

5 April 2007

Mr Paul Kelly
ECCC Chairman
C/o Economic Regulation Authority
Level 6
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PERTH WA 6000

Dear Paul

REVIEW OF THE CODE OF CONDUCT FOR THE SUPPLY OF ELECTRICITY TO SMALL USE CUSTOMERS 2004 (CODE)

Synergy is pleased to comment on the Electricity Code of Conduct Committee's (ECCC) "Review of the Code of Conduct (For the Supply of Electricity to Small Use Customers) 2004 – Draft Review Report February 2007" (**Draft Report**).

Synergy's comments in response to:

- proposed amendments to the Code are contained in Attachment 1.
- discussion points raised in the Draft Report are contained in Attachment 2.

There has been significant new electricity customer protection introduced since the Code's enactment, specifically creation of the Energy Ombudsman and a regulated contract regime applicable to small use customers. Synergy believes the scope of the Code can be reduced in specific circumstances in recognition of these new arrangements. (Refer Attachment 1.)

Synergy notes there have been a number of developments at national level relating to customer protection, the most recent being the Productivity Commission's "Inquiry Into Australia's Consumer Policy Framework". The Productivity Commission is to report, amongst other matters, on:

- the scope for avoiding regulatory duplication and inconsistency through reducing reliance on industry-specific consumer regulation and making greater use of general consumer regulation; and
- the extent to which more effective use may be made of self-regulatory, co-regulatory, consumer education and consumer information approaches and principles-based regulation in addressing consumer issues.

Synergy considers these to be useful reference points and has undertaken its review of the Code consistent with these principles.

Synergy notes the Draft Report contains a number of issues which public comment has been specifically sought, which could result in additional regulation. In considering public responses, Synergy urges the ECCC and ultimately the ERA's Governing Body to specifically consider:

- the need for any additional regulation to be evidenced-based; and

- the benefits and costs of regulatory intervention.

Finally, Synergy would like to record its appreciation at the extensive amount of work undertaken by the ECCC Secretariat within a relatively short amount of time, specifically the jurisdictional comparisons undertaken in support of the review.

Yours sincerely

SIMON THACKRAY
MANAGER REGULATORY

CODE AMENDMENTS

PART 2 - MARKETING

On 26 March 2007, the Economic Regulation Authority (**ERA**) advised, amongst other matters, its decision to repeal the *Gas Marketing Code of Conduct 2004* and replace it with a Gas Marketing Standard, which is to be imposed as a condition of Gas Trading Licence.

In view of the ERA's recent decision, Synergy recommends the ECCC consider the application of the Gas Marketing Standard with respect to electricity on the basis it:

- it will reduce compliance costs for industry and monitoring costs for regulators as marketing of electricity and gas will be regulated on a similar basis, consistent with best practice regulation;
- it will promote the marketing of dual fuel to contestable customers; and
- it will remove barriers to new market entry.

Clause 1.5 - Definitions

Real potential exists to simplify the Code's interpretation by streamlining the definitions of "electricity marketing agent", "marketer" and "marketing representative" to ease Code interpretation to the benefit of retailers, regulator, customers and the Energy Ombudsman..

Synergy recommends deleting the above definitions and replace with the following:

"marketer means a retailer or a person authorised by a retailer to engage in marketing on behalf of the retailer."

Furthermore, the new definition would mean that a person acting on behalf of a customer is not the subject to the Code's marketing provisions. For example, a daughter who acts on behalf of an elderly parent is deemed to be an electricity marketing agent under the Code.

Clause 2.2(1) – Entering into Contracts

Synergy does not consider it necessary for a Standard Form Contract (**SFC**) to be executed by the customer when entered as a result of door-to-door marketing on the basis SFCs are now subject to their own specific regulatory regime post Code enactment. Specifically:

- all draft SFCs are subject to public scrutiny before they take effect. (The Economic Regulation Authority (**ERA**) publishes SFCs for public comment as standard practice);
- all SFCs must comply with the *Electricity Industry (Customer Contracts) Regulations 2005*. Key provisions include a right for a customer to terminate a SFC with only 5 days notice and a mandatory cooling off period if the SFC is entered into as a result of door to door trading;
- all SFCs must be approved by the ERA as a pre-requisite for a retailer to obtain a retail licence for small use customer supply;

- the ERA has discretion to direct a Retail Licensee, at any point in time, to amend its SFC;
- Synergy has a legal obligation to offer the SFC contract to any < 160 MWh customer, who requests electricity supply; and
- the Energy Ombudsman has been established to provide independent determination on electricity licensing matters between customers and retailers, which include SFC disputes.

