



**Notice of Draft
Instrument:**

**AER Retail Pricing
Information Guidelines**

Version 5

January 2018

Commonwealth of Australia 2018

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1 Overview

1.1 Introduction

This Notice of Draft Instrument (Notice) accompanies the Australian Energy Regulator's (AER) draft revised Retail Pricing Information Guidelines (Guidelines). The proposed amendments add new requirements to the current version 4.0 of the Guidelines and remove a number of other obligations.

The AER has published this Notice and draft version 5.0 of the Guidelines, in accordance with the retail consultation procedure set out in r. 173 of the National Energy Retail Rules (Retail Rules).

Under the National Energy Retail Law (Retail Law), the AER may develop and amend the Guidelines. The purpose of the Guidelines is to provide guidance to retailers in the presentation of their standing offer prices and market offer prices.

By specifying the manner and form¹ in which information is presented by retailers, the AER aims to create a clear and consistent form of presenting important information to customers, giving them confidence in the accuracy and comparability of this information.

We are consulting on a draft version 5 of the Guidelines. In the draft Guidelines we propose changes to address the complexity of energy market information being a barrier to customer engagement. The changes to the Guidelines are informed by submissions to our September 2017 Customer Price Information Issues Paper, findings from consumer testing conducted by the Behavioural Economics Team of the Australian Government (BETA) and separate consumer testing by a retailer. The draft Guidelines also draw on our stakeholder engagement over the final quarter of 2017.² Specifically, we propose the development of new documents through which retailers provide clearer information to customers. One of these documents will include an estimated bill amount to allow for easier comparison between plans. We also propose a number of amendments to strengthen consistency in how energy information is presented to customers.

This Notice provides details of the context in which the draft Guidelines have been prepared, the issues involved, and the effects of the proposed changes.³ The draft Guidelines and this Notice have been prepared in accordance with the retail consultation procedure in rule 173 of the Retail Rules.

1.2 Role of the Guidelines

The purpose of the Guidelines is to provide guidance to retailers in the presentation of standing offer prices and market offer prices, and thereby assist small customers consider and compare energy offers to make an informed decision on the offer that is best for them⁴.

¹ National Energy Retail Law s61(3)(a)

² AER issues paper, Customer price information, September 2017, <https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/customer-price-information-review/initiation> and AER Reference Group, <https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/reference-group-customer-information-and-engagement>

³ National Energy Retail Rules s 173(2)(b)(ii).

⁴ National Energy Retail Law s61(2)

The Guidelines may also specify any additional matters the AER considers necessary or convenient to assist small customers consider and compare standing offer prices and market offer prices offered by retailers.⁵

The Guidelines also support the operation of the AER's Energy Made Easy (EME) website by specifying the information retailers must provide to the website and how and when they must provide it.

The Retail Law requires retailers to:

- Present standing and market offer prices in accordance with the Guidelines, including without limitation when publishing, advertising or notifying the AER of those prices or any variation⁶.
- Publish standing and market offer prices prominently on their websites, and in any other relevant material provided by the retailer, in accordance with the Guidelines⁷.

While the Retail Law refers to energy 'offers', this documents uses 'plans' to refer to the same thing. Consumer research we conducted in early 2017 found this language resonates more with customers.

Energy customers must have access to clear and relevant information on available retail energy plans in order to make informed switching decisions for the provision of electricity and gas.

The Guidelines play an important role in ensuring customers receive clear information that can assist them to assess energy market offerings, and confidently participate in the market.

1.3 Version history

Version 1.0 of the Guidelines was released in September 2011, in anticipation of the 1 July 2012 commencement of the Retail Law. Version 1.0 addressed the production and distribution of energy price fact sheets (EPFS) only.

Version 2.0 of the Guidelines was released in January 2012, and contained requirements relating to EME for the first time.

Version 3.0 of the Guidelines was released in June 2012. It included minor amendments to address feedback on the clarity of the Guidelines from retailers preparing for the anticipated 1 July 2012 commencement of the Retail Law.

Version 4.0 of the Guidelines was released in August 2015, following the Australian Energy Market Commission's (AEMC) 2014 rule change requiring retailers to improve the information they give to consumers entering market retail contracts, particularly with respect to whether prices can vary⁸.

This notice is in relation to version 5.0 of the Guidelines.

⁵ National Energy Retail Law s61(3)(c)

⁶ National Energy Retail Law ss24(1) & 37(1)

⁷ National Energy Retail Law ss24(2) & 37(2)

⁸ More information is available at <http://www.aemc.gov.au/Rule-Changes/Retailer-Price-Variations-in-Market-Retail-Contrac>

1.4 Definitions and interpretation

In this Notice, key words and phrases have the meaning given to them in:

- the glossary of the Guidelines, or
- if not defined in the glossary, the Retail Law and Rules.

2 Purpose of the Notice

This notice explains the proposed changes to the Guidelines. The current Guidelines have been in effect since February 2016. Since then, the clarity of customer information and its impact on customers' ability to meaningfully understand and compare different plans has grown in focus as a contributor to problems of energy affordability.

