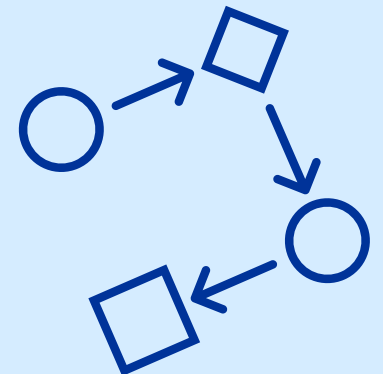




# **GAS MARKETING CODE CONSULTATIVE COMMITTEE**

**2024 Final review report to the ERA**

August 2024



**The Gas Marketing Code Consultative Committee values cultural diversity and respects the Traditional Custodians of the land and waters on which we live and work.**

**We acknowledge their continuing connection to culture and community, their traditions, and stories. We commit to listening, continuously improving our performance, and building a brighter future together.**

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# Terms and abbreviations

## **ACL**

[Australian Consumer Law](#)

## **ACCC**

[Australian Competition and Consumer Commission](#)

## **AER**

[Australian Energy Regulator](#)

## **ARENA**

[Australian Renewable Energy Agency](#)

## **BPID**

Basic plan information document

## **CAP code**

The UK Code of Non-broadcast Advertising and Direct & Promotional Marketing, the advertising code for non-broadcast advertisements, sales promotions, and direct marketing communications in the United Kingdom.

## **Compendium**

[Compendium of Gas Customer Licence Obligations](#)

## **Comparative marketing claims**

Retailer marketing claims that explicitly or implicitly compare gas and electricity.

## **DEMIRS**

WA Government Department of Energy, Mines, Industry Regulation and Safety

## **ECA**

Energy Consumers Australia

## **ECP**

[Expert Consumer Panel](#), convened by Energy Policy WA.

## **Electricity code**

Code of Conduct for the Supply of Electricity to Small Use Customers 2022

## **EPWA**

Energy Policy WA, a division of DEMIRS

## **ERA**

Economic Regulation Authority

## **FCA**

[Financial Counsellors Association of Western Australia](#)

## **FWC**

[Financial Wellbeing Collective](#)

## **Gas marketing code**

[Gas Marketing Code of Conduct 2022](#)

## **GMCCC**

[Gas Marketing Code Consultative Committee](#)

## **PCO**

Parliamentary Counsel's Office

## **Small use customers**

Customers who use less than 1 terajoule of gas each year.

## **Supply area**

The eight reticulated gas supply areas defined in the Act: Kimberly, Pilbara, Gascoyne, Wheatbelt, Mid-West, Goldfields-Esperance, Great Southern, and Coastal.

## **The Act**

Energy Coordination Act 1994

## **WACOSS**

[Western Australian Council of Social Service](#)

# Retailers

## **AGL**

AGL Sales Pty Ltd (ABN 88 090 538 337)

## **Alinta**

Alinta Sales Pty Ltd (ABN 92 089 531 984)

## **Engie**

(formerly Simply Energy)  
IPower Pty Ltd and IPower2 Pty Ltd  
(ABN 67 269 241 237)

## **Kleenheat**

Wesfarmers Kleenheat Gas Pty Ltd  
(ABN 40 008 679 543)

## **Origin**

Origin Energy Retail Ltd (ABN 22 078 868 425)

## **Synergy**

Electricity Generation and Retail Corporation  
(ABN 58 673 830 106)

# 1 Introduction

## Gas Marketing Code Consultative Committee

The Economic Regulation Authority approves a code of conduct for gas marketing under part 2C of the [Energy Coordination Act 1994](#). The ERA last amended the gas marketing code in 2022. It is [published on the WA legislation website](#).

The ERA [establishes a statutory committee](#) to advise it on the effectiveness of the gas marketing code every two years, and must also refer any proposals to amend the gas marketing code to the GMCCC for its advice. The ERA provides support to the GMCCC so that it can conduct its function reviewing the gas marketing code and advising the ERA on its effectiveness. The GMCCC uses the ERA secretariat's digital infrastructure, such as its website and IT systems, to run public consultations and manage records. ERA secretariat staff also provide document drafting support for reviews.

In preparing this report, the GMCCC aims to:

- Propose amendments to the gas marketing code and advise the ERA on related matters.
- Complete its two-yearly review of the gas marketing code.

The Parliamentary Counsel's Office completes all legislative drafting, so the final review report does not contain specific examples of proposed clauses but advises the ERA on the intent of a proposal. The ERA will instruct PCO on drafting.

[GMCCC 2024 Final review report](#)

The ERA appoints each GMCCC member for a two-year term. The Act requires the membership to comprise a non-voting chairperson and executive officer from the ERA, three representatives from gas retailers, three from consumer representative organisations, and two government representatives. An EPWA employee is a non-voting observer for the 2023-2025 term, to provide a conduit with the Expert Consumer Panel.

## Public consultation

The GMCCC has reviewed the gas marketing code in accordance with the requirements in Part 2C of the Act. On 11 June 2024, we published a [draft review report on the ERA website](#) for public consultation and invited comments on three draft recommendations.

[Six stakeholders made submissions](#) on the draft recommendations by the 17 July 2024 closing date: three from industry, two from consumer representative organisations, and one from the ECP.

