



17 July 2018

Ms. Sarah Proudfoot  
General Manager, Retail Markets  
Australian Energy Regulator  
GPO Box 520 Melbourne VIC 3001

Dear Ms. Sarah Proudfoot

### **Draft amendments to AER Compliance Procedures and Guidelines**

Powershop Australia Pty Ltd (**Powershop**) thanks the Australian Energy Regulator (**AER**) for the opportunity to provide comments on the Draft amendments to the AER Compliance Procedures and Guidelines (the **Guidelines**) notice of draft instrument.

#### **1. Are there any concerns with implementing the proposed amendments to the reporting framework under the Guidelines by 1 January 2019?**

Powershop has no concerns with implementing the proposed amendments to the Guidelines by 1 January 2019.

#### **2. What, if any, issues arise from the proposed amendment to immediate retailer reporting obligations around life support?**

Powershop does not see any issues arising from the proposed amendment to make life support obligations an immediate reportable breach.

#### **3. What, if any, issues arise from the proposed amendment to immediate distributor reporting obligations around life support?**

Not applicable.

#### **4. Are there any matters arising from the fixed benefit rules change that may require a reconsideration of the classification/frequency of reporting?**

Powershop finds no requirement for reconsideration.

#### **5. What issues, if any arise from the AER amending the reporting framework under the Guidelines to include the new rules introduced in the fixed benefit rule change?**

Powershop does not see any issues arising as a result of this inclusion.

#### **6. Are there any matters that may require a reconsideration of reporting with respect to NERL, Part 2, Division 4, section 37?**

Powershop finds no requirement for reconsideration.

#### **7. What, if any, are the implications of the AER changing the obligation on retailers to report potential breaches of explicit informed consent from half yearly to quarterly?**

Powershop supports the inclusion of reporting requirements regarding obtaining explicit informed consent, but believes that record keeping provisions regarding explicit informed consent are not required as they do not have a material effect on customers.



Powershop's view is that customers are protected under section 41 (3) of the National Energy Retail Law (NERL) with respect to any record keeping based issues, because if a record is deleted the retailer is required to void the transaction the consent was related to, therefore removing any customer liability.

**8. What, if any, issues arise from the AER amending the Guidelines to require retailers to report potential breaches of NERR Part 2 Division 9, rule 57A and NERL, Part 2, Division 5, section 40 on a quarterly basis?**

Powershop's primary issue with section 40 of the NERL is the additional resource time required to monitor records of consent.

While Powershop respects the need to maintain consent records, Powershop's view is that resources are better spent monitoring consent and sales quality during the sales process to ensure a positive customer experience. Allocating resource time to monitor records does not drive better customer outcomes.

**9. What, if any, issues arise with the proposed inclusion of NERL, Part 2, Division 6, section 44 on half yearly reporting obligations on retailers?**

Powershop does not see the customer benefit in making this obligation a reportable breach due to the fact that the AER approves retailer hardship policies prior to them being implemented.

**10. What, if any, issues arise with the proposed inclusion of NERR, Part 3, rules 71 – 74 on half yearly reporting obligations on retailers?**

Powershop does not see any issues arising as a result of this inclusion.

**11. What, if any, issues arise with the proposed reduction in reporting obligations on retailers with respect to billing?**

It is not clear from the Guidelines which reportable billing obligations have been removed.

With respect to the proposed billing obligations for inclusion, Powershop does not see any material issues arising as a result of this inclusion.

**12. What, if any, issues arise from the proposed move from a single pro-forma report template to two pro-forma report templates?**

Powershop does not see any issues arising from the proposed move from a single pro-forma report template to two pro-forma report templates.

**13. What, if any, concerns arise with requiring the company CEO or Managing Director (or acting CEO or Managing Director) to sign the final audit report before submission to the AER?**

Powershop does not see any material issues arising from requiring the company CEO or Managing Director (or acting CEO or Managing Director) to sign the final audit report before submission to the AER.



**POWERSHOP**  
A better power company

**14. What, if any, issues arise from the proposed changes to clauses 4.22 to 4.34 of section 4 of the Guidelines?**

Powershop does not see any issues arising from the proposed changes to section 4 of the Guidelines

If you have any queries or would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely,

**Haiden Jones**  
Retail Compliance Coordinator  
Powershop Australia Pty Ltd

