

# Amendments to the code of conduct for gas marketing

Final decision

19 May 2025

# **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.

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# **Executive summary**

The Economic Regulation Authority has amended the <u>Gas Marketing Code of Conduct 2022</u>. The Code regulates how retailers market gas to small use customers – typically households and small businesses.

Amendments made in this final decision address public consultation and advice provided by the Gas Marketing Code Consultative Committee (GMCCC) on our 9 December 2024 <u>draft decision</u>. The GMCCC is a statutory committee that reviews the suitability of the Code every two years and advises the ERA on any amendments we propose.

When promoting gas plans, retailers often draw comparisons between the performance of gas and electric appliances and between the properties of gas and electricity generally. The GMCCC highlighted consumer advocate concerns that when customers make large appliance purchasing decisions, marketing comparisons between electricity and gas do not always include enough information to understand the types of appliances being compared. Further, it is often unclear whether marketing claims about cost effectiveness reflect improvements in appliance technology and energy efficiency over time or if the claim is made based on the cost of a unit of energy at a customer's meter (input cost).

Our amendments aim to improve the quality and availability of information gas retailers provide to customers. Comparing energy and costs in terms of *output* heat – rather than input cost – allows customers to more accurately compare the efficiency and running costs of different types of appliances.

Through our amendments, the Code will require that retailer marketing claims contain only information that is true and accurate. The amendments cover comparative claims in five areas: cost effectiveness, energy efficiency, health, sustainability, and greenhouse gas emissions. Retailers will also be required to ensure that comparative claims relate to at least one of three ways that customers use energy day to day: cooking, space heating, or water heating.

Retailers will also be required to make standardised basic plan information documents (BPIDs) available for most retail plans. BPIDs are short, plain English fact sheets detailing the most important parts of a gas plan, including fees, charges, billing periods, and sign-up incentives. Having this information available to customers in a standardised, simple format will make it easier to compare different plans and different retailers. This standardised information is already available to energy customers in other states.

We have made other minor changes to streamline the Code by:

- Replacing separate identification requirements for telemarketing and face-to-face marketing with simpler provisions that cover all types of marketing.
- Aligning some of its clauses with the counterpart code for electricity and improving the clarity of some definitions including matching the definition of "distributor" to legislation.

Compared to our draft decision, we have updated the approach to comparative marketing regulation to make it easier for retailers to implement. The amendments are intended to achieve the same levels of customer protection without requiring retailers to disclose some technical information in claims, such as the heating efficiency of different appliances. We have also made practical changes to BPID requirements to make it clearer that they only apply for residential customer plans.

The amendments take effect on 1 January 2026.

# 1. Background

The ERA is Western Australia's independent regulator for electricity, gas, water, and rail. Our role includes regulating the Wholesale Electricity Market, licensing of utility service providers, third party access to energy and rail infrastructure and creating customer protection codes for small use energy customers. Small use customers are those whose annual electricity or gas bill is less than around \$50,000, which includes most households and small businesses.

## 1.1 How does the ERA regulate the retail gas market?

The ERA administers Western Australia's retail gas licensing scheme under the <u>Energy</u> Coordination Act 1994 (Gas Act). We are responsible for:

- Issuing gas trading licences to retailers, enabling them to sell gas to small use customers within their supply area. There are eight licensed gas retailers and approximately 800,000 small use gas customers in Western Australia.<sup>1</sup>
- Approving retailers' standard form contracts and reviewing financial hardship policies.
- Reviewing and amending customer protection codes and the <u>Compendium of Gas</u>
   <u>Customer Licence Obligations</u>. The Compendium is a set of common gas trading
   licence conditions that regulate information retailers provide to their customers, such as
   the format of bills.
- Reviewing and reporting on the gas licensing scheme to the State Government.
- Reporting on gas retailer compliance through audits, asset management system reviews, and monitoring retailer performance by collecting and publishing annual performance data.

#### 1.2 What is the Code?

The Code is legislation to protect small use gas customers in Western Australia from undesirable marketing conduct. For example, the Code requires salespeople to disclose information about who they are and how customers can refer complaints to the <a href="Energy and Water Ombudsman">Energy and Water Ombudsman</a>. The Ombudsman investigates and tries to resolve customer complaints about their electricity, gas, and water suppliers.

