

Electricity and gas companies to co-operate on relief package

1 May 2020

The ACCC has granted conditional interim authorisation to allow the Australian Energy Council and wholesale and retail energy businesses to co-operate to provide financial relief to residential and business customers who may be financially impacted by the COVID-19 pandemic.

This interim authorisation allows business in the electricity and gas markets to hold discussions, share information, and enter into arrangements for the purpose of providing financial relief and other measures to small, medium and large businesses, and to expand support under existing hardship programs for residential customers.

“We know the COVID-19 pandemic is having a significant economic impact on consumers and businesses in Australia, which is why we have granted this interim authorisation,” ACCC Chair Rod Sims said.

“Energy is an essential service and this is an important opportunity to allow energy market participants to support consumers and businesses through the pandemic.”

Importantly, authorisation is only granted on the condition that any agreements between energy retailers are not materially inconsistent with the relevant applicable principles in the Australian Energy Regulator (AER) [Statement of Expectations of energy businesses: Protecting consumers and the market during COVID-19](#).

The Statement of Expectations sets out ten principles the AER expects businesses to adhere to during the COVID-19 pandemic to ensure the continued safe and reliable supply of energy to homes and businesses. This includes expectations about payment plans and hardship arrangements, no disconnections and deferring referrals to debt collection agencies for recovery actions.

“The AER’s Statement of Expectations provides important principles that should be adopted by energy retailers in their dealings with customers during the COVID19 pandemic, and we expect any conduct under this authorisation to meet or exceed the expectations set out in these principles” Mr Sims said.

The AEC must also regularly update the ACCC and the AER about the information shared and the decisions made by retailers as part of the authorisation.

The ACCC and AER will also be invited to attend any meeting where the energy retailers discuss or agree on financial relief arrangements. This will provide important transparency and oversight of these discussions.

“We believe that allowing the AEC and energy businesses to work together will enable customer relief to be provided more quickly and efficiently than it would if the parties were to work on these measures independently,” Mr Sims said.

“We will closely monitor the effect of these arrangements and when it is appropriate for this authorisation to be revoked.”

Having granted interim authorisation for the arrangements, the ACCC will now seek feedback on the application for final authorisation which is sought for a period of 12 months from the date of authorisation.

More information, including the ACCC’s interim authorisation decision, is available on the [ACCC public register](#).

Background

The Australian Energy Council is an industry organisation representing 23 major electricity and downstream natural gas businesses operating in the wholesale and retail energy markets.

Notes to editors

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010.

Section 91 of the Act allows the ACCC to grant interim authorisation when it considers it is appropriate. This allows the parties to engage in the proposed conduct while the ACCC is considering the merits of the substantive application.

The ACCC may review a decision on interim authorisation at any time, including in response to feedback following interim authorisation.

Broadly, the ACCC may grant a final authorisation when it is satisfied that the likely public benefit from the conduct outweighs any likely public detriment.

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