



Australian Energy Council Limited - AA1000502

Joint Consumer Group Submission to ACCC

Introduction

1. This submission is made by the Consumer' Federation of Australia (CFA) with support and input from Energy Consumers Australia (ECA). CFA is the peak body for consumer organisations in Australia. ECA is the national voice for residential and small business energy consumers, working to promote the long-term interests of energy consumers with respect to price, quality, safety, reliability and security.
2. This submission is in response to the ACCC's invitation to interested parties to make a submission about the application by the Australian Energy Council Limited (AEC) and its members and other retailers of gas or electricity which was made on 17 April 2020. This led to the ACCC's interim authorisation made on 1 May (the interim authorisation).
3. We are generally supportive of the AEC's application and the interim authorisation. In particular, we think that the interim authorisation defines with precision the Proposed Conduct by specifying a clear purpose (paragraph 13(b) of the interim authorisation) and confining the authorisation to specific categories of conduct (paragraphs 16(a) to (f)). We also support each of the ACCC's 5 conditions. We would like to see a final authorisation replicate these aspects of the interim authorisation.
4. There are, however, a couple of enhancements that we submit should be made, as explained below.

Reasonable minimum standard for financial relief programs

5. We are supportive of consistent financial relief programs, provided that these programs establish a reasonable minimum standard.
6. To that end, we submit that consumer representative groups should be consulted about the design of financial relief programs. To encourage this, the ACCC's authorisation should amend the condition in paragraph 29 Condition 4 of the interim authorisation (and ultimately the final authorisation) also to require the AEC to set out in its reporting to the ACCC about any financial relief that has been agreed by the Participating Parties:
 - i. what consumer representative consultation has been undertaken; and
 - ii. a summary of the consumer representative views expressed through that consultation process.

7. In proposing this, we are not suggesting that Participating Parties should have to accede to consumer representative views. But we think that the ACCC should be informed about whether consumer representative consultation has occurred and the views that have been expressed. If, in fact, Participating Parties consult effectively with consumer representatives, we submit that this should add to the ACCC's confidence that public benefit is being achieved.

Public transparency financial relief programs

8. We submit that there should be public transparency as to the outcomes from the authorisation.
9. The AEC interim authorisation, unlike the ABA financial relief programs authorisation, does not state that the ACCC will publish AEC reporting on the ACCC's Public Register. We think that this is a significant omission that deprives the community with an opportunity to understand the impact of the ACCC's authorisation.
10. As we have submitted in relation to the ABA financial relief programs authorisation, we think that there should also be periodic reporting by the AEC to the ACCC as to the implementation of financial relief programs agreed to be Participating Parties. For example, how many customers are being assisted, the type of assistance and so on. Again reporting could be made public via the ACCC's Public Register. In our view, some basic metrics of this type would greatly enhance community understanding of whether the authorisation has delivered a public benefit.
11. We submit that the interim authorisation (and ultimately the final authorisation) should be amended to require this transparency.

Term

12. The AEC seeks an authorisation for the period of 12 months from the date of the final authorisation.
13. We find it difficult to understand why such a long period is sought. This is particularly given that the AER's Statement of Expectations envisages financial assistance "until at least 31 July 2020". This suggests an end date substantially earlier than, for example, ABA member financial relief programs. In any event, any approaches or programs to provide financial assistance to consumers that are agreed through discussions under the authorisation, are able to continue without the authorisation itself needing to be in place.
14. We think that the ACCC should be testing with the AEC the necessity and appropriateness of the long term that the AEC has applied for.

