

Draft decision

Amendments to the code of conduct for gas marketing

9 December 2024

Acknowledgement of Country

At the ERA we value our cultural diversity and respect 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.

Economic Regulation Authority

Level 4, Albert Facey House

469 Wellington Street, Perth WA 6000

Telephone 08 6557 7900

Email info@erawa.com.au

Website www.erawa.com.au

This document can also be made available in alternative formats on request.

National Relay Service TTY: 13 36 77

© 2024 Economic Regulation Authority. All rights reserved. This material may be reproduced in whole or in part provided the source is acknowledged

Public consultation

Submissions are due by 12 pm (AWST) Monday 20 January 2025

The Economic Regulation Authority will refer the proposed amendments to the Gas Marketing Code Consultative Committee for formal advice. Before the GMCCC provides its advice on the proposed amendments, it must consider comments provided to it in public submissions.

The GMCCC invites comment on this draft decision and encourages all interested parties to provide comments on the proposed amendments.

The ERA facilitates the public consultation process directly for practical reasons, but the GMCCC will prepare final advice.

We would prefer to receive comments via our online submission form: https://www.erawa.com.au/consultation

You can also send comments by:

Email: gmccc@erawa.com.au

Post: Level 4, Albert Facey House, 469 Wellington Street, Perth WA 6000

Please note that submissions provided electronically do not need to be provided separately in hard copy.

All submissions will be made available on our website unless arrangements are made in advance between the author and the ERA. This is because it is preferable that all submissions be publicly available to facilitate an informed and transparent consultative process. Parties wishing to submit confidential information are requested to contact us at gmccc@erawa.com.au

For further information please contact:

General enquiries

Ph: 08 6557 7900 info@erawa.com.au

Media enquiries

Ph: +61 428 859 826 media@erawa.com.au

Contents

1	Overvie	W	1
2	Backgr	ound	2
2	.1	How does the ERA regulate the gas retail market?	2
2	.2	What is the Code?	2
2	.3	What is the GMCCC?	3
2	.4	Current review	3
2	.5	GMCCC recommendations	3
4	Propos	ed changes	5
4	.1	Preliminary and consequential amendments	6
	Clause	1 – Citation	6
	Clause 2	2 – Commencement	6
	Clause 3	3 – Code amended	6
	Clause 4	4 – Clause 3 amended	6
	Clause !	5 – Clause 6 amended	7
4	.2	Regulating comparative gas and electricity marketing	8
	Clause (6 – Clause 6A to 6E inserted	9
	.3 narketing	Simplifying identification requirements for telemarketing and face-to-face 15	
	Clause	7 – Clause 8 Replaced	15
-	.4 ustomers	Basic plan information documents for plans generally available to small use 16	
	Clause 8	3 – Part 2 Division 3A inserted	16
	Subdivis	sion 2 – Obligations on retailers	21
		9 – Schedule 1 inserted	
	Clause	9 continued – Schedule 2 inserted	27
Lis	st of app	endices	
Аp	pendix 1	List of Tables	28
Аp	pendix 2	Abbreviations	29
Δn	nendix 3	Glossary	30

1 Overview

The Economic Regulation Authority proposes to amend the Gas Marketing Code of Conduct 2022 (Code). The amendments respond to recommendations from a periodic statutory review by the Gas Marketing Code Consultative Committee (GMCCC). The Code regulates the marketing of gas to small use customers – typically households and some small businesses.

Our proposed amendments aim to improve the quality and availability of information gas retailers provide to customers about retail plans. The GMCCC's review identified concerns from customer advocates that it was more difficult for customers in Western Australia to readily access the information necessary to make informed decisions about different retail gas plans or for significant purchases, such as new hot water systems.

When promoting gas plans, retailers draw comparisons between the performance of gas and electric appliances and between the properties of gas and electricity. This comparative marketing may not be well understood by customers for several reasons, including that gas and electric appliances convert input energy to heat differently. Comparing energy and costs in terms of output heat is more useful because it gives a more realistic depiction of how efficient an appliance is and how much it is likely to cost to run it.

Our proposed change would require retailers to add context to marketing claims comparing gas, or gas appliances, to electricity. The proposed amendments cover claims that refer to or imply comparisons in five areas: cost effectiveness, energy efficiency, health, sustainability, and greenhouse gas emissions.

We also propose to require gas retailers to make standardised basic plan information documents (BPIDs) available for most retail plans on their websites. BPIDs will make it easier for customers to compare information about different plans. This standardised information is already readily available to gas customers in other states.

We have proposed other changes to further align this Code with the comparable code for electricity. This streamlines regulatory requirements for retailers selling both gas and electricity and makes it easier for customers to understand their rights. In addition, separate identification requirements for telemarketing and face-to-face marketing will be replaced with a single part that covers all marketing.

To develop this draft decision, we considered the GMCCC's reports and submissions provided to the GMCCC during a public consultation process. We accept the GMCCC's four recommendations, which it set out in its final review report published on 27 September 2024:

- 1. Align the Code with similar parts of the Code of Conduct for the Supply of Electricity to Small Use Customers 2022.
- 2. Simpler identification requirements for retailers and marketing agents.
- 3. Regulate marketing claims that contain comparisons between gas and electricity.
- 4. Require retailers to publish standardised documents containing basic plan information for each plan that is generally available to small use customers.

This draft decision describes our proposal to amend the Code. The GMCCC will invite public submissions on our draft decision, which it will consider before preparing its final advice to the ERA. We intend for the amendments to commence on 1 July 2025.

2 Background

The ERA is Western Australia's independent regulator for electricity, gas, water, and rail. Its functions include regulating the Wholesale Electricity Market and setting access arrangements for natural monopoly infrastructure like rail networks, and electricity and gas distribution networks. It also administers codes of conduct to protect the interests of small use customers across retail electricity, gas, and water.

To make this draft decision, we applied our objectives to embrace change, support well-functioning markets, openly engage and communicate, and to strengthen our organisational culture.

2.1 How does the ERA regulate the gas retail market?

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

- Issuing gas trading licences to retailers, enabling them to sell gas to small use customers within their 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 Code and the Compendium of Gas Customer Licence Obligations.
- Reviewing the gas licensing scheme and providing reports on it to the State Government.
- Reporting on gas retailer compliance through audits and asset management system reviews, and monitoring retailer performance by collecting performance data annually.

2.2 What is the Code?

The Code is enforceable legislation to protect small use gas customers across Western Australia from undesirable marketing conduct. Examples of the type of conduct regulated by the Code include requiring salespeople to disclose information about who they are and where customers can contact the Energy and Water Ombudsman to make complaints.

The ERA administers the Code using its powers in section 11ZPM of the *Energy Coordination Act* 1994. The ERA last amended the Code in 2022, when it replaced the 2017 version.¹

There are eight licensed gas retailers and approximately 800,000 small use gas customers in Western Australia.² The Code applies only to retailers who supply gas through a distribution system, such as those operated by ATCO Gas and Supagas.³ It does not regulate bottled gas marketing. The amendments also affect the Ombudsman, who deals with complaints about marketing under the Code, and third-party sites that publish information on behalf of retailers.

