

15 July 2026

Australian Energy Regulator
Retail Guidelines Review team
Lodged via the AER website

Dear Retail Guidelines Review team,

Draft AER Retail Guidelines

Aurora Energy welcomes the opportunity to make a submission to the Australian Energy Regulator (AER) in relation to its draft AER Retail Guidelines.

Aurora Energy is a customer-centric Tasmanian Government owned energy retailer providing energy services to the vast majority of Tasmania's electricity customers.

Aurora Energy supports the AER's objective of consolidating and simplifying the existing retail guidelines, reducing duplication and ensuring customers receive clear and useful information. However, as outlined below Aurora Energy has grave concerns over the proposed implementation date of the new guidelines.

Due to the complexity of the proposed changes, Aurora Energy's key recommendation is that the AER finalise the guideline with a more achievable implementation date of 1 December 2027.

Implementation Timeframes

Aurora Energy supports the AER's objective of improving the clarity and effectiveness of the Retail Guidelines. However, we do not consider the proposed implementation timeframe to be achievable.

Aurora Energy is currently managing an unprecedented level of regulatory change, with several significant reforms either recently implemented and requiring ongoing monitoring or scheduled for implementation during 2026. These include:

- Improving Consumer Confidence
- Improving the Application of Concessions
- Flexible Trading Arrangements
- Improving the Ability to Switch
- Hardship reforms

These reforms are placing substantial demands on our technology, operational and compliance resources, as well as third-party vendors. The volume of regulatory change is also affecting our ability to progress other initiatives that improve products and customer experience.

Given the current program of work, Aurora Energy will be unable to implement the proposed Retail Guideline changes by 31 December 2026. The expected final release date of September 2026 leaves an unrealistically short period to assess the final requirements, make significant system and process changes, work with vendors, update customer communications, complete testing and train frontline staff.

The proposed changes to the Better Offer obligations are of particular concern. Requiring retailers to compare plans across different tariff structures represents a fundamental departure from the current approach. Aurora Energy, along with a number of other retailers, currently conducts its Better Offer calculations on a like-for-like tariff basis and has designed its billing systems around this requirement.

Expanding the requirement to compare across different tariff structures will require significant changes to billing systems, operational processes and compliance controls. The proposed changes are complex and will also impose significant costs on retailers. Additionally, any system and process changes will need to be subject to extensive testing and validation to ensure that Better Offer calculations are accurate.

Aurora Energy is also concerned about how the Better Offer calculation will need to evolve as new products and services come into the market for consumers using consumer energy resources. Rule changes such as the Flexible Trading rule change, which, if expanded, will introduce secondary settlement points, significantly increases the complexity of calculating a better offer. Requirements to compare offers across different tariff structures, particularly as more multifaceted products enter the market, will increase implementation costs for retailers and require significant changes to billing systems and supporting processes.

Based on Aurora Energy's experience delivering reforms of similar complexity, changes of this scale typically require at least 12 to 18 months from finalisation of the requirements to implementation. It is Aurora Energy's view that the changes to the interpretation of the Better Offer calculation are fundamental, and will require a similar level of effort to the original introduction of the Better Bills Guidelines, where retailers were granted 18 months to comply from the date the guidelines were published (and three years from the AEMC rule change).

For these reasons, Aurora Energy's preference is for the revised Retail Guidelines to commence on 1 December 2027, providing retailers with sufficient time to implement the changes in a controlled and effective manner.

Conclusion

Aurora Energy supports the AER's objective of delivering a clearer, more streamlined and coherent retail guideline framework. We support the intent of modernising the framework and agree that a consolidated guideline has the potential to improve clarity, reduce complexity and assist retailers in understanding and applying their obligations consistently, provided the final instrument remains practical to implement.

To support these outcomes, Aurora Energy recommends that the AER establish an achievable commencement date that reflects the implementation lead times required for the most complex changes and enables retailers to stay compliant with the requirements.

Should you have any questions regarding this submission, please contact Giles Whitehouse at

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Yours sincerely

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Nigel Clark
Chief Executive Officer