In view of the extensive regulation applicable to SFC there is no justification to require a SFC to be executed as a result of door-to-door trading. However, verifiable consent should be obtained and recorded consistent with clause 2.2(2) of the Code.

Furthermore, Synergy seeks clause 2.2(1) to be amended to provide the ability for a customer to enter a non-standard contract over the telephone in the absence of a signed contract, provided the customer requests and verifiable consent is obtained and recorded.

Such an initiative will enable small use customers to enter into product of choice contracts, such as renewable energy, over the telephone at their request. This will enable customer experience to be increased by enabling a customer, especially in regional areas of the South West Interconnected Systems, to enter a non-standard contract quickly and conveniently at their request.

As with the ability to enter SFCs over the telephone, there is no evidence to support this proposed customer initiative would erode customer protection given:

- a non-standard contract must explicitly comply with *Electricity Industry (Customer Contracts) Regulations 2005* including legislated cooling off periods;
- the practice would be subject to the Code's complaints monitoring regime; and
- the practice would be subject to ERA and Energy Ombudsman oversight.

It should be noted that Synergy as a conscientious and responsible retailer utilises call recording technologies to ensure all our calls are recorded for quality and compliance purposes. Thereby providing Synergy with the opportunity to confirm the accuracy of verifiable consent received from a customer for the entry into a non-standard contract with Synergy.

Clause 2.3(1)(c) – Information to be given before entering into a contract

Synergy recommends clause 2.3(1)(c) be deleted and replaced with:

“how and when the terms of the contract will be given or made available to the customer”.

A number of customers are environmentally conscious and do not wish to be provided with paper documents. These customers prefer to receive electronic copies or view documents on-line. The current provision limits customer choice for those who do not wish to receive a paper version of the contract. Synergy advocates giving the customer a choice.

Clause 2.3(2) and (3) - Information to be given before entering into a contract

Synergy recommends subclause (2) be deleted and reference to a SFC deleted from subclause (3) be deleted in recognition that since these Code provisions were enacted a subsequent statutory contract regime has been established. (Refer clause 2.2 above.)

Having to record verifiable consent and/or written consent in relation to information provision with respect to SFCs is considered to be an unnecessary retailer expense. The removal of the provisions should not disadvantage customers on the basis that:

- Retailers are required to submit annual compliance reports to the ERA;
- Customers have an independent dispute resolution mechanism, the Energy Ombudsman, which was also created post Code establishment; and
- independent external retail licence audits are required under section 13 of the *Electricity Industry Act 2004*.

Clause 2.4- Information to be given at the time of or entering into a contract

Synergy proposes streamlining clause 2.4 with respect to contract information. It proposes an obligation on retailers to ask whether a customer wants a copy or make available a copy of a SFC or a non-SFC at the time the contract is entered into or as soon as practical thereafter, unless the customer requests otherwise. The following is proposed:

"When a customer enters into a new contract with a retailer, a retailer or a marketer must, at the time the contract is entered into, offer to provide or make available to the customer a copy of the contract. If the customer accepts the offer, the retailer or the marketer must, at the time the contract is entered into, or as soon as possible thereafter, provide or make available to the customer the contract."

By imposing an obligation on retailers to offer to provide the contract or make available the contract to the customer, this will enable the deletion of the following Code provisions:

- Clause 2.4(1)(a)(i);
- Clause 2.4(1)(d);
- Clause 2.4(1)(k); and
- Clause 2.4(4).

Clause 2.6(7) – Contact for the purposes of marketing

Synergy proposes amending clause 2.6(7) to make it explicit that the provision does not apply in circumstances whereby a customer contacts a marketer. The current drafting is ambiguous as it can be argued that the obligation to record contact still applies when a customer contacts a marketer.

For example, it could be argued under clause 2.6(7), a marketer would be required to record every contact by a customer including when the marketer returns a customer's call in response to simple matters such as opening times for Synergy's account office or which outlets the customer can pay a bill.

Accordingly, Synergy proposes the following amendments:

"A *marketer* must keep records each time it initiates *contact* with a *customer* for the purposes of marketing...". and

"clause 2.6(7) does not apply when a *marketer* *contacts* a *customer* in response to a *customer* request or enquiry."

