



Economic Regulation Authority

Draft decision

2023 Review of the Compendium of Gas Customer
Licence Obligations

August 2023

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

© 2023 Economic Regulation Authority. All rights reserved. This material may be reproduced in whole or in part provided the source is acknowledged

Invitation to make submissions

Submissions are due by 4:00 pm WST, 20 September 2023

The ERA invites comment on this paper and encourages all interested parties to provide comment on the matters discussed in this paper and any other issues or concerns not already raised in this paper.

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

You can also send comments by email: publicsubmissions@erawa.com.au

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 info@erawa.com.au.

For further information please contact

General Enquiries

Richelle Preisser
Ph: 08 6557 7915
info@erawa.com.au

Media Enquiries

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

Contents

Glossary	v
Executive summary	vi
Draft Decision	viii
1. Background	1
1.1 Review process	1
2. Aligning the Compendium with the Electricity Code	2
2.1 Proposed substantive amendments.....	2
2.1.1 <i>New – Protections relating to family violence.....</i>	<i>2</i>
2.1.2 <i>Part 1 - Variations to contracts</i>	<i>4</i>
2.1.3 <i>Part 4 - Billing</i>	<i>5</i>
2.1.4 <i>Part 6 - Payment difficulties and financial hardship</i>	<i>7</i>
2.1.5 <i>Part 7 - Disconnection</i>	<i>9</i>
2.1.6 <i>Part 10 - Information and communication</i>	<i>10</i>
2.1.7 <i>Part 13 - Reporting</i>	<i>11</i>
2.1.8 <i>Summary</i>	<i>12</i>
2.2 Electricity Code amendments not proposed for the Compendium	12
2.2.1 <i>Bill smoothing</i>	<i>12</i>
3. Substantive matters raised by stakeholders	14
3.1.1 <i>Prepayment meters</i>	<i>14</i>
3.1.2 <i>Meter readings and customer self-reads.....</i>	<i>14</i>
3.1.3 <i>Paper billing charges</i>	<i>15</i>
3.1.4 <i>Providing the basis of an estimate within a timeframe</i>	<i>16</i>
3.1.5 <i>Increasing the minimum time for shortened billing cycle.....</i>	<i>17</i>
3.1.6 <i>Reducing the maximum billing interval time.....</i>	<i>17</i>
4. Regulatory framework.....	19
4.1 Gas licence requirements.....	19
4.2 ERA Functions and powers.....	19
4.2.1 <i>Matters the ERA has had regard to.....</i>	<i>20</i>

List of appendices

Appendix 1 Proposed Draft Compendium (clean).....	22
Appendix 2 Proposed Draft Compendium (track changes).....	23
Appendix 3 Table of proposed amendments	24
Appendix 4 Summary of issues for comment.....	25

Glossary

Term	Meaning
Compendium	<i>Compendium of Gas Customer Licence Obligations</i>
Distributor	A person who holds a distribution licence under Part 2A of the EC Act.
Electricity Code	<i>Code of Conduct for the Supply of Electricity to Small Use Customers 2022</i> ¹
EC Act	<i>Energy Coordination Act 1994</i> ²
EC(CC) Regulations	<i>Energy Coordination (Customer Contracts) Regulations 2004</i>
ERA	The Economic Regulation Authority
ERA Act	<i>Economic Regulation Authority Act 2003</i> ³
Retailer	A person who holds a trading licence under Part 2A of the EC Act
Small use customer*	Business and residential customers who consume no more than one terajoule of gas per year.

*In this draft decision, a reference to a customer is a reference to a small use customer.

¹ Link to [Code of Conduct for the Supply of Electricity to Small Use Customers 2022](#)

² Link to [Energy Coordination Act 1994](#)

³ Link to [Economic Regulation Authority Act 2003](#)

Executive summary

The *Compendium of Gas Customer Licence Obligations* regulates the conduct of retailers and distributors that supply gas to residential and small business customers, and sets service standards in areas such as billing, payments, financial hardship, disconnections, reconnections and complaints handling.

Under section 11M of the *Energy Coordination Act 1994* (EC Act), the ERA established the Compendium as a licence condition to protect the interests of gas customers who have little or no market power. All licensed gas retailers and distributors must comply with the Compendium as a condition of their licence.

The Compendium applies to small use customers, which are residential and small business customers who consume no more than one terajoule of gas per year.

The provisions in the Compendium are, to the extent possible, consistent with the *Code of Conduct for the Supply of Electricity to Small Use Customers* (Electricity Code) to ensure that both gas and electricity customers receive equal levels of protection. The ERA reviews the Compendium after conducting the Electricity Code's biennial review, to align its provisions and ensure consistent protections for all customers.

On 20 February 2023, the new Electricity Code came into force following the completion of its biennial statutory review. The ERA substantially expanded the protections offered to electricity customers under the Electricity Code.⁴

To maintain consistency between customer protection frameworks for small use electricity and gas customers, the ERA proposes amending the Compendium to align it with the amendments made to the Electricity Code (to the extent possible). In addition, the ERA is proposing amendments to the Compendium that have been raised by stakeholders or identified by the ERA since January 2021. As most of the amendments to the Compendium are to align it with the Electricity Code, the ERA has proceeded directly to publishing this draft decision for comment.

The proposed amendments to the Compendium are outlined in this draft decision and will greatly expand the protections offered to residential gas customers in Western Australia.

Gas retailers will be required to have a family and domestic violence policy to assist vulnerable customers. Those experiencing family and domestic violence will be entitled to new safeguards including privacy protections and establishing safe methods of communication. Retailers will be required to support customers by only being allowed to ask for evidence of family violence in limited circumstances and the type of evidence that can be asked for will also be set.

To assist customers experiencing payment difficulties, a minimum bill debt of \$300 will be set before a residential customer can be disconnected for the non-payment of a bill. This will allow eligible customers to seek assistance for grants that will help them to stay connected (for example, a customer is only eligible for a grant under the Hardship Utility Grants Scheme if they have a minimum debt of \$300).

Assistance measures that are currently only offered to customers experiencing payment difficulties will be extended to all residential customers who request them (including payment

⁴ Further information on the review of the Electricity Code is available on the ERA's [website](#)

extensions and instalment plans) and additional assistance will be provided to customers to manage their ongoing consumption over the duration of an instalment plan.

Retailers will also receive some benefits from the proposed changes, including a reduced regulatory burden and increased flexibility in the way mandatory information may be provided. Retailers will be able to modernise their business practices, as they will be able to offer different ways a customer can receive information on their bill, such as through applications or online accounts.

This ERA is also seeking stakeholder comment on a small number of issues before proposing to amend the Compendium, including introducing a timeframe for a retailer to provide the basis and reason for an estimate, increasing the minimum time for a shortened billing cycle and prohibiting retailers from charging for paper bills.

The ERA welcomes feedback on any of the matters in this draft decision. A summary of all the issues and recommendations is in Appendix 4.

