



# Joint Submission: DMO Prices 25-26 Issues Paper

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Justice and Equity Centre  
ABN 77 002 773 524  
[www.jec.org.au](http://www.jec.org.au)

Gadigal Country  
Level 5, 175 iverpool St  
Sydney NSW 2000  
Phone + 61 2 8898 6500  
Email [contact@jec.org.au](mailto:contact@jec.org.au)



## About the Justice and Equity Centre

The Justice and Equity Centre is a leading, independent law and policy centre. Established in 1982 as the Public Interest Advocacy Centre (PIAC), we work with people and communities who are marginalised and facing disadvantage.

The Centre tackles injustice and inequality through:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change to deliver social justice.

## Energy and Water Justice

Our Energy and Water Justice work improves regulation and policy so all people can access the sustainable, dependable and affordable energy and water they need. We ensure consumer protections improve equity and limit disadvantage and support communities to play a meaningful role in decision-making. We help to accelerate a transition away from fossil fuels that also improves outcomes for people. We work collaboratively with community and consumer groups across the country, and our work receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

### Contact

Alana West  
The Justice and Equity Centre  
Level 5, 175 Liverpool St  
Sydney NSW 2000

T: +61 2 8898 6500  
E: [awest@jec.org.au](mailto:awest@jec.org.au)

Website: [www.jec.org.au](http://www.jec.org.au)

The Justice and Equity Centre office is located on the land of the Gadigal of the Eora Nation.

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# 1. Introduction

The JEC, ACOSS and SACOSS welcome the opportunity to respond to the *Default market offer prices 2025-26 issues paper* (the Paper). We strongly support effective default price protections and their important role in shaping a retail market that works better for all consumers. We encourage the AER to take every available opportunity to ensure Default Market Offer (DMO) 7 meaningfully supports and protects consumers especially during this time of high energy costs and ongoing cost-of-living pressure for households.

Our organisations have consistently advocated for review and reform of the DMO, particularly in the context of developments over recent years. We understand this process is not currently intended to re-evaluate the objectives, role, approach and application of the DMO. However, such a re-evaluation is necessary, and we encourage the AER to use this process to support a wider re-evaluation of the purpose and application of the DMO in the evolving retail energy market. The increasing granularity and complexity of the DMO calculations is a further justification for re-examination of the purpose and outcomes of the DMO. Does the DMO remain fit-for-purpose and is the approach to the setting of the DMO appropriately aligned with the purpose consumers and the retail market require of it. Such an assessment should also consider how the DMO should align with contemporary understanding of how consumer vulnerability should be addressed, particularly as the energy market transforms.

The JEC, ACOSS and SACOSS consider a simplified (flat-tariff), more widely applied, default protection reflecting efficient cost to serve is required. Many of the other retail consumer reforms currently being progressed rely upon such a mechanism to deliver their intended impact for consumers.

In the meantime, the process for setting DMO prices for 2025-26 must continue to prioritise support for energy affordability. We caution against making prioritisation of consumer outcomes contingent upon subjective relative assessments of prevailing economic conditions. Our organisations support the AER continuing to be more flexible in how it ‘balances’ the interests of consumers with the objective to incentivise retail competition which works for consumers, and in how it considers consumer engagement in the market.

In the remainder of this submission, sections 2 to 5 provide responses to key areas under consideration in the DMO 7 process, followed by section 6 outlining the case for substantive DMO reform beyond this process.

## 2. Growing complexity of the DMO

Our organisations note, with some concern, the growing complexity and granularity of inputs into the DMO calculation. Notwithstanding our previous recommendations that the AER should draw on an accurate understanding of actual costs in its consideration of an appropriate DMO, in the context of the current application of the DMO there is a need to consider whether fully applying all costs at every stage is either necessary or appropriate.

We support the AER gaining an accurate understanding of actual retail behaviour and the costs they face – but it does not follow that all costs identified should be considered as appropriate to include in the DMO.