Clause 2.6(5) – Contact for the purposes of marketing

Clause 2.6(5) as currently drafted does not permit retailers to market beyond "permitted call times" as defined under the Code. This limits the ability for retailers to respond to customer contact beyond times at events, trade expos or exhibitions such as the Perth Royal Show. Accordingly, Synergy proposes the following qualification be added to the end of clause 2.6(5)

"or the *contact* arises outside of the *customer's premises* in circumstances where the *customer* approaches the *marketing representative*."

Clause 2.9(3) – Compliance

Section 84 of the *Electricity Industry Act 2004* only permits the Code to extend a retailer's liability where the electricity marketing agent is also liable. Clause 2.9(3) does not do this because the electricity marketing agent is not liable. Consequently, Synergy questions whether Clause 2.9(3) is permissible.

PART 7 - DISCONNECTION

Clause 7(4)(1)(b) – General requirements (Disconnection for denying access to the meter)

Amendments to clause 7(4)(1)(b) proposes customers be advised of the next date of a scheduled meter reading at the supply address in regard to possible disconnection for denying access to read a meter.

Although this approach appears customer focused it brings with it a number of operational problems in terms of obtaining the next scheduled meter reading date from the Network Operator.

Synergy considers the current provisions in the Code to be effective for both customer and retailer:

- an absence of demonstrable evidence in the Draft Report of market failure due to current Code provisions; and
- an inability for retailers to provide a definitive date for a meter reading to customers, based on current network practices.

Clause 7.7(2) – Life Support

The ECCC proposes to delete clause 7.7(2)(a) and (b), which requires a distributor, amongst other matters, to register a customer's supply address as a life support address, where applicable.

Synergy does not support the deletion of clause 7.7(2)(a) and (b) on the basis a distributor should have an obligation to register such information when notified by a retailer and should be obliged to cross check its register as a safety measure when it has been requested to disconnect a customer through non-payment.

Deletion of clauses 7.7(2)(a) and (b) increases the risk of customers on life support being disconnected relative to retaining the provision. For this reason alone, Synergy recommends their retention.

PART 13 – RECORD KEEPING

Synergy does not support the ECCC's proposed use of Part 13 of the *Code of Conduct for the Supply of Electricity to Small Use Customers 2004* (**Customer Service Code**) to enact the Utility Regulators Forum's (**URF**) proposed National Energy Retail Performance Indicator regime (**national regime**) in Western Australia.

Synergy supports the objective of establishing a national energy performance reporting regime in Western Australia. However, it has concerns over the proposed implementation mechanism. Reasons being:

- The ECCC has not assessed industry's ability to comply with the requirement nor the cost of doing so. Synergy considers any proposal to implement significant regulatory change without any consideration of the costs involved or industry's ability to comply with the requirement to be inconsistent with best practice regulation.
- The ECCC has not proposed any timeframe for the transitional introduction of the national regime. It is therefore unclear as to when the regime is to commence under the revised Code.
- Synergy proposes retailers and distributors be given a transitional period to comply with the requirement. Synergy considers it appropriate for retailers and distributors to use reasonable endeavours to comply with the national regime until 30 June 2009.
- Synergy does not support the ECCC's proposed use of the Customer Service Code to adopt a national regime in Western Australia because:
 - It will not achieve one of the stated objectives of national reporting on a consistent basis given the Code does not apply to the supply of electricity in all circumstances, but is limited to supply situations of < 160 MWh per annum.
 - This limitation is overcome if performance reporting is established through the licence framework. Synergy notes that most Australian States have implemented performance reporting through the imposition of a specific licence condition, which is more appropriate.
 - Synergy considers it inappropriate for the ECCC to be the body responsible for proposing and consulting the adoption of the national regime in Western Australia for practical reasons. For example, any proposal to amend the national regime or introduce new indicators in Western Australia will require the ECCC to consider the matter, undertake public consultation and advise the ERA accordingly. Consequently, Synergy considers the ERA is better placed and resourced to undertake that role as part of its licensing responsibilities under Part 2 of the *Electricity Industry Act 2004*.

Synergy notes that the URF's retail performance reporting indicators apply to gas in addition to electricity, therefore adoption of that regime in Western Australia should be considered from an energy industry perspective. Any prior consideration by the electricity industry in isolation is likely to pre-empt the gas industry's consideration of the matter and could prevent convergence of energy retail performance reporting as proposed by the URF.