Draft Decision

The ERA proposes to amend the *Compendium of Gas Customer Licence Obligations* (Compendium) by replacing the current Compendium (last updated in 2020) with a new Compendium, which will take effect on 1 January 2024.

The ERA proposes to align the Compendium with the Electricity Code to ensure both gas and electricity customers receive the same protections, to the extent possible. The proposed substantive amendments to the Compendium to align it with the Electricity Code are in Chapter 2.

Substantive matters raised by stakeholders that do not relate to aligning the Compendium with the Electricity Code are in Chapter 3. The ERA is seeking comments on specific issues to inform its decision on whether the Compendium should be amended.

The proposed new Compendium includes new and expanded safeguards for gas customers in Western Australia. The ERA welcomes feedback on all aspects of this decision.

Copies of the proposed new Compendium, with and without tracked changes, are included as Appendices 1 and 2.

The ERA proposes a staged commencement for the new Compendium. Parts 1-10 will commence on 1 January 2024. Part 11 (family violence) will commence three months later. This is to give retailers time to review and amend their systems and processes to ensure they can comply with the amendments when they commence.

When making this draft decision, the ERA had regard to the requirements of section 26 of the ERA Act. More information about the regulatory framework and the matters the ERA has had regard to in making its draft decision is in Chapter 4.

1. Background

1.1 Review process

Following the completion of the Electricity Code's biennial statutory review, the ERA reviews the Compendium to align the provisions (to the extent possible) with the Electricity Code, so that gas customers receive the same standards and level of protection as electricity customers.

In March 2023, the ERA asked stakeholders to recommend matters to consider in the Compendium review. Stakeholders included licensees, government agencies, peak body representatives for the community service and financial counsellors' sectors and the ERA Consumer Consultative Committee. Five submissions were received during this process.⁵ Substantive matters raised by stakeholders are in Chapter 3.

It is important that stakeholders have an opportunity to provide input into the review, including on the proposed Compendium amendments, and this draft decision has been published for public comment to enable that input. In addition to the proposed amendments, the ERA is seeking comments from stakeholders on specific issues that require further consideration.

To enable the ERA to make informed decisions, the ERA encourages stakeholders to provide detailed reasons in their responses to the questions and recommendations in this draft decision.

The ERA will consider any submissions it receives before making its final decision. Once made, the final decision and a copy of the Compendium will be published on the ERA's website. Gas licence holders will be notified when the new Compendium takes effect.

Table 1: 2023 Compendium review process

Milestones	Due date
ERA invites licensees and other stakeholders to provide issues for consideration in the Compendium	Completed March 2023
ERA considers amendments made to the Electricity Code and stakeholder issues for inclusion in the Compendium	Completed July 2023
ERA publishes draft decision and proposed draft Compendium on the ERA website	Completed August 2023
Stakeholders provide submissions on draft decision	September 2023
ERA publishes submissions on the ERA website	September 2023
ERA hosts a stakeholder workshop to discuss submissions	October 2023
ERA publishes final decision and new Compendium.	November 2023
New Compendium takes effect – Parts 1-10	1 January 2024
Part 11 Family violence protections take effect	1 April 2024

⁵ The submissions provided through the call for issues process were provided informally and not published.

2. Aligning the Compendium with the Electricity Code

To achieve consistency between the customer protection frameworks for electricity and gas, the ERA proposes to replicate the amendments made to the Electricity Code in the Compendium (where applicable).

Given the significant number of drafting amendments to align with the Electricity Code, the proposed amendments are shown in a marked-up version of the Compendium in Appendix 2 and in the table in Appendix 3.

The substantive amendments made to the Electricity Code that the ERA is proposing to adopt in the Compendium are discussed below. These amendments will greatly increase the level of protection for small use gas customers in Western Australia.

2.1 Proposed substantive amendments

2.1.1 New – Protections relating to family violence⁶

In November 2019, the Minister for Energy wrote to the ERA asking it to consider introducing obligations on retailers in the Electricity Code and the Compendium to assist customers who have been affected by family violence.

The Minister's request was considered in the Electricity Code review, with subsequent amendments to introduce important protections for existing and former residential customers affected by family violence. The ERA proposes to include these important protections in the Compendium, so gas customers receive the same protections as electricity customers.

2.1.1.1 Family violence policy

The Electricity Code was amended to require retailers to develop, maintain, implement, and publish a family violence policy to assist vulnerable customers. The policy is required to address the following matters:

- **Staff training:** Require the retailer to provide staff training about issues related to family violence and its impacts, with the training to be developed in consultation with, or delivered by, relevant consumer representatives.
- **Account security:** Require the retailer to take all reasonable steps to protect a vulnerable customer's information from third persons. This includes establishing a safe method of communication with the customer. Any method agreed with a customer will take precedence over a prescribed method of information delivery.
- **Customer service:** Require the retailer to establish a process that avoids a customer having to repeatedly disclose or refer to their experience of family violence.
- **Debt management:** Require the retailer to consider, before commencing debt recovery, the possible effect of debt recovery on the customer, and whether another person is responsible for the debt. The policy must also require the retailer to consider reducing and/or waiving fees, charges, and debt.
- **Disconnection:** Require the retailer to consider a customer's circumstances before commencing disconnection for failure to pay a bill.

⁶ See Part 11 – Protections relating to family violence for proposed amendments.

The ERA is proposing to amend the Compendium to include the requirement for gas retailers to develop, maintain, implement, and publish a family violence policy that addresses the matters above.

Like the Electricity Code, the Compendium will only provide direction on what matters must be addressed in a family violence policy, so that retailers have discretion on how they address each of these matters. This will ensure that customers experiencing family violence will receive protections, while enabling retailers to tailor their policies to best meet the needs of their customers.

2.1.1.2 *Disconnection moratorium*

As part of the new family violence provisions, the Electricity Code introduced a nine-month prohibition on disconnecting a customer affected by family violence, so these customers cannot be disconnected for failing to pay a bill during this period.⁷

The moratorium in the Electricity Code was introduced to ensure that the electrical security equipment of customers affected by family violence, such as cameras and alarms, remain operational and mobile phones can be kept charged should a customer need to call for help. It also provides additional time for customers to access support and work with retailers to address any bill debt they may have. Retailers are still able to issue reminder notices as a prompt for customers to contact their retailer if they are having trouble paying their bill.

While customers are unlikely to rely on gas appliances for security and safety measures in the same way as they rely on electrical appliances, there is a potential benefit in prohibiting a retailer from disconnecting a gas customer affected by family violence for failing to pay a bill. Suspending disconnections for customers experiencing family violence will ensure they have an ongoing gas supply to meet basic needs such as heating, cooking and maintaining a liveable environment at a difficult time.

The ERA proposes to introduce a nine-month moratorium on the disconnection of gas for vulnerable customers. This will align the Compendium with the Electricity Code and ensure that vulnerable customers will continue to receive support when they need it most.

2.1.1.3 *Evidence of family violence*

Vulnerable customers may be deterred from seeking assistance from their retailers if they are required to provide excessive evidence of their situation.