The Compendium of Gas Customer Licence Obligations is a separate set of conditions included in each gas trading licence. The Compendium regulates information retailers provide

¹ Economic Regulation Authority, June 2022, *Final decision – Amendments to the Gas Marketing Code of Conduct 2017* (online)

Economic Regulation Authority, 20 December 2023, Annual data report 2022/23 – Energy retailers, 793,313 small use gas customers as of 30 June 2023 (online)

³ Operated by Wesfarmers Kleenheat Gas prior to 4 November 2024.

Economic Regulation Authority, 2024, Compendium of Gas Customer Licence Obligations (online)

to customers, such as the format of bills, but does not regulate how they market gas to customers supplied other retailers or to customers who do not have a retailer.

2.3 What is the GMCCC?

The GMCCC is a statutory committee we establish to advise us on Code's suitability. The GMCCC must review the Code every two years and includes members from consumer groups, industry, and government. The GMCCC reports to the ERA during and after each review.

The ERA considers the GMCCC's advice from each review and refers amendments it proposes to the GMCCC before it formally amends the Code.

2.4 Current review

The ERA appointed 10 members to the GMCCC on 6 December 2023 for a two-year term and asked each member to submit issues to the GMCCC for it to consider as part of the current review. The GMCCC finalised issues it would consider during its review in April 2024.

On 11 June 2024, the GMCCC published a draft report.⁵ In the report, the GMCCC made three recommendations to the ERA to amend the Code. The GMCCC offered individuals and organisations an opportunity to comment on its draft recommendations through a public consultation process. Six stakeholders made submissions:

- AGL Energy
- Alinta Energy
- The WA Expert Consumer Panel
- Synergy
- WA Council of Social Service (WACOSS)
- Wesfarmers Kleenheat Gas

The GMCCC considered each submission before publishing its final review report on 30 September 2024. Draft review report submissions are available on the ERA website.

The ERA will refer this draft decision to the GMCCC to facilitate further public consultation that will inform its final advice to the ERA.

The ERA will consider the final advice and public submissions on our draft decision before amending the Code. Amendments to the Code are expected to commence on 1 July 2025 and will be published on the WA Legislation Website.

2.5 GMCCC recommendations

The ERA accepts the four recommendations the GMCCC made in its final review report, as detailed in Table 1.

Recommendations 1 and 2 were for minor amendments to further align the Code with similar parts of the electricity code, and to simplify identification requirements.

GMCCC, 11 June 2024, Draft review report (online)

⁶ GMCCC, 30 September 2024, Final review report (online)

Recommendations 3 and 4 were for more substantive changes to regulate comparative gas and electricity marketing and to require retailers to provide BPIDs.

Table 1 GMCCC 2024 Final review report recommendations and ERA response

GMCCC recommendation	ERA response
Recommendation 1: Amend the gas marketing code to align additional clauses with clauses in the electricity code.	The ERA accepts recommendation 1 and aims to provide consistency for customers and regulated utilities by aligning codes of conduct across different licensed sectors where possible. Aligning parts of the electricity and gas marketing codes that have the same intent meets that aim.
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 ERA accepts recommendation 2 and considers a single set of identification requirements for different types of marketing the most practical approach. Removing inconsistency supports retailers to more easily meet regulatory obligations and makes it easier for customers to know what is required of marketers.
Recommendation 3: 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 by: • setting prescriptive minimum standards of information retailers must provide as part of a claim not just high-level principles found in the ACL • prescribing specific areas that will be regulated, such as customer cost effectiveness, energy efficiency, environmental health, and greenhouse gas emissions. • prescribing minimum information retailers must provide in marketing claims that involve three main activities: cooking, space heating, and water heating.	The ERA accepts recommendation 3 and to make this draft decision, considered the importance of customers being able to make informed choices about how they use energy. It is important that during the energy transition, customers can compare different types of energy sources and appliances in a way that reflects differences in how they work. The ERA acknowledges the parts of the GMCCC's report that stress the importance of avoiding duplication between the Code and other legislation such as the Australian Consumer Law (ACL). The proposed amendments will not duplicate existing legislation, because they will prescribe specific information retailers and marketing agents must provide in claims that compare gas and electricity, rather than following the principles-based approach of the ACL.
Recommendation 4: Amend the gas marketing code to require retailers to provide BPIDs to customers about each of their retail plans and offers. The proposed amendment will 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.	The ERA accepts recommendation 4 and notes that, while usage charges are regulated in Western Australia, customer bills include fees and charges not subject to regulation by the State Government. BPIDs will make it easier for customers to compare all plan information when deciding which plan is best for them. Most retailers in Western Australia and in jurisdictions overseen by the Australian Energy Regulator (AER) already make BPIDs available to customers.

4 Proposed changes

This section explains the purpose of each clause in the legal instrument that will amend the Code (Amendment Code) and reasons for each change. To make it easier to read this draft decision, information on minor changes or definitions that refer to broader changes elsewhere is included alongside the broader changes.

- Section 4.1 contains administrative changes to improve the clarity of some existing provisions in the Code. The section also contains preliminary provisions like the title and consequential amendments to other parts of the Code.
- Section 4.2 contains changes to regulate marketing claims that make or imply comparisons between gas and electricity.
- Section 4.3 contains minor changes to simplify existing identification requirements for different types of marketing.
- Section 4.4 contains changes to implement standardised basic plan information documents (BPID) for most retail gas plans, with exceptions for specialised plans only available to small numbers of customers (for example, the retailer's employees).

The changes to implement BPIDs are made up of two parts – Schedules 1 and 2.

Schedule 1 sets retailer obligations for BPIDs, while Schedule 2 lists individual pieces of information BPIDs must include, like prices and discounts available under gas plans.

The amendments are separated like this to make it more straightforward for retailers and customers to understand what obligations exist for BPIDs. The structure also enables us to make minor updates to Schedule 2 in future, such as adding or removing one piece of information that BPIDs must have, without also making consequential changes to overarching obligations Schedule 1.

This draft decision has two attachments:

- Attachment 1: Consultation draft of the Amendment Code.
- Attachment 2: Consultation draft of the marked-up Code. The marked-up version shows how the provisions of the Code would look once amended.

4.1 Preliminary and consequential amendments

The ERA seeks to align utility codes of conduct, where relevant, through statutory reviews. The proposed changes streamline the regulatory environment for regulated entities supplying both gas and electricity and maintain existing levels of customer protection.

Clause 1 - Citation

Change summary

Provides the title of the Amendment Code: Gas Marketing Code of Conduct Amendment Code 2024.

Clause 2 - Commencement

Change summary

Provides when the amendments become effective. The title and commencement provisions become effective when they are published on the WA legislation website. The rest of the amendments become effective on 1 July 2025.