DISCUSSION POINTS

PART 1 - PRELIMINARY

Discussion Point 1.1 - Variation from the Code

As the Draft Report notes in Section 6.5, different Australian States permit customers to contract out of the State Retail Codes in varying degrees.

Notwithstanding experience in other States, Synergy advocates a contestable customer's right to contract out of any or all of the Code's provisions within a non-SFC only, where a customer sees benefit in doing so.

In support of this position, Synergy notes, notwithstanding the Code's existence, a range of existing law (some of which post dates the Code's establishment, specifically the *Electricity Industry (Customer Contracts) Regulations 2005*) safeguard contestable customer interests.

Furthermore, in a competitive electricity market, retailers must ensure they meet their customers' expectations in terms of price and service delivery or run the risk of losing them.

PART 4 – BILLING

Discussion Point 4.1 - Shortened Billing Cycle

The ECCC has sought public comment whether a customer should have the right to be placed on a shortened billing cycle. Synergy is currently the only electricity retailer in the South West Interconnected System that bills franchise small use tariff customers bi-monthly. In contrast, gas tariff customers receive quarterly accounts

Synergy does not support mandatory shortened billing cycles as it will increase a retailer's cost to serve. Reasons are:

- Shortened billing cycles have the potential to significantly increase meter reading costs. Given that small use customers on shortened billing cycles are geographically spread across the entire SWIS, this would result in expensive ad hoc meter reads opposed to scheduled readings en masse within a particular area.
- Shortened billing cycles would result in additional costs in relation to the printing and collection of accounts.

Synergy considers the protections afforded to small use customers under the Part 6 of the Code (Payment Difficulties and Financial Hardship) are reasonable and satisfactory. These include:

- additional time to pay a bill;
- interest free and fee free instalment plan;
- reduction of fees, charges and debt; and
- payment in advance.

In addition, Centrepay is available as a useful tool for not only clearing existing debt but also managing future bills. The amount may be calculated and then set by the customer, enabling a set and forget option. This facility is established between a customer and Centrelink.

Synergy also notes that pre-payment meters are in effect a payment option, which offers a customer the ability to manage their finances as the payment amounts are smaller and also reduces the incidence of large and ever increasing debt.

Synergy considers retailers must have commercial discretion and flexibility to offer products and services to customers. If the industry is extensively constrained by regulation, there will no incentive to innovate or to differentiate.

Discussion Point 4.2: Bill Smoothing

Synergy considers the introduction of bill smoothing as above and beyond base level billing service standards a retailer should be obliged to offer under the Code. In this regard:

- Bill smoothing, as an alternative method of providing smaller bills, would provide differentiation in a competitive environment and should not be legislated.
- The introduction of such a product would need to take into consideration customer demand, as system costs would need to be spread across the entire customer base.

Discussion Point 4.3 - Separate Bills for Current and Historical Debt

Synergy believes the scope of Clause 4.4(3) should be left as is, until such time as there is substantial evidence to support the change, which warrants the substantial cost to be incurred by industry and borne by all customers.

As a customer focused retailer, Synergy supports the establishment of debt management policies and practices to assist customers that genuinely experience payment difficulties and financial hardship.

The proposal for separate billing for current and historical debt does not assist customers to manage entire debt. Rather, it has the opposite effect by disguising total debt, as customers would be required to manage multiple bills. The proposal would, however, impose significant billing and debt management costs across all customers, without demonstrable evidence that it is necessary or conveys benefits, which exceed the costs.

The Draft Report provides no evidence that the absence of separate bills has resulted in market failure. It is further noted a range of mandatory initiatives exist under the Code to assist customers experiencing payment difficulties and financial hardship.

The proposal has real potential to result in customer confusion in terms of having to manage multiple bills. Synergy's experience is customers prefer all outstanding amounts to be on the one bill to ensure transparency and to enable appropriate payment plans to be arranged.

Systems and processes are determined and implemented to fit the majority of cases, thus any payment plans for historical debt are made on a case-by-case basis working with the customer.

PART 6 – PAYMENT DIFFICULTIES AND FINANCIAL HARDSHIP

Discussion Point 6.1 - Payment Plans for Business

While it is in a retailer's interest to assist their customers to avoid disconnection, Synergy considers the customer protection offered to business customers by Clause 6.11 should be retained. Such an approach provides business customers experiencing temporary financial difficulties an opportunity to sustain ongoing business operations.