The Electricity Code was amended to include provisions to prohibit retailers from requesting written evidence of family violence, except in the circumstances where a retailer is considering taking debt recovery or disconnection actions, and the evidence is reasonably necessary to assess what measures to take. The type of evidence that could be required was limited to only one document of a kind, as listed in the *Residential Tenancies Act 1987*.⁸

The ERA proposes to amend the Compendium to introduce a requirement, like the Electricity Code, prohibiting a retailer from requiring a person to provide written evidence of family violence, unless it is reasonably necessary to enable the retailer to address the non-payment of a bill, deal with debt collection or a proposed disconnection of a supply address. Where a retailer does require written evidence, it is proposed to include a provision that limits the number and type of documents to be supplied.

⁷ Electricity Code clause 92.

⁸ Electricity Code clause 93(2).

2.1.1.4 Former customers owing a debt to the retailer⁹

The new family violence provisions in the Electricity Code include a definition of a 'vulnerable customer'. A 'vulnerable customer' is a 'designated person' who has advised the retailer they are affected by family violence or who the retailer believes is affected by family violence. A 'designated person' includes the customer, another person named on the account and a former residential customer who owes a debt to the retailer.

Important protections, such as information privacy, safe methods of communication and the waiving of debt, continue to be relevant after a customer has closed their account and the customer still has an outstanding debt. During the Electricity Code review, the ERA considered that these protections should continue to apply to customers while they have an outstanding debt. However, customers who no longer have a debt no longer have a relationship with the retailer, and may have changed address, making it difficult for the retailer to continue to provide these protections. The definition of 'vulnerable customer' in the Electricity Code limits the extension of protections only to former customers that have an outstanding debt with the retailer.

The ERA proposes to amend the Compendium to include the Electricity Code's definitions of 'vulnerable customer' and 'designated person'. This will ensure that former vulnerable customers that have an outstanding debt with a retailer will continue to be supported while they repay this amount.

2.1.2 Part 1 - Variations to contracts¹⁰

Clause 1.4 of the Compendium sets out specific clauses that a retailer and customer can agree to vary or contract out of in a non-standard contract. Other clauses in the Compendium allow a retailer and a customer to 'agree otherwise' that a clause does not apply, regardless of whether the customer is on a standard form contract or a non-standard contract. This can be done in writing or verbally.

The Electricity Code was amended to include two separate variation clauses, which list the provisions that retailers and customers can agree to contract out of, either under a standard form contract or a non-standard contract. As each of the variation clauses lists the provisions that a customer can contract out of, references to allow the customer to 'agree otherwise' were removed, as they were no longer required.

The instances where a customer can contract out of clauses in a standard form contract have also reduced to ensure that customer protections are maintained. Where a customer can agree to contract out of a protection in exchange for a benefit, it should only be allowed in non-standard contracts, otherwise it erodes the value of a standard form contract.

The ERA proposes to adopt the same variation provisions in the Compendium (where relevant). These changes reduce the scope for retailers and customers to contract out of clauses in a standard form contract, which will ensure that important safeguards are maintained for customers.

The proposed amendments will clearly set out which clauses can be contracted out of and will expressly state they can be varied verbally or in writing. The terms 'unless a customer agrees otherwise' will be removed from individual provisions in the Compendium, as all clauses that a customer can contract out of will be listed in the variation clauses.

⁹ Refer to clause 3 of the draft Compendium for proposed amendments.

¹⁰ Refer to clauses 6 and 7 of the draft Compendium for proposed amendments.

The following table provides a list of clauses the ERA is proposing can be varied in a standard form contract:

Table 2: Standard form contract proposed amendments

	Standard form contract	Non-standard contract
Clause 9(2): timeframes for forwarding a connection request	✓	✓
Clause 10: standard billing cycle	X	✓
Clause: 11: shortened billing cycle	X	✓
Clause 12(2)(c)(ii): bill smoothing ^{11,12}	✓	✓
Clause 13(1) to (6): contents of bill	X	✓
Clause 25: payment date	X	✓
Clause 26: payment methods	X	✓
Clause 27: payment in advance	X	✓
Clause 30: vacating supply address	X	✓
Clause 30(1): vacating supply address	✓	✓
Clause 46: obligation to arrange reconnection	✓	✓

2.1.3 Part 4 - Billing

2.1.3.1 Bill delivery¹³

Under clause 4.4 of the Compendium, a retailer must issue a bill to a customer at the customer's nominated address. This may be a physical address or an email address.

The Electricity Code was amended to no longer prescribe how bills are issued to enable flexibility for customers to choose how they receive their bills and flexibility for retailers to decide how they provide bills (for example, allowing the use of alternative bill delivery methods, such as online accounts or mobile applications).

¹¹ Several gas retailers offer products that provide customers with the ability to spread their estimated annual gas costs throughout the year, with smaller regular payments. This is called bill smoothing.

¹² Bill smoothing is included in the variations, as the ERA is proposing to retain the Compendium's bill smoothing provisions (these provisions were removed from the Electricity Code). See section 2.2.1 for information on bill smoothing.

¹³ Refer to clause 24 of the draft Compendium for proposed amendments.

However, to protect customers with limited or no access to digital technology, the Electricity Code introduced a safeguard for customers on standard form contracts, by including an entitlement to receive a paper bill by post or by email on request.¹⁴

The ERA proposes amending the Compendium to include this flexibility for gas customers and retailers. With advances in technology, more businesses are increasingly providing services to customers online and through mobile applications to make information more accessible to customers. Aligning the Compendium with the Electricity Code will also ensure customers on standard form contracts can choose to receive a paper bill if they do not want an electronic bill.^{15 16}

2.1.3.2 Minimum billing cycle

Clause 4.1(a) of the Compendium provides that a retailer must issue a bill no more than once a month, with some exceptions. The Electricity Code was amended to no longer prescribe a minimum billing cycle to reduce regulatory burden and compliance costs for retailers. Most electricity retailers did not issue bills of less than one month due to the costs involved in issuing bills more frequently.

For gas retailers, there are additional costs to issue a bill more frequently. Gas distributors have in the past had difficulties in reading the meter within the required timeframes and it is therefore unlikely that retailers will bill in cycles of less than one month.

The ERA is proposing to amend the Compendium to align it with the Electricity Code by deleting clause 4.1(a) and removing the minimum billing cycle.

2.1.3.3 Treating adjustments as overcharges or undercharges¹⁷

Clauses 4.17 and 4.18 of the Compendium describe how a retailer must deal with undercharges or overcharges, as a result of an error, defect or default for which the retailer or distributor is responsible. Clause 4.19 describes how a retailer must deal with adjustments.¹⁸ There are slight differences in the treatment of adjustments compared to undercharges and overcharges, including time limits on the amount to be recovered and the inability to charge interest or late payment fees if the customer does not pay, or enter an instalment arrangement by the due date.