The Code applies to all retailers supplying gas through a licenced distribution system, such as the systems operated by ATCO Gas and Supagas.<sup>2</sup> It does not regulate bottled gas marketing.

#### 1.3 What is the GMCCC?

The GMCCC is a statutory committee that reviews the suitability of the Code every two years and advises the ERA on any amendments we propose. It includes three members each from industry and consumer representative groups, and two members from government agencies.

Before providing us with advice, the GMCCC must give those interested with an opportunity to provide comments on any proposed changes. We must consider the GMCCC's advice on proposed amendments before amending the Code.

Economic Regulation Authority, 3 February 2025, Energy retailers and distributors 2024 – Annual data report, 794,847 small use gas customers as of 30 June 2024 (online)

<sup>&</sup>lt;sup>2</sup> Operated by Wesfarmers Kleenheat Gas prior to 4 November 2024.

The members of the GMCCC that conducted the review are listed in Table 1.

Table 1: GMCCC members for 2023-2025 review

Member	Organisation
Chair (non-voting member)	
Executive Director Regulation (ex officio)	Economic Regulation Authority
Executive officer (non-voting member)	
Senior Regulatory Officer (ex officio)	Economic Regulation Authority
Industry representatives	
Catherine Rousch	Alinta Energy
Deanna Power	Wesfarmers Kleenheat Gas
Becky Cant	Synergy
Consumer representatives	
Ashleigh Gregory	Western Australian Council of Social Service
Helena Jakupovic	Financial Wellbeing Collective
Leanne Bérard	Financial Counsellors Association
Government representatives	
Anne Braithwaite	DEMIRS (Energy Policy WA)
Penny Griffiths	DEMIRS (Consumer Protection)
Observer (non-voting)	
Brent Savage	DEMIRS (Energy Policy WA)
(on behalf of the Expert Consumer Panel)	

# 2. Changes from the draft decision

On 9 December 2024, we published a draft decision outlining our proposed amendments to the Code. The draft decision reflected recommendations from the GMCCC's most recent Code review, which it made in its final report published on 30 September 2024.<sup>3,4</sup>

The GMCCC sought further public comments on the ERA's draft decision, so that it could provide us with advice before we formally amended the Code. Nine stakeholders provided comments:

- Adam Lippiatt (individual)
- AGL Energy
- Alinta Energy
- WA Expert Consumer Panel
- Sustainable Energy Now
- Synergy
- Wesfarmers Kleenheat Gas
- Western Australian Council of Social Service and the Financial Counsellors Association Western Australia (joint submission).

Based on those submissions, the GMCCC advised a series of changes to the proposed amendments to make implementing and monitoring them more practical while maintaining their original intent.<sup>5</sup>

Following that advice, the ERA's final decision removes the prescriptive requirements proposed for comparative marketing and clarifies which gas plans require BPIDs.

## 2.1 Comparative gas and electricity marketing

In its final report, the GMCCC recommended prescriptive regulation requiring retailers to provide certain information in marketing claims – particularly when comparing gas and electricity – to reduce the chance of customers being misled if they lack technical knowledge or information about modern appliances.

We drafted revisions to the Code, outlined in our draft decision, and referred these proposed amendments to the GMCCC for its advice. Because of the complexity ultimately needed to regulate comparative marketing prescriptively, the GMCCC advised us instead that an outcomes-based approach may be more practical. The GMCCC's advice was that prescriptive regulation was too complex and would be difficult for retailers to comply. As a result, the final decision provides an outcomes-based approach to comparative marketing regulation.

Our changes are intended to achieve the same regulatory outcome of better information for consumers by setting overarching principles or outcomes for marketing claims. Retailers must ensure that information in claims is true and accurate and that claims about the running costs

<sup>3</sup> GMCCC, 30 September 2024, Final review report – Review of the Gas Marketing Code of Conduct (online)

<sup>&</sup>lt;sup>4</sup> ERA, 9 December 2025, Draft decision – Amendments to the code of conduct for gas marketing (online)

<sup>&</sup>lt;sup>5</sup> GMCCC, 1 April 2025, Statutory advice on the ERA's draft decision (online)

of different appliances reflect actual appliance efficiencies. The changes also prevent retailers from making claims comparing new gas appliances with only old electric ones.