It is important to note the practical application of the current DMO and the range of ‘real-world’ factors which allow for greater discretion from the AER in how they determine the degree to which existing ‘actual’ costs are incorporated as part of the DMO. For instance:

- there are often potential ‘mitigations’ for many individual cost considerations which mean it may not be appropriate to allow for them in full;
- the small (and decreasing) number of consumers actually on a DMO offer;
- the scope for flexibility in what consumers on a DMO offer actually end up paying, depending on how the retailer formulates their offer;
- the fact many ‘market’ offers are set at or above the DMO, and many more consumers (as demonstrated by the recent ACCC report) being on expired offers which result in them paying well above DMO reference prices; and
- the significant ‘headroom’ which still remains through allowance for retail profit and customer acquisition and retention – a cost which other competitive businesses would regard as an investment in market expansion to be funded at the cost of their own profit, rather than other consumers.

The DMO should also be considered as a market influencing tool and not merely account for current practice. There is a risk of embedding unnecessary costs of retailers in the DMO and entrenching current behaviours. For example, embedding inefficient metering practices and prices. There is a further risk of establishing a perverse incentive for retailers to increase costs to increase the price of the DMO. We note that the DMO would not fulfil its role as a reference price, if the price incorporates a range of unreasonable costs which are not in the consumer interest.

## **2.1 Making principled decisions**

DMO 7 is shaping up to be the most complex DMO calculated since its inception. As discussed, this increasing complexity and granularly raises challenges for ensuring the DMO is a fair and reasonable price.

The DMO has a stated purpose and objectives, that the AER bases and justifies its DMO calculation decisions upon. However, the AER could adopt a set of principles to better inform its decision-making process. Formulating a set of principles for the DMO, in consultation with stakeholders, would help to strengthen the underpinning governance infrastructure for the DMO and give transparency and confidence as to how and why decisions are being made. This is particularly important where the AER is exercising discretion in many of the individual aspects of its decision making. Additional principles would also assist the AER in circumstances where two or more of the objectives are in conflict with one another.

### ***Recommendation 1***

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*That the AER, in consultation with stakeholders, develop additional principles to guide decision making and increase transparency and consistency in how objectives and considerations are*

*integrated. OurPower is a useful resource for regulators and other stakeholders on principles-based decision making in the energy system.<sup>1</sup>*

## **Recommendation 2**

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*That the AER take a more holistic approach to how costs are incorporated. Costs should be incorporated according to consistent principles and prioritise consideration of the impact on consumers.*

### **3. Wholesale methodology**

#### **3.1 Controlled Load Profile (NSW)**

Management of controlled loads will become increasingly dynamic in the coming DMO periods. It may be difficult to produce a single, definitive controlled load profile, given that controlled loads can be managed to achieve a variety of outcomes (i.e. emissions reduction, managing hedges, optimising on-site generation/storage, minimising consumer bills etc.). Therefore, the AER should assume that retailers are taking full advantage of these opportunities rather than attempting to specify what a load profile that maximises these opportunities looks like - i.e. different load profiles can achieve this end so trying to find a singular truth is not only self-defeating but likely to produce a DMO price that is inefficiently high.

The AER should assume retailers are at the frontier of effective controlled load management and base the controlled load profile (CLP) on efficient usage of controlled load. For instance, the AER should assume that retailers are activating controlled loads during periods of high midday solar production when wholesale prices are negative and not just relying on low overnight prices.

While this may be outside of scope for the DMO considerations, we note that DNSPs are increasingly handing over controlled load functionality and management to retailers and metering parties. While this has the potential to allow for more sophisticated use and management of controlled loads, it also raises the risk of market actors not acting in the best interest of consumers and jeopardising amenity and safety (i.e. retailers cycling hot water to play wholesale market and manage their hedges results in lack of hot water when needed, shortens the lifespan of appliances, and creates issues with the legionella sterilisation process).

Our organisations prefer options 2 and 3 presented in the issues paper. We have concerns with the assumptions around historic data in option 1 as opportunities for more dynamic/active management of controlled load are quickly changing this landscape.