The Electricity Code was amended to remove 'adjustments', and retailers must now treat them as either an overcharge or undercharge. The minor difference in the treatment of adjustments compared to overcharges and undercharges in the Electricity Code created an unnecessary level of complication for retailers and distributors, and little benefit to customers.

The definitions of overcharge and undercharge have been expanded in the Electricity Code to include instances where the retailer has based a bill on estimated energy data that is more than or less than the actual value used (obtained from a meter reading), or a failure to issue a bill to a customer.

¹⁴ Electricity Code clause 32.

¹⁵ Refer to clause 24 of the draft Compendium for proposed amendments.

¹⁶ The ERA is also seeking comments on a proposal to prohibit charging for paper bills (see 3.1.3).

¹⁷ Refer to clauses 3, 21 and 22 of the draft Compendium for proposed amendments.

¹⁸ Adjustment as currently defined in the Compendium as the difference between an estimate and an actual meter reading, providing it is not the result of an error, defect or default which the retailer or distributor is responsible.

The ERA is proposing to amend the Compendium to delete the definition and treatment of adjustments. Like the Electricity Code, it is proposed to expand the definitions of overcharging and undercharging. This will simplify the approach for retailers and distributors.

As the ERA is proposing to retain bill smoothing provisions, the definitions of ‘overcharging’ and ‘undercharging’ will also include any overcharges or undercharges in relation to bill smoothing arrangements.¹⁹

2.1.4 Part 6 - Payment difficulties and financial hardship

2.1.4.1 Assistance available to all residential customers²⁰

If a customer informs a retailer that they are experiencing payment difficulties or are in financial hardship, clause 6.1 of the Compendium requires the retailer to make an assessment or refer the customer to a relevant consumer representative (financial counsellor) for an assessment. Once a customer is assessed as experiencing payment difficulties or in financial hardship, a retailer must offer payment assistance, including extensions and instalment plans.

The Electricity Code was amended to extend the availability of financial assistance to all residential customers, without the need to be assessed. Access for all customers to instalment plans and payment extensions provides significant benefits, particularly in the current economic climate, where increasing cost of living pressure is placing financial strain on many households.

However, a limitation was placed on the obligation in the Electricity Code, so that retailers only have to offer one payment extension or instalment plan per bill, and if the customer has had two instalment plans cancelled for non-payment in the previous 12 months, the retailer does not have to make another instalment plan available to the customer.

The ERA is proposing to expand the obligation for a retailer to provide payment extensions and instalment plans under the Compendium to all gas customers, which will align it with the Electricity Code. Providing bill management support will help customers manage their payments and alleviate financial stress. Like the Electricity Code, all customers will be entitled to payment assistance without the need for an assessment of experiencing payment difficulties or being in financial hardship.

The limitations in the Electricity Code will also be adopted, so that a customer is only entitled to one payment extension or instalment plan per bill, and a retailer is not required to offer another if the customer has had two plans cancelled for non-payment in the previous 12 months. This will provide a balance between customer assistance and retailer responsibilities.

2.1.4.2 Assessments²¹

Under clause 6.1(1) of the Compendium, if a retailer is unable to assess a customer for payment difficulties or financial hardship within five business days after being told by the customer that they are having trouble paying their bill, the retailer must refer the customer to a relevant consumer representative to make the assessment.

¹⁹ Refer to section 2.2.1 of this Draft decision for details on bill smoothing.

²⁰ Refer to clauses 34 and 35 of the draft Compendium for proposed amendments.

²¹ Refer to clause 33 of the draft Compendium for proposed amendments.

The Electricity Code was amended to remove the requirement for a retailer to refer a customer to a relevant consumer representative for assessment, to reduce the burden placed on financial counsellors and reduce waiting times for customers in hardship to access assistance.

A report by the Financial Counsellors' Association of Western Australia found that retailer referrals require a significant amount of a financial counsellor's time.²² Reducing the number of retailer referrals to financial counsellors and other consumer representative organisations promotes regulatory outcomes that are in the public interest by freeing up their time to deal with clients needing assistance with other issues.

The Electricity Code was amended to require the retailer to make the assessment within five business days; however, retailers can rely on previous assessments where the customer indicates that their circumstances have not changed since the previous assessment was made.

The ERA proposes, like the Electricity Code, to remove the requirement in the Compendium for a retailer to refer a customer for assessment and to enable a previous assessment to be considered if the customer's circumstances have not changed.

Vulnerable gas customers will benefit from this change, by reducing the burden of having to repeatedly disclose personal circumstances when they remain the same since a previous assessment was completed.

The proposed changes will provide additional social benefits by freeing up financial counsellors who have had much of their time taken up by performing assessments on behalf of retailers.

2.1.4.3 Instalment plans²³

Under clause 6.4(1) of the Compendium, a retailer must offer customers experiencing payment difficulties or financial hardship alternative payment arrangements, including an interest-free and fee-free instalment plan that meets minimum conditions.²⁴

Various amendments were made to the minimum conditions for instalment plans in the Electricity Code to help customers better manage their (re)payments.

The ERA considers these increased levels of customer protection for electricity customers should also be available to gas customers. The amendments to instalment plans are outlined below.

Outstanding debt and ongoing consumption²⁵

Under clause 6.4(2) of the Compendium, a retailer, when setting or amending the repayment amounts and duration of an instalment plan, must consider information about the customer's capacity to pay and their consumption history.

The Electricity Code was amended so that retailers, when considering an instalment plan, also need to consider any outstanding debt owed by the customer.²⁶ Customers who require

²² Financial Counsellors' Association of Western Australia, September 2019, Who's Got the Energy p.8

²³ Refer to clauses 4, 36 and 37 of the draft Compendium for proposed amendments.

²⁴ It is proposed to replace the term 'instalment plan' with 'payment plan' to be consistent with the Electricity Code.

²⁵ Refer to clause 36(2) of the draft Compendium for proposed amendments.

²⁶ Electricity Code clause 43(1).

instalment plans may struggle to pay for ongoing consumption and if these costs are not managed well, the customer may go further into debt.

An additional requirement was included in the Electricity Code to consider consumption history (as an indicator of future consumption and costs), with an obligation for retailers to offer customer assistance to manage the costs of ongoing consumption for the duration of an instalment plan.²⁷

The ERA proposes that in addition to the requirement that an instalment plan must be fair and reasonable, the Compendium is amended to ensure that any arrears payable by a customer are also considered in an instalment plan. The Compendium will include the requirement for retailers to offer the customer assistance in managing their bills for ongoing consumption for the duration of the instalment plan.

Review and agreement to variation of instalment plan²⁸

To provide increased protection to customers, the Electricity Code was amended to prohibit a retailer from varying an instalment plan without the customer's consent. It was intended that the changes would encourage engagement between retailers and customers about the conditions and suitability of the ongoing payment arrangement and ensure that repayments continue to reflect the customer's capacity to pay.

The Electricity Code was further amended to require retailers to review the instalment plan when requested by the customer. If the review indicates that the customer is unable to meet their obligations under the instalment plan, the retailer must offer to vary the plan.