Energy affordability is a significant issue for a growing number of Australian households. Despite struggling to pay their energy bills, many customers are not shopping around for lower priced plans.

A number of reviews of the industry have emphasised that excessive complexity of energy market information acts as a barrier to customer engagement. These include the Independent Review into the Future Security of the National Electricity Market (the Finkel Review),⁹ the ACCC's Retail Electricity Pricing Inquiry interim report,¹⁰ and the Independent Review into the Electricity and Gas Retail Markets in Victoria (the Thwaites Review).¹¹

Additionally, in August 2017, the Prime Minister, Treasurer and Energy Minister convened two roundtable meetings with the CEOs of eight energy retailers to address mounting community concerns about energy affordability and the retail energy market more generally.

In these meetings, the retailers agreed to work with the government and the AER to implement a range of actions to make it easier for customers to find the best plan for them. These included improving access to information about the key terms of individual plans, developing easy ways of comparing plans and through displaying the cost of energy plans in overall 'dollar figure' terms, rather than discounts.

These processes provide the broad policy context for the review of the Guidelines, which aims to reduce the complexity of the energy plan information presented to customers and to simplify the comparison of energy plans.

2.1 How to make submissions

Interested parties are invited to make written submissions on the draft Guidelines by **16 March 2018**.

Submissions should be sent electronically to: AERInquiry@aer.gov.au with the subject line '*Draft AER Retail Pricing Information Guidelines*'. We ask all submissions sent in an electronic format are in Microsoft Word or other text readable document form.

Alternatively, submissions can be sent to:

Ms Sarah Proudfoot
General Manager—Retail Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

⁹ Independent Review into the Future Security of the National Electricity Market: Blueprint for the Future, June 2017

¹⁰ ACCC Retail Electricity Pricing Inquiry: Preliminary report, 22 September 2017

¹¹ Independent Review into the electricity & gas Retail Markets in Victoria, August 2017

2.2 Publishing of submissions

To ensure an informed and transparent consultative process we prefer that submissions be publicly available. Unless marked confidential, we will publish all responses on our website, www.aer.gov.au. If you wish to submit confidential information you should:

- clearly identify the information that is the subject of the confidentiality claim
- provide a non-confidential version of the submission in a form suitable for publication.

For further information about our use and disclosure of information provided to us, see the ACCC/AER Information Policy (June 2014), which is available on our website.¹²

If you have any questions about this Notice and the draft Guidelines, or about lodging a submission, please send an email to: [AERInquiry@aer.gov.au](mailto:AERInquiry@ aer.gov.au) with the subject line 'Draft AER Retail Pricing Information Guidelines'.

2.3 Approach to consultation and work to date

2.3.1 Issues paper

We commenced consultation on the issues covered in the Guidelines in September 2017 with the release of a Customer Price Information issues paper. We sought stakeholder views on four key issues related to the retailers' commitments to the Government made in the August meetings:

- Energy Price Fact Sheets, including their usefulness to customers, their format and content;
- comparison pricing models and options;
- technological options to facilitate comparison of energy plans; and
- options to facilitate comparison of energy plans and switching for non-digitally engaged customers.

We received 28 submissions from a range of consumer, retailer, ombudsman schemes and other stakeholders, which are published on the AER website.¹³ Stakeholder responses from the consultation are discussed in the relevant sections below. A summary of submissions is included at **Attachment A**.

2.3.2 Consumer research

We have undertaken other work to inform our approach to the review of the Guidelines, including:

- working with the Behavioural Economics Team of the Australian Government (BETA) to investigate customer preferences to alternative fact sheet concepts.¹⁴ This was part of

¹² ACCC and AER information policy: collection and disclosure of information, June 2014, <https://www.aer.gov.au/publications/corporate-documents/accc-and-aer-information-policy-collection-and-disclosure-of-information>

¹³ <https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/customer-price-information-review/initiation>

¹⁴ It is anticipated the final BETA report will be published by end February 2018

the commitments to the Commonwealth Government in the August roundtable meetings;
and

- working with a retailer to conduct qualitative research into customers' attitudes and preferences for a range of fact sheet concepts.

We consider there are still questions that require further exploration, particularly in relation to the specific information to be included on customer fact sheets and the presentation of comparison pricing information. We will conduct further work on these issues as part of the consultation on the Guidelines but also through additional consumer and behavioural insights research to inform the final Guidelines.

2.3.3 Stakeholder reference group

In September 2017, we convened a working group of energy retailer and customer representatives¹⁵ to further inform our views on customer information and engagement issues.

The group met fortnightly throughout the last part of 2017 and will continue to meet in 2018. Key work and discussion included informing BETA's design of potential fact sheet concepts, and member presentations on fact sheet content, non-digitally engaged customers and comparison pricing.

Impact on business

Many of the proposed changes to the Guidelines are likely to have impacts on retailers and their agents/third parties selling plans on their behalf. We have been mindful to balance regulatory obligations with the need to improve outcomes for customers. In proposing the amendments to the Guidelines we have sought where possible to limit costs and administrative burden on retailers. We were also mindful to ensure the amendments do not negatively impact retailers' capacity to offer innovative products and services.

While some of the proposed revisions will require business process changes, we expect others will result in efficiency gains for retailers.