However, we have removed our earlier proposal, which would have required retailers to include coefficients of performance for appliances they refer to in marketing material. Coefficients of performance are used to describe the heating and cooling efficiency of different appliances. The GMCCC advised that having these numbers in claims added to the complexity of the Code but that they were unlikely to be helpful for most customers.

Our final decision retains the following main parts from the draft decision:

- Regulates comparative marketing claims across five main areas: cost effectiveness, energy efficiency, environmental health, environmental sustainability, or greenhouse gas emissions.
- Requires retailers to ensure that comparative marketing claims include only information that is true and accurate.
- Requires retailers to include information about:
  - Heat pump hot water systems, when making any comparative marketing claims that refer to water heating or water heating appliances.
  - Induction cooktops, when making claims that refer to cooking or cooktops.
  - Reverse cycle air conditioners, when making claims that refer to space heating or space heating appliances.
- Prevents comparative marketing claims from referring solely to the cost of energy measured at an electricity or gas meter.

## 2.2 Basic plan information documents

We have also made changes to the amendments proposed to require BPIDs for most gas plans.

### BPIDs for residential customers only

This final decision distinguishes between two plan types in relation to BPIDs:

- 1. **Generally available plan**: plans that retailers make available to most residential customers. These plans are ones that customers would be the most familiar with they are often displayed on gas retailer websites and via other marketing channels.
- Restricted plan: any plan other than a generally available plan. This type of plan may
  include expired gas plans no longer offered by retailers; plans only available to a retailer's
  employees; or plans negotiated by individual customers because of their specific situation,
  such as businesses with multiple operating sites.

The draft decision proposed that retailers be required to produce generally available plan BPIDs for all small use customers – residential and business. Most business customers purchase gas through restricted plans. In our final decision, we have updated definitions for both types of plans to make it explicit that BPIDs are required for residential customer plans only. This change does not reduce the number of customers for which BPIDs will be available, but it reduces the risk that retailers will breach the Code by not producing BPIDs for plans only provided to a small number of customers.

Because the final decision only refers to residential customer BPIDs, we have also removed clauses for dual fuel plans. With dual fuel plans, customers receive both gas and electricity under a single contract. Nearly all residential customers in the SWIS must purchase their electricity from Synergy, meaning dual fuel plans are uncommon and so clauses to enable dual fuel BPIDs are no longer necessary.

We have also changed the wording used for restricted plans so that the definition is the same as in the Australian Energy Regulator's (AER) <u>retail pricing information guidelines</u>. The original intent was to include certain customers within the definition, such as embedded network customers who live in apartment blocks or caravan parks. However, based on public submissions and GMCCC advice, adopting the definition used by the AER minimises complexity and presents a low risk that some plans will not be captured by the definition.

#### Monetary value of plan sign-up incentives

To encourage customers to sign up to their plans, retailers can offer customers once-off or ongoing plan benefits like frequent flyer or supermarket loyalty program points. In our draft decision, we proposed requiring that retailers include the monetary value of these incentives in BPIDs. The intent was to make it easier for customers to meaningfully compare different parts of plans when considering which one was the most appropriate.

Public submission feedback showed that this would be difficult for retailers to implement and would not meaningfully reflect the value of incentives for all customers. The value of points that customers accrue through loyalty programs or credit card purchases can vary depending on how customers spend them. Further, the value of different loyalty programs can change depending on how long customers have been a member.

The amended Code will now only require retailers to include what the incentive is in the BIPD, rather than monetary value of that incentive. For example, instead of a dollar value, retailers will need to include the number of brand loyalty points they will receive.

### Scope of third-party websites

In our draft decision, we proposed requiring both retailers and third-party comparison sites like <u>Finder</u> and <u>Compare The Market</u> to display website links to BPIDs for different gas plans.

Public submissions noted that the obligation on third-party websites was unclear, and that it may include third-party websites with which retailers have no commercial relationship. As such, we have made a minor change to provisions for third-party websites to clarify that it extends only to comparison sites with which retailers have a commercial relationship.

The changes do not cover websites or organisations advertising discounts as a member perk. For example, the RAC, which offers member discounts with a particular gas retailer.

