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AER – Access to dispute resolution services for exempt customers

EnergyAustralia is one of Australia's largest energy companies with over 2.6 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market (NEM) and an annual gas portfolio of over 100PJ.

We welcome the opportunity to respond to the AER's issue paper on exempt customer access to dispute resolution services.

Energy Australia believes that all small energy customers should have equitable access to dispute resolution services, regardless of how they receive their energy services. We also agree with the AER that ombudsman schemes have a significant role in building consumer trust and confidence in the retail energy market. For these reasons, Energy Australia supports the collaboration between AER and Australia and New Zealand Energy and Water Ombudsman Network (ANZEWON) to consider what changes may need to be made to in order to improve access for exempt customers to ombudsman schemes.

The current framework has been developed in a reactive way and has become a patchwork of exemption categories with varying levels of regulation (consumer protections and reporting requirements). Energy Australia considers that customers of all energy providers should have access to consistent and independent dispute resolution services. As the diversification of energy products and services expands we see that more and more consumers receive their energy services from exempt entities and therefore an increasing number of customers are not afforded the same protections as customers of authorised retailers.

Customer assistance

As noted by AER in the Issues Paper, exempt customers have varying rights to receive dispute resolution information and assistance depending on the jurisdiction or whether the dispute falls within the remit of an exempt seller or the exempt network service provider (exempt entities). This is in contrast to customers of authorised retailers who have access to free and independent dispute resolution services offered by the relevant jurisdiction's energy ombudsman.

Where the application of dispute resolution services is inconsistent, there is the potential for a category of energy consumers to be disadvantaged. We believe that this may be the case where certain customers, for example those in embedded networks do not have access to the same protections simply because of the circumstances of their living arrangements, rather than an active choice of retailer. Therefore, we support the implementation of an approach that applies the same minimum consumer dispute resolution standards to all sellers of energy, regardless of their classification as an authorised retailer or an exempt seller.

Reporting requirements

In support of the expansion of the ombudsman scheme, the following topics should be considered:

- While exempt sellers must provide information to customers, in writing, about their dispute resolution procedures, there is no formal monitoring of this to ensure they provide adequate or effective information.
- If exempt customers have access to alternative dispute resolution, including ombudsman scheme, then it will be important to revisit the constitution of these schemes to ensure that all participants are contributing to an equitable share of the ongoing costs of these services.
- Improvements to access to information on dispute resolution for exempt customers may be required. Authorised retailers generally have information on their website regarding access to ombudsman schemes and how to make a complaint through this mechanism. However, at present, the only requirement on exempt entities is that the information is provided to the customer (which is generally done as part of a larger contract such as the tenancy agreement).

EnergyAustralia believes that changes to ensure consistent access and reporting obligations for exempt entities will improve consumer experiences and result in fair and equitable outcomes irrespective of how consumers receive their energy services.

If you would like to discuss this submission please contact Samantha Nunan on <u>samantha.nunan@energyaustralia.com.au</u> or on 03 8628 1516.

Regards

Melinda Green Industry Regulation Leader