Clause 6.4(3)(b) of the Compendium enables a retailer to vary an instalment plan without the customer's consent, by providing at least five business days' notice of the changes. The ERA proposes to amend the Compendium to limit this ability by prohibiting a retailer from varying an instalment plan without the customer's consent.

The Compendium will also be amended to require a retailer to review an instalment plan at the request of a customer and where the review indicates the customer is unable to meet their obligations, the retailer will be required to offer to vary the instalment plan.

2.1.5 Part 7 - Disconnection

2.1.5.1 Minimum bill debt for disconnection²⁹

Under clause 7.2(1)(c) of the Compendium, a retailer must not arrange for a customer's supply address to be disconnected for failure to pay a bill if the outstanding amount is less than an amount set and published by the ERA. To date, the ERA has not set a minimum disconnection amount.

The Electricity Code was amended to provide protections for residential customers with a bill debt of less than \$300, where a retailer is prohibited from disconnecting the customer's supply address for failure to pay a bill, provided the customer agrees to repay the amount.

The changes to the Electricity Code align with the national minimum of \$300 set by the Australian Energy Regulator for customers covered by the National Energy Customer

²⁷ Electricity Code clause 43(2).

²⁸ Refer to clause 37 of draft Compendium for proposed amendments.

²⁹ Refer to clause 42(1) of the draft Compendium for proposed amendments.

Framework. These changes provide consistent protections across jurisdictions and make it simpler for retailers who operate in multiple jurisdictions.

In Western Australia, electricity and gas customers can qualify for a Hardship Utilities Grant Scheme (HUGS) grant, if their outstanding bill exceeds \$300. In addition to aligning with national protections, the minimum disconnection amount in the Electricity Code was set at \$300 to ensure that customers who are unable to access HUGS grants because their debt is below the grant eligibility amount are not disconnected.³⁰

The ERA is proposing to amend the Compendium to include a minimum bill debt before a customer can be disconnected for failing to pay a bill.

In the call for issues process at the start of the review, a retailer suggested that the minimum bill debt prior to disconnection should be lower in the gas retail market (and therefore the Compendium), as the average residential gas bill is less than the average electricity bill. The retailer reasoned that setting a floor of \$300 would result in the average length of time before disconnection processes commence being around nine months (three billing cycles) and that setting the disconnection floor at \$200 would encourage customers to engage earlier and reduce protracted disconnection processes.³¹

The ERA considers that \$300 is an appropriate amount for WA gas residential customers, given the existing eligibility for a person to access a HUGS grant to assist them to stay connected is a minimum bill debt of \$300. Setting the minimum bill debt lower in the Compendium has the potential for a person to be disconnected before they can obtain financial assistance which would help them stay connected.

The ERA is proposing to align the Compendium with the Electricity Code and amend the Compendium to introduce a minimum bill debt prior to disconnection of \$300.

2.1.6 Part 10 - Information and communication³²

2.1.6.1 *Consolidating information provision requirements*

The Electricity Code was amended to consolidate its information provisions into one general information section to simplify drafting and make it easier for customers, retailers, and distributors to determine what information must be provided to customers.

The Electricity Code was also amended to require most of the information that must be provided to customers to be published on a retailer or distributor's website (where applicable). This provides flexibility in how information is provided to customers, as it is more convenient to refer customers to a website, rather than emailing or posting the information.³³

The ERA proposes to, like the Electricity Code, consolidate information provision clauses throughout the Compendium into one general information section to make it easier for gas customers to understand what general information they are entitled to and how they can access it. It will also provide gas retailers and distributors with easier and quicker methods to deliver information to customers.

³⁰ The Hardship Utility Grant Scheme assists WA utility customers who are in financial hardship and are unable to pay their utility bill. Further information on access and eligibility can be found at [HUGS](#).

³¹ In Western Australia, the standard billing cycles in electricity (two months) and gas (three months) are different.

³² Refer to Part 9 – Information and Communication of the draft Compendium for proposed amendments.

³³ Some information is still required to be provided on request as it is less suitable for publication, such as information about customer specific circumstances.

2.1.6.2 Providing notice of tariff variations to customers³⁴

Under clause 10.1(1) of the Compendium, a retailer must give notice to each of its customers affected by a variation in its tariffs, fees and charges no later than the next bill in a customer's billing cycle.

The EC(CC) Regulations, further provides that if there is a change to, or the expiry of a benefit (such as a price discount) provided under a contract, the retailer is required to give the customer not less than 20 business days, and not more than 40 business days', notice before the date of variation.³⁵

The Electricity Code was amended to require a retailer to notify a customer of any changes to non-regulated tariffs, fees or charges at least five days before the variation applies. However, any changes to tariffs, fees or charges that are regulated or set by the State Government, the retailer can continue to provide notice by the next bill.³⁶

The ERA recognises that the gas retail market treats regulated and non-regulated tariffs differently to the electricity retail market. For example, customers in the South West Interconnected System who consume less than 50 megawatt hours of electricity per year can only be supplied by Synergy and are on one of Synergy's regulated tariffs. However, the gas retail market is a competitive market and there are multiple retailers that offer various discounts on the regulated tariff to customers.

Providing advance notice to gas customers when their prices change, as a result of a decision by the retailer, allows customers to make informed decisions about whether to continue with the same retailer or explore other options.

Where a gas customer's price changes due to circumstances beyond the retailer's control, such as an increase by the Government in the maximum tariff or a banking charge, the price is unlikely to influence the customer's decision to remain with the retailer. In such cases, advance notice may not be as critical, and the retailer will be able to continue to provide notice prior to the next bill.

Where a gas customer's price changes because of a decision by the retailer, the required notice under the Compendium will be at least five business days before the variation comes into effect.

If a customer is receiving a discounted price (a benefit) and there are changes to that benefit, the retailer must give the customer the required notice under the EC(CC) Regulations. This will allow a customer to consider options that best suit their circumstances.

The ERA proposes to amend the Compendium to align with the Electricity Code by requiring retailers to provide at least five business days' notice where there is a variation to non-regulated tariffs, fees or charges.

2.1.7 Part 13 - Reporting

Part 13 of the Compendium requires retailers and distributors to provide an annual performance report to the ERA by the date, and in the manner and form, specified by the ERA. It requires retailers and distributors to publish the reports.

Until 2014, the Compendium set out performance indicators that retailers and distributors had to report to the ERA. They were removed as part of the 2013 review of the Compendium and

³⁴ Refer to clauses 50 and 51 for the draft Compendium for proposed amendments.

³⁵ *Energy Coordination (Customer Contract) Regulations 2004*, regulation 13.

³⁶ Electricity Code clauses 70 and 71.

included in the ERA's Distribution Licence Performance Reporting Handbook; however, the requirement to prepare the report, publish it and provide a copy to the ERA was retained.