We welcome stakeholder's views about the effectiveness of the proposed requirements, and their impact on retailers. We particularly welcome submissions supported by research, statistics or other evidence.

¹⁵ <https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/reference-group-customer-information-and-engagement>

3 Amendments to the Guidelines

3.1 Summary of key amendments

We have proposed a number of significant changes to the Guidelines and new requirements about how retailers display and provide information, market their energy plans, describe elements of their plans and manage plan information on their website.

The key amendments discussed in this Notice include:

- replacing the requirement for retailers to provide an **Energy Price Fact Sheet** with a requirement that each energy plan have two separate documents – the **Basic Plan Information document** and the **Contract Summary**;
- changes relating to **display of plan information** on websites, in advertising and marketing material;
- new requirements for the use of **clearer and simpler language**; and
- clarifying the definition of **generally available** plans.

3.2 Energy plan documents

Under the current Guidelines, retailers must provide an Energy Price Fact Sheet (EPFS) for all their generally available plans.¹⁶

Customers can access EPFS when they complete an energy plan search through EME and retailers must also provide them on their websites. Retailers can choose to use the EPFS generated through EME or develop their own. The current Guidelines set out a range of requirements about the information retailers must include and the format of EPFS if they choose to develop their own.

We recognise the EPFS, while aiming to make it easier for customers to understand and compare the key features of a plan, can be quite complicated and information heavy. The complexity of information about energy products and services can act as a barrier to customer engagement. The commitments the eight retailers made to the Government in the August 2017 roundtable meetings specifically addressed the issue of barriers to customer engagement, through a commitment to produce clear and user-friendly fact sheets. This has also been a key theme emerging from our late 2017 consultation and consumer testing research.

3.2.1 Basic Plan Information and Contract Summary

We are proposing significant changes to the requirement to provide an EPFS. Specifically:

- The EPFS requirement will be replaced with a requirement that retailers provide two documents for each plan – a **Basic Plan Information** document and a **Contract Summary**.

¹⁶ AER Retail Pricing Information Guidelines, August 2015 Version 4.0, p. 7, section 2

- All plan documents will be in a format, and include information, determined by the AER and will be generated through EME. Retailers will no longer be permitted to develop their own documents.

Stakeholder submissions and feedback

Our 2017 consultations highlighted a number of core themes on presenting information to customers in way that is engaging and easy to use came. In summary:

- There was widespread agreement that current EPFS contain too much information and are difficult to understand. For example, in its submission to our Consumer Price Information issues paper, Momentum Energy submitted that the current EPFS is text rich and not particularly user friendly. It noted that while the EPFS is comprehensive it is “questionable that the information is digested by the consumer in any real meaningful way.”¹⁷ Origin Energy also noted that customers need to know the key information about their offers and this is more important than a comprehensive overview of the contract. This is particularly the case for information that has a “dominant impact on price”.¹⁸
- The current EPFS attempts to achieve two incompatible purposes – to provide a comprehensive contract summary, and to provide a tool to facilitate switching. The Australian Energy Council's submission noted:

“The problem we appear to have identified to date is that the purpose of the EPFS is itself not clear. We identified two key purposes to be served by an EPFS, where these are to provide consumers with:

- standardised price/cost information about an offer to allow easy comparison with other offers; and
- the key non-price information pertinent to the offer.

Our experience indicates these two purposes cannot readily be met in the one document.”¹⁹

- Stakeholders identified the need to test different versions of EPFS with customers. For example, COTA Australia noted in its submission that “[c]onsumer co-design and rigorous, segmented user testing of the Energy Fact Sheets and any other information to be presented to consumers is critical to ensure the information is fit-for-purpose, accessible and presented in the most appropriate way.”²⁰
- Customers appear to consider detailed tariff information important to have on a fact sheet about their energy plans. The focus groups run by BETA and the retailer’s consumer testing indicated customers expected to see tariff information.

¹⁷ Momentum Energy submission to the Customer Price Information issues paper - <https://www.aer.gov.au/system/files/Momentum%20Energy%20submission%20AER%20Customer%20Price%20Information%20Review.pdf>

¹⁸ Origin Energy submission <https://www.aer.gov.au/system/files/Origin%20Energy%20submission%20AER%20Customer%20Price%20Information%20Review.pdf>

¹⁹ AEC submission <https://www.aer.gov.au/system/files/AEC%20submission%20AER%20Customer%20Price%20Information%20review.pdf>

²⁰ COTA Australia submission - <https://www.aer.gov.au/system/files/COTA%20submission%20-%20-%20-%2006%20November%202017.pdf>

Proposed requirement

We consider the current EPFS, while useful as a record of contract, is less useful in assisting customers compare plans or in switching plans. To address this we propose replacing the requirement that retailers develop an EPFS for each plan with a requirement that retailers provide two separate documents to achieve the two purposes:

1. A **Basic Plan Information** (BPI) document – This will be single page document that includes key plan information most relevant to a customer's assessing a plan's suitability and comparing it against others.

The BPI document will contain plan details provided by retailers to EME in a format and include information determined by the AER.