## Recommendation summary

This report contains four recommendations. Recommendation 1 is unchanged from the draft review report, while recommendations 2 and 3 have been changed to address stakeholder submissions. Recommendation 4 has been added to the final review report in response to submissions.

## 2023 – 2025 members

### CHAIR

Sara O'Connor - ERA

### EXECUTIVE OFFICER

Senior Regulatory Officer - ERA

### INDUSTRY REPRESENTATIVES

Catherine Rousch - Alinta  
Deanna Power - Kleenheat  
Rebecca Cant - Synergy

### CONSUMER REPRESENTATIVES

Helena Jakupovic - FWC  
Leanne Bérard - FCA  
Ashleigh Gregory - WACOSS

### GOVERNMENT REPRESENTATIVES

Anne Braithwaite - DEMIRS  
Penny Griffiths - DEMIRS

**Recommendation 1**

**Align additional gas marketing code clauses with clauses in the electricity code.**

Minor amendments that align codes of conduct for electricity and gas help streamline the overall regulatory environment through standardised language and structure.

**Recommendation 2**

**Amend the gas marketing code to simplify identification requirements by merging clauses for telemarketing and face to face marketing, where practical, and without reducing existing levels of customer protection.**

The gas marketing code requires retailers and marketing agents to provide different identifying information to customers depending on the type of marketing they engage in.

Merging clauses 8(1) and 8(2) would make marketing identification requirements more consistent and streamlined for customers and retailers regardless of the type of marketing they engage in. The change would also help avoid customer confusion by creating only one set of identification requirements within the gas marketing code.

**Recommendation 3**

**The ERA should add a new clause to the gas marketing code that requires retailers or marketing agents to provide the basis for marketing claims that compare gas and electricity. The new clause should:**

- **set prescriptive minimum standards of information retailers must provide as part of a claim and should not set only high-level principles found in the ACL.**
- **prescribe specific areas that will be regulated, such as customer cost effectiveness, energy efficiency, environmental health, and greenhouse gas emissions.**
- **prescribe minimum information retailers must provide in marketing claims that involve three main activities: cooking, space heating, and water heating.**

The gas marketing code does not currently include minimum standards of conduct for marketing claims comparing gas and electricity. Comparisons may mislead customers if they lack context or if customers do not have technical knowledge.

Modern electric appliances like reverse cycle air conditioners, heat pump hot water systems, and induction cooktops generate more useable heat than gas counterparts for each unit of input energy. As a result, the cost of energy per unit delivered may be unhelpful to customers without additional context or unless customers have a technical understanding of how their appliances generate heat using input energy.

**Recommendation 4**

**The ERA should amend the gas marketing code to require retailers to provide basic plan information documents (BPID) to customers about each of their retail plans and offers.**

**The proposed amendment should standardise the order and general layout of BPIDs and require them to include plan information like usage charges, each ancillary fee and charge, available discounts and discount conditions, and contract terms.**

All Western Australian retailers already provide BPIDs or a format like BPIDs that could be standardised with minimal modification.

It is unlikely any new gas marketing code requirement requiring BPIDs would materially increase compliance costs for any Western Australian retailer. The documents would not form part of retailer's terms and conditions and retailers would not be required to expressly provide BPIDs to customers but would make them available for each plan on their website and would provide a copy to customers if they asked for it.

Specific groups of customers would be more likely to benefit from the BPIDs. Adjacent information in two different BPIDs would be easier to compare, either visually or using assistive technology, than comparing website popups and BPIDs.



## 2 Background

Western Australia retail  
context and the gas  
marketing code review

## Contestable retail market and gas marketing code coverage

Retail gas is a contestable market in Western Australia. Retailers may sell gas to any customer within their supply area regardless of the volume of gas they use, except Synergy, which is restricted by the gas market moratorium. The moratorium prevents Synergy from supplying gas to customers who use less than 180 gigajoules each year (around \$6,400 worth of gas).

Small use customers with less market power are protected by the gas marketing code and the compendium, which both regulate retailer conduct. The gas marketing code does not cover how retailers engage or market to large use customers.

## Customer and retailer numbers

As of 30 June 2023, there were 793,313 small use customers in Western Australia, which includes 783,579 residential and 9,734 business customers.<sup>1</sup> As of May 2024, the average Western Australian household spends \$560 on gas each year.<sup>2</sup>

There are currently eight retailers that hold a gas trading licence:

AGL	Alinta	Amanda Energy	Synergy
Simply Energy	Origin	Perth Energy	Kleenheat

<sup>1</sup> Customer number from the [latest ERA licensee reporting data covering 2022-23](#).

## ERA's retail gas licensing role

The ERA administers the retail gas licensing scheme in Western Australia, and it is responsible for:

- issuing gas trading licences to retailers, enabling them to sell gas to small use customers within their licensed supply area
- approving retailer standard form contracts
- assessing customer-related documents, such as retailer hardship policies, reviewing and developing customer protection instruments, such as the gas marketing code and the compendium
- reviewing the operation of the gas licensing scheme and providing reports about the scheme to the State Government
- reporting on gas trading licensee compliance through regular audits and asset management system reviews
- monitoring and reporting on gas trading licensee performance by collecting annual performance data.

<sup>2</sup> [What is the average electricity and gas bill in Australia?](#) Finder.com.au. Access on 10 May 2024.

## Code review steps

ERA appoints GMCCC members



ERA secretariat invites GMCCC to submit issues for consideration during the gas marketing code review.