The Electricity Code had the same requirements, and in the last review was amended to remove the entire reporting section that required electricity retailers and distributors to publish a performance report and provide a copy to the ERA. This was because, under the terms and conditions of electricity licences, the ERA can direct a licensee to provide and publish specified information. The reporting requirements in the Electricity Code duplicated these requirements.

Gas trading and distribution licences also contain the same terms and conditions, where the ERA can:

- Require a licensee to provide any information the ERA requires in connection with its functions in the time, manner and form specified; and
- Direct a licensee to publish, within a specified timeframe, any information it considers relevant in connection with the licensee or the performance by the licensee of its obligations under the licence.

The ERA proposes to remove Part 13 of the Compendium to avoid duplication with gas licence conditions that address the same requirements.

2.1.8 Summary

The ERA considers the proposed changes to align the Compendium with the Electricity Code are fundamental to providing gas customers with the same level of protection as electricity customers. If a stakeholder does not support aligning the Compendium with the Electricity Code on a particular matter, it will need to provide a detailed explanation to support its position.

Issue 1: Aligning the Compendium with the Electricity Code

Comment sought:

- a. Do you agree with the proposed amendments to align the Compendium with the Electricity Code to provide gas customers with the same protections as electricity customers?
- b. If no, please provide detailed reasons why the Compendium should not be aligned with the Electricity Code.

2.2 Electricity Code amendments not proposed for the Compendium

In addition to the proposed amendments to align the Compendium with the Electricity Code, the ERA proposes to retain some provisions in the Compendium that were removed from the Electricity Code. These are set out below.

2.2.1 Bill smoothing

Clause 4.3 of the Compendium provides protections for customers who are in a bill smoothing arrangement, including conditions for how regular payments are estimated, requirements for

re-estimation, and instructions on how to deal with any difference between the initial estimate and re-estimate where the difference is greater than 20 percent.³⁷

The Electricity Code was amended to remove its bill smoothing provisions. This was because retailers offered payment arrangement products resembling bill smoothing so the provisions were no longer required. For example, Synergy offers a payment option where customers can pay a fixed amount periodically.

The ERA proposes to retain bill smoothing clauses in the Compendium, as several gas retailers offer bill smoothing arrangements to customers. This will ensure that gas customers that have entered bill smoothing arrangements are afforded protections under the Compendium, which may assist them to avoid significant bills or payment difficulties when the arrangement concludes.

Issue 2: Bill smoothing

Comment sought:

- a. Do you agree with the proposal to retain the Compendium's bill smoothing provisions?
- b. If no, please provide reasons for your response.

³⁷ Several gas retailers offer products that provide customers with the ability to spread their estimated annual gas costs throughout the year, with smaller regular payments. This is called bill smoothing.

3. Substantive matters raised by stakeholders

In response to the ERA's call for issues, stakeholders were given the opportunity to raise issues about the Compendium. The ERA is proposing amendments to address some, but not all, of the matters raised by stakeholders.

On some of the matters, the ERA has not made a decision yet on whether the Compendium should be amended and is seeking comment on if or how the Compendium should be amended.

3.1.1 Prepayment meters

A retailer has proposed removing all references to prepayment meters in the Compendium, as there are currently no gas prepayment meters in service in Western Australia.

The only references in the Compendium to prepayment meters are in the definitions and in clause 4.1(b)(ii), which excludes a retailer from the obligation to issue a bill at least once every 105 days if the customer has a prepayment meter.

The ERA proposes to remove the term 'prepayment meter' from the Compendium and delete clause 4.1(b)(ii). If gas prepayment meters are used in the future, the ERA will review the Compendium to ensure it provides protections for customers.

Issue 3: Prepayment meters

Comment sought:

- a. Do you agree with the proposal to remove all references to prepayment meters from the Compendium?
- b. If no, please provide reasons for your response.

3.1.2 Meter readings and customer self-reads³⁸

Clause 4.6(b) of the Compendium currently allows a retailer to issue a bill based on readings from the distributor, metering agent or the customer's reading of the meter, provided the customer agreed to read the meter on the retailer's request.

When a distributor cannot access a meter, it will provide an estimated reading to the retailer. The retailer will then issue a bill based on this estimate. If requested, the customer may then read the meter and provide the reading to the retailer and the bill is cancelled and re-issued based on the customer's reading.

During the Covid pandemic, there were delays in meter readings because of distributor resource constraints, leading to an increased use of estimated bills by retailers. To address future instances of large-scale disruptions to meter reading services, a retailer has proposed amending the Compendium to allow bills to be based on actual readings from customers to reduce cancellations and reissues of bills.

Currently, only retailers can request customer meter readings. The retailer suggests amending the Compendium to allow distributors to accept customer readings and provide them to the retailer in place of estimates.

³⁸ Refer to clauses 14(1)(a) and 14(1)(b) of the draft Compendium for proposed amendments.

The Electricity Code was amended to allow retailers to base a bill on energy data provided by distributors, whether actual or estimated. Under certain instances, electricity customers can read the meter and provide this to the distributor, as a basis for the distributor providing energy data to retailers.

To align with the Electricity Code, the ERA proposes amending clause 4.6 of the Compendium to allow bills to be based on energy data provided by distributors or metering agents that was given to them by customers.

For cases where retailers have already issued bills based on estimates, but later receive actual meter data from customer, the ERA proposes retaining the existing Compendium clause 4.6(b).

Issue 4: Meter reads and customer self reads

Comment sought:

- a. Do you agree with the proposal to retain existing clause 4.6(b) of the Compendium to allow a retailer to reissue a bill based on data provided by the customer?
- b. Do you agree with the proposal to align the Compendium with the Electricity Code, to allow bills to be based on energy data provided by distributors or metering agents?

For all questions, please provide reasons for your response.

3.1.3 Paper billing charges

The Commissioner for Consumer Protection has proposed amending the Compendium to prohibit licensees from charging a fee for providing a paper bill.

As noted in 2.1.3.1 above, the ERA is considering introducing a clause that requires a retailer to allow a customer under a standard form contract to choose to receive bills either by post as a paper bill, or by email to an address provided by the customer.

Providing bills in a digital format is seen as a better option for customers and retailers, as it is more convenient, is lower-cost and environmentally friendly. It also enables retailers to innovate in the ways they communicate with customers by enabling integration with other electronic services, such as access to additional information online or through mobile applications.

While customers may choose to receive their bills digitally, this option is not always available. Some customers rely on paper bills due to limited or no access to digital technology. Where a licensee nominates to receive their bill to a physical address, the Compendium does not address the charging of fees by a retailer for this service.

Many retailers currently charge for paper bills and have advised that these charges are reflective of the costs of producing and providing a bill by post. Additionally, charging for a paper bill is seen as a way to incentivise customers to reduce their paper waste and minimise environmental impacts by choosing to receive bills electronically.

Several retailers provide exemptions for paper billing fees for different groups of customers, such as customers receiving energy concessions and customers in financial hardship.

