



9 April 2021

Mr Joe Dimasi  
Senior Commissioner  
Independent Competition and Regulatory Commission  
PO Box 161 Civic Square  
ACT 2608

Email: [icrc@act.gov.au](mailto:icrc@act.gov.au)

Dear Mr Dimasi,

**RE: Improving the transparency and comparability of retail electricity offers**

Origin Energy appreciates the opportunity to provide a submission in response to the Independent Competition and Regulatory Commission's (ICRC) report *Improving the transparency and comparability of retail electricity offers*.

Origin fully supports measures that make the customer experience of engaging with the market simple and rewarding.

The introduction of the ACT Code will result in the vast majority of retailers operating under three different regimes for the oversight of reference pricing and clear advice entitlements: the Federal Code; the Victorian Code; and the ACT Code.

Origin's preference is for the retail sector to operate under a single agreed national regime. Notwithstanding, to support retailers providing the desired outcomes of the ACT Code, we strongly encourage the ICRC to develop rules consistent with those that already apply to promote consistency and ease of implementation for retailers.

Origin's views on specific matters in the ACT Code are set out below.

*Comparing the annual price of offers to a reference price*

Origin considers that "reference price determination" needs to be a defined term. The term "reference price" is defined as "for a regulatory period, in relation to supplying electricity in the Territory to a customer of a particular type, means the annual price in the reference price determination". However, it is not clear which price determination the reference price determination actually applies to. Origin assumes it relates to the ICRC's Electricity Price Investigation and not, for example, the Default Market Offer. Regardless, any room for potential misinterpretation should be removed.

In addition, Origin seeks clarity regarding the extent of interactions between retailers and customers that are intended to be captured under clause 2.3. For example, in the Victorian Code, an advertisement does not include any communication by a retail marketer directly with an individual customer regarding the retailer's offered prices, provided that the retail marketer makes this communication in accordance with the clear advice entitlement. We believe a similar provision in the ACT Code would provide additional clarity around direct communication.

Origin also considers that the ICRC ought to be mindful of how basic price and information documents (BPIDs) are generated using Energy Made Easy (EME). Retailers are required to use EME for this purpose and may not generate BPIDs independently of the EME platform. The EME platform currently does not support a reference price and as a result, BPIDs do not show the annual price against a

reference price. Retailers do not control this platform and producing the reference price information as required by the ACT Code on BPIDs is not currently possible.

#### *Better offer notification*

Origin considers that the inclusion of a better offer notification for ACT customers would be a positive way to encourage customers to engage with the competitive energy market. We note that there is no predicted savings threshold included in the draft ACT Code. We note that in the Victorian Code, the better offer notification is subject to a dollar-savings threshold of \$22. This means that retailers are not required to provide a better offer notification for offers that are only marginally different from the customer's existing plan. We consider, a provision similar to the Victorian Code would ensure customers only receive better offer notifications for annual differences that are likely to incentivise a customer to action to investigate whether a better plan exists and provide a meaningful reward and experience.

Providing notifications of lesser or insignificant amounts may have an opposite effect.

Furthermore, as there is an alternative message for scenarios when a customer is already receiving the best offer, including a threshold would not stop the customer receiving a message promoting the benefits of shopping around. We consider that the threshold will result in better customer engagement and encourage the ICRC to adopt this in making its ACT Code.

The ACT Code requires retailers to include a hyperlink on customers' bills if these are electronically delivered. Currently, we are unable to embed working hyperlinks in the customer's actual bill, even where these are delivered as electronic attachments. Where hyperlinks are included in electronic communications these are in the body of the email, which we understand is not considered the bill for compliance purposes. Origin proposes that clause 3.4(3)(c) be updated to 'including a hyperlink where the bill is sent electronically'. This would allow retailers to meet the obligation in the most effective manner, rather than requiring changes to billing templates and systems, which can quickly become costly.

#### *Record keeping requirements*

The ACT Code has proposed using the record keeping timeframes included in the Federal Code. It is unclear why these timeframes were selected for the Federal Code, and the ICRC has not presented reasons why it chosen the Federal Code over the Victorian Code.

The Victorian Code requires records to be kept for two years, where the record is related to the best offer notification on customer bills. Where the record relates to comparing the offer to the reference price, or providing clear advice to the customer, then the relevant records only need to be kept for 12 months. Records which relate to complaints that are open with the Energy Ombudsman are required to be retained until the complaint is resolved.

It is unlikely that a complaint about a retailer not meeting the obligations described in the ICRC's draft ACT Code would be made more than two years after the requirement was triggered, because the outcome for the customer will manifest as a higher-than-expected bill. An investigation of this by the Energy Ombudsman would be raised in response to the receipt of the bill and not as a historical complaint. As such we consider that the record keeping requirements outlined by the Victorian Code are sufficient to ensure that these would be available for reference when a dispute about the retailers' satisfaction of these obligations is raised.

Origin supports the ACT Code aligning with the Victorian Code in this regard.

#### *Implementation*

The ICRC's paper and draft ACT Code do not provide a set implementation date or suggested approach to implementation. The application of the Code is scheduled to apply 'when a reference price is in effect', however, it is our understanding the ICRC has already approved a regulated retail price.

There are changes that retailers will need to make to their systems and processes to ensure that the better offer on bills and clear advice requirements are met. Although retailers already perform many of these requirements, this does not mean the obligation can be met in a different jurisdiction without appropriate lead time.

For example, the implementation timeframe to display the better offer on bills in Victoria was 7 months from the time the Essential Services Commission made their final determination. Origin considers that at least a five-month implementation period would be required to make a similar change to ACT billing.

Similarly, with respect to the clear advice entitlements, this will involve updating processes and providing agent training to ensure that ACT customers are provided with the correct clear advice when entering an energy contract. Origin suggests a three-month period from the initial reference price determination would be an appropriate commencement date for this Code obligation.

*Closing*

If you have any questions regarding this submission, please contact [REDACTED] in the first instance or [REDACTED] and or [REDACTED].

Yours sincerely

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Group Manager Regulatory Policy  
[REDACTED]