### 2.3 Evaluating the changes

In response to the GMCCC's advice, we have considered how to measure the effects of Code amendments on both retailers and customers.

Appliances for cooking, water heating, and space heating are the main ways that customers use energy in households and small businesses. When appliances do reach the end of their useful operating life and customers seek replacements, it is important that marketing claims do not overstate the benefits of a particular type of appliance. The Code will require gas retailers to include information in marketing statements that can assist customers to make an informed financial decision.

Consumer uptake of compressor-based appliances like heat pump hot water systems is increasing.<sup>6</sup> Since these appliances convert input energy to useful heat differently to older appliances, there are gaps in information around real world efficiency measures and running costs when comparing gas and electric appliances.

The Code does not currently regulate comparative marketing claims and it will be difficult to quantitatively measure the effect of the new comparative marketing clauses once the amended Code comes into effect. We will closely monitor changes in the type of customer complaints made to retailers and to the Energy and Water Ombudsman to assess whether Code amendments increase customer awareness of comparative marketing.

We will also monitor comparative marketing claims made by retailers to see whether there are any changes to how material is presented to customers. Alongside periodic audits of retailers, this information helps us to evaluate the effectiveness of the amendments and will be provided to the GMCCC to inform its next Code review in 2027.

We will consider how customers use BPIDs before making any future Code amendments. By monitoring changes in retailer market share - from customers switching to a new provider – and changes in the proportion of customers on standard and non-standard retail gas plans, we will gain a better understanding of the number of customers benefiting from discounted plans, and if other measures are needed to inform customers of alternative plans.

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Clean Energy Regulator (CER), 14 March 2025, Quarterly Carbon Market Report December Quarter 2024 p.30 shows 7% yearly growth in heat pump hot water system installs [Data excludes New South Wales, where installs are validated under a state-based scheme] (online)

### 3. Final decision

The ERA has amended the Gas Marketing Code of Conduct 2022 under section 11ZPM of the Gas Act. We have considered advice provided to us by the GMCCC under section 11ZPU of the Gas Act.

In making this decision, we have also considered the matters in section 26 of the <u>Economic</u> <u>Regulation Authority Act 2003</u>.

The amending instrument has nine clauses:

- Clauses 1 to 3 provide the title and commencement date of the amending instrument.
- Clause 4 amends existing definitions and inserts new definitions to support other changes.
- Clause 5 makes minor administrative changes to existing provisions.
- Clause 6 provides that the Code regulates marketing claims comparing gas and electricity and the information retailers must include in comparative claims that refer to cooking, space heating, or water heating.
- Clause 7 replaces existing marketer identification requirements with a single set of requirements that cover all marketing types.
- Clause 8 provides that basic plan information documents are required for most gas plans.
- Clause 9 sets information that retailers must include in basic plan information documents.

#### 3.1 Minor or administrative amendments

#### Clause 1 - Citation

This clause provides the title of the instrument that amends the Code:

Gas Marketing Code of Conduct Amendment Code 2025.

#### Clause 2 - Commencement

This clause provides when parts of the Amendment Code take effect:

- (a) Naming and commencement time clauses take effect on the day that the Amendment Code is published on the WA legislation website.
- (b) The rest of the amendments take effect on 1 January 2026.

#### Clause 3 - Code amended

This clause provides that the Gas Marketing Code of Conduct 2022 is amended.

#### Clause 4 - Clause 3 amended

This clause amends the section that establishes definitions for terms in the Code:

Subclause (1) deletes "distributor", so that a simpler definition can be reinserted by subclause (2).

#### Subclause (2):

Reinserts "distributor". The new definition refers to holding a distribution licence, which is simpler because it uses terms already defined in the Gas Act instead of defining the full term again in the Code.

Inserts "basic plan information document", "gas plan", and "generally available plan" to support changes for basic plan information documents in new clause 9A.

Inserts "**Housing Authority**" by referring to the definition from the <u>Housing Act 1980</u>, which is a consequential amendment to support changes to the definition of gas marketing agent in subclause (4).

Subclause (3) amends "contact" to remove fax as a contact method because of its limited use.

