



THE HON JOSH FRYDENBERG MP
Minister for the Environment and Energy

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NEW RULE TO BAN MISLEADING ENERGY DISCOUNTS

Today, in response to a request by the Turnbull Government, the Australian Energy Market Commission (AEMC) has introduced a new rule. The new rule will prevent retailers from offering discounts on an energy deal if the discount is based on higher rates than the retailer's standard rates.

The AEMC has also recommended strengthening the Australian Energy Regulator's (AER) ability to enforce how retailers present their offers to consumers.

Big discounts on an energy offer can seem very attractive, but if the discount is only available because the price of energy is artificially inflated, the consumer can end up worse off.

The new rule will prevent retailers from attempting to confuse consumers, providing them with the confidence that a discount is exactly that – a discount.

In addition to the rule, the AEMC has recommended that the AER's rules on how retailers market their offers is subject to appropriate penalties.

The Turnbull Government agrees with this approach and will be pursuing this reform through the COAG Energy Council.

It complements actions already taken by the Turnbull Government as part of our plan to deliver more affordable energy for Australian households, including:

- a rule change requiring energy retailers to notify their customers when their discounts are about to finish or change;
- a rule change proposal requiring retailers to provide their customers with advance notice of price changes;
- a rule change proposal to allow consumers to submit self-reads of their energy meters; and
- a rule change proposal to reduce the time it takes to install new meters.

Ends