

I am writing to provide feedback on the draft AER Retail Guidelines.

I note you are seeking feedback on consumer outcomes, implementation costs and related issues for retailers.

I believe the punitive billing systems and design principles upon which these guidelines are based are flawed and grossly unfair to vulnerable, low-income customers.

The Guidelines focus a great deal on how retailers will ensure that customers are protected from paying unreasonably high bills and to this end incorporate processes for notifying customers of the best plan available to them, and communicate financial hardship policies to customers identified as struggling to pay their bills.

However, I note that gas retailers structure their billing costs so retail customers pay much higher rates for their first tier of usage (essentially double the cost). Billing costs then decline on a sliding scale, with high energy users being rewarded for using more gas by paying less the more they use (at a time when government purports to be committed to phasing out fossil fuels and gas). This declining scale billing structure targets vulnerable, low income customers, ensuring they always pay more for the energy they use. But apparently that's ok to take advantage of their vulnerability and poverty if you offer a hardship policy to compensate for the fact those customers are forced to forego heating, cooling, groceries and medications to be able to support higher energy using customers. This in a time when the cost-of-living crisis is well recognised and homelessness is on the rise. This billing system is ensuring customer hardship.

Energy made easy? Not for the vulnerable, low-income customers who through punitive billing structures are essentially subsidising higher energy use customers and being kept trapped in an inescapable cycle of paying the most expensive billing costs in the energy retailers' customer base.

In my circumstances, I inherited two elderly cats through a will. For several years I kept the heat on while I was at work to ensure their comfort. I am upset to now realise that my personal decision to use extra energy for that purpose was charged at a much lower rate (essentially subsidised by pensioners and low-income renters). I don't think any reasonable person would want their personal higher energy use to be subsidised by the vulnerable in the community due to unfairly calculated, punitive billing systems.

Regarding the supposed best option plan ... "Based on your past usage, you could save you up to \$X / less per year than your current plan.". I received this notification from my energy supplier and swapped to the cheaper plan they identified. My first bill under the cheaper plan stated, "Based on your past usage, you could save" So that's working well (not).

I also doubt that any wilful systemic breaches of the guidelines (as opposed to legislation) would result in any punitive or remedial action. How much did the energy retailers "help" write the guidelines?

The guidelines do nothing to address the real underlying issues.

After perusing these draft guidelines I expect customer outcomes will remain poor.

[REDACTED]