Gas retailers do not charge for providing a bill electronically. To provide the same protection for all customers, the ERA is seeking stakeholder views on whether retailers should be

prohibited from charging for paper bills (unless one has already been provided and the customer is requesting the same bill for second time).

Stakeholders should consider in their response that prohibiting charging for paper bills could result in the costs of paper bills being incorporated into the overall cost of providing gas services and potentially shared across all customers. However, given that retailers currently provide exemptions for eligible customers, this is already occurring to some extent. It will also mean that customers who have limited or no access to digital technology will no longer be penalised for receiving their bills by post.

Issue 5: Paper billing charges

Comment sought:

- a. Should the Compendium be amended to include a clause that prohibits retailers from charging a fee for a paper bill (unless a bill has been previously provided)?
- b. If yes, should the prohibition be applicable only to standard form contracts or both standard and non-standard form contracts?
- c. If a prohibition should be introduced, should it be applicable only to a subset of customers, such as vulnerable customers and those on concessions?
- d. For retailers, what is the impact and cost of these options?³⁹

For all questions, please provide reasons for your response.

The introduction of a prohibition on paper billing fees is being considered in the ERA's current review of the *Water Services Code of Conduct (Customer Services Standards) 2018*. The ERA will also include this issue in the next review of the Electricity Code.⁴⁰

3.1.4 Providing the basis of an estimate within a timeframe⁴¹

Under clause 4.8 of the Compendium, if a retailer is unable to base a bill on a meter reading, the retailer must give the customer an estimated bill. Where a customer requests it, the retailer must advise the customer of the basis and reason for the estimate.

The Compendium is silent on the timeframe within which the retailer must provide the basis and reason for the estimate to the customer. Although it is acknowledged that the retailer is likely to provide this information as soon as possible, so the customer can pay the bill, there is merit in adding a clause that provides a timeframe within which this information must be provided to the customer.

The ERA considers that a retailer should be able to provide both the reason and basis for the estimate to a customer within five days; however, it is seeking feedback on what constitutes a reasonable time for a retailer to provide this information to the customer.

³⁹ Given the commercial sensitivity of this information, responses to this question will remain confidential and be redacted in any published submissions.

⁴⁰ Refer to the [Consultation paper](#) – 2023 Review of the Water Services Code for more information on paper billing fees for water customers.

⁴¹ Refer to clause 15 of the draft Compendium.

Issue 6: Providing the basis of an estimate within a timeframe

Comment sought:

- a. Should the Compendium be amended to provide that, on request, a retailer must provide the reason and basis for an estimate within a timeframe?
- b. If so, how long should a retailer have to provide the customer with this information?

For all questions, please provide reasons for your response.

3.1.5 Increasing the minimum time for a shortened billing cycle⁴²

The Compendium sets out when a customer may be placed on a shortened billing cycle without their consent. Clause 4.2(4) provides that the shortened billing cycle must be at least 10 business days.

A stakeholder has suggested that the minimum shortened billing cycle should be increased to at least 14 business days to make it easier for customers to manage the payments on a shortened cycle.

Clause 4.2(5) provides that if a customer on a shortened billing cycle has paid three consecutive bills by the due date, the retailer must return the customer to the previous billing cycle they were on, if requested. If the minimum timeframe is extended from 10 to 14 business days, it may take longer for a customer to return to their previous billing cycle.

The Compendium merely sets a minimum number of days for a shortened billing cycle and retailers can choose to place customers on shortened billing cycles greater than this if they choose. However, the ERA considers that there is merit in increasing the minimum number of days of a shortened billing cycle to assist customers to manage their immediate bills. The ERA is seeking stakeholder's views on this potential Compendium amendment.

Issue 7: Increase minimum time for shortened billing cycle

Comment sought:

- a. Should the Compendium be amended to increase the minimum shortened billing cycle from 10 days?
- b. If yes, what should the minimum number days be?

For all questions, please provide reasons for your response.

3.1.6 Reducing the maximum billing interval time⁴³

Under clause 4.1(b) of the Compendium, a retailer must issue a bill at least once every 105 days, other than where the customer agrees to be billed less frequently, the retailer has not received the required metering data from the distributor, or the bill is the first issued under a deemed contract and the retailer cannot comply with the timeframe. The maximum does not

⁴² Refer to clause 11 of the draft Compendium.

⁴³ Refer to clause 10(1) of the draft Compendium.

prevent a retailer from billing more frequently if they choose, but they need to arrange for the distributor to read meters more frequently.

A stakeholder has suggested that gas companies should bill more frequently than the current maximum 105 days, as the expense is easier for customers to manage. They suggested that gas companies could adopt billing timeframes similar to Synergy, which bills its customers approximately 60-65 days.

The Electricity Code was modified to extend the maximum timeframe that electricity retailers can issue a bill from 90 to 100 days. This was to improve consistency with states and territories under the National Energy Customer Framework (NECF), despite most retailers preferring to bill on shorter cycles.^{44, 45} The ability for a retailer to bill more frequently relies on the distributor's ability to read the meters more often to provide timely energy data for billing purposes.

In the 2016 Compendium review, the maximum interval between gas bills was increased from three months (approximately 92 days) to 105 days. The amendment was due to challenges faced by retailers in obtaining metering data from distributors, who were unable to read the meters in the necessary time for billing within 3 months.⁴⁶ To address this, the maximum billing interval was adjusted to align with the distributor's meter reading schedule under its access arrangement.

Given that issues still exist with retailers obtaining meter readings to meet the existing billing cycle in the Compendium, as noted above in *3.1.2 Meter readings and customer self reads*, the ERA does not consider reducing the maximum billing interval time from 105 days appropriate. This would no longer align with distributors' existing meter reading schedules, placing significant increased costs on distributors to enable them to read the meters more frequently. These costs are likely to be passed on to customers through increased bills.

The ERA considers that the costs involved in increasing the frequency of meter readings outweigh the benefits of reducing the maximum billing intervals. To ensure that retailers can issue bills based on actual meter readings within the timeframes specified in the Compendium, the ERA proposes retaining the maximum billing period of 105 days.

Issue 8: Reducing the maximum billing interval time

Comment sought:

- a. Do you agree with the proposal to retain the maximum billing interval at 105 days?
- b. If no, please provide reasons for your response.

⁴⁴ The NECF governs the sale and supply of electricity and gas from retailers and distributors to customers in New South Wales, Queensland, South Australia, Tasmania and the Australian Capital Territory.

⁴⁵ The NECF requires bills to be issued by electricity and gas retailers at least once every 100 days (for customers on standard contracts).

⁴⁶ The [2016 Compendium review public consultation paper](#), noted that the largest distributor, ATCO gas Australia Pty Ltd, provided 30 percent of its metering data at intervals longer than three months.

4. Regulatory framework

4.1 Gas licence requirements

The requirement for a gas licence is established under section 11G of the EC Act, which requires a person to hold a gas licence to:

- construct a distribution system and transport gas through the system; or
- transport gas through an existing distribution system, and if required for that purpose to make alterations to the system, and to operate and maintain the system; or
- sell to small use customers gas transported through a distribution system.