2. A **Contract Summary** document – This will include more detailed information about fees, prices, contract details and eligibility criteria for an energy plan.

The Contract Summary will be in a format, and include information, determined by the AER and based on plan details provided by retailers to EME. The format will be substantively similar to the old EPFS with slight amendments to reflect recent market developments including covering information on metering charges, demand charges and other relevant information.

Intention

Customers can access the key details of any plan in a consistent format and across a range of search pathways so they can meaningfully compare different plans.

Customers who want more detailed information about a plan can easily access it.

Retailer impacts

The requirement that each plan have a BPI should not require retailers to make system changes to create a BPI as retailers will be required to use the BPI generated by EME. The information on the BPI will be based on plan information provided by retailers to EME as is currently the case with EPFS.

Similarly, the Contract Summary will be automatically generated in EME and retailers will be able to export it, as they are currently able to with EPFS.

3.2.2 Information to be displayed on the *BPI*

The draft Guidelines propose to specify the information a BPI must contain, including a comparison pricing estimate, key facts and features about the plan and tariff information.

Stakeholder submissions and feedback

Stakeholders had different views about what information must be included on a BPI or similar document. The majority of stakeholders supported a comparison price or similar tool to allow customers to easily compare between plans. However, views differed on the form any comparison rate should take.

There were particular differences in views on the importance of detailed pricing and tariff information in customers' decision making. A number of stakeholders considered this detail necessary for informed decision making. For example, the Australian Energy Council

included tariff information on the sample included with its submission to the Customer Price Information Issues Paper,²¹ while Powershop also indicated this information should be included in any redesigned fact sheet.²²

Other stakeholders considered that this level of detail could be unhelpful for many customers, especially if a comparison price was shown. The Consumer Action Law Centre, for instance, submitted customers related to their service in terms of the amount they pay on their bills, noting '[t]he vast majority of consumers do not know what a kWh is, nor do they care—and nor should they have to.'²³

The consumer testing research we undertook did provide a conclusive answer to this question. While it found many customers expected and wanted to see price information, the question remained as to whether customers found it sufficient to be able to access the information as part of the Contract Summary.

There was widespread support for less information being included than is currently on EPFS, as well as support for information being presented pictorially.²⁴ Stakeholders agreed on the need for a document containing only essential price and contract information to assist customers to compare plans. A number of stakeholders including the Australian Energy Council and Red Energy/Lumo Energy, included sample fact sheets with their submissions to illustrate possible formats. The Brotherhood of St Laurence, while not making a formal submission, also provided a sample fact sheet²⁵ for consideration. The factsheets provided shared the following common traits:

- a form of comparison pricing showing the discounted and 'base' prices for different usage profiles;
- key contract details – particularly those relevant to how much a customer would pay, what happens at the expiry of a benefit period and whether prices could change; and
- clear information about discounts and incentives.

Many stakeholders highlighted the importance of consumer testing any new fact sheet document to ensure it is fit for purpose and provides customers with the information they need to compare offers.²⁶

²¹ Aurora Energy submission, Response to Customer price information : issues paper, <https://www.aer.gov.au/system/files/AEC%20submission%20AER%20Customer%20Price%20Information%20review.pdf>

²² Powershop submission, Customer price information review, <https://www.aer.gov.au/system/files/Powershop%20submission%20AER%20Customer%20Price%20Information%20review.pdf>

²³ CALC submission, Customer price information : issues paper, <https://www.aer.gov.au/system/files/CALC%20submission%20AER%20Customer%20Price%20Information%20review.pdf>

²⁴ AGL submission, 2017 Customer Price Information Issues Paper, https://www.aer.gov.au/system/files/AGL%20submission%20-%20AER%20Customer%20Price%20Information%20review%20-%2031%20October%202017_0.pdf; Uniting Kildonan submission, AER – Customer price information, <https://www.aer.gov.au/system/files/Uniting%20Kildonan%20submission%20AER%20Customer%20Price%20Information%20review.pdf>

²⁵ Brotherhood of St Laurence, informal submission to AER, October 2017

²⁶ Alinta submission, Customer Price Information issues paper, <https://www.aer.gov.au/system/files/Alinta%20Energy%20submission%20AER%20Customer%20Price%20Information%20Issues%20review.pdf>; AGL submission

We explored these ideas further with our Reference Group in a design workshop hosted by BETA in October 2017. Coming out of the workshop there was agreement the format should incorporate comparison pricing (although there was no agreement on the form of the comparison pricing), and provide other key contract details in an uncluttered single-page format. BETA tested a number of concepts based on the workshop feedback and other inputs. A retailer further consumer tested the concept fact sheets, as well as some developed by the participants to the consumer testing.

Proposed position

The example BPI at Appendix A to the Guidelines reflects the feedback from our Issues Paper consultation and is informed by the consumer testing done by BETA and a retailer.