Reason

Having new licence obligations commence at the start of a financial year is preferable administratively for both the ERA and licensed utilities.

Clause 3 - Code amended

Change summary

Provides that the Amendment Code amends the Gas Marketing Code of Conduct 2022.

Reason

Amending the Code instead of repealing and replacing it is a more efficient way to administer and review legislation. Amending the Code makes it easier for stakeholders to track iterations on the WA legislation website over time.

Clause 4 - Clause 3 amended

Change summary

Amends existing clause 3 to insert six definitions and to amend three existing definitions.

Reason

Table 2 Terms in clause 3 added or amended and reasons for each change

Term	New / amended	Reason
Gas marketing agent	Amended	To provide consistency with the definition of "electricity marketing agent", and codify the existing interpretation of gas marketing agent: that Housing Authority employees are not marketing agents under the Code.

Term	New / amended	Reason	
Distributor	Amended	To simplify the definition by generalising it with terms already set out in the Act (such as "distribution licence"), and by removing unnecessary wording about small use customers who have entered contracts. The Amendment Code repeals and reinserts the term to make it easier to review.	
Contact	Amended	To modernise the Code by removing fax as a way retailers might contact customers due to minimal use.	
Housing Authority	New	Consequential change after the definition change for "gas marketing agent". Uses the same definition as in section 6(4) of the <i>Housing Act 1980</i> .	
Induction cooktop	New	Enabling definition that supports other changes in proposed clauses 6A to 6E (see section 4.2 Regulating comparative gas and electricity marketing).	
Basic plan information document	New	Enabling definitions that supports other changes in proposed Division 3A – Basic plan information documents (see section 4.4 Basic plan information	
Gas plan	New		
Generally available plan	New	documents for plans generally available to small use customers 4.4 Basic plan).	
Restricted plan	New		

Clause 5 - Clause 6 amended

Change summary

Makes minor administrative changes to clauses 6(2) and 6(3)(e).

Reason

The proposed change to clause 6(2)(a) modernises the Code by better reflecting how small use customers and retailers engage in contracts, by replacing "entering" with "enters into".

The proposed change to clause 6(2)(b) clarifies in the Code what it is retailers must explain to small use customers: "details of the difference" rather than "the difference".

The proposed change to clause 6(3)(e) replaces the term "network operator" with "distributor", as network operator is not a defined term in the Code and only appeared in this clause.

4.2 Regulating comparative gas and electricity marketing

This section contains changes that require gas retailers and marketing agents to provide certain information in marketing claims if the claims contain comparisons between gas and electricity (referred to in this decision as comparative claims).

The ERA does not propose to prevent retailers from making comparative claims. Retailers and marketing agents will maintain discretion about whether to make claims comparing electricity and gas. The proposed changes are intended to support a well-functioning market by requiring that, if retailers opt to make comparative claims, they must include more context to enable customers to make informed decisions.

The Code does not currently regulate the information retailers and marketing agents provide to customers when they make comparative claims. Currently, clause 7 of the Code sets minimum standards of conduct retailers and marketing agents must follow when marketing to small use customers. The clause requires that:

- Retailers and marketing agents provide clear concession information to customers.
- Customers can contact retailers for enquiries, verifications, and complaints.

Western Australia is the only Australian jurisdiction that requires retailers to calculate retail prices in units of 3.6 megajoules (one unit of gas), equivalent to 1 kilowatt-hour of electricity. The requirement allows customers in Western Australia to see the difference in input costs for gas and electricity. In other jurisdictions, gas prices are listed in units of 1 megajoule, making comparative claims that compare input costs less relevant in those jurisdictions. Table 3 shows how unit prices for gas and electricity are displayed by retailers in Western Australia compared to other jurisdictions.

Although gas and electricity prices in Western Australia are presented using units that represent the same amount of input energy (3.6 MJ = 1 kWh), comparing input costs may be misleading to customers. Comparing energy and costs in terms of output heat is more useful because it better reflects differing efficiencies and real-world costs of using a broad range of customer appliances. Since contract pricing is set by the State Government in regulations, the Code cannot change how retailers calculate and provide prices in contracts.

Table 3 Format of unit pricing in Western Australia compared to AER jurisdictions

	Billed unit	Example price
Western Australia Gas Electricity	3.6 MJ (equivalent to 1 kWh electricity) 1 kWh	17.88 cents per unit 31.5823 cents per unit
AER jurisdictions Gas Electricity	1 MJ 1 kWh	2.69 to 4.76 cents per MJ 34.35 cents per kWh

Modern electric appliances like reverse cycle air conditioners, heat pump hot water systems, and induction cooktops can generate more output heat than gas appliances for each unit of input energy.⁸ The significantly higher efficiency of electric appliances because of

⁷ Energy Coordination (Gas Tariffs) Regulations 2004, r.6 (online)

⁸ GMCCC, 2024, Final review report, pg. 11 (online)

compressors (also called heat pumps) means customers can no longer meaningfully compare the cost of using gas and electric appliances based solely on input energy.

Gas retailers and marketing agents do not sell appliances but may promote some traits of gas appliances to imply a benefit that encourages ongoing retail gas uptake. Customers use gas plans to purchase energy from retailers, but in practice, the relationship is more complex because they are purchasing an input for essential everyday activities like cooking, heating, and hot water. Appliances for those activities represent reasonably large purchasing decisions that customers only make every decade or so.⁹ For the market to work effectively, it is important that when customers make those decisions, they are presented with information in a way that reflects how the energy they purchase from retailers translates into the real-world use of those appliances.

Comparing energy and costs in terms of output heat is more useful because it tells customers how much they can expect to spend to use an appliance. Comparing prices in terms of output heat works regardless of how prices for each input unit of electricity or gas are displayed, and for different efficiencies across the breadth of appliances customers own. The proposed amendments achieve that outcome within the existing regulatory framework, and do not affect State Government contract pricing regulations.

The proposed amendments create a new standard of conduct in Part 2 Division 3 to better align the Code with how customers use energy every day. Under the changes, marketing claims must include extra information depending on how they relate to one of three main customer activities: cooking, space heating, and water heating.

Clause 6 – Clause 6A to 6E inserted

Change summary

Inserts five new clauses into Part 2 Division 3 to regulate marketing claims that contain comparisons between gas and electricity (comparative marketing).

Clause 6A Term used: comparative marketing claim

Change summary

Defines "comparative marketing claim" within Part 2 Division 3 for the purposes of the Code. The clause establishes that the Code will regulate claims that make or imply a comparison across five main areas:

- Cost effectiveness
- Energy efficiency
- Environmental health
- Environmental sustainability
- Greenhouse gas emissions.

Subclause (2) then explains the meaning of "impliedly refers" in subclause (1). A marketing claim makes an implied comparison if a customer is reasonably likely to interpret the claim as a comparison because of certain words used, such as better, efficient, higher, or lower.