Subclause (4) amends "gas marketing agent" to make it consistent with "electricity marketing agent" in the <u>Electricity Code</u>. The subclause also codifies the existing interpretation that Housing Authority employees are not marketing agents under the Code.

Subclause (5) amends "**licence**" to remove unnecessary wording about which part of the Gas Act applies.

#### Clause 5 - Clause 6 amended

This clause makes administrative changes to provisions for non-standard contracts:

Subclause (1) amends clause 6(2) to:

- (a) better reflect how customers and retailers engage in contracts, by replacing "entering" with "a retailer enters".
- (b) clarify what it is retailers must explain to small use customers, by replacing "the difference" with "details of the difference".

Subclause (2) amends clause 6(3)(e) to replace "network operator" with "distributor", which is the term used in the Gas Act.

# 3.2 Comparative gas and electricity marketing amendments

This section details amendments to regulate gas retailer marketing claims that contain comparisons between gas and electricity or between gas and electric appliances (referred to in this decision as comparative claims).

The Code has historically not regulated information in comparative claims made by retailers and marketing agents.

The amendments support a well-functioning market by ensuring that, when retailers opt to make comparative claims, claims are true and accurate and relate to how customers use energy day to day.

Western Australia is the only Australian jurisdiction that requires retailers to calculate retail prices in units of 3.6 megajoules (MJ) (one unit of gas), equivalent to 1 kilowatt-hour (kWh) of electricity. This pricing format allows customers in Western Australia to easily see the cost difference between a unit of electricity and gas measured at the meter.<sup>7</sup>

In Australian Energy Regulator (AER) jurisdictions, gas prices are listed in one megajoule units, making comparative claims that compare input costs less relevant. Table 2 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 better reflects the different efficiencies of a broad range of customer appliances.

Since the format of prices for retail plans is set by the State Government in <u>contract</u> <u>regulations</u>, the Code cannot change how retailers calculate and provide prices in contracts.

Table 2 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.<sup>8</sup>

The significantly higher efficiency of modern electric appliances – due to compressors, also called heat pumps – means customers cannot meaningfully compare the cost of using gas and electric appliances based solely on input energy measured at an electricity or gas meter.

<sup>&</sup>lt;sup>7</sup> Energy Coordination (Gas Tariffs) Regulations 2004, regulation 6 (online)

<sup>8</sup> GMCCC, 2024, Final review report, p. 11 (online)

Gas retailers and marketing agents do not sell appliances but may promote some traits of gas appliances to imply a benefit to encourage retail gas use. 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.<sup>9</sup>

It is important that customers making large purchasing decisions 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.

Under the changes, information in marketing claims must be true and accurate and relate to the output of any appliances being compared. Depending on the type of claim that retailers make, retailers must also include comparisons with modern appliances and not only older appliances.

#### Clause 6 - Clauses 6A to 6F inserted

This clause inserts new provisions to regulate comparative gas and electricity marketing. The provisions regulate minimum standards of conduct that gas retailers and marketing agents must adhere to when making comparative claims.

#### Clause 6A Term used: comparative marketing claim

This clause defines 'comparative marketing claim' as a marketing statement that compares gas and electricity, or implies a comparison between gas and electricity, and refers to at least one of: cost effectiveness, energy efficiency, environmental health, environmental sustainability, or greenhouse gas emissions.

#### Clause 6B Comparative marketing claims: standards of conduct

This clause creates a requirement that retailers must adhere to minimum standards of conduct whenever they make a comparative claim.

#### Clause 6C Comparative marketing claims: cooking

Subclause (1) creates the following requirements for comparative claims that relate to cooking:

- (a) Must contain only information that is true and accurate.
- (b) Must refer to specific types of cooktops.
- (c) Must include an induction cooktop as one of the types of appliances being compared.

Australian research shows a mean service life of 13 years for water heaters. Wilkenfeld G, 2009, *Impact Statement: for Decision. Specifying the Performance of Water Heaters for new Class 1 Buildings in the Building Code of Australia*, p.98 (online)

- (d) Specify gases or other exhaust products that are likely to be given off because of using a gas cooktop.
- (e) If the claim refers to how much it will cost to use cooktops being compared, then costs must be stated relative to useful outputs of appliances and not simply the cost of an input unit of gas or electricity.