Residential energy plans with no demand charges

Under the draft Guidelines, a BPI must include:

- a *comparison pricing table* for each individual plan and this will comprise:
 - Bill estimates for a nominal low, medium and high-usage household (based on AER energy consumption benchmark data)
 - Two bill estimates for each consumption level – a base price excluding all discounts, and a price including all discounts.
 - For electricity plans, the bill estimates will be based on a three-month bill
 - For gas plans, the bill estimates will be based on two-month plans
 - A disclaimer stating the price is based on average consumption and may not reflect individual circumstances.
- *Key facts* – a short list of key facts about the plan relevant to a customer's decision making, such as whether prices can change.
- *Key features* – key contract information, including discount details, sign-up incentives, and benefit period details.
- *GST-exclusive pricing information* – tariff information will be shown as GST exclusive.
- *A hyperlink* to the Contract Summary.

EME will automatically generate the BPI document based on information retailers are currently required to provide to EME. We do not anticipate retailers will have to enter new types of information into EME. The comparison pricing table for each offer will be generated using benchmark usage data and EME's existing algorithms.

One issue we will explore further is whether to include tariff information on the BPI. At this stage we have decided to include it given customers' apparent preference for it. We propose tariff information be displayed as GST-exclusive only. This will assist customers to compare the details of their current plan with their bill, which is shown as GST-exclusive.

As a general approach, we consider the practice of itemising costs as GST-inclusive and exclusive on energy plan documents creates unnecessary complexity and is not helpful to residential customers. In the longer term, we consider that all energy pricing should be displayed as GST inclusive (at least for residential customers) and we will explore what

opportunities may exist to work towards this goal. We welcome stakeholder feedback on this issue.

Residential energy plans with demand charges

While retail electricity plans with demand charges are becoming a feature of the energy market as retailers move to introduce more cost-reflective tariff structures, there are challenges in providing comparison pricing for plans with these charges.

The variability of customers' appliances, the presence of solar panels and other factors means sophisticated modelling will be required to develop customer demand profiles.

EME cannot currently calculate estimated bills for retail plans that incorporate demand charges. However, we are looking to further consider how to provide estimated bills for demand charge plans through EME as part of enhancement work commencing this year.

We will further examine and undertake more research into the issue of comparison pricing for demand charge plans in the medium-term. However, it is not feasible to develop a final position that can be implemented to meet the timelines of this review.

In this context, we propose not requiring a comparison pricing table on the BPI for demand charge plans. A BPI for residential energy plans with demand charges will display:

- Key facts
- Key features
- GST-exclusive pricing information
- A hyperlink to the CS (or information about how to get more detail).

Small business energy plans

Providing a comparison price for small business energy plans presents significant challenges. Unlike households, where typical usage can be calculated based on household size and other factors, usage assumptions about businesses are less meaningful due to the wide variety of business types, sizes and energy usage profiles.

Stakeholder feedback has highlighted concerns about attempting to provide comparison pricing information that is not based on a small businesses actual usage.

For instance, business-only retailer ERM Energy highlighted the very wide variety of tariff types available to business customers meant that assumption-based estimates were unlikely to be accurate, and considered accurate estimates for different plans could only be derived from customers' actual usage.²⁷

We accept it is not currently feasible to provide comparison pricing for small business tariffs, and do not propose requiring it for small business energy plans in this review of the Guidelines.

A BPI for small business energy plan will display:

- Key facts

²⁷ Meeting between AER staff and ERM, 23 November 2017

- Key features
- GST-exclusive pricing information
- A hyperlink to the CS (or information about how to get more detail).

3.2.3 Information to be displayed in the Contract Summary

The draft Guidelines propose specifying the information a Contract Summary must contain. This is based on the offer plan information provided by retailers to EME for current EPFS.

Stakeholder submissions and feedback

While most submissions to our Customer Price Information Issues Paper focused on what changes could make EPFS more useful as a comparison tool, some stakeholders commented on how customers might access more detailed plan information.

Red Energy/Lumo Energy noted patterns of EPFS downloads from its websites suggested customers did seek out the more detailed information available in EPFS, but appeared not to do so to inform their purchasing decisions. It recommended a separate document, accessible via a hyperlink in the fact sheet, containing more detailed pricing terms and conditions.²⁸

Origin Energy also recommended separating the basic comparison information from more detailed contractual information, but said a separate document was not necessary as retailers already provided customers with contract information.²⁹

Proposed position

We propose the information be available in a separate document – the Contract Summary – that is available through a hyperlink in the BPI, or on request. This will ensure that customers who want more detailed information can access it before sign-up. The current requirement to send an EPFS as part of a welcome pack to new customers will be replaced with a requirement to send Contract Summary.

A Contract Summary will contain:

- Contract details
- All fees
- All tariff information (GST inclusive and exclusive)
- Metering costs
- Eligibility restrictions
- Customer service contact details
- Ombudsman contact details for that jurisdiction.

²⁸ Red Energy / Lumo Energy submission, Customer Price Information, <https://www.aer.gov.au/system/files/Red%20Energy%20and%20Lumo%20Energy%20submission%20AER%20Customer%20Price%20Information%20review.pdf>

²⁹ Origin Energy submission, Customer Price Information – Issues paper, <https://www.aer.gov.au/system/files/Origin%20Energy%20submission%20AER%20Customer%20Price%20Information%20review.pdf>

We do not anticipate retailers will have to enter new types of information into EME when creating plans for publication on EME. Where new detail is required, this will be managed through the plan management process for the EME retailer portal.