George Wilkenfeld, 2009, Regulation Impact Statement: for Decision. Specifying the Performance of Water Heaters for new Class 1 Buildings in the Building Code of Australia pg.98 (analysis by BIS Oxford Economics Australia) (online)

Reason

An analysis of retailer claims in the GMCCC's final review report shows it is often unclear what is being compared in marketing material. The proposed amendments will allow customers to see minimum information about what is being compared, but clause 6A sets the areas in which the Code willy apply.

The five areas: cost effectiveness, efficiency, health, sustainability and greenhouse gas emissions; encompass the traits that appear or are likely to appear most in comparative marketing. The areas are defined in the proposed changes to provide specific detail on how the Code applies and to ensure it covers topics that relate to customers. This approach is a practical way for retailers to check that prospective marketing claims contain the required specific minimum information.

Cost effectiveness and efficiency are linked and included in the changes because they collectively cover most comparative claims. Those two areas represent the biggest directly comparable traits of gas and electricity; the two are the easiest to quantify using information about the cost of gas and electricity and about the rated capacity of appliances.

Environmental sustainability and greenhouse gas emissions are included as they appear in most comparative claims. Customers are increasingly interested in the environmental impacts of energy, and their energy sources. When information is presented without context or specific detail of the appliances being compared, it is difficult for customers to verify the information. The proposed changes will require information to be presented in a way that is relatable for customers and which facilitates purchasing decisions.

In contrast, environmental health is not commonly included in comparative claims. The proposed change means that claims must include this fifth important factor that customers might consider when looking at new gas plans or new appliances. The new clauses expand on when and how specific information should be provided. The intended effect is for all key information to be presented to assist customers with purchasing decisions.

The changes are also intended to regulate implied comparisons in addition to explicit comparisons. Not doing so would undermine the intent of the amendments to minimise the risk of customers being misled by comparative marketing claims.

The proposed amendments balance the interests of retailers and customers by maintaining creative freedom in how retailers design and publish marketing material but with guardrails to ensure comparative claims contain information relevant to customers.

Each customer has different needs and preferences. In contestable markets like the Western Australian retail gas market, it is critical that customers have all relevant information available to them to inform their decisions.

Clause 6B Standards of conduct for comparative marketing claims

Change summary

Retailers and marketing agents who make a comparative claim, as defined in clause 6A, must include certain information in claims. Depending on the type of claim, the information they must include is included in clauses 6C to 6E.

Reason

This clause is an ancillary provision to establish that retailers have discretion to make or not make comparative claims. The obligation supports an effective contestable retail market

because it does not require retailers to proactively provide information about electric appliances but ensures claims they do make include balanced and up to date information.

Clause 6C Comparative marketing claims that refer to cooking, space heating or water heating appliances

Change summary

Subclause (1) defines "coefficient of performance" within this clause.

Subclause (2) provides that the clause applies if the claim refers or impliedly refers to appliances for any of three main customer activities: cooking, space heating, or water heating.

Subclause (3) provides the information retailers must provide in comparative marketing claims that refer to the activities in subclause (2). For each activity, the claims must include:

- a) The coefficient of performance as defined in subclause (1), as a percentage labelled "average efficiency" (or abbreviated version of "average efficiency").
- b) The estimated cost to customers to use the appliances described.
- c) Model names and numbers of appliances described.
- d) The inherent type of the appliance, such as whether it is electric hotplate or electric induction.

Subclause (4) provides detail for how retailers should calculate and display estimated customer costs to use appliances described in subclause (3)(b), across three paragraphs:

- a) Costs to use gas appliances will be calculated using the lowest price component of the price per unit of gas regulated by the State Government.¹⁰
- b) Costs to use electric appliances will be calculated using the price per unit of electricity regulated by the State Government.¹¹
- c) Costs must be displayed in cents per kilowatt hour of output heat from the appliances described (not in cents per kilowatt hour of input energy charged by retailers based on the meter reading).

Reason

Gas retailers and marketing agents do not sell gas appliances but may promote some of the traits to imply a benefit from retail gas plans. To support effective markets, it is important customers are aware of key characteristics of products, as well as appliances that are widely available, when making long-term purchasing decisions that affect their energy bills for 10 years or more.

When retailer claims refer to electric appliances without stating the specific type, such as induction or older hotplate-style cooktops, this implies that all electric cooktops have the same level of efficiency. Different types of electric cooktop have different average efficiencies and levels of heat responsiveness. By proposing to require retailers to include the model and type

¹⁰ Energy Coordination (Gas Tariffs) Regulations 2000, schedule 1 item 1 (online)

Energy Operators (Electricity Generation and Retail Corporation) (Charges) By-laws 2006, Schedule 1 clause 6(2)(b) (online)

of appliance in claims, the change ensures customers have more context and can verify information in claims.

The changes require most marketing claims to require some detail about the type of electric appliances being compared. In practice, this means retailers must inform customers in claims whether they are referring to an induction cooktop or an older ceramic hotplate-style cooktop.

The changes also ensure information about efficiency and costs of using different appliances is accurate and presented in a way that customers are more likely to understand because it is related to how customers use appliances and not on energy volumes measured at a meter.

Clause 6D Comparative marketing claims that refer to cooking, space heating or water heating

Change summary

Provides for specific pieces of information that must be included in claims that relate to the three main customer activities: cooking, space heating, and water heating.

Subclause (1) requires claims that refer to cooking to at least include a comparison with electric induction cooktops and to specify combustion gases / products that will be present in a customer's home or business during and immediately after using each type of cooktop.

Subclause (2) requires claims that refer to space heating to at least include a comparison with reverse cycle air conditioning systems. Subclause (3) then defines air conditioner in subclause (2) using Commonwealth legislation for air conditioners.¹²

Subclause (4) requires claims that refer to water heating to at least include a comparison with a heat pump hot water system (referred to as heat pump water heater). Subclause (5) then defines heat pump water heater in subclause (4) using Commonwealth legislation for hot water systems.¹³

Reason

The changes in clause 6D build on those in 6C and deal with comparative claims that might not refer to a specific appliance, but to one of the three main ways customers use energy in appliances: cooking, space heating and water heating. The proposed approach maximises the effectiveness of the changes because it prevents claims from referring to high level benefits while avoiding specific appliance requirements in clause 6C. The clause covers claims that refer to a customer activity like cooking, and therefore imply a benefit of the appliance customers use to cook.

Drafting of the Code has relied on the growing body of peer-reviewed evidence linking combustion products from gas cooktops with respiratory conditions like asthma.¹⁴ Without preventing retailers from making claims about cooking, the proposed changes require retailers making comparative claims about cooking to contain information about air pollutants. The draft decision does not propose that retailers be required to expand on or provide qualifying statements on the information, but that it be presented to customers so they can make an informed decision.

