



24 April 2024

Ms Rowena Park  
General Manager, Compliance and Enforcement Branch  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

Lodged electronically: [aercompliance@aer.gov.au](mailto:aercompliance@aer.gov.au)

Dear Ms Park,

**RE: Retail compliance procedures and guidelines – Draft Guideline**

Origin Energy (Origin) appreciates the opportunity to provide a response to the Australian Energy Regulator's (AER) Retail compliance procedures and guidelines – Draft Guideline.

We thank the AER for its recognition of the regulatory burden placed on retailers in fulfilling their compliance obligations, and the proposed focus on the highest risk obligations.

Origin takes its reporting obligations seriously and reports any identified breach under the compliance reporting guideline regardless of materiality. In practice this directs significant effort toward reporting contraventions that may affect a relatively small number of customers with no material impact.

At present, we report all breaches regardless of materiality. However, we do not believe this is a practicable approach and support the introduction of a consistent materiality threshold. This will ensure a consistent interpretation of a breach and therefore compliance reporting.

Origin's response to selected questions is set out at Attachment A.

If you have any questions regarding this submission, please contact Hannah Lawrence in the first instance at [REDACTED].

Yours sincerely

[REDACTED]

Sean Greenup  
Group Manager Regulatory Policy

[REDACTED]

## Attachment A

Question	Origin response
<p>Question 1: What are your views on the proposed implementation time frame of 6 months and commencement date of 1 January 2025? What further steps can the AER take to minimise the costs of reporting under the revised Guidelines?</p>	<p>We are not opposed to the 1 January 2025 commencement date.</p>
<p>Question 3: What are your views on the proposed introduction of:</p> <ul style="list-style-type: none"> <li>• family violence – rules 76G(1) and 76D of the NERR as immediate retailer reportable obligations, and rule 76A of the NERR as a half-yearly retailer reportable obligation</li> <li>• presentation of standing offer prices – section 24 of the NERL as a half-yearly retailer reportable obligation</li> <li>• energisation on request for sale of energy – rule 19(2)(b) of the NERR as a half-yearly retailer reportable obligation</li> <li>• re-energisation – rules 106 and 106A(1)-(3) of the NERR as half yearly retailer reportable obligations and rules 106 and 106A(4)-(6) of the NERR as half yearly distributor reportable obligations?</li> </ul>	<p>We are generally supportive of the additional provisions added to the scheduled reporting.</p>
<p>Question 4: What are your views on the proposed introduction of the reporting of material breaches to the AER as soon as reasonably practicable?</p>	<p>In principle, Origin supports the implementation of a material breach threshold. Origin believes the threshold should be based on material systemic issues impacting large numbers of customers. If harm to individual consumers or very small numbers of consumers is a concern, such as loss of supply for more than 26 hours, the associated breaches should remain immediately reportable.</p>
<p>Question 5: Is there any further information that will assist in understanding the AER expectations, and if so, what would you find helpful?</p>	<p>Due to the absence of data on breaches reported, it is not possible for any retailer to make statements about the impact of this change on the industry overall in terms of reducing regulatory burden.</p> <p>We consider that the material breach threshold needs to be consistently applied with reference to the impact and harm.</p> <p>We consider that the AER, as the only party with knowledge of all retailers' reporting records, should provide guidance on the</p>

	definition of 'material' based on real examples to ensure consistent interpretation across retailers.
Question 6: What are your views on the proposed reduction in the reporting of current quarterly reporting obligation to half-yearly reporting?	<p>The proposed draft requires half yearly reporting of breaches of NERR 25 which captures the Better Bills Guideline and NERL 37 and 24 which capture the Retail Pricing Information Guideline. These are highly prescriptive instruments that encompass important protections, such as the need to include the best offer on a bill, but also lesser requirements that do not warrant compulsory reporting. We propose that the less significant requirements are removed from half yearly reporting.</p> <p>Rule 46 (Advance notification of price change) should not be reported half-yearly, but only where there is a material breach. Annual price changes are a sizeable undertaking under immense resource and time pressure. The requirements of rule 46 can result in minor non-compliances which should not be reported if they are remediated quickly and fully with no material impact.</p>
<p>Question 8: What are your views on the proposed reporting amendment of the following obligations:</p> <ul style="list-style-type: none"> <li>• billing – rules 26, 28 and 29 of the NERR</li> <li>• retail contracts – rules 47-50 of the NERR</li> <li>• EIC – rule 46A of the NERR</li> <li>• distributor interruption to supply – rules 88-89 of the NERR</li> <li>• energy marketing activities – section 53(2) of the NERL and rules 60-68 of the NERR</li> <li>• deployment of new electricity meters – rule 59A (1)-(3) and (7) of the NERR?</li> </ul>	<p>We support the removal of clauses from the scheduled reporting requirements. In particular, Rule 48 of the NERR which covers the whole of the AER's Benefit Change Notification Guideline. Under the proposed change, only material breaches of this guideline will be reportable. We suggest this approach is appropriate for other clauses that encompass the entire guidelines.</p>
Question 9: What are your views on the proposed implementation of a portal to submit compliance reports?	<p>We support the replacement of the template with a portal but suggest a backup email process is included as there are frequently technical issues with portal availability and a less reliable audit trail for our internal record keeping.</p>