Subclause (2) creates a definition for "**induction cooktop**" in subclause (1).

#### Clause 6D Comparative marketing claims: space heating

Subclause (1) creates the following requirements for comparative claims that relate to space heating:

- (a) Must contain only information that is true and accurate.
- (b) Must refer to specific types of space heating appliances.
- (c) Must include an air conditioner as one of the types of appliances being compared.
- (d) If the claim refers to how much it will cost to use appliances being compared, then costs must be stated relative to useful outputs of appliances and not simply the cost of an input unit of gas or electricity.

Subclause (2) creates a definition for "air conditioner" in subclause (1) by referring to an existing definition in Commonwealth energy regulations.<sup>10</sup> The definition captures reverse cycle air conditioners that can be used for both heating and cooling.

#### Clause 6E Comparative marketing claims: water heating

Subclause (1) creates the following requirements for comparative marketing claims that relate to water heating:

- (a) Must contain only information that is true and accurate.
- (b) Must refer to specific types of water heaters.
- (c) Must include a heat pump water heater as one of the types of appliances being compared.
- (d) If the claim refers to how much it will cost to use appliances being compared, then costs must be stated relative to useful outputs of appliances and not simply the cost of an input unit of gas or electricity.

Subclause (2) creates a definition for "**heat pump water heater**" in subclause (1). Like clause 6(2) for air conditioners, the definition is based on an existing definition in Commonwealth energy regulations but with minor changes that remove the need to add several other new terms to the Code.<sup>11</sup>

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

Greenhouse and Energy Minimum Standards (Electric Water Heaters) Determination 2012, section 5 (online)

# Clause 6F Comparative marketing claims: environmental sustainability or greenhouse gas emissions

Subclause (1) creates the following requirements for comparative marketing claims that relate to environmental sustainability or greenhouse gas emissions:

- (a) Must not specify information about greenhouse gas emissions unless the information relates to customers' use of cooking, space heating, or water heating appliances.
- (b) Must state greenhouse gas emissions relative to useful outputs of appliances and not simply emissions from an input unit of gas or electricity.
- (c) Must not claim or imply benefits of using gas using simple references to Commonwealth data (emissions factors) for electricity and gas claims that refer to emissions factors must have context.

Subclause (2) creates a definition for "**carbon dioxide equivalence**", which is referred to in clause 6F(1), using an existing definition from Commonwealth legislation.<sup>12</sup>

### 3.3 Simplified marketer identification requirements

This section details amendments to streamline existing rules for information that retailers and gas marketing agents must provide to customers.

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

The new clause 8 replaces existing provisions with a single set of requirements that apply equally to all marketing types.

To make the single set of requirements work as intended, the old clauses 8(1) and 8(2) are restructured using a "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 identity card that they are wearing. This requirement is functionally the same as the clauses being replaced.

# 3.4 Basic plan information document amendments

This section details amendments requiring retailers to make standardised plan information documents available for most plans. Most Western Australian retailers also operate in other Australian jurisdictions and already publish BPIDs on their websites. The final decision approach is consistent with BPID requirements in other jurisdictions to maximise the benefit for customers, while minimising internal changes to how retailers already prepare BPIDs.

The State Government regulates the maximum amount that retailers can charge as fixed daily charges and gas consumption charges. However, the overall cost of different plans varies because retailers can include other charges that are unregulated. Differences in the

<sup>&</sup>lt;sup>12</sup> National Greenhouse and Energy Reporting Act 2007, section 7 (online)

unregulated components of a plan make it harder for customers to easily compare them to determine which is the most suitable for them.

Our amendments make it easier for customers to compare plans by requiring retailers to provide simple plan fact sheets – BPIDs – for most gas plans. BPIDs will use a standard order and layout between different retailers and are required for both standard form and non-standard plans.

The amendments comprise two schedules. Schedule 1 lists information that retailers must include in BPIDs. Schedule 2 sets standardised terms for information in BPIDs.

The structure makes it easier to see which clauses create regulatory obligations separate to the information that will be included in BPIDs. The structure also makes it simpler to amend Schedule 2 in future without also needing to consequentially amend obligation clauses.