Greenhouse and Energy Minimum Standards (Air Conditioners up to 65kW) Determination 2019, section 5 (online)

¹³ Greenhouse and Energy Minimum Standards (Electric Water Heaters) Determination 2012, s.5 (online)

Luke D Knibbs, Solomon Woldeyohannes, Guy B Marks and Christine T Cowie, Medical Journal of Australia, 2018, Damp housing, gas stoves, and the burden of childhood asthma in Australia (online)

Requiring comparative claims about space and water heating to include information about reverse cycle air conditioners and heat pump hot water systems means retailers can still also compare older style appliances but ensures customers have relevant information about newer appliances already widely available on the market. The changes support an effective market by assisting customers to be aware of the relevant information when making longer-term purchasing decisions, regardless of the customer's preference for gas or electric appliances.

Clause 6E Comparative marketing claims that refer to environmental sustainability or greenhouse gas emissions

Change summary

Subclause (1) provides that clause 6E applies when a claim refers to environmental sustainability or greenhouse gas emissions.

Subclause (2) provides how information must be included in comparative marketing claims referring to items in subclause (1), across three paragraphs:

- a) Requires retailers to specify information about emissions in terms of how it relates to customer appliances.
- b) Requires emissions in claims to be related to the output heat of customer appliance for cooking, space heating, and water heating, in kilograms of carbon dioxide equivalent.
- c) Prevents retailers from implying a benefit based solely from the emissions figure provided in Commonwealth regulations without context.

Subclause (3) defines carbon dioxide equivalent in paragraph (b) using Commonwealth legislation. ¹⁵

Reason

The ERA recognises the need to support the energy system to adopt new technologies and invest in the energy transition. Most customers covered by the Code are located within the Perth metropolitan area, meaning their gas is supplied through an ATCO Gas reticulated network and their electricity is supplied from the South West Interconnected System (SWIS).

Retailer marketing claims compare emissions of gas and electricity by referring to or including emissions data for each. However, the values often relate to single units of gas and electricity, which are misleading when presented in comparative claims because they do not represent the emissions intensity of the activity or appliance that customers use.

Since we implemented the 2017 Code, scope 2 emissions from electricity supplied through the SWIS have fallen 27 per cent. Commonwealth data included in claims is useful to calculate greenhouse gas emissions across financial years, or to roughly estimate individual emissions, but it can be misleading if presented to customers in marketing claims without context.

The proposed changes to the Code rely on the Commonwealth's widely used and trusted source of emissions data but ensures it is standardised across all claims. The approach minimises the risk that customers will misinterpret environmental claims and provides an easy way for retailers to check that environmental information in claims is accurate.

¹⁵ National Greenhouse and Energy Reporting Act 2007, s.7 (online)

DCCEEW, July 2017. National Greenhouse Account Factors, pg. 20 (online)

DCCEEW, September 2024. National Greenhouse Account Factors, pg. 8 (online)

The change would prevent retailers from quoting the Commonwealth data to imply benefits from marketing claims without context, such as by quoting emissions data relative to the input energy of appliances without relating it to the way customers use appliances. Presenting emissions for electricity and gas based on units of energy counted at the meter means the claim does not account for differences in how appliances convert energy into heat, which is the intended use of appliances for customers.

The proposed amendment addresses an issue that is becoming increasingly relevant for customers. Heat pump-based appliances for space and water heating are widely available and their adoption is likely to grow because of government policies and rebates to encourage lower bills and reduced greenhouse gas emissions.¹⁸ The change addresses an emerging issue within the existing regulatory framework and future proofs the Code even as the emissions intensity of grid electricity and gas continues to change over time.

Draft decision – Amendments to the code of conduct for gas marketing

Peter Brodribb, Michael McCann, Jelena Franjić and Graeme Dewerson (for DCCEEW), September 2023. Heat pumps – Emerging trends in the Australian market, pg. 12 (online)

4.3 Simplifying identification requirements for telemarketing and face-to-face marketing

This section contains changes to streamline existing requirements in the Code to remove duplication.

Existing identification requirements in clauses 8(1) and 8(2) of the Code require retailers to provide customers with different identifying information depending on how they market to them. Separate requirements for telemarketing and face-to-face marketing are unnecessarily complex and more difficult to adapt in future.

Clause 7 - Clause 8 Replaced

Change summary

Replaces existing clauses 8(1) and 8(2) with a new, single clause 8.

Reason

The proposed clause 8 meets the aim of the GMCCC's recommendation while maintaining existing levels of customer protection. The clause is simpler and contains identification requirements that are consistent for telemarketing and face-to-face marketing.

To make the single set of requirements work as intended, the clause is restructured using a common "deemed to comply" approach. Marketers contacting customers face-to-face, such as at shopping centre kiosks, are deemed to have provided prescribed information if it is displayed on a visible and legible identify card that they are wearing. The requirements remain functionally identical to before.

4.4 Basic plan information documents for plans generally available to small use customers

This section contains changes that would require retailers to make standardised plan information documents available to customers for most plans. Several Western Australian retailers also operate in AER jurisdictions and already publish BPIDs on their website. The approach is consistent with BPID requirements in AER jurisdictions to maximise the benefit for customers, while minimising internal changes to how retailers already prepare BPIDs.

While maximum usage charges for household gas are regulated by the State Government, plans are made up of other charges that are unregulated. Differences in the unregulated components of a plan make it harder for customers to easily compare them to determine which is the most suitable for them.

The changes in this draft decision would make it easier for customers to compare plans by standardising the layout and order of basic plan information documents – or BPIDs. BPIDs would include all pricing information, as well as other plan details customers are likely to consider, such as available discounts or sign-up offers.

Requirements for retailers to make BPIDs available would apply to plans offered through both standard and non-standard form contracts.

The proposed changes are structured into two separate schedules. Schedule 1 sets regulatory obligations for BPIDs, while Schedule 2 lists the information that should be included in BPIDs. The proposed structure is intended to make it simpler to understand regulatory obligations by collating requirements into a single part of the Code. The structure also makes it simpler to make minor changes to Schedule 2 without also needing to consequentially amend obligation clauses in Schedule 1.

Clause 8 - Part 2 Division 3A inserted

Change summary

Inserts a new Part 2 Division 3A after existing Division 3, so that Code sections for BPIDs are contained within a single part of the Code. The division is divided into two parts:

- 1. Subdivision 1 includes enabling provisions for BPIDs in the Code. The subdivision contains six new clauses, 9A to 9F.
- 2. Subdivision 2 establishes retailer obligations for BPIDs and contains four new clauses, 9G to 9J.

Clause 9A Meaning of gas plan, generally available plan, restricted plan, and basic plan information document

Change summary

Subclause (1) defines gas plan in the Code. Subclauses (2) and (3) then separate "gas plan" into "generally available plans" and "restricted plans" across two paragraphs:

- a) Defines generally available plan, meaning a gas plan that retailers make available to customers in at least one of the supply areas designated under the Act.
- b) Defines restricted plan, meaning a gas plan that is not typically available to small use customers, such as plans created specifically for the retailer's employees.

