

## Retail market review implementation program launch

### Purpose

This document contains a summary of the discussion during the Q&A session of the retail market review implementation program launch, held by the commission at 121 Exhibition Street, Melbourne, on 20 March 2018.

### Summary

**Question:** Which recommendations do you consider are straightforward and which are less so? Some seem simple at face value but will be more complex to implement.

**Answer:** Beyond recommendation 3H, none are necessarily straightforward. We need to have a real conversation on what it means to implement these recommendations. There is lots of room for input from stakeholders.

**Question/ Comment:** You need to test outcomes with real consumers. When you present things to consumers, sometimes the best laid plans don't lead to outcomes you expect.

**Answer:** We are speaking to experts in the behavioural sciences field about what we can do within the time frames we have available, but we will definitely be in a room with real consumers throughout the project. We note that the terms of reference specifically refer to engagement with culturally and linguistically diverse, as well as aged consumers

**Question:** Are you carving out the recent hardship (payment difficulties) changes to the energy retail code and putting them to one side to undertake the recommended code review?

**Answer:** We are not intending to touch those changes.

**Question:** During the consultation will you be providing any information or advice on what the ultimate use of the reference price will be? The use of the reference price influences the methodology.

**Answer:** We need to respond to what's written in the terms of reference – this sets out what the government has asked us to provide information to them on. Recommendation 8A sets out which costs we should include as part of building up the reference price.

**Question:** As part of the recommendation to review the codes, do you have any ideas on the areas of the codes that you would look at?

**Answer:** Recommendation 9A sets out that we should review all our codes to ensure they focus on customer outcomes, as well as accounting for the developments in new business models. Elements of both the retail and distribution codes could relate to these outcomes and one possibility we may look at is combining them into a single customer focussed code.

**Question:** Have there been developments regarding the commission's ability to compel retailers to provide information for the implementation of the review?

**Answer:** Not yet, but the government has indicated that they would undertake a process to strengthen powers.

**Question:** Why not wait until ACCC report comes out before progressing with the reference price?

**Answer:** We will be delivering according to the timeframes set out by the government. However, we will ensure that we remain informed of the latest information and changes that are relevant to our work and attempt to reflect this wherever possible.

**Question:** Are there parts of the code that are top of mind to change under recommendation 9A?

**Answer:** The idea is that an energy consumer code is a principles based framework. Reviewing our codes is a big piece of work involving a whole range of obligations. Over the past six months many stakeholders have come to us to discuss new ways of doing things. There have been identified barriers because of current constraints within the codes. We have lots of time, around 18 months, to do this and we will engage with stakeholders to see what they think issues are.

**Question:** When you mentioned a consumer code, did I miss something? I hadn't heard that before. Is that just a possibility?

**Answer:** There have been discussions on what a consumer code would look like, but the scope is open. The idea is about developing a principles based framework to support the current and future energy market.

**Question:** Eight retailers made commitments to the Prime Minister. As these flow through to rule changes into National Energy Customer Framework, there is a possibility that a number of these will overlap with aspects of recommendations three and four from the Thwaites Review. Or it could be that they are the same concepts but different words. Will you attempt to align any changes in Victoria with items that haven't filtered through the NECF yet? What conversations are you having with federal government?

**Answer:** There were changes to fixed benefit period and we were quick to adopt these to ensure consistency. Where rule changes made at AEMC level that follow on from discussions between the Prime Minister and retailers, we will consider these and whether or not we can implement them. If they are seeking to achieve same objectives then we will consider if they are a sufficient as means of implementing the Thwaites recommendations.