PART 9 – PREPAYMENT METERS (PPM)

Discussion point 9.1 – Should PPMs be offered outside of currently prescribed areas

Synergy considers:

- customers should have the choice to accept a PPM if the service is offered by a retailer irrespective of geographic location or customer demographic within Western Australia;
- retailers should not be compelled to offer customers PPMs. Such product offerings should be in response to customer demand or customer expectations regarding choice; and
- it is appropriate that service standards applicable to the use of such meters be prescribed, however this should only be in response to actual and not perceived problems.

Consistent with national developments, Synergy contends the Code should not impose geographic restrictions on the use of PPMs. However, the fundamental issue that needs to be considered and resolved is whether the existing service standards prescribed by the Code are adequate.

From the operation of PPMs to date Synergy is not aware of any material problems that warrants an increase in the regulation of such meters, nor have any evidenced material concerns been presented in the Draft Report to justify an increase in regulation.

Synergy considers one benefit of PPMs is to be an effective tool to mitigate the impact of payment difficulties and financial hardship on electricity customers given:

- it enables bill smoothing to occur in real time;
- it enables customers to elect to be placed on shortened billing cycles without the expense of (credit) shortened billing cycles i.e. PPMs do not incur account mailing, processing and metering costs;
- it avoids late payment fees and reconnection fees; and
- it provides customers with a greater capacity to pay by avoiding a larger bi-monthly bill.

To put this in perspective, electricity costs as a proportion of weekly earnings comprise on average about 3%. However, payment of a bi-monthly bill represents 25% of the weekly earnings at the time the account is paid. The use of PPMs provides customers with a greater capacity to pay without imposing additional costs upon retailers relative to other payment options such as shortened billing cycles.

Synergy understands that some stakeholders have expressed concern about potential increase in PPM customer disconnections relative to standard account disconnection. Synergy notes that in the event that a customer is disconnected the arrears would typically be considerably less than on a credit account and that the customer would avoid any reconnection costs.

Synergy recognises however, the ability for PPMs to record disconnection data is an issue and one, which requires further scrutiny.

Synergy also understands some stakeholders have expressed concern about the potential for customers being compelled to accept a PPM. Synergy notes however, that legislation such as the Trade Practices Act and the Code itself prohibits such practice and the Code itself requires customer consent.

Synergy further notes as PPM service standards are prescribed under the Code, in event of a dispute, the customer has the ability to refer the matter to the Energy Ombudsman for determination.

The debate on PPMs should not however, simply focus solely on the use of such meters for debt management. Evidence in Tasmania has shown PPMs are a bona fide product of choice, evidenced by high take up rates.

Synergy notes that much of the ECCC's focus to date on PPMs has been on the use of such meters as a debt management tool. However, PPMs can also be a lifestyle choice for reasons such as holiday home use; where a resident is absent from their premises for long periods of time; personal security where access is denied for metering reading; or can have environmental benefits in terms of a customer's ability to manage their consumption.

Synergy does not view PPMs as just a credit management tool but another product of choice, which could be offered to all classes of customer and not just those experiencing payment difficulties or financial hardship.

Discussion point 9.2 – should costs limitations be imposed on the use of PPMs

Synergy is concerned the Draft Report has focussed predominantly on the use of PPMs as a debt management tool and has failed to adequately recognise the use of PPMs as a legitimate lifestyle choice.

Consideration of PPMs in Western Australia should explicitly recognise this, otherwise there is a real risk that the level of regulation imposed, such as limiting cost recovery, will be imposed at an incorrect level.

Provided PPMs are products of choice, customers should pay reasonable costs for the use of such meters. Accordingly, the Draft Code should impose no prohibitions in the recovery of reasonable costs associated with PPM use.

In the event the Draft Code limits the recovery of reasonable costs associated with PPMs, retailers will be unlikely to offer such products notwithstanding customer demand, as an inability to recover costs will be seen as a barrier to entry.

Discussion point 9.3 – the need for independent research

The Draft Report makes numerous references to adopt PPM service standards in other States, most notably South Australia and the ACT on national consistency grounds.

Synergy advocates the ERA engaging independent advice to determine what service standards could be adopted in Western Australia to address problems such as evidenced market failure.