Subclause (3) provides the full definition of BPID in Part 1 clause 3, meaning the document retailers make available for gas plans under Subdivision 1.

Reason

The ERA included a definition for "gas plan" in the Code, so that subsequent subclauses can distinguish between different types of plans.

The change will require retailers to publish BPIDs for generally available plans, but not for restricted plans.

Some retail plans are available only to a very small number of customers, for reasons that are typically not within an individual customer's control. For example, a gas retailer might offer discounts to its own employees, or to family and friends of its own employees. While a retailer might use plan codes to describe these plans internally, most customers would not be aware of the plan terms and would not be able to locate information about them on the retailer's website. Another example might include commercial customers who operate multiple sites across different supply areas, and as a result manage to negotiate special pricing tiers uniquely available for their sites. Neither scenario involves activities within most individual customers' control and plans for those scenarios are termed "restricted plans" under the changes. Retailers would be exempt from BPID requirements for restricted plans.

Clause 9B Contents of basic plan information documents

Change summary

Requires retailers to include the information prescribed in Schedule 1 within BPIDs.

Reason

The proposed changes are structured like this to make it easier for both retailers and customers to understand what BPID obligations are, and separately, what BPIDs will contain. The ERA will prepare guidance to support retailers to prepare BPIDs, which will largely explain each of the items in Schedule 1.

The proposed changes also make it easier to review and make minor changes to BPID information without consequentially amending obligation clauses such as clause 9B.

Clause 9C Display requirements

Change summary

Sets main formatting requirements for so that they are standardised for all retailer gas plans.

Subclause (1) requires BPIDs to be in PDF format.

Subclause (2) requires text in BPIDs to be black.

Subclause (3) requires information in BPIDs to be in the same order as in Schedule 1

Subclause (4) provides some exceptions to subclause (3) across two paragraphs:

- a) Allows information to appear left to right across a page rather than top to bottom.
- b) Allows information about discounts to appear alongside other price information rather than separately.

Subclause (5) clarifies that the headings used to categorise types of information in Schedule 1 are not mandatory.

Reason

To maximise the benefit to customers and to maximise clarity for retailers, the ERA has sought to standardise BPIDs. The proposed changes standardise the overall format and layout without adding unnecessary complexity.

The proposed changes will see retailers publish BPIDs using black text and in PDF format. Those requirements ensure BPIDs are easy to read and available in a format that is free, widely used, and accessible.

The proposals require BPIDs to follow the order in Schedule 1, to allow customers to make side-by-side comparisons of gas plans without having to cross reference plan information located in different places on BPIDs. As non-regulated fees and charges can cause variations in overall plan costs for customers, retailers will be required to include those amounts in the same order in BPIDs.

The changes also include practical exceptions such as allowing information to be displayed horizontally instead of vertically. This will minimise the length of BPIDs, making them cheaper to print.

Clause 9D Language requirements

Change summary

Provides that all retailers must use similar language to describe certain types of plan information.

Reason

The proposed changes are structured like this to make it easier for both retailers and customers to understand what BPID obligations are, and separately, what BPIDs will contain. Proposed clause 9D creates the obligation for retailers to follow language requirements in BPIDs but the language requirements are in Schedule 2.

Schedule 2 fully defines the language requirements, which are mostly the same as those in AER jurisdictions. Some minor changes are included for practical reasons due to differences between Western Australian and interstate retail energy markets.

Clause 9E Allowed inclusions

Change summary

Clarifies that clauses 9A to 9D do not prevent retailers from including certain other things on BPIDs, across two paragraphs:

- a) Permits other identifying information about their brand, such as logos or links to a retailer's social media pages.
- b) Permits retailers to use colour in BPIDs, other than for plan information prescribed in Schedule 1.

Reason

The GMCCC recommended that amendments standardise the order and general layout of BPIDs to provide consistency for customers comparing important plan information. The ERA also considered the style of plan price information currently provided by Western Australian retailers and how the provisions could support some flexibility to make it easier for customers to quickly find relevant information.

Research for the AER, referenced by the GMCCC in its report, shows older customers and customers with vision impairment might struggle if BPIDs do not have enough white space separating different types of plan information. Other amendments address text contrast and the overall layout of BPIDs, but it is mutually beneficial to retailers and customers if BPIDs can include some branding and colour that associates documents with the retailer offering a plan. The allowed inclusions allow, for example, retailers to place company logos in the corner of a BPID, or to use their brand colour for table headers or decorative marks. Retailers may choose whether and how to brand BPIDs, but the ERA anticipates that all retailers likely will. The allowed inclusions make it easier for customers to identify who is providing a plan and to find relevant plan information, where it is separated visually using coloured tables.

¹⁹ BETA & Australian Energy Regulator, 2021, Improving energy bills: final report pg.39 (online)

Clause 9F Dual fuel plans

Change summary

Establishes retailer obligations for BPIDs if gas is provided on a plan that also includes supply of electricity (dual fuel plan).

Subclause (1) clarifies that BPID requirements apply if gas is supplied as part of a dual fuel plan. Subclause (2) sets BPID requirements for dual fuel plans, across two paragraphs:

- a) Permits electricity plan information to be provided alongside gas plan information for dual fuel plan BPIDs.
- b) Requires that, if both gas and electricity information is included in BPIDs, it must be clear whether information applies to gas, electricity, or both (such as whether a listed discount applies to both fuels or only to electricity).

Subclause (3) provides that the requirements in Subdivision 2 for gas plan BPIDs apply regardless of whether gas is provided as part of a dual fuel plan.

Reason

The proposed inclusions are practical provisions to minimise the risk of confusion by allowing related information for gas and electricity provided on a dual fuel plan to be provided on the same BPID.

The proposed clause contains a definition for dual fuel plan because it is only relevant in this part of the Code and including it in the preliminary definitions part of the Code is less practical.

Most residential customers will never use a BPID with dual fuel plan information because they are non-contestable electricity customers. However, the provisions make it easier for retailers to provide combined plan information to the approximately 56,000 contestable electricity customers who may sign up to receive gas through a dual fuel plan.²⁰

Draft decision – Amendments to the code of conduct for gas marketing

Economic Regulation Authority, 2023, *Annual data – Energy retailers 2022/*23, 55,936 contestable electricity customers as of 30 June 2023 (online)

Subdivision 2 – Obligations on retailers

Change summary

Subdivision 2 establishes retailer obligations in relation to BPIDs and contains four new clauses.

Reason

The proposed changes are structured like this to make it easier for both retailers and customers to understand what BPID obligations are, and separately, what BPIDs will contain.

Clause 9G Retailers must make basic plan information documents available to small use customers

Change summary

Requires retailers to publish BPIDs for generally available plans within five days of the plan becoming available or, if the plan is an existing plan, within five days of any changes to the information in Schedule 1.