3.2.4 Dual fuel plans BPI and Contract Summary

A BPI for a plan combining two fuel types requires double the information as a single fuel plan. Attempting to fit this information on a single page is inconsistent with the BPI's objective of providing concise, clear information.

Stakeholder feedback and submissions

No submissions specifically addressed the format of plan documents for dual fuel offers.

Proposed position

To address the potential for information complexity to be a barrier for customers wishing to compare dual fuel plans, we propose the BPI dual fuel plans will be a two-page document, combining the BPI for each separate fuel type.

This mirrors our current approach of a longer EPFS combining both fuel types.

The requirement for dual fuel Contract Summaries will follow the current EPFS practice.

3.3 Marketing and display of energy plan information

Retailers typically promote energy plans as a set of contract terms, discounts, and features that apply across different distribution zones and metering configurations, for example single rate, Time of Use and/or Controlled Load. It can be complicated to provide pricing information that is relevant to a particular customer because of these variables.

A lot of energy marketing uses discounting as a way to attract customers and communicate the value of plans. There are reasons for this including the difficulty of promoting pricing information across different distribution zones. Some customers benefit from discounts and, depending on how the plan is structured, can pay less than they would without the discount. However, discounting practices can lead to customer confusion and customers can potentially be misled about the value of a discount.

There is widespread recognition from recent reviews and inquiries into the industry that discounting is problematic for consumers.³⁰ In its Preliminary Report, the ACCC found: “[t]he vast majority of retailers offer discounts, either off the total bill or electricity usage only, but these discounts are not taken from a consistent reference point across retailers, making it difficult to determine which offer is best.”³¹ In its 2017 retail energy market review the AEMC found consumers compared energy market offers based on the effective or conditional discounts applied to market offers, rather than on the underlying pricing rates that are applied to their offers.³² The AEMC recommended the AER consider ways to improve the information provided to energy customers to simplify comparison of offers.³³

³⁰ ACCC Retail Electricity Pricing Inquiry: Preliminary report, 22 September 2017; Independent Review into the electricity & gas Retail Markets in Victoria, August 2017

³¹ ACCC Retail Electricity Pricing Inquiry: Preliminary report, 22 September 2017, p.8

³² Australian Energy Market Commission, 2017 Retail Energy Competition Review, 25 July 2017

³³ AEMC, 2017 Retail Energy Competition Review, 25 July 2017, pp. 17-18

At the August roundtable meetings, the retailers who attended committed to work with the AER on approaches to marketing energy plans in overall dollar terms, rather than using headline percentage discounts.

Retailer websites and third party comparison websites are common search avenues for customers when shopping around and comparing energy plans. Around one in five customers who have scanned the market used a comparison website.³⁴

This section deals with how retailers are required under the draft Guidelines to display or provide BPI and CS to customers when a plan is promoted or marketed, other than on EME.

3.3.1 Directing customers to the Basic Plan Information – websites

We are proposing changes to the Guidelines that require retailers to provide a prominent hyperlink to the BPI document on their websites.

Stakeholder feedback

While retailers are currently required to have an EPFS for each plan on their website, in practice these are often difficult to find and not prominent. In its submission to the Customer Price Information issues paper, Queensland Consumers Association noted that EPFS:

“... definitely need to be easier for consumers to understand and access. Currently, they are often very difficult to find on retailer websites. Therefore, retailers should be required to make the availability of EPFSs more prominent on websites. For example, the first page of a retailer’s website should prominently indicate that EPFSs are available and provide a link to all its EPFSs.”³⁵

Proposed requirement

Retailer and third-party websites

We are proposing that where a retailer, or third party acting on behalf of a retailer, provides information about a plan on a website, it must provide a prominent hyperlink to the BPI document on the Energy Made Easy website on the website. Anywhere information is provided about a plan on a website, retailers must publish, in a prominent position, a link to the BPI clearly labelled ‘see Basic Plan Information’. Where a retailer includes information or marketing materials on its website about a plan, the retailer must publish on the same webpage and proximate to the information about the plan, a clear and prominent link to the relevant BPI.

If a plan for a particular distribution zone has tariff variations requiring multiple BPIs, retailers must link to a list of BPIs for each variation or further questions must be included to establish the specific variation relevant to the customer (for example, about their metering configuration) before linking to the BPI for the specific variation.

³⁴ AEMC, 2017 Retail Energy Competition Review, 25 July 2017, p. 82

³⁵ QCA submission, AER Issues Paper: Customer price information, <https://www.aer.gov.au/system/files/QCA%20submission%20AER%20Customer%20Price%20Information%20review.doc>

Customers are directed to comparable information about key plan details, including price, early in their search process.

This requirement directs customers to easily comparable pricing information early in their search process. Requiring retailers to provide a prominent link to the BPI ensures that customers are directed to consistent information about any plan, while preserving retailers' ability to provide further information in a form of its choice.

Retailer impacts

We recognise that providing a link to the BPI will require business and system changes for retailers. We consider this change is warranted and necessary to provide a more meaningful point of reference for customers to compare plans and in particular pricing information. While we welcome submissions on this point, we consider the costs to businesses of implementing the changes are unlikely to be unduly onerous.