Synergy does not support independent research being undertaken on the basis of national consistency as such approaches can result in regulatory “forum shopping” which simply result in the adoption of the highest regulatory service standard in Australia. In contrast, Synergy advocates independent research which undertakes a regulatory impact statement approach to determine whether the benefits of regulation outweigh the costs.

Such an approach is consistent with best practice regulation as it ensures that customers and industry are not subject to unnecessary cost imposts.

Synergy suggests the ECCC Secretariat may wish to consider Tasmanian industry and regulatory stakeholders presenting their views to the Committee, given Tasmania has the most experience in using PPMs of all Australian States.

Discussion point 9.4 – Should South Australian or ACT standards applicable to PPMs be adopted in Western Australia

Regulation should not be introduced to simply achieve parity with other States, it should be introduced where evidence of market failure exists. To establish regulation to address perceived concerns or on the basis it is desirable, is imposing additional costs, which is not substantiated, upon customers.

Synergy considers it appropriate regulation exists with respect to PPMs to ensure customers can make informed decisions or to provide for reversion to standard meters in prescribed circumstances however, it does not support adoption of other Australian standards in Western Australia without prior analysis that such regulation is justified.

Discussion point 9.5, 9.6 – Consistency with SA and ACT Codes

Refer discussion points 9.3 and 9.4.

PART 10 – INFORMATION AND COMMUNICATION

Discussion point 10.1 – Historical billing data

Synergy does not consider it necessary for the Code to regulate the provision of historical billing data to contestable customers. Retailers are in the business of meeting their customer needs and most if not all provide this data to customers as a matter of good business. Synergy is not aware of this being a problem for contestable customers that warrants enactment of legislation over the matter.

PART 14 – SERVICE STANDARD PAYMENTS

Discussion point 14.1 – Should Service Standard Payments be available to all Small Use Customers

The original intent of Part 14 of the Code was to change retailer and distributor behaviour to improve service delivery. Consequently, the Code did not provide for service standard payments to contestable small use customers as these customers were subject to offers from competing retailers.

Therefore, retailers have a market incentive, opposed to regulation, to ensure efficient service delivery. This situation has not changed since the Code's enactment.

Accordingly, Synergy sees no reason to extend the Code's coverage to contestable small use customers as market forces are providing a more efficient outcome than regulated service standard payments.

Discussion point 14.3 and 4 – Should Service Standard Payments be increased?

Synergy considers the current service standard payment to be adequate and provides the customer with compensation for inconvenience and more importantly provides a financial incentive for retailers to change their behaviour. There is no evidence to support that the current payments are failing to change retailer behaviour, therefore Synergy requests the current payment amounts be retained.

Service standard payments should only be increased, consistent with the original Government intent, when evidence exists the current levels of service standard payments are failing to change customer behaviour.

Discussion point 14.5 – Should the requirement for a customer to apply for a payment be removed?

The Electricity Reform Consumer Forum originally considered the requirement for retailers and distributors to proactively identify service standard breaches and automatically pay affected customers. The Forum concluded the system costs in doing so would vastly exceed the actual payments to customers and those system costs would need to be borne by all customers.

There is no evidence in the Draft Report to suggest this situation has changed. Synergy would be seriously concerned about any proposal for industry to establish self-monitoring systems in view of the costs of doing so.

As stated earlier, the intent of regulation is to change retailer behaviour and provide incentive to service the needs of the customer. Providing automatic service standard payments, requires considerable IT investment and will result in significant sunk costs which will exceed potential payments to customers.

Synergy is satisfied the current service standard payments with attached recording and reporting are sufficient to meet the intent to change retailer behaviour where it can be demonstrated there is a deficiency in service standards. The low number of service standard payments paid to date shows Synergy is performing well and is customer focused. Existing service standard payments are adequate to deliver the desired level of consumer protection.

Discussion point 14.6 – Should the period for making service standard payments be extended or reduced?

Synergy believes retailers and customers alike should be subject to Part 14. Retailer behaviour is monitored by the licence reporting regime, and failures can be identified and recommendations for corrective action provided by the Regulator, thus negating the requirement for service standard payments.

The process to develop Service Standard Payments for the Small Use Code was lengthy and carried out in consultation with local consumer groups to ensure relevance to the Western Australian market.

Experience to date is that the time periods appear reasonable. However, Synergy suggests this matter would need to be considered at the time of the next Code Review or as part of the arrangements to establish Full Retail Contestability, whichever occurs earlier.