Reason

Five days is an appropriate period for retailers to publish BPIDs for plans on their website. The ERA anticipates that when the amendments become effective and retailers create BPIDs for their existing plans, even completely new plans will only require small changes to BPIDs to meet the publishing requirement.

Not requiring BPIDs to be available at the point plans become available also enables retailers to focus on core work within their business, while preparing BPIDs as one of the last stages of launching new plans or changing existing plans.

The five-day requirement to make BPIDs available for plans minimises inconsistency with requirements in AER jurisdictions to provide customers with a copy of BPIDs within five days of being asked.

Clause 9H Retailers must provide link to basic plan information documents on retailers' websites

Change summary

Requires retailers to provide a link to BPIDs for generally available plans advertised on their websites, across two paragraphs:

- a) Requires BPID links to be clearly and prominently displayed on retailer websites.
- b) Requires a link to be provided next to 'sign up buttons' for any generally available plan.

Reason

The proposed provisions maintain consistency with AER jurisdictions and meets customer expectations when it comes to accessing regulated information documents like BPIDs. Across different sectors of the economy such as banking, telecommunications, and energy, retailers provide links to standardised plan documents immediately next to sign up buttons for the plan. Adopting that approach is the most likely way to ensure that customers understand what the link is for and the type of information they can expect to see if they click it.

Clause 91 Retailers must ensure third-party websites provide a link to basic plan information documents

Change summary

Requires retailers to ensure third-party websites provide links to BPIDs.

Subclause (1) establishes that Clause 9I applies if information about generally available plans is published on a third-party price comparison website.

Subclause (2) extends the requirements of Clause 9H to third-party price comparison websites.

Reason

While retailers do not operate third-party comparison sites directly, they pay for marketing material published by the sites in a way that is similar to TV or radio advertisements, which retailers also do not operate directly. Third-party price comparison websites have commercial arrangements with retailers, which may be for commission based on the number of sign-ups to a plan, or charging for plan information to be included at all.

Some retailers may choose not to enter into an agreement with a third-party price comparison website for different reasons. The ERA acknowledges, however, the ongoing presence of comparison sites and that customers have come to expect them as a normal part of comparing certain types of service, such as energy, broadband, and finance.

For the proposed change to be effective, it is important customers receive the same information whether their preference is to directly compare plan information provided by retailers or to review summaries on price comparison sites. If customers are using a price comparison website to access information about plans or to sign up to plans, those customers should be afforded the same access to standardised plan information as other customers.

The proposed changes to the Code require retailers to ensure that, as part of the arrangements they have with third-party sites, they ensure links to BPIDs are provided in the same place is they would be located on their own site. The clause affects third-party price comparison sites, but the obligation is on retailers to ensure they provide BPID links to site operators, and that operators make the links available. The proposed changes are also aligned with the practice in AER jurisdictions.

Clause 9J Retailers advertising gas plans must provide link to basic plan information documents

Change summary

Establishes more general retailer obligations for BPIDs

Subclause (1) establishes that, in clause 9J, advertising refers to online marketing other than on retailers' own websites and third-party price comparison sites, and for other forms of advertising such as on television, radio, social media, billboards, newspapers, and magazines.

Subclause (2) requires retailers to provide links to BPIDs in advertising for generally available plans, alongside some preliminary text:

A basic plan information document about this plan is available at <retailer link>

Subclause (3) extends subclause (2) with modified supporting text for single advertisements for 2 or more plans at the same time:

Basic plan information documents for these plans are available at <retailer link>

Reason

How customers receive information varies. To support effective markets and to ensure customers benefit from the proposed changes equally, it is important they are aware of BPIDs and where they can access them.

The proposed clause provides a practical and straightforward way that retailers can inform customers where to access BPIDs whether they are only advertising a single plan, or advertising multiple plans in a single piece of material.

The proposed change provides standardised supporting text that retailers can use to direct customers to BPIDs for advertising that may be space-limited or non-interactive, such as on television and in newspapers. The changes also promote broader awareness of BPIDs for customers who might not visit a retailer website, but are linked to a BPID landing page because of a retailer social media advert.

The changes include some consequential amendments to define terms to support the clause.

Clause 9 - Schedule 1 inserted

Change summary

Creates a set of things retailers must include in BPIDs, except the main headings, which are not mandatory under proposed Part 2 Division 3A subclause 9C(5).

Clause 1 – Introductory statement

Subclause (1) requires the generic name a retailer may use to describe a gas plan to be included.

Subclause (2) requires the BPID publication date to be included.

Clause 2 – Eligibility criteria

Subclause (1) requires retailers to include whether a person must be a residential or non-residential customer.

Subclause (2) requires retailers to include whether the plan is only available to customers connected to a particular reticulated gas network, by listing the relevant distributor under Part 2A of the Act.

Subclause (3) is for plans only available to customers who meet certain metering requirements.

Subclause (4) is for plans only available to customers who sign up as part of a package, such as a combined telecommunications and gas plan.

Subclause (5) is for plans only available to customers with a relevant concession.

Subclause (6) requires BPIDs to disclose if the gas plan is available as part of a combined gas and electricity plan only.

Clause 3 – General plan information

Subclause (1) requires BPIDs to contain the number of days a customer has to change their mind about having signed up for the gas plan.

Subclause (2) requires the BPID to display the length of the contract for the gas plan and if there is no length, the fact that it has no length (a customer may exist the contract at any time, subject to nominal notice periods).

Subclause (3) requires the BPID to disclose if the retailer will automatically place a customer onto a new plan after the end of a benefit period or at the end of the plan.

Subclause (4) requires the BPID to disclose if the retailer, under the terms of the contact, can change plan prices. If so, it must disclose how and when the retailer will notify a customer of the changes.

Subclause (5) requires the BPID to display the typical billing period under the plan.

Subclause (6) requires the BPID to disclose if alternative billing periods are available under the plan, such as a monthly "bill-smoothing" option.

Subclause (7) requires the BPID to display available bill payment methods.

Subcl. (8) requires the BPID to display information about how customers can access the full set of terms and conditions for the gas plan.

Subcl. (9) requires the BPID to display the retailer's phone number and website address.

Clause 4 – Charges

Subclause (1) defines GST in this clause using its original meaning in section 195-1 of Commonwealth tax legislation: A New Tax System (Goods and Services Tax) Act 1999.

Subclause (2) requires BPIDs to display usage charges for each price step under a gas plan and for prices to be in cents per unit inclusive of GST.

Subclause (3) requires BPIDs to display the supply charge under a gas plan in cents per day inclusive of GST.

Clause 5 - Discounts and incentives

Subclause (1) defines conditional discount and guaranteed discount. The subclause also defines GST the same as in cl. 4(1).

Subclause (2) requires that, if a discount is available under the plan, the BPID must disclose, across four paragraphs:

- a) The percentage of the discount relative to the original price of the discounted thing.
- b) Charges under the plan the discount applies to.
- c) If the discount is applied before or after GST.
- d) If the discount is a guaranteed discount or a conditional discount.