We further consider that this requirement is proportionate and in line with regulatory interventions in other industries where complex information creates risks of consumer detriment.

- The *Telecommunications Consumer Protection Code* prescribes a range terminology and information disclosure requirements, including a requirement that providers disclose standard charges in text and online advertising.³⁶
- Part 10 of the *National Credit Code* requires that credit providers include a comparison rate when they advertise fixed term credit, which is for, or mainly for, personal domestic or household purposes. The comparison rate includes the interest rate and most fees and charges.³⁷

3.3.2 Link to BPI from retailer's websites

As discussed above in 3.3.2, under the new Guidelines, retailers are required to provide a link to the BPI on the Energy Made Easy website. This will reduce the manual work required by retailers, as they will not need to download the PDF and then upload it on their website. Instead, they will create a link to the HTML version of the BPI on Energy Made Easy. This will have an additional benefit for retailers as the link to the BPI will automatically update when retailers update their offer (by making a change to the offer)³⁸ on Energy Made Easy, which will also reduce manual effort required, and hopefully result in fewer obsolete offers or offers not being current on retailers websites.

³⁶ Telecommunications Consumer Protections Code, s. 4.2

³⁷ National Credit Code, part 10

³⁸ This does not include removing an offer, and retailers will still need to update links on their websites when an offer either automatically expires, or the retailer removes it.

3.3.3 Providing Basic Plan Information – other marketing channels

Proposed requirement

Telesales

Under the draft Guidelines a retailer, or its agent, that markets an energy plan to a potential customer by phone is required to notify the customer that a BPI exists for that plan and offer to send it to them.

Door to door or in-person

A retailer, or agent acting on behalf of a retailer, that markets an energy plan to a potential customer in person, is required to provide a hard copy of the BPI for the customer.

Retailer (or agent) call centres

A retailer's customer service staff (or staff working for an agent), is required to notify a customer that a BPI exists for any energy plans discussed in the conversation and offer to send it to them.

Intention

Customers being offered or searching for plans are aware that the BPI exists and how they can access it.

The BPI is intended to be the main piece of information customers searching for plans use to assess the suitability and compare a dollar figure price of potential plans.

To achieve this objective, the BPI needs to feature early and prominently in a customers' search. Where a plan is marketed to a customer over the phone or in person, customers must be made aware of the BPI and have a chance to review it.

3.3.4 Advertising requirements

The requirements under the draft Guidelines for retailers advertising plans are similar to the requirements under the current Guidelines, that is, that retailers must include a statement about the availability of the BPI on their website.

3.4 Providing Contract Summaries

Proposed requirement

The BPI document will include a hyperlink to the Contract Summary.

Retailers, or agents acting on their behalf, are not required to provide a separate link to the Contract Summary on their website.

Retailers or their agents are required to provide a prospective customer with a copy of the Contract Summary:

- on request; and/or
- as part of its post sign-up welcome pack (essentially replacing the current requirement to provide an EPFS).

Intention

Customers who want more detailed information about a plan than that on the BPI can access this information.

The proposed BPI provides enough information to assist a most customers to reach an informed decision about the likely cost and relevant key features of an energy plan.

Requiring retailers to provide customers with full plan details in the form of the Contract Summary is likely to be confusing and hinder customer decision making. We recognise, however, that some customers will want more detailed information about a plan.

The proposed requirement is structured to provide a layered user experience to enable customers who want more information about a plan to be able to access it, without requiring all customers to view it.

3.5 Language and terminology

Under the current Guidelines, retailers are required to comply with language requirements on EPFS and in marketing and advertising.

We propose a number of new requirements for energy plan terminology for the BPI and CS. Table 2 – Language requirements in the draft Guidelines sets out the prohibited terms and provides the required terms retailers must use under the proposed Guidelines.

Stakeholder feedback

During consultation, a number of stakeholders highlighted that language contributes to customers' confusion and disengagement with the retail energy market. Retailers use a range of terminology to describe the same thing and technical jargon is common. A number of retailers acknowledge some terms are a legacy of earlier practices and jurisdictional factors.

When consumer testing concept fact sheets, 'Peak/off-peak', 'Controlled load' and 'benefit period' were identified as terms consumers found particularly difficult to understand and created barriers to meaningful comparison. Further, in relation to 'peak' being used for time of use tariff plans as well as the general consumption on single rate tariffs, QCOSS in its submission to the Customer Price Information issues paper, cited feedback from customers participating in recent energy literacy programs:

“The use of inconsistent and misleading terminology on bills was found to present a major barrier to customers being able to read their bills, and access the information required to help them compare offers... It is a barrier for consumers to effectively compare offers, especially given there are time-of-use offers available on the market which do in fact charge peak rates for electricity at particular times.”³⁹

Participants in a retailer's qualitative research reported they did not understand the term 'Ongoing contract with benefit period' and similar. Sample comments included:

³⁹ <https://www.aer.gov.au/system/files/QCOSS%20submission%20-%20AER%20Customer%20Price%20Information%20review%20-%207%20November%202017.pdf>, p.5

- “Controlled load? You’re losing me now”
- “Am I tied into a 12 month contract?”
- “Demand charges... No idea.”
- Green - “Is this just for solar customers?”⁴⁰

While retailer representatives on the Reference Group generally agreed language could be made clearer over time, they indicated concepts (such as peak demand) rather than just the language itself can be problematic.