ERA secretariat compiles issues and prepares issues summary for GMCCC consideration. GMCCC members invited to provide additional comments and to vote on any issues outlined.



ERA secretariat prepares and circulates draft review report for GMCCC approval. Once approved, the report is published for public consultation.



### Current step

GMCCC considers submissions to draft review report. ERA secretariat prepares and circulates final review report draft for GMCCC approval. Once approved, the final review report is provided to the ERA's Governing Body.



Amended gas marketing code published on WA legislation website and goes into effect from 1 January 2025.



ERA approves final gas marketing code amendments.



ERA considers final GMCCC advice and instructs PCO to prepare final gas marketing code amendments.



GMCCC provides public consultation for another opportunity for people to comment on ERA amendment proposals. After considering submissions from a public consultation, GMCCC provides its final advice to ERA.



ERA considers GMCCC final review report recommendations and publishes draft decision to amend the gas marketing code, including a draft amendment code.

## BACKGROUND

# **4 Recommendations to the ERA**

- 1** Gas marketing code alignment with the electricity code
- 2** Identification requirements for marketing
- 3** Comparative gas and electricity marketing
- 4** Format of plan price information provided to customers

## Recommendation 1

**The ERA should amend the gas marketing code to align additional clauses with clauses in the electricity code.**

The ERA separately administers codes of conduct for water, electricity, and gas, in addition to the compendium. It encourages statutory committees to incorporate minor amendments into statutory reviews.

Incorporating minor amendments into this review will reduce the number of times the ERA must refer amendment proposals to the GMCCC for formal advice. Minor amendments that align codes of conduct for electricity and gas help streamline the overall regulatory environment through standardised language and structure.

Table 1 contains eight clauses in the gas marketing code that can be simplified by amending them to match language in the adjacent electricity code clauses.

## Submissions to the draft review report

All stakeholder submissions supported the recommendation to align the gas marketing code with the electricity code through a series of minor amendments. One submission recommended a series of minor amendments that align with the electricity code ([Appendix 1](#)).

**Table 1: Gas marketing code clauses and corresponding electricity code clauses.**

Gas marketing code clause	Equivalent electricity code clause
3	3
6(2)	10(2)
6(3)(e)	-
8(1)	12(1)
8(2)(a)(iii)	12(2)(a)(iii)
8(2)(b)(ii)	12(2)(b)(ii)
8(2)(b)(vi)	12(2)(b)(vi)
8(3)	12(3)

## RECOMMENDATIONS

## Recommendation 2

**The ERA should amend the gas marketing code to simplify identification requirements by merging clauses for telemarketing and face to face marketing, where practical, and without reducing existing levels of customer protection.**

The gas marketing code requires retailers and marketing agents to provide different identifying information to customers depending on the type of marketing they engage in.

Clause 8(1) sets identification requirements for retailer telemarketing to customers, such as by phone, while clause 8(2) sets identification requirements for face-to-face marketing, such as when retailers market at pop-up stalls or shopping centre kiosks.

### Avoiding gas marketing code duplication with the ACL

The GMCCC considered whether merging the two clauses would create duplication with [ACL guidelines for telemarketing and door-to-door sales](#), or if merging the clauses would be redundant. The ACL requires salespeople to inform customers who they are, what business they represent, and why they are calling.

Those ACL requirements are broadly covered in clause 8(2) of the gas marketing code but not in clause 8(1). Merging clauses 8(1) and 8(2) would make marketing identification requirements more consistent and

streamlined for customers and retailers regardless of the type of marketing they engage in. The change would also help avoid customer confusion by creating only one set of identification requirements within the gas marketing code.

Retailers and marketing agents likely already provide customers with information the proposed amendment would formally require, and so the proposed change would not increase costs they incur.

### Submissions to the draft review report

All stakeholder submissions supported the recommendation to simplify identification requirements by merging clauses for telemarketing and face to face marketing, where practical. Following the ECP's submission, the recommendation from the draft review report has been amended slightly to specifically request that existing levels of customer protection in the gas marketing code be maintained.

## RECOMMENDATIONS

### Recommendation 3

**The ERA should add a new clause to the gas marketing code that requires retailers or marketing agents to provide the basis for marketing claims that compare gas and electricity. The new clause should:**

- **set prescriptive minimum standards of information retailers must provide as part of a claim and should not set only high-level principles found in the ACL.**
- **prescribe specific areas that will be regulated, such as customer cost effectiveness, energy efficiency, environmental health, and greenhouse gas emissions.**
- **prescribe minimum information retailers must provide in marketing claims that involve three main activities: cooking, space heating, and water heating.**

Clause 7 of the gas marketing code sets minimum standards of conduct retailers must adhere to when marketing to customers. Currently, the clause requires retailers to provide clear concession information to customers and for retailers to be contactable by customers for enquiries, verifications, and complaints. The gas marketing code does not currently include minimum standards of conduct for marketing claims comparing gas and electricity, which can mislead customers if they lack context or if customers do not have technical knowledge.

The ECP noted during the review that it was important for customers to have contextual information about marketing claims, especially when claims are about the

efficiency of gas. Marketing claims that compare cost effectiveness or efficiency of gas and electricity can mislead customers. While gas is typically cheaper than electricity per unit delivered from the distribution system, it often costs more to use overall in real-world scenarios like cooking, space heating, and water heating, according to [research prepared for ARENA](#).