Subclause (3) then requires, across two paragraphs, that if the plan has a conditional discount, the following things must be displayed in BPIDs in addition to those in subclause (2):

- a) All the things a customer must do to get the conditional discount.
- b) If the discount will be revoked if a customer ceases to do the things required to originally get the discount.

Subclause (4) requires BPIDs to disclose if other incentives are available for signing up to a plan (separate to discounts). If so, the BPID must display the monetary value of the incentive and if a customer is required to repay that monetary value if they exit a plan before the contract period.

Clause 6 – Fees not part of plan charges

Subclause (1) requires BPIDs to display any fees for customers to set up an account under the plan, and for those fees to be displayed in dollars.

Subclause (2) requires BPIDs to display any fees for account-keeping or servicing, and for those fees to be displayed in cents per day.

Subclause (3) requires BPIDs to display any fees for non-residential customers for account administration, and for those fees to be displayed in dollars per day per meter.

Subclause (4) requires, across three paragraphs, BPIDs to display how much retailers will charge customers, across four paragraphs, for:

- a) Failing to pay a bill on time.
- b) For a dishonoured, or 'bounced', cheque.
- c) For retailers to issue a written bill overdue notice.

Subclause (5) requires, across two paragraphs, BPIDs to display how much interest retailers will apply for overdue bill amounts, and for that amount to be displayed as either a:

a) Percentage of the overdue amount

or

b) Percentage of the overdue amount in addition to the bank bill swap rate.

Subclause (6) requires BPIDs to display fees for customers who choose to pay a bill at a physical outlet, such as Australia Post, and for those fees to be displayed in dollars per payment.

Subclause (7) requires BPIDs to display fees for customers to receive a paper copy of a bill and for extra copies of a bill, and for those fees to be displayed in dollars per copy.

Subclause (8) requires BPIDs to display fees that retailers will pass to customers to process payments, and for those fees to be displayed as a percentage of the transaction amount.

Subclause (9) requires BPIDs to display distributor fees a retailer will pass on to a customer for any amount more than the original distributor fee. For example, if a distributor charges a retailer \$20 for a special meter reading and the retailer charges a customer \$25, that must be disclosed on the BPID.

Because Schedule 1 details the information the ERA proposes to require in BPIDs, this explanatory part of the draft decision is long. To make it easier to read this draft decision, the change summary is included for a second time below:

Change summary: Creates a set of things retailers must include in BPIDs, except the main headings, which are not mandatory under proposed Part 2 Division 3A subclause 9C(5).

Reason:

When considering which information should be included in BPIDs, the ERA aimed to provide as much as consistency as possible with AER jurisdictions. Consistency makes it easier for retailers that operate in both jurisdictions, provides the same amount of benefit for customers, and accounts for differences between the Western Australian retail gas market and other gas markets. The proposed inclusions to Schedule 1 are broadly consistent with AER requirements.²¹ Information about electricity plans has been removed because small use electricity customers are non-contestable in Western Australia.

The proposals also depart from AER terminology where a term relates to Western Australian legislation, such as "distributor", and where data systems in place in other states operate alongside BPID requirements, such as the Energy Made Easy website. Energy Made Easy collects information submitted by retailers and automatically generates BPIDs, which

²¹ Australian Energy Regulator, 2018, Retail pricing information guidelines (version 5.0) (online)

customers can access directly or through retailer websites. Energy Made Easy uses metering data to provide customers with estimated costs under different plans.

The ERA does not administer a system like Energy Made Easy in Western Australia and does not have access to billing data for each customer. As such, it has not drafted Code provisions that rely on a central system to generate BPIDs. The proposed changes instead require retailers to generate BPIDs and publish them on their own websites. The BPIDs will contain the most important plan information, structured in a way that makes it easier for customers to compare. The approach delivers the most benefit because it can be implemented quickly and allow customers seeking comparison information to get it as early as possible.

Clause 9 continued – Schedule 2 inserted

Change summary:

Adds a short schedule to Part 2 Division 3A to standardise language for some of the information required in BPIDs by Schedule 1.

A guaranteed discount in Schedule 1 clause 5 must be described as a 'guaranteed discount' and not as an "unconditional discount", a "non-conditional discount", or "a base discount".

A fee for terminating a contract before the end of the contact period must be described in BPIDs as an "exit fee" and not as a "termination fee" or "early termination fee".

Charges in Schedule 1 clause 4(2) must be described as "usage charges" and not "consumption charges".

Charges in Schedule 1 clause 4(3) must be described as "supply charges" and not "standing charges" or "fixed charges".

General plan information in Schedule 1 clause 3(2)(a) must be described as "contract term", "contract length", or a "number of months contract", and may not be described as "fixed term".

If a gas plan has an ongoing contract but with a defined benefit period, after which the benefit no longer applies, then that must be described as an "ongoing contract with limited benefit period" or an "ongoing contract with *number of months* benefit period". The gas plan may not be described as "evergreen" or as having a "fixed benefit period".

Reason:

The proposed inclusions provide consistency for customers by ensuring that some key terms used to describe information in BPIDs are standardised for information about each gas plan. The ERA will prepare guidance to support the proposed changes so that it is more user-friendly for customers and retailers, but separating this part of the Code into its own Schedule makes it easy to find and read in one place.

The terms in Schedule 2 are consistent with requirements in AER jurisdictions, besides terms specific to electricity retail plans, which are not included in the proposed Code. A standalone schedule is also the most efficient way to administer the Code because it can be iteratively improved without extensive consequential amendments.

Appendix 1 List of Tables

	GMCCC 2024 Final review report recommendations and ERA response
Table 2	Terms in clause 3 added or amended and reasons for each change
Table 3	Format of unit pricing in Western Australia compared to AER jurisdictions

Appendix 2 Abbreviations

ERA Economic Regulation Authority

Code Gas Marketing Code of Conduct 2022

GMCCC Gas Marketing Code Consultative Committee's

BPID Basic Plan Information Documents

WEM Wholesale Electricity Market

Act Energy Coordination Act 1994

Amendment Code Gas Marketing Code of Conduct Amendment Code 2024

SWIS South West Interconnected System

Appendix 3 Glossary

Statutory review A periodic or once-off review of legislation that

happens.

Comparative marketing Marketing claims that make or imply comparisons

between gas and electricity.

Small use gas customers Gas customers who use less than 1 terajoule of gas

annually.

Small use electricity customers Electricity customers who use less than 160

megawatt-hours of electricity annually.

Consequential amendment Changes to legislation, often minor, to accommodate

more substantive changes elsewhere. For example, if a definition is updated and the definition appears in a

different clause, the different clause will be

consequentially amended to match the new definition.

Change summary A plain English description of each proposed change

to the Code.

South West Interconnected System Western Australia's main electricity network that

serves most of the state's population.