

25 October 2021

Essential Services Commission  
Level 8, 570 Bourke St  
Melbourne VIC 3000

Lodged via EngageVictoria

Dear Commissioners,

## **Re: Compliance & Performance Reporting Guideline – 2021 update: Draft decision**

Simply Energy welcomes the opportunity to provide feedback on the Essential Services Commission's (Commission) draft decision on updates to the Compliance and Performance Reporting Guideline.

Simply Energy is a leading energy retailer with approximately 750,000 customer accounts across Victoria, New South Wales, South Australia, Queensland and Western Australia. As a leading retailer focused on continual growth and development, Simply Energy supports the development of effective regulation to facilitate competition and positive consumer outcomes in the market.

### **Reclassifying obligations based on an updated risk assessment**

Simply Energy supports the Commission's proposal to maintain the type 1 obligation category only for high-risk obligations that are time sensitive. This is a sensible approach, as the burden of reporting actual and potential breaches within two business days is only reasonable for obligations that have very significant and immediate risks for consumers.

Simply Energy also supports simplification of the categories and the proposal to maintain only two categories of breach reporting obligations going forward.

### **Updating the timeframes in which breaches must be reported**

Simply Energy is comfortable with the proposed change in the reporting timeframes for type 2 obligations from six months to 30 calendar days. This shorter timeframe is reasonable in the context of type 2 obligations now including many breaches that were previously captured by type 1 reporting requirements.

Simply Energy supports reduction in regulatory burden and was pleased to see the Commission's proposed removal of the requirement to submit a quarterly report of all type 1 breaches. Simply Energy agrees that an annual summary report provides sufficient regulatory oversight, in the context of the other existing breach reporting requirements.

In relation to the proposed changes to wrongful disconnection reporting, it is not clear why the Commission will require retailers to report information on disconnections referred to the Energy and Water Ombudsman (Victoria) or dispute resolution processes referred to the Commission. As the Commission can already access this data, it does not appear to be reasonable to increase the regulatory burden on retailers. Simply Energy would appreciate if the Commission provided

stakeholders with more information on how it proposes to use this data and why its existing data sources are not sufficient.

**Clarifying performance indicators and incorporating arrears measures from coronavirus reporting**

Simply Energy is comfortable with the continuation of performance indicators from the voluntary reporting during the coronavirus pandemic. However, it is important that these indicators remain consistent with the data already being voluntarily provided, so to avoid any unnecessary implementation costs in preparing new datasets.

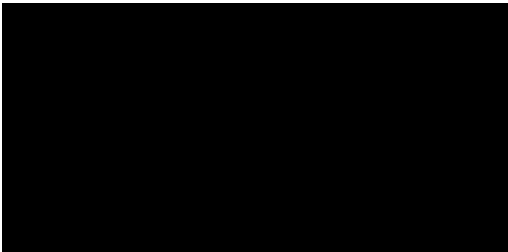
In relation to the proposed new 'best offer' indicators, it is not clear what purpose this data will serve and how the Commission will draw conclusions from the data. Simply Energy urges the Commission to provide stakeholders with more information on how this data may be used before it imposes new performance indicators.

Simply Energy notes that the cheapest generally available offer is not always best suited to a customer's circumstances (for example, the best offer calculation does not capture one-off bonuses, sign-up bonuses, or non-financial ongoing benefits). Retailers with a variety of offers in the market that are targeted at different consumer needs may be perceived as doing 'worse' on best offer performance indicators than retailers with only one (or few) available offers.

**Concluding remarks**

Simply Energy welcomes further discussion in relation to this submission. To arrange a discussion or if you have any questions please contact [REDACTED]

Yours sincerely



Simply Energy