#### **3.2 Solar PV exports and hedging costs**

Our organisations support excluding solar exports from calculations of DMO 7. The DMO is meant to be a default price on consumption. The question of whether to include solar PV exports and hedging costs is a good example of the risk of granularly considering costs in the DMO and including all of them, without consideration of the outcome actually faced by retailers.

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<sup>1</sup> ACOSS & TeC, 2022, [ourPower: How to use it](#)

Retailers will have reduced incentive to manage risks themselves if the AER inputs all individual, specific costs into DMO calculations. Including all possible costs risks fully compensating retailers for costs (and risks) which they have not actually faced, or which they have mitigated elsewhere. That is, costs cannot be considered in isolation from any other factors which may mean those costs are not actually faced or faced in full. The primary function of the retailer in the energy market is to manage risk – the AER should consider the degree to which the DMO (in its current form) should fully compensate costs for retailers, given some of the factors outlined in section 3.

Further, when considering whether or not to include solar PV export hedging costs in DMO calculations, the AER should also consider:

- The substantial number of people who are not solar customers,
- the revenue that retailers can make off solar exports, and
- the high retail costs retailers often put their solar customers onto through increased import and fixed charges – that is, the scope for retailers to partially or fully defray any costs through charges elsewhere.

### ***Recommendation 3***

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*That the AER exclude solar exports hedging costs from calculations of DMO 7.*

## **4. Retail cost methodology**

### **4.1 Data inputs**

The JEC, ACROSS and SACROSS broadly support the AER obtaining accurate (and updated) retail cost information from a cohort of 25 retailers, particularly as the ACCC Inquiry into the National Energy Market (NEM) enters its final year. However, our support is contingent on the chosen methodology and level of transparency of this data being in the best interests of consumers.

Our organisations have consistently advocated for greater transparency of the data drawn on in calculation of the DMO. There is already considerable asymmetry of data visibility for stakeholders engaging with DMO consultations, particularly the opaqueness of wholesale costs. While all data gathered from retailers need not be public, the retail cost data drawn on by the AER to calculate the DMO must be made public and presented in an accessible and usable format. Without full transparency of the data that is used to determine the DMO, consumer advocates and other stakeholders will be unable to ascertain that the DMO is achieving its stated objectives, particularly the objective to ‘reduce unjustifiably high standing offer prices and protect consumers from unreasonable prices.’

As the calculation for the DMO is becoming more detailed, data on actual costs to serve and other claims made by retailers must be available for interrogation by stakeholders. As important – or perhaps moreso - the AER’s methodology in dealing with that data, assessing how much of each costs is allowed as part of the DMO and calculating the final DMO must also be transparent.

The AER will need to have a clear framework to consider how to use the data obtained, as not all retailers can be treated equally. The data should not simply be used to set a scope of costs which accommodate the models of all sampled retailers. Newer entrants will have very different

business strategies than entrenched businesses. The role of the DMO is not to reflect the costs of all retailers and protect all retail business models, and should not accommodate inefficient costs incurred by imprudent retailers, or retailers in aggressive acquisition or retention business phases.

### ***Recommendation 5***

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*That the AER adopt a transparent methodology which draws on the costs of the 25 retailers to determine an indication of the efficient costs for prudent retailers, to be used in the DMO calculation.*

## **4.2 Costs to acquire & retain customers**

Our organisations reiterate our strong disagreement with the explicit inclusion of additional allowance for costs to acquire and retain customers (CARC) in the calculation of retail costs to serve in the DMO. CARC has no benefit to consumers and is subject to no productivity or efficiency incentive within the DMO process.

Broad retail practice is to recover the ‘costs’ of loss-leading offers from other customers on higher margin offers. Given the opacity of the spread of retail cost recovery from their customers it is hard to justify CARC as purely ‘additional’ – that is, costs that must be recovered from each customer. For example, if CARC is currently being recovered through expired market offer customers, or the substantial proportion of customers on offers above the DMO, then any allowance for CARC within the DMO unreasonably inflates the DMO by the quantum of costs the retailer is already recovering elsewhere (in whole or part).

We contend CARC costs can still be allowed for but should more appropriately be regarded as a ‘retail expenditure’ or ‘investment’ by the business and allowed for as part of the retail margin rather than accounted for explicitly. It is common in competitive markets for business expansion and customer acquisition to be funded through investment by the business or deferred profits – that is a trade-off between returns now and growth in future returns. Incorporating CARC explicitly in the DMO calculation allows for both profit and business investment in ‘growth’ to the detriment of consumers.

### ***Recommendation 6***

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*That the AER not explicitly include allowance for costs to acquire and retain customers (CARC) and consider how it can fulfil its current DMO obligations while applying more rigor to any allowance for CARC.*

## **4.3 Bad and doubtful debt**

There is evidence that more consumers are struggling with debt. However, this is a component of the cost stack calculations where more consideration of the wider context is required to determine the actual impact on retailers. For example, is the data on bad and doubtful debt provided to the AER the actual cost of debt incurred and written off by retailers (actual) or is it based on the provisions for bad and doubtful debt made by retailers? This may result in a material difference in the costs retailers are assumed to face. Provision for bad and doubtful debt is, to some extent a normal risk management tool, and there are a number of factors which may lead to material



differences between the provisions made by a retailer, and the actual costs they end up facing for unrecovered debt. For instance, they could receive a higher level of repayment than provided for or sell some debts for partial recovery. Where this is an increasingly material component of retail costs, greater certainty that these costs reflect efficient, fair and reasonable costs is required.

#### ***Recommendation 7***

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*That the AER undertake more investigation of the actual impact of 'bad and doubtful debt' costs on retailers, and only look to incorporate costs which are unmitigated and actually impact retailers cost to serve.*

### **4.4 Metering costs**

Smart meter costs should not be explicitly included in retail cost calculations, particularly without greater transparency of how retailers are incurring and recovering those costs. If retailers are recovering smart meter costs directly from the customer, recovering some costs from all customers, offsetting costs through sale of data or other services to metering providers, or engaging in any other activity that may alter the impact of the metering costs on the retailer, this must be assessed fully. Our organisations see merit in a regulated schedule of costs for smart meter installation and operation, including guidelines regarding how costs may be recovered from both individual consumers, and the wider customer base.

It is likely that, with the acceleration of the rollout of smart metering, retailers will argue material changes to their metering costs and the risks they face. However, we contend the lack of transparency and consistency of costs relating to metering is relevant, and it is not possible at this stage to regard smart meters as a 'pure additional cost' over and above the standard costs to serve related to legacy metering. We do not consider it possible to determine the 'additional' costs retailers face without a more holistic assessment. Given the current pace of change and the mitigating factors we have outlined, we don't consider the case has been made for a material change in the handling of metering costs for this DMO.

#### ***Recommendation 8***

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*That the AER not include smart meter costs in retail cost calculations without greater transparency on how retailers are incurring and recovering these costs.*

## **5. Retail margin and competition allowance**

The JEC, ACROSS and SACROSS strongly supported the AER embracing prioritisation of energy affordability in the calculation of DMO 6, including the separation of retail margin and competition allowance and the separation of processes for their respective calculation.

Energy affordability, among broader cost of living challenges, is an ongoing issue for consumers across Australia. Our organisations strongly support the AER continuing to prioritise energy affordability in the calculation of DMO 7.

## 5.1 Retail margin

The JEC, ACROSS and SACROSS strongly support setting an efficient retail margin. The residential retail margin of 6% for DMO 6 was towards the higher end of ranges outlined in the draft determination analysis. Should the 6% margin be retained for DMO 7, it should be considered in relation to the setting of other cost allowance calculations. For example, if 6% continues to be at the higher end of the range, it should be counted against any further retail claims for additional cost allowance elsewhere in the decision.

We disagree with the assumption presented in the DMO 6 Draft Determination that a thin margin will necessarily result in retail exit. We further disagree that the exit of some (or any) retailers is inherently problematic. It is a normal feature of a healthily functioning (genuinely competitive) market for businesses to enter and exit. At this stage in the maturity of the retail market for a (relatively homogenous) essential service it is not necessary for margins to be set high enough to encourage new (inefficient) businesses and retain all the (potentially inefficient) businesses currently operating. An indicator of efficient cost to serve and reasonable margin leaves ample scope to retain existing retailers and allow for the entry of new businesses able to meet similar levels of performance.

## 5.2 Competition allowance

The JEC, ACROSS and SACROSS have consistently argued that competition allowance (headroom) - over and above efficient retail cost and reasonable, benchmarked retail profit margin - is not required to meet the objectives of the DMO and is not in the interests of consumers. The AER can fulfil its objective to maintain the incentive for retail competition without expressly including an 'allowance' for competition. 'Competition allowance' does not constitute an effective means of incentivising retail innovation or competition that benefits consumers. The current energy market circumstances render the inclusion of competition allowance to be increasingly unjustifiable and unfit for the fundamental purpose of protecting consumers.

We note the contention that the removal of competition allowance would not impede prudent retailers from competing has been borne out in the evidence. The AER's own market analysis from September 2024 "indicates that retailers are still competing and offering prices well below DMO 6, despite the DMO 6 price not including a competition allowance."<sup>2</sup> We consider this supports our arguments set out in section 4.2.

Where the AER continues to consider the inclusion of a competition allowance, we support the continued separation of retail margin and competition allowance in the DMO calculation. Notwithstanding our strong disagreement that additional competition allowance is necessary, it should be clear to consumers and stakeholders what (if any) premium consumers are paying to 'allow for competition' and make an assessment as to the value they derive from that cost.

Our organisations do not support the CPI being the primary factor used by the AER in determining whether or not to apply a competition allowance. CPI within the Reserve Bank target range does not mean energy costs are reducing, only that they are rising at a slower rate. Energy remains a significant contributor to cost-of-living stresses for consumers and energy costs remain

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<sup>2</sup> AER, 2024, [Default market offer prices 25-26 issues paper](#), p.8

high. The CPI is only one tool available in considering energy affordability and cost-of-living challenges, but it does not capture the breadth and depth of ongoing energy affordability issues. There are broader considerations of socio-economic difficulties and more robust indicators of the socio-economic health that energy is a material contributor to.

We note the AER's aim of "providing some predictability about how [it] will respond to economic conditions." We caution that while predictability can be useful to some stakeholders, that methodological stability is not a consumer outcome in and of itself and consistency of poor methodology is contrary to consumer interests. The purpose and impact of the DMO on consumers should be the primary consideration when calculating the DMO, not necessarily methodological stability. This is particularly relevant where they may be in conflict.

#### ***Recommendation 4***

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*That the AER continue to prioritise energy affordability in the calculation of DMO 7 and set a fair retail margin – noting the 6% margin in DMO 6 was at the high end of benchmarks – and make removal of explicit 'competition allowance' permanent.*

## **6. Reform of the DMO**

Our organisations have consistently advocated for more effective default pricing protections. This advocacy focuses on the need for wider, more consistent application of default protection in conjunction with a tighter focus on efficiency. We consider this would ensure retail market incentives are better aligned with consumer expectations and preferences. In our assessment the DMO is not fit-for-purpose and requires re-examination and meaningful reform, given:

- Current circumstances in the energy market see consumers facing significant and sustained high retail energy bills in addition to wider cost of living pressures placing stress on households. It is in the consumer interest for default protections to ensure they pay no more than necessary for essential energy services, regardless of their capacity to navigate the market.
- Consumers experiencing or at risk of energy debt and disconnection are likely to be impacted by structural disadvantage including First Nations, women, young people, people with disabilities, people experiencing mental health issues, people experiencing family and domestic violence, people on low-incomes, and renters.<sup>3</sup> These cohorts represent a significant proportion of consumers who should not be intentionally disadvantaged due to poorly formulated or inconsistently applied pricing protections.
- Experience over recent years has demonstrated that the energy system transition will not be smooth. It is likely to involve significant shocks that impact energy costs for consumers over the medium term, including increasing network costs. Default price protections help mitigate the impact of shocks and ensure the retail energy market is delivering outcomes which are as efficient as possible.

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<sup>3</sup> The Justice and Equity Centre, 2024, [Powerless: Debt and Disconnection](#).

- In a recent NSW survey of people on low incomes<sup>4</sup>, 50% of respondents reported they could not pay utility bills on time. 74% of respondents reported going without health and wellbeing essentials. For some people this included taking drastic measures like not eating dinner 4-5 nights a week, not having visitors or going out with friends, and going without food or medicine to afford their bills. This sacrificing of health and wellbeing essentials was similarly reflected in The JEC's Powerless report.<sup>5</sup> These findings are also reflected in ACOSS Raise the Rate Survey 2024<sup>6</sup> and ACOSS Summer Heat Survey 2024.<sup>7</sup> This consistent evidence of consumer harm must be taken as context for what role retail market engagement can be assumed to play in delivering good outcomes for consumers. Crucially, consumers should not be condemned to higher energy costs simply because they cannot navigate the energy market amidst the other stresses they face.
- Some people are turning to credit products such as Buy Now Pay Later and payday loans to pay for energy bills, further increasing their costs of energy.<sup>8 9</sup>
- Complaints to EWON are up over 50% from last year, with the majority of complaints being about high electricity bills.<sup>10</sup>
- The fundamental assumption underpinning the current DMO, that consumers can 'shop around' for more efficient, 'fair' retail offers is no longer reasonable advice (if it ever was). Increasingly market offers are priced at or above the level of a DMO which is itself, already intentionally set above the efficient cost to serve. There is also significant evidence that retail practices make identifying and accessing better offers difficult or even impossible for many consumers<sup>11</sup>.
- Through 'Towards Energy Equity', 'Gamechanger' and in the most recent State of the Market 2023 report, the AER has recognised that existing energy market arrangements fail to adequately support consumers experiencing disadvantage and are contributing to increased consumer vulnerability:

"For a range of reasons, many consumers face barriers to actively participate in the market and secure the best offer for their situation. This can exacerbate existing structural inequalities, whereby those who can least afford it are paying higher energy rates."<sup>12</sup>

The ACCC has identified the need to review the DMO, flagging that,

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<sup>4</sup> NSW Council of Social Service (NCOSS), 2024, [Impossible choices: Decisions NSW communities shouldn't have to make](#).

<sup>5</sup> The Justice and Equity Centre, 2024, [Powerless: Debt and Disconnection](#), pp. 47-49.

<sup>6</sup> ACOSS, 2024, [Raise the Rate Survey 2024](#)

<sup>7</sup> ACOSS, 2024 [ACOSS Summer Heat Survey 2024](#)

<sup>8</sup> The Justice and Equity Centre, 2024, [Powerless: Debt and Disconnection](#), pp. 49-50.

<sup>9</sup> NSW Council of Social Service (NCOSS), 2024, [Impossible choices: Decisions NSW communities shouldn't have to make](#), pp.46-49

<sup>10</sup> Energy and Water Ombudsman, 2024, [EWON Insights Report: Apr to Jun 2024](#).

<sup>11</sup> CHOICE <https://www.choice.com.au/shopping/shopping-for-services/utilities/articles/confusing-energy-pricing-tactics>

<sup>12</sup> Australian Energy Regulator (AER), 2023, [State of the energy market 2023](#), p.248.

“As the market continues to evolve, market bodies and state and federal governments should ensure that our regulatory framework remains effective in supporting meaningful consumer engagement and providing the necessary levels of consumer protection...”<sup>13</sup>

The ACCC suggested that the Review of the Retail Electricity Code that was previously scheduled to commence in November 2024 would be one appropriate avenue through which to review the DMO<sup>14</sup>. Our organisations welcome the opportunity to be involved in the consultation for that Review when it does commence and strongly recommend that review holistically consider the purpose and application of the DMO as both consumer protection and a tool for shaping the retail market.

We note the forthcoming package of retail Rule Change Proposals submitted to the AEMC by the Minister for Climate Change and Energy. While these reforms would go some way towards addressing some of the issues we have highlighted, they are not an alternative to a full review and reform of the DMO and in many cases rely upon a mechanism like a reformed DMO in order to deliver their intent (for instance in serving as the regulated default consumers would move to when a market offers conditions expire).

We recommend a re-evaluation of the DMO with the scope to consider a range of issues related to consumer protection and effective operation of the retail market, including:

- The role of robust, efficient default price protection in alleviating consumer vulnerability (both actual and potential) resulting from interaction with an essential service (energy).
- The circumstances where default price protection should apply to ensure consumers are protected by a fair/efficient default in all circumstances where they have not explicitly consented to retail offer conditions.
- How consumer preferences regarding ‘postage stamp pricing’ (consistently revealed in distribution network consumer engagement) can be reflected in the structure of default pricing protections. For instance, considering how daily charges and usage charges for similar consumers in similar conditions may also be regulated in conjunction with (or as an alternative to) a retail price cap.
- How environmental costs can be removed from the cost stack of bills and instead recovered through government revenue and taxation to ensure vulnerable consumers are not carrying a disproportionate cost burden of transition costs.
- The role of a reformed DMO as part of the introduction of an obligation on retailers to offer a flat-price option to consumers. That is, that a DMO could become the regulated flat-price offer required to be offered by retailers.
- The role of efficient, widely applied default pricing in incentivising retailers to understand consumer preferences and create genuine choice of alternative market products that are able to demonstrate value to consumers. That is, that a robust DMO could provide

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<sup>13</sup> ACCC, 2023, [Inquiry into the National Energy Market: December 2023](#), p. 72.

<sup>14</sup> Ibid, p.75.

incentive for ‘positive choice’ and ‘engagement’ by consumers, rather than relying on consumer loss-aversion.

- The role of network tariff reform and cost-reflective network tariffs in enabling opportunities for retailers to offer a genuine range of product choice to consumers, rather than simply passing signals through to consumers.
- How our changing energy system is providing more meaningful opportunity for retail competition than retail allowance in the DMO. Retailers are increasingly able to innovate offers that meet consumer needs and preferences including opt-in time-of-use tariffs, solar-soakers, EV tariffs, bundling with renewable asset purchases and other green energy products.

While we understand these issues sit outside the remit of this process, we recommend the AER support the case for a review which encompasses consideration of them.

## 7. Appendix

The JEC (previously the Public Interest Advocacy Centre), SACOSS and ACOSS have been consumer stakeholders in DMO engagement processes since its inception. The below list of resources provides further background into our long-held and evolving positions on the DMO as an enduring consumer advocate on DMO policy.

### DMO 6 (24-25)

- [JEC, ACOSS and SACOSS Joint Submission to DMO 6 Draft Determination](#)
- [JEC and SACOSS Joint Submission to DMO 6 Net System Load Profile Approach](#)
- [JEC, ACOSS and SACOSS Joint Submission to DMO 6 Issues Paper](#)

### DMO 5

- [JEC Submission to DMO 5 Draft Determination](#)
- [SACOSS Submission to DMO 5 Draft Determination](#)
- [JEC Submission to DMO 5 Issues Paper](#)
- [SACOSS Submission to DMO 5 Issues Paper](#)

### DMO 4

- [JEC Submission to AER Options Paper: Methodology for DMO 4](#)

### DMO 3

- [JEC Submission to AER Position Paper DMO 3](#)

### DMO 2

- [JEC Submission to DMO 2 Draft Determination](#)
- [JEC Submission to DMO 2 Position Paper on DMO 2 price setting](#)

**DMO 1:**

- [JEC Submission to DMO 1 Draft Determination](#)
- [JEC submission to AER Position Paper on developing a DMO for the electricity retail sector](#)
- [ACOSS Submission to AER on DMO](#)