### Importance of consumer appliance context

Modern electric appliances like reverse cycle air conditioners, heat pump hot water systems, and induction cooktops generate more useable heat than gas counterparts for each unit of input energy. As a result, the cost of energy per unit delivered may be unhelpful to customers without additional context or unless customers have a technical understanding of how their appliances generate heat using input energy.

The Australian government's YourHome energy website shows that technical differences between gas and modern electric appliances like heat pumps mean [even relatively low efficiency electric appliances can cost less to run than maximally efficient gas ones](#). For example, tankless gas hot water systems will use one unit of gas to generate nearly an equivalent amount of heat - nearly 100% efficient. Electric heat pump hot water systems in comparison can generate three or more units of heat for every unit of electricity - an efficiency of 300% or more.

## RECOMMENDATIONS

Heat pump hot water systems and reverse cycle air conditioners achieve high efficiencies because the heat they output is extracted from the surrounding air using compressors. Rather than creating heat directly using an input energy source like gas or electricity, [compressors extract heat from outside air and transfer it to a water storage tank or inside a customer's home](#), which is significantly less energy intensive overall. Unless a customer understands those differences, they are unlikely to interpret information about the cost of energy per unit delivered from the distribution network in a way that translates to real usage costs. When gas is marketed to customers as cost-effective because it is cheaper than electricity per unit delivered, it omits context about the lifecycle cost of energy that would help customers make an informed choice. Examples of claims that may not be understood by customers are shown in figures 1-5, each taken from Western Australian gas retailers' websites between May and July 2024.

When considering whether the gas marketing code should regulate these types of comparative claim we reviewed Energy Consumers Australia's 2023 report, [Understanding the energy divide](#). The report examines consumer barriers to participation in the energy system and noted policy makers, industry, and advocates have historically understood household income as the driver. The report, however, looks at energy system complexity and broad exclusion from the energy transition as two distinct consumer barriers to participation, in addition to affordability.

**Figure 1: Comparison between gas and electric appliances generally, referencing the cost of energy delivered from the grid but without detail of the type of appliances being compared.**

### *A buyer's guide to your next home gas appliance purchase*

If you're planning a kitchen or bathroom renovation, or your current gas appliances could do with an upgrade, there's plenty to consider.

Gas appliances come with a range of benefits, including instantaneous heat and ease of control, plus cheaper ongoing running costs when compared to electricity sourced from the grid.

**Figure 2: Comparison between gas and electric hot water systems that does not specify the hot water systems being compared or enough detail to assess the environmental claim's accuracy. This example is no longer available on the retailer's website.**

### *Benefits of a gas hot water system*

Gas hot water systems produce up to 33% less greenhouse gas emissions than electric water heaters, which is good for our environment and our future. They are also generally cheaper to buy than solar or electric hot water systems, which is great for your pocket!

**Figure 3: Comparison between gas and electric cooktops that does not specify the type of electric cooktop, or that many electric cooktops have the same level of functionality.**

### *Gas cooktops*

Cooking over a gas flame offers instant heat and the flexibility of better heat control when compared to electric or convection models.

**Figure 4: Comparison between gas and electric hot water systems that does not quantify claims about energy efficiency, greenhouse gas emissions, or heating speed.**

Gas storage hot water systems heat and store water in an insulated tank ready for when you need it.

1. These systems are energy efficient, particularly if you choose one of the new 4 or 5-star models.
2. They produce low greenhouse gas emissions, which is good for the environment.
3. Gas heaters are speedy; they can heat a 170 litre tank in about one hour. Its recovery rate, being the time it takes to reheat a tank of water, is much faster than an electric water heater. So it's great for a family of four to have a shower without the water going cold.

If your old hot water system is on its last legs, there's no need to pack your bags and check in to your nearest hotel – you can usually get a new gas hot water system installed within a day.



The report states on pg.5

The energy market and system are complex and are becoming increasingly so. Our energy consumer sentiment survey tells us that while 63% of consumers have confidence in their ability to make choices about energy products and services, only 56% think there is enough easily understood information available.

As the market evolves, and as the energy transition intensifies, complexity is likely to grow. Consumers will no longer only have to understand their bills, engage with their retailers, and navigate the market for affordable prices, they will also be expected to engage with CER in their homes, liaise with different trades and installers, understand and manage a number of contracts and generally interact with energy in a more active and continual way than ever before.

ECA's research to inform the report showed that culturally and linguistically diverse (CaLD) customers are less confident in their knowledge of energy efficiency and find it harder to find the right information than non-CaLD customers. The research also showed that customers' confidence in energy transition had started to decline, and that complexity makes it more difficult for consumers to find products and services they need to access affordable, reliable, and efficient energy.

**Figure 5: Comparison between gas and electric cooktops that does not specify the type of electric cooktop and that many electric cooktops have the same level of functionality or quantify claims about wasted heat or cost effectiveness.**

Electricity may have made our lives easier in many ways but gas remains the most efficient and responsive way to cook on the stove. Whether boiling or steaming, sautéing, griddling or stir-frying, there are a huge number of advantages of cooking with gas.

### **Immediately responsive heat**

The reason most professional kitchens use gas cooktops is that they can easily control the heat. With a simple turn of the dial the flame gets bigger or smaller so that the change in heat is immediate and precise. There's no long wait for the pan to heat up or for it to cool down, saving time and ensuring dishes aren't spoilt by a slow response. Temperatures are closer to the recommended heat in recipe books, helping you to achieve dependable results every time you cook. There's a reason for the saying, "we're cooking with gas!"

### **Even heat distribution**

Electric cooktops and the pans used on them need to be perfectly flat or the heat won't be distributed evenly across the cookware. The flames on a gas cooktop are central so that they heat pans evenly, with no cool spots and without scorching them. As the entire surface of an electric cooktop heats up, gas cooktops tend to be safer as they are cooler when turned off.

### **Less wasted heat**

Electric cooktops emit more heat than those powered by gas, generating excess heat in your home. Gas cooktops not only keep your home cooler when they're on but as soon as you turn them off the flame is extinguished and the heat source vanishes – not so with an electric cooktop, which continues to emit heat after it is switched off.

### **Unaffected by power cuts**

If your electricity is cut by inclement weather you can usually still cook on a gas cooktop as gas lines tend not to be affected by the kind of weather that can cause electrical power outages. Although electricity is needed to power the ignition, it is easy to simply light the burner with a match.

### **Cheaper operating costs**

Gas cooktops may be more expensive to buy and install but long-term outlay will be lower as the costs of operating electric models are noticeably higher.

### Precedent of comparative marketing

Regulation of comparative marketing in the retail energy sector would not be unique to Western Australia. The [UK Cap Code](#) has provisions requiring that:

- Marketing material must not mislead by omitting material information.
- Materials including comparisons must not mislead or be likely to mislead.
- Materials must objectively compare one or more identifiable feature.
- Comparisons with an unidentifiable competitor must not mislead or be likely to mislead.
- Elements of the comparison must not be selected to give the marketer an unrepresentative advantage.
- Price comparisons must make the basis of the comparison clear.
- Comparative 'environmental' claims such as "greener" or "friendlier" can be justified, for example, if the advertised product provides a total environmental benefit over that of the marketer's previous product or competitor products and the basis of the comparison is clear.

### Avoiding gas marketing code duplication with the ACL

It is important that any marketing claims comparing traits of gas and electricity are accurate. However, any new regulatory requirement for gas marketing should avoid unnecessary overlap with other pieces of legislation, such as the ACL and the gas compendium.

Like the UK Cap Code, the ACL is a high-level legislative instrument that regulates marketing conduct across a range of Australian industries. It is principles-based legislation and sets high-level standards of conduct that are not always easy for businesses and customers to follow. As such, prescriptive minimum requirements to regulate comparative marketing in the gas marketing code would not duplicate the ACL but would provide greater certainty of the requirements to retailers and customers alike.

### Avoiding gas marketing code duplication with the gas compendium

Clause 49 of the gas compendium requires retailers to publish the most cost-effective and efficient way to use gas appliances, and typical major appliance running costs. We considered whether those requirements removed the need for gas marketing code changes that address comparative marketing. However, the gas compendium sets gas trading licensee obligations for existing customers and does not cover information they provide to other customers. In comparison, the gas marketing code regulates marketing conduct for both existing customers and non-customers and so new provisions to regulate comparative marketing would not duplicate the gas compendium.

## Submissions to the draft review report

Three submissions supported the draft recommendation to regulate comparative marketing in the gas marketing code. WACOSS and the ECP highlighted the importance of contextual and useful information for customers being able to make informed decisions about energy and billing. WACOSS also noted the particular importance for low-income households and referenced the [2023 Energy Consumers Australia study](#) showing low-income households spend the highest proportion of their income on energy bills but report being the least confident with energy knowledge.

The other three submissions raised three broad areas of opposition to the draft recommendation:

- The proposed amendments may duplicate the ACL and gas compendium.
- Compliance costs for retailers may increase, particularly if they lack the expertise to offer energy efficiency comparisons.
- Insufficient evidence to justify the proposed change.

To address concerns in each submission, this report includes an amended recommendation, more explicitly stating that any new clause should be prescriptive and not principles-based like the ACL.

Additional Western Australia-specific examples have been included under recommendation 3 that more broadly capture retail gas marketing as it relates to customer activities like cooking, space heating, and water heating.

The information under recommendation 3 also more specifically addresses limitations of the gas compendium to address this issue.

The GMCCC supports a new clause in the gas marketing code to regulate comparative gas and electricity marketing but reiterates that any new clause should be prescriptive and clearly specify the information retailers must provide in comparative marketing claims.

The clause should define areas in which it regulates comparative marketing claims, such as cost effectiveness for customers, energy efficiency, environmental health, and greenhouse gas emissions.

A new clause should also prescribe the information retailers must provide in claims related to customer energy uses like cooking, space heating, and water heating. The recommendation is not for gas marketing code changes that prohibit comparative claims, but that prescribe specific pieces of information retailers must provide in certain claims so that a customer's lack of context or technical knowledge does not disadvantage them when making decisions about energy source.

## RECOMMENDATIONS

## Recommendation 4

The ERA should amend the gas marketing code to require retailers to provide basic plan information documents to customers about each of their retail plans and offers.

The proposed amendment should standardise the order and general layout of BPIDs and require them to include plan information like usage charges, each ancillary fee and charge, available discounts and discount conditions, and contract terms.

## Current price advertising requirements

The gas marketing code does not currently require retailers to provide price and contract information to customers using a standardised pricing document.