Proposed position

The proposed requirements aim to improve consistency by prescribing terminology for some basic tariff components. The new terms to be included in Table 2 of the draft Guidelines are outlined in more detail:

Proposed requirements

Term	Requirement	Rationale
General usage	The usage component of a single rate electricity or gas plan will be called ‘General usage’	Retailers use a range of terms to describe this period, which contributes to customer confusion. Consistency will reduce potential for confusion. Additionally, references to this usage as ‘Peak’ creates potential for confusion with TOU peak periods
Controlled Load	For tariffs with Controlled Load, the controlled load component will be called ‘separately metered usage’	Stakeholders highlighted, and research supported, that ‘Controlled Load’ is not well understood by customers.
For plans with more than one time-of-use rates:	A plan with two times of use rates, the rates will be called <i>peak</i> and <i>off-peak</i> For a plan with three or more times of use, the highest rate period will be called <i>peak</i> ; the lowest ‘ <i>off-peak</i> ’; and the intermediate rates ‘ <i>semi-peak 1</i> ’, <i>semi-peak 2</i> etc.	With the increasing penetration of smart meters, more customers will be able to access cost reflective tariffs. Peak and off-peak are currently used to describe a range of plan elements - for example some retailers use ‘peak’ to describe general usage on a single rate tariff. The requirements aim to preserve the terms ‘peak’ and ‘off-peak’ solely for time of use plans. ‘Shoulder’ is not descriptive and does not convey a rate between peak and off-peak.

⁴⁰ A retailer, EPFS Customer Research Findings, December 2017

We recognise that more work is needed to achieve consistent and customer-focused language across all retailers and products. We propose to undertake a more comprehensive review of language in the energy sector in future, with a view to consulting on a common glossary of terms that can be used and understood across the sector.

We welcome stakeholder feedback on this issue and in particular, invite stakeholders to share any research about energy plan terminology.

Intention

Retailers use consistent language to describe basic tariff elements, and that the terms 'peak' and 'off-peak' are used exclusively for electricity time of use tariffs.

Use of the term 'benefit period'

While stakeholders and our consumer research have highlighted the difficulties customers face in understanding the term 'benefit period' and what it means for their energy contract we have not made any changes in the draft Guidelines to the use of this term in plan documents or through marketing/advertising. The term has recently been re-emphasised in the rules through the inclusion of new Retail Rules 48A and 48B which deal with notification requirements for a customer when their benefit period is changing or ending. We will continue to monitor this and other terminology and will include it as part of the proposed comprehensive language review.

3.6 Generally available plans

The Retail Law requires retailers to publish plans that are generally available on EME. The current Guidelines distinguish between plans that are 'generally available' and 'non-generally available' and provide some broad guidance about how each should be interpreted for the purposes of the Guidelines.

In practice, some retailers have interpreted the term 'non-generally available' in a very broad way to mean offers with any eligibility criteria. They have similarly interpreted 'generally available' in a relatively narrow sense. This is clearly not the intention behind the inclusion of the term in the Retail Law when prescribing market offers that retailers must include in EME.

The intention of EME is to assist customers to compare plans available to them. This objective is undermined if plans that are available to a significant number of people are not published on EME.

Proposed provision

All plans that are available for any small customers in the appropriate distribution zone with the appropriate metering configuration are generally available unless classified as a restricted plan.

Intention

Plans that are intended to be available to many customers are included on EME, even if they are subject to some eligibility criteria.

The proposed requirement removes the definition of ‘non-generally available’ and assumes that all offers are ‘generally available’ unless they are a restricted plan. That is, they are subject to significant exclusions. A list of exclusions we consider meet the criteria are included for retailers’ reference and include:

- family and friends plans
- plans targeted to a small specific group of customers , for example, customers receiving a specific concession
- Obsolete plans
- Standing offer plans that are not readily available to small customers but which retailers publish on EME only to satisfy their Financially Responsible Market Participant (FRMP) requirements.

Eligibility criteria

We currently require retailers to nominate eligibility criteria for their energy plans. These range from specific (e.g. a customer must purchase solar panels from the retailer) to generic (a customer must be in the right distribution zone).

To enable customers to effectively filter plans on EME, retailers will be required to nominate specific eligibility criteria.

Standing offers

The Retail Law requires retailers to publish details of their standing offers. Retailers currently publish their standing offer plans on EME and we are aware of a growing practice of standing offer plans being published on EME that are not available to customers who enquire about signing up to them. We understand that the reason for this is retailers publishing standing offer plans to meet potential obligations as the FRMP. Where a plan is in fact not available to customers other than those who would be serviced under those obligations, it can lead to confusion and frustration.

The proposed change to the draft Guidelines is to categorising standing offer plans that are published solely to meet a retailers’ obligation as the FRMP as a restricