

ACT Energy Consumers Policy Consortium Submission to:

AER Customer Price Information

Issues Paper September 2017

The ACT Energy Consumers Policy Consortium members:

[ACT Council of Social Service \(ACTCOSS\)](#)

[Care Financial Counselling Service](#)

[Conservation Council ACT Region](#)

[SEE-Change](#)

[Small Business Taskforce of the Canberra Business Chamber](#)

Author and Contact Officer:

Eileen Newmarch

ACT Energised Consumers Project Officer

Care Financial Counselling Service

PO Box 763

Civic Square ACT 2608

Ph (02) 6257 1788

Mobile 0412 127 882



This project was funded by Energy Consumer Australia Limited (www.energyconsumersaustralia.com.au) and the ACT Government, as part of Energy Consumers Australia's grants process for consumer advocacy projects and research projects for the benefit of customers of electricity and natural gas.

The views expressed in this document do not necessarily reflect the views of Energy Consumers Australia nor the ACT Government.

AERInquiry@aer.gov.au

Attention: Simon Kidd and Elisha Kelly

We refer to your invitation to make a Submission to the Customer Price Information Issues Paper September 2017. The ACT Energy Policy Consortium welcomes the opportunity to provide a submission.

The Consortium is comprised of representatives of ACT Council of Social Service (ACTCOSS), Care Financial Counselling Service, Conservation Council ACT Region, SEE-Change and the Small Business Taskforce of the Canberra Business Chamber. The consortium considers the importance of social, environmental and economic factors in the formation and implementation of energy policy and that enhancement of equity and inclusion improves outcomes across all sectors.

The Consortium welcomes your role in assisting consumers get the information they need to make informed choices in the energy market and supports looking at measures to improve this information. We make the following comments.

Energy Price Fact Sheet content and format.

While the Consortium welcomes the requirement that all retailers are required to provide information on their energy contracts in the form of an Energy Price Fact Sheet, the current Fact Sheet is dense and confusing.

Responses to the questions you pose are as follows:

1. What information should be included on an EPFS? Is there some information currently included that could be omitted, or provided in another way?

It is not necessary to provide prices excluding and including GST – simply stating the price including GST is sufficient as this is what household consumers will be paying. Re the discount – it could simply state that A 19% discount on the usage charges listed, applied on pre-GST amount, will apply.

2. How should the information on an EPFS be set out to most effectively highlight price and key contract details? How should information be prioritised? We welcome examples from other sectors/jurisdictions, as well as self-generated mock-up samples, to illustrate stakeholders' views.

The current example is an example of poor layout. It has an “off peak consumption All other Times” category before the shoulder and controlled load category – whereas presumably it is the last price calculated.

Ideas should be kept together. The Payment Processing Fee, Credit Card Processing Fee and Other fee should be together; and the Disconnection Fee should be in front of the Reconnection Fee and the two items kept together.

3. Is the language currently used to describe offers easy to understand? If not, how could it be improved? Are there other ways (graphics, images) to present information that would be more effective?

The wording relating to the contract term could mislead some people. The initial words saying it is an Ongoing Contract with benefit period may not be understood by readers that the contract will continue but the discounts expire. Also, the continuation without Energy Plan benefits should spell out that this means the cost of their energy will increase – and perhaps quantify the current increase.

The document could benefit by simplifying and removing unnecessary words eg under fees – the line saying fixed rate and the charge is confusing and could be omitted- for example the ‘Payment processing fee’ could be read as everyone paying a \$2 fee and an additional \$2 if paying at Australia Post.

The size of the print is immediately off-putting.

4. Would customers benefit from the inclusion of other information that does not currently appear on EPFS, such as information about available concessions, the expiry of benefit periods and/or impending price changes? How should this be presented.

The information is very crowded so adding more is problematic. Maybe a general statement about, if have concession or health care card check with retailer re concessions. Also, if a price change is already known about, then a statement of the impact of the price change on the offer should be included.

Comparison Rates and Reference Prices

5. Is a comparison rate or reference price an effective way to facilitate meaningful comparison of different energy offers?

A reference price would be much more useful than a comparison rate as it displays the data in way that is easy to understand, and it also takes into account changes in unit costs between low and high energy users.

The presented table is a very good way to represent the annual reference price, but would be improved by the represented kWh for each category.

6. What are the potential benefits and risks of each?

7. When and where should a comparison rate/reference price be displayed? For example, on EPFS, retailer websites, media materials?

The comparison rate should appear on the EPFS and on the retailer websites at minimum.

8. Is there utility in enabling ‘customisation’ of such a tool (ie allowing for customers to

identify additional factors such as appliances or pools and have these reflected in the figure)?

There is merit in providing information for customers to enable them to understand how different appliances, swimming pools etc contribute to consumption and how their consumption may differ from other households due to this.

9. What other risks or considerations should we be aware of?

We would welcome examples and/or case studies of effective comparison rates from other sectors or jurisdictions, as well as self-generated mock-up samples, to illustrate stakeholders' suggestions.

The presented table is a very good way to represent the annual reference price, but would be improved by the represented kWh for each category, as while people may know their consumption they may have no idea of whether it is average, low or high.

Technological Options to facilitate offer comparisons.

10. Which customers might benefit most from these options? Is there evidence or experiences from other sectors or jurisdictions about the likely success of the options we should consider?

Pursuing technological options to readily make available consumption data may be useful to those who need assistance to look at offers. Financial Counsellors for example may be able to assist the person to use a comparison site if their consumption information is easily available.

Customers who have been with the same provider for a long time may benefit. Readily obtainable information to make initial comparisons of offers may encourage more people to look at switching providers. Currently the complexity puts many people off.

11. Are there options other than QR codes and OCR technology that may achieve the same objective?

Unable to comment

12. What are the risks and benefits of pursuing a QR code or OCR technology? What are current levels of customer engagement with QR codes in other sectors?

Unable to comment

13. What other emerging technologies or issues – such as customer access to smart meter data – might impact the effectiveness of these tools?

Customers who are not digitally engaged

14. How can customers who can't, or don't, engage online best be provided with information about their options?

Resourcing workers in the community sector to provide information can be an effective mechanism, as many customers who don't engage online have contact with these organisation.

15. What information or messaging might be included on bills or fact sheets to increase the likelihood of switching? We would welcome examples that have been effective in other sectors or jurisdictions.

Information on bills about Energy Made Easy being the official site for comparison could be added to all bills.

16. How important is it that government energy comparator websites have a phone service to assist customers?

It is important that people can access information in the form that they most relate to, so if there is demand for a telephone service it should be provided.

17. How might family members/other trusted sources be engaged?

Financial literacy is taught in schools – it could be useful to have information on Energy Made Easy site included in this if not already. Plain English information needs to be readily available from a variety of sources that families and community sector workers can access.

18. Are there specific or additional strategies required for specific customer groups, for example those from CALD communities?

Information should be provided in other languages and resources provided to engage services that have high CALD usage

We hope these comments are useful

Eileen Newmarch
ACT Energised Consumers Project Officer
Care Financial Counselling Service
PO Box 763
Civic Square ACT 2608

For ACT Energy Consumers Policy Consortium