In Western Australia, the maximum price for retail gas is [set by the State Government](#) in the Energy Coordination (Gas Tariffs) Regulations 2000. The maximum price only applies to small use customers supplied through main distribution systems in the Mid West, Coastal, Goldfields-Esperance, and Great Southern supply areas. In effect, that covers small use customers in Geraldton and its surrounding areas, Carnamah, Perth and Peel metropolitan areas, and Albany and its surrounding areas. The areas are shown mapped in [Appendix 2](#).

The regulated maximum price does not apply to bottled gas or to reticulated LPG distribution systems in Margaret River or Leinster. Retailers are permitted to offer different pricing arrangements for plans through

non-standard form contracts. The regulations also do not set maximum amounts for other fees and charges, such as account-keeping and billing fees.

## Western Australian retailer marketing is unique because of the maximum regulated price

We considered the current format of pricing information provided to customers by Alinta, Kleenheat, and AGL: the three largest retailers collectively supplying more than 90% of customers. Figures 7 to 9 show that nearly all retail gas plans are marketed to customers as percentage discounts from the regulated maximum price.

## RECOMMENDATIONS

Figure 6: Alinta website capture, showing the most prominent plan advertised as a percentage discount from the regulated maximum tariff.


Switch and save			
 Chosen by more Western Australians for over 25 years Gas Energy for my home 6000 Perth + New customer	<b>Carbon Balance</b> Offset your gas-related carbon emissions †  ✓ Reduce your carbon footprint with 100% carbon offsets**  ✓ Alinta Energy's tailored Carbon Balance gas price ✓ No lock in contracts ✓ No exit fees	<b>Fair Go 35</b> 35% off gas usage charges, based on our standard residential gas price†  ✓ <b>35% off</b> gas usage charges  ✓ 1 year benefit period ✓ No lock in contracts ✓ No exit fees	<b>Gas Supply Standard Form Contract</b> Gas Supply Standard Form Contract  ✓ No frills gas to your home  ✓ No lock in contracts ✓ No exit fees
Gas			
	Reduce your carbon footprint with 100% carbon offsets** <a href="#">View Gas Rates</a>	<b>35% off</b> Alinta Energy's standard gas usage charges† <a href="#">View Gas Rates</a>	Alinta Energy's standard gas usage charges <a href="#">View Gas Rates</a>

Figure 7: Kleenheat website capture, showing plans advertised as percentage discounts from the regulated maximum tariff.

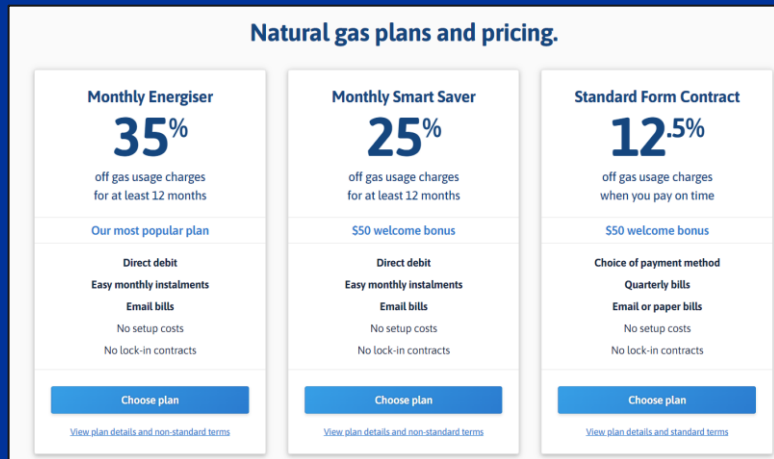
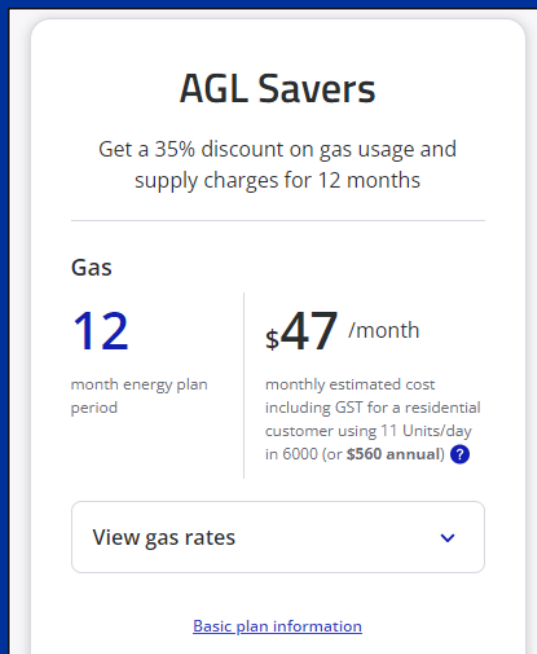


Figure 8: AGL website capture showing the only advertised plan as a percentage discount from the maximum regulated tariff.



The format of pricing information in figures 7 to 9 is unique to Western Australia as AER jurisdictions do not set maximum retail prices in regulations. There are also relatively few gas retailers in Western Australia with only five retailers compared with 19 in Victoria and 10 in South Australia.

For customers, any simplification of pricing information will likely make it easier to compare retail plans. Any costs to retailers of new code obligations will ultimately be passed on by retailers. As such, any changes to the gas marketing code must assess whether added benefits for customers are commensurate with extra costs retailers incur.