#### Clause 8 – Part 2 Division 3A inserted

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

- Subdivision 1: includes minor or enabling provisions for BPIDs in the Code.
- Subdivision 2: establishes retailer obligations for BPIDs.

#### Subdivision 1 – Contents of basic plan information documents

# Clause 9A Gas plan, generally available plan, restricted plan and basic plan information document

This clause provides enabling definitions for a requirement that retailers make BPIDs available for generally available plans but not for restricted plans.

Subclause (1) defines "gas plan" in the Code, which is made up of two plan types: generally available plans and restricted plans.

Subclause (2) defines "generally available plan" as plans typically offered to residential customers in at least one – or a part of one – gas supply area. These plans are the ones customers will be most familiar with because they are promoted on retailer websites and via other marketing channels.

Subclause (3) defines '**restricted plan**' as plans only available to specific customers and tailored to meet specific circumstances of those customers. This definition captures a range of plans like expired plans no longer offered by retailers; plans only available to a retailer's employees; and plans negotiated by a single customer because of their circumstances. These plans are not typically actively promoted by retailers.

Subclause (4) defines 'basic plan information document' throughout the Code.

#### Clause 9B Contents of basic plan information documents

Requires retailers to include the information prescribed in Schedule 1 within BPIDs. Only plan documents that comply with BPID information requirements meet the definition of BPID – retailers that provide non-compliant BPIDs are taken not to have provided a BPID.

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

#### Clause 9C Display requirements

This clause sets main formatting requirements for BPIDs so that they are standardised between different retailers.

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

Subclause (2) requires BPID text to be black on a light background so that they are accessible and easy to read.

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

Subclause (4) provides two exceptions to subclause (3):

- (a) Allows information to appear left to right across a page instead of top to bottom; and
- (b) Allows information about plan discounts to appear alongside other price information rather than being provided separately.

To maximise the benefit to customers and to maximise clarity for retailers, we have sought to standardise BPIDs between plans offered by different retailers. The amendments standardise the overall format and layout without unnecessary complexity.

BPID order will be standardised to enable customers to make side-by-side comparisons of gas plans without having to cross reference plan information located in different places. 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 amendments make practical exceptions to layout requirements, such as allowing information to be displayed horizontally instead of vertically. These exceptions will minimise the length of BPIDs and make them cheaper to print without limiting their value in comparing plan information.

#### Clause 9D Language requirements

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

#### Clause 9E Permitted inclusions

This clause codifies that clauses 9B to 9D do not prevent retailers from including certain other things on BPIDs:

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

The GMCCC initially recommended that amendments standardise the order and general layout of BPIDs to provide consistency for customers comparing important plan information. We 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 plan information.

AER research shows older customers and customers with vision impairment might struggle if BPIDs do not have enough white space separating different types of plan information.<sup>13</sup> 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 make it easier for customers to identify who is providing a plan and to find relevant plan information.

The 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.

#### **Subdivision 2 – Obligations on retailers**

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

This clause requires retailers to publish BPIDs for generally available plans within five business days of the plan becoming available or, if the plan is an existing plan, within five business days of any changes to plan information.

Five business 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 final stages of launching a new plan.

The five business day requirement to make BPIDs available for plans minimises inconsistency with requirements in AER jurisdictions.

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

This clause requires retailers to provide a link to BPIDs for generally available plans advertised on their websites.

The provisions maintain consistency with AER jurisdictions and meet customer expectations when it comes to accessing regulated information documents like BPIDs.

Across different sectors of the economy like banking, telecommunications, and energy, retailers provide links to standardised plan documents immediately next to sign up buttons for a product or service. Adopting that approach is the most likely way to ensure customers understand what the link is for and information they can expect to see if they click it.

# Clause 9H Retailers must ensure third party comparison websites provide link to basic plan information document

Subclause (1) defines "third party comparison website" and captures websites that publish gas plan information because a retailer itself has arranged publication of the plan information.

Subclause (2) provides the scope of the obligation for third party comparison websites.

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<sup>&</sup>lt;sup>13</sup> Australian Energy Regulator, 30 January 2023. Better bills guideline – Version 2 (online)

Subclause (3) requires retailers to make sure that BPID links are shown on third party comparison websites like how they are displayed on retailers' own websites.

