offer individualised assistance, where appropriate.

Simply Energy would, therefore, encourage the AEMC to clearly define the scope of the AER's powers to specify standardised statements under its proposed hardship policy guidelines. Simply Energy considers that the AER's power to specify standardised statements that all retailers are required to adopt, should be confined to when:

- there is identifiable deficiency in the performance of retailers in general with respect to the minimum hardship requirements under the National Energy Retail Law (NERL);
- the AER's standardised statements go no further than reasonably necessary to address the identified deficiency; and

- the AER is able to demonstrate a net benefit to hardship customers in imposing the standardised statement/s, taking into account the implementation and transitional costs of retailers in meeting any associated system or procedural changes.

Expressly mandating these factors in the National Energy Retail Rules would provide a form of accountability mechanism by ensuring the scope of any standardised statements imposed in the AER's guidelines are proportionately aligned with the requirements under the NERL and go no further than reasonably necessary.

### **Hardship Policy Requirements for New Entrant Retailers**

In terms of the AEMC's consequential proposal, Simply Energy supports amendments to the NERL to require any new entrant retailer to have an approved hardship policy in place before it is granted a retail authorisation. Households need energy for heating, cooking, lighting and everyday living. In view of this, Simply Energy considers that having an approved hardship policy is an imperative consumer safeguard that all authorised retailers should have in place.

### **Concluding Remarks**

Apart from the suggestion around confining the scope of the AER's powers, Simply Energy considers the AEMC has constructively taken into account stakeholder feedback in proposing a balanced position on this rule change.

Simply Energy looks forward to continuing to work with the AEMC to develop a regulatory scheme that is focused on meeting the long-term interests of energy consumers. To arrange a discussion on this submission or if you have any questions please contact Anthony O'Connell, Senior Regulatory and Compliance Officer, on (03) 8807 5134 or at [Anthony.OConnell@simplyenergy.com.au](mailto:Anthony.OConnell@simplyenergy.com.au).

Yours sincerely



James Barton  
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Simply Energy