The draft review report did not include a recommendation to amend the gas marketing code to require retailers to provide BPIDs. Instead, it noted that the differences between Western Australia and AER jurisdictions mean that customers in Western Australia were unlikely to struggle identifying plan pricing. Most retailer plans are similar - offering percentage discounts from the maximum tariff - and customers can use private comparison websites to find plan information.

## RECOMMENDATIONS

## Submissions to the draft review report

In its draft review report submission, the ECP requested the GMCCC make a recommendation to require standardised plan price documents. In summary, the ECP submitted that:

- Private comparison websites present a wide range of retail prices, reflecting different discount structures, contract terms, and nonregulated fees and charges.
- Some Western Australian retailers already provide plan factsheets because they also operate in AER jurisdictions where standardised information is mandated.
- Factsheets are used in banking and telecommunications. A standardised format for price information is the easiest way for consumers to compare and rank plans.

The GMCCC considered the cost impact on Western Australian retailers of being required to provide BPIDs, noting that the retailers also operate in AER jurisdictions.

## Information provided by each retailer already the same or like BPIDs

We found that all Western Australian retailers already provide BPIDs or a format like BPIDs that could be standardised with minimal modification. Table 2 summarises BPID availability for each retailer, based on information published on their websites.

Price information provided by Alinta and Kleenheat on websites includes information usually provided on BPIDs. Reformatting to standardise the layout with other retailers is likely to be minimal.

It is unlikely any new gas marketing code requirement requiring BPIDs would materially increase compliance costs for any Western Australian retailer. The documents would not form part of retailer's terms and conditions and retailers would not be required to expressly provide BPIDs to customers but would make them available for each plan on their website and would provide a copy to customers if they asked for it. The proposal may simplify the regulatory environment by aligning Western Australia with AER jurisdictions that already mandate BPIDs.

**Table 2: GMCCC assessment of the format of information currently provided by Western Australia's five retailers.**

Retailer	GMCCC BPID assessment
<b>AGL</b> <b>Origin</b> <b>Engie</b>	Provide Western Australia-specific BPIDs to customers for all plans based on postcode information entered by customers.
<b>Alinta</b>	Provides BPIDs in AER states for all plans based on postcode information entered by customers. Does not provide Western Australia-specific BPIDs but provides 'Offer details' pamphlet containing most information that would be required in a BPID.
<b>Kleenheat</b>	Only operates in Western Australia and does not provide BPIDs, but information in fee schedules contains all information that would be required on a BPID.

## RECOMMENDATIONS



### **BPID requirement in the gas marketing code unlikely to significantly impact retailers, but would benefit older and visually impaired customers the most**

In its submission, the ECP stated that different plan terms and fees make plan comparisons more difficult, which standardised documents could address. We looked at 2021 [research for the AER](#) that found customers experiencing hardship and CaLD customers have particular difficulty understanding how bills are calculated (pg. 41). Their initial review found the lack of standardised language contributed to information that was not easy to compare and, in general, standardising it increased customers' ability to compare offers.

Standardisation of key terms between retailers may help consumers make better decisions when comparing plans. [Qualitative research into customer engagement in the Victorian energy market](#) also shows many customers felt there was too much choice and wanted it to be easier to compare plans. Adjacent information in two different BPIDs would be easier to compare, either visually or using assistive technology, than comparing website popups and BPIDs.

The [AER research](#) also shows that older customers and customers with visual impairment can struggle with small text sizes and the lack of white space often used to provide plan information (pg. 39). Standardised BPIDs with necessary plan information are an opportunity to address issues experienced by those customers.

### **'Better off' messages in bills and an online comparison tool**

In its submission, the ECP asked the GMCCC to:

- Recommend changes to the gas marketing code requiring retailers to inform their customers each year if they would be better off with a different plan.
- Explore the merits of an online plan comparison tool for gas customers, such as the Victorian Government's [Energy Compare website](#), and the AER's [Energy Made Easy website](#).

Both of the ECP's points are related to the format of plan price information but are not included as part of recommendation 4 on BPIDs. The gas marketing code is strictly limited to marketing matters and is not intended to regulate information retailers provide only to existing customers. 'Better off' messages on customer bills are outside the scope of the gas marketing code because the messages are for existing customers and are not marketing conduct.

An online comparison tool for retail gas plans would provide another opportunity for customers to find relevant pricing information. While the gas marketing code could be amended to require licensees to provide data to support an online comparison tool, the creation of a function to administer the data and maintain the tool is out of scope for the gas marketing code.

We encourage the ERA, State Government, gas retailers, consumer groups, and ECP to continue work investigating an online comparison tool. We consider the

## **RECOMMENDATIONS**

proposal one that should happen outside the regulatory boundary of this statutory review, as implementation would require an appropriation in the State Budget for the capital and recurrent funding to establish and administer such a comparison tool.

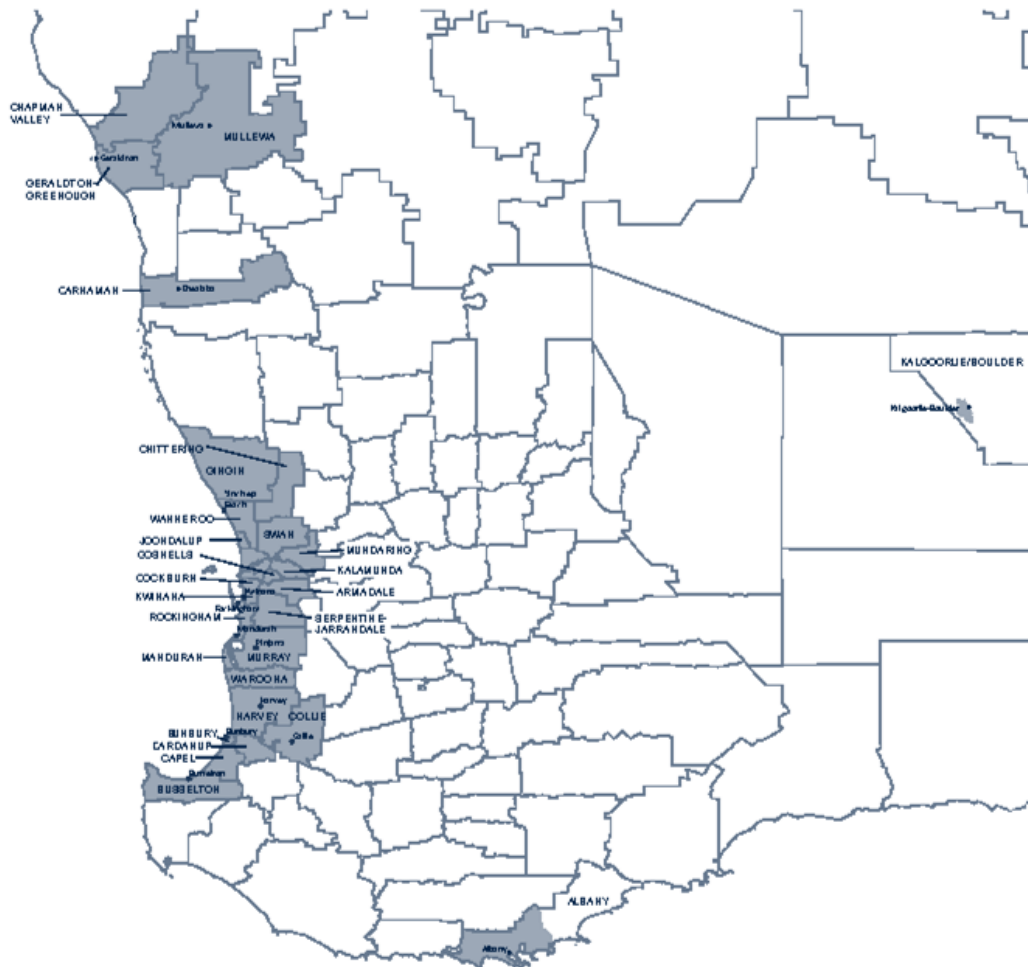
## RECOMMENDATIONS



## Appendix 1: Minor changes to align with electricity code

Clause	Issue	Proposed Amendment
3 Terms used	Amend definitions to align with Electricity Code cl 3.	<b>contact</b> means contact that is — (c) by post <del>or facsimile</del> ; or <b>distributor</b> , <del>in relation to a small-use customer who has entered into a contract</del> , means <del>the a</del> person who holds <del>the a</del> distribution licence under Part 2A of the Act <del>for the system through which gas is supplied to the customer under the contract</del> ; <b>gas marketing agent</b> — (c) does not include a customer representative <del>or the Housing Authority</del> ;
6 Entering into a non-standard contract	Amend cl 6(2) to align with Electricity Code cl 10(2).	(2) Before <del>a retailer enters</del> <del>entering</del> into a non-standard contract with a small use customer, a retailer or a gas marketing agent must give the small use customer the following information — (b) <del>details of</del> the difference between the non-standard contract and the standard form contract;
	Amend cl 6(3)(e). ‘Network operator’ is not a defined term.	(e) the <del>network operator’s distributor’s</del> 24-hour telephone number for faults and emergencies;
8 Contact for purposes of marketing	Amend cl 8(1) to align with Electricity Code cl 12(1).	(1) A retailer or gas marketing agent who contacts a small use customer for the purposes of marketing must, on request by the customer, provide <del>the customer with</del> — (a) <del>the customer with</del> the complaints telephone number of the retailer on whose behalf the contact is being made; and (b) the <del>customer with the telephone number of contact details for</del> the gas industry ombudsman; and (c) in the case of <del>contact by</del> a gas marketing agent — <del>the customer with</del> the gas marketing agent’s marketing identification number.
	Amend cl 8(2)(a)(iii) to align with Electricity Code cl 12(2)(a)(iii).	(iii) in the case of a gas marketing agent — the <del>gas marketing agent’s marketing identification number</del> ; and
	Amend cl 8(2)(b)(ii) & (vi) to align with Electricity Code cl 12(2)(b)(ii) & (vi).	(ii) in the case of a gas marketing agent — the <del>gas marketing agent’s marketing identification number</del> ; (vi) the <del>customer with the telephone number of contact details for</del> the gas industry ombudsman.
	Amend cl 8(3) to align with Electricity Code cl 12(3).	(3) A retailer or gas marketing agent must comply with a request under subclause (2)(b) as soon as practicable after it is made <del>by the customer</del> .

## Appendix 2: Map of regulated gas tariff areas in Western Australia



**Source:** Government of Western Australia published 1 July 2024. *Household gas pricing:* [www.wa.gov.au/organisation/energy-policy-wa/household-gas-pricing](http://www.wa.gov.au/organisation/energy-policy-wa/household-gas-pricing)