While retailers do not operate third-party comparison sites directly, they pay site operators to promote or place plan information similar to TV or radio advertising, which relies on media channels that retailers also do not operate.

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 a fixed rate.

Some retailers may choose not to enter into an agreement with a third-party price comparison website for different reasons. We acknowledge, 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 amendments 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 amendments require retailers to ensure that, as part of the arrangements they have with third-party comparison sites, links to BPIDs are provided in the same way as they would be 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. These requirements align with regulation in place in AER jurisdictions.

# Clause 9I Retailers advertising generally available plans must provide link to basic plan information documents

This clause 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 where a single advertisement is used to promote two or more plans:

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

The channels customers use to get 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 amendments provide a practical and straightforward way for retailers to 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 amendments provide standardised supporting text 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 who are directed to a BPID landing page because of a retailer social media advert.

#### Clause 9 – Schedules 1 and 2 inserted

Creates a set of things retailers must include in BPIDs.

#### Schedule 1 – Contents of basic plan information documents

#### Clause 1 Introductory statement

Subclause (1) requires retailers to include the generic plan name on BPIDs.

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

#### Clause 2 Eligibility criteria

Subclause (1) requires retailers to include whether the plan is only available to customers connected to a particular reticulated gas network by listing the distribution licence holder.

Subclause (2) is for plans only available to customers who meet certain metering requirements.

Subclause (3) is for plans only available to customers who sign up as part of a package, such as a combined telecommunications and gas plan.

Subclause (4) is for plans only available to customers with a relevant concession.

#### Clause 3 General plan information

Subclause (1) requires BPIDs to contain the number of days a customer has available to change their mind about signing 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 exit 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.

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

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

#### Clause 4 Charges

Subclause (1) requires BPIDs to display charges for gas under the plan, including GST.

Subclause (2) defines "**GST**" in subclause (1) using its original meaning in section 195-1 of Commonwealth tax law: *A New Tax System (Goods and Services Tax) Act 1999*.

#### Clause 5 Discounts and incentives

Subclause (1) defines "conditional discount" and "guaranteed discount". The subclause also defines GST the same as in subclause 4(2).

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

- (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 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 or for remaining on the same plan (separate to discounts). If so, the BPID must include what the incentive is.

#### 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 how much retailers will charge customers for:

- (a) Failing to pay a bill on time.
- (b) For retailers to issue a written bill overdue notice.

Subclause (4) requires 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 (5) 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 (6) 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 (7) 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 (8) 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.

Subclause (9) requires BPIDs to list any other fees that may be charged under the generally available plan, and the circumstances in which those fees are payable.

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

**Change summary:** This schedule prescribes information that retailers must include in BPIDs, except the main headings, which are not mandatory under Division 3A subclause 9C(5).

When considering which information should be included in BPIDs, we aimed to provide as much consistency as possible for retailers subject to similar BPID requirements in other jurisdictions.

Consistency makes it easier for retailers that operate in both jurisdictions to comply with regulatory requirements, provides the same amount of benefit for customers, and accounts for differences between the Western Australian retail gas market and other gas markets.

The information prescribed in Schedule 1 is broadly consistent with the requirements of the AER retail pricing information guidelines.<sup>14</sup> Information about electricity plans has been removed because small use electricity customers are non-contestable in Western Australia.

The amendments also deviate with 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 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 amendments 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. This approach delivers the most benefit because it

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

can be implemented quickly and allow customers seeking comparison information to get it as early as possible.

We note the GMCCC's advice about existing research showing that simplified plan factsheets increase consumer confidence, but that the documents' visual design affects the likelihood of consumers choosing cheaper plans.

# Schedule 2 – Terms permitted and not permitted in basic plan information documents

This part of clause 9 adds a short schedule to Part 2 Division 3A to standardise language for some of the information required in BPIDs by Schedule 1.

Plan discounts offered to all customers as a default part of a plan without them needing to take specific action must be described in BPIDs 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 subclause 4(2) must be described as a "usage charge" and not a "consumption charges".

Charges in Schedule 1 subclause 4(3) must be described as a "**supply charge**" and not a "standing charge" or a "fixed charge".

If a gas plan has an ongoing or renewing contract but with a period, after which a benefit no longer applies, then that must be described as an "**ongoing contract with 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".

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.