4.2 ERA Functions and powers

Section 11AA of the EC Act gives the ERA the function of administering the licensing scheme. Under section 27 of the *Economic Regulation Authority Act 2003* (ERA Act), the ERA may do all things necessary for or in connection with the performance of its functions and may produce and publish information on matters relating to its functions.

In its administration of the gas licensing framework, the ERA produces the Compendium and all gas retailers and distributors that supply small use customers are required to comply with the Compendium as a condition of their licence.⁴⁷

In performing its functions under the EC Act, the ERA must have regard to the following requirements of section 26 of the ERA Act:

26. Authority to have regard to certain matters

- (1) In performing its functions, other than the functions described in section 25(c) and (d), the Authority must have regard to –
 - (a) the need to promote regulatory outcomes that are in the public interest;
 - (b) the long-term interests of consumers in relation to the price, quality and reliability of goods and services provided in relevant markets;
 - (c) the need to encourage investment in relevant markets;
 - (d) the legitimate business interests of investors and service providers in relevant markets;
 - (e) the need to promote competitive and fair market conduct;
 - (f) the need to prevent abuse of monopoly power or market power;
 - (g) the need to promote transparent decision-making processes that involve public consultation.
- (2) The Authority has the discretion as to the weight it gives to each of the matters referred to in subsection (1) in the performance of a particular function.
- (3) Nothing in subsection (1) limits a provision of another written law that requires the Authority, in performing a particular function, to have regard to, or take into account, particular objectives, considerations or other matters.
- (4) If there is any conflict or inconsistency between subsection (1) and a provision described in subsection (3), the latter provision prevails to the extent of the conflict or inconsistency.

⁴⁷ Section 11M(1) provides that a licence is subject to the terms and conditions as determined by the ERA.

4.2.1 Matters the ERA has had regard to

In proposing to update the Compendium, the ERA has had regard to the requirements of section 26 of the ERA Act.

The need to promote regulatory outcomes that are in the public interest

Although it is often in the retailer or distributor's interest to assist customers, regulatory intervention is sometimes required to ensure outcomes that are in the public interest:

- For example, the introduction of protections for customers affected by family violence. These protections are aimed at assisting vulnerable customers by providing them with an entitlement to safe, supportive, and flexible assistance from their retailer.
- Other examples include the proposed changes to financial hardship assessments, which will free up valuable time and resources for financial counsellors, who currently undertake many of the assessments. Reducing the ability of customers on a standard form contract to contract out of certain minimum protections in exchange for a benefit will ensure customer protections are maintained. The customer also has the option of entering a non-standard form contract instead of a standard form contract if they prefer a different level of protection in exchange for a discounted tariff.

The long-term interests of consumers in relation to the price and quality of services

The regulation of the supply of gas plays a crucial role in safeguarding the long-term interests of consumers. Effective regulation ensures that providers operate in a fair and competitive market and promote consumer choice. This can involve setting standards for safety, reliability, prices and services.

- Changes to billing requirements will enable retailers to provide customers with more convenient choices on ways they receive their bills and information and increase retailer flexibility as technology advances.
- Amendments to the Compendium to require advanced notification of changes to unregulated charges will ensure customers can make informed choices on their supplier and pricing that best meets their needs and budget.
- Other proposals aim to assist customers who are struggling to pay their bill; for example, by requiring retailers to make payment extensions and instalment plans available to all residential customers.

The legitimate business interests of retailers and distributors

The regulation of the supply of gas is an essential part of ensuring a fair and efficient retail market. While it is important to protect the interests of customers in a competitive market, it is equally important to consider the legitimate business interests of retailers and distributors. Regulation often results in costs for industry, and it is important to ensure a balance between these objectives.

The ERA considers that, for various protections, the same objective can be achieved without regulation, or the benefits of regulation do not outweigh the costs. Accordingly, the ERA proposes to align the Compendium with the Electricity Code to remove several existing regulatory obligations, such as the maximum timeframes for providing certain information and direct debit requirements. Retailers and distributors will no longer have to post or email certain information to customers, instead, they can direct customers to a website for easier access to information.

Transparent decision-making processes that involve public consultation

Decision making processes that incorporate public consultation are essential in safeguarding the interests of both customers and gas suppliers. Transparent decision making enables stakeholders to understand the rationale behind regulatory actions and promotes fairness and equity in the distribution and retail of gas.

- It is important that stakeholders have an opportunity to provide input on the Compendium review and the ERA is publishing this Draft decision for public comment.
- The ERA is seeking comments from stakeholders to gather valuable insights, consider diverse perspectives and address the concerns and needs of customers.

Appendix 1 Proposed Draft Compendium (clean)

Appendix 2 Proposed Draft Compendium (track changes)

Appendix 3 Table of proposed amendments

Appendix 4 Summary of issues for comment

No.	Issue	Section	Page
	Aligning the Compendium with the Electricity Code	Chapter 2	
1	Aligning the Compendium with the Electricity Code a. Do you agree with the proposed amendments to align with the Electricity Code to provide gas customers with the same protections as electricity customers?	2.1.8	12
2	Bill Smoothing a. Do you agree with the proposal to retain the Compendium's bill smoothing provisions? b. If no, please provide reasons for your response	2.2.1	13
	Matters raised by stakeholders	Chapter 3	
3	Prepayment meters a. Do you agree with the proposal to remove all references to prepayment meters from the Compendium? b. If no, please provide reasons for your response.	3.1.1	14
4	Meter reads and customer self reads a. Do you agree with the proposal to retain existing clause 4.6(b) of the Compendium, to continue to allow a retailer to reissue a bill based on data provided by the customer? b. Do you agree with the proposal to align the Compendium with the Electricity Code, to allow bills to be based on energy data provided by distributors or metering agents?	3.1.2	15.
5	Prohibiting charging for paper bills a. Should the Compendium be amended to include a clause that prohibits retailers from charging a fee for a paper bill (unless a bill has been previously provided)? b. If yes, should the prohibition be applicable only to standard form contracts or both standard and non-standard form contracts? c. If a prohibition should be introduced, should it be applicable only to a subset of customers, such as vulnerable customers and those on concessions? d. For retailers, what is the impact and cost of these options?	3.1.3	16.

No.	Issue	Section	Page
6	<p>Timeframe for the reason and basis of an estimate</p> <p>a. Should the Compendium be amended to provide that, on request, a retailer must provide the reason and basis for an estimation within a timeframe?</p> <p>b. If so, how long should a retailer have to provide the customer this information?</p>	3.1.4	17.
7	<p>Increase minimum time for shortened billing cycle</p> <p>a. Should the Compendium be amended to increase the minimum shortened billing cycle from 10 days?</p> <p>b. If yes, what should the minimum number of days be?</p>	3.1.5	17.
8	<p>Reducing the maximum billing interval time</p> <p>a. Do you agree with the proposal to retain the maximum billing interval at 105 days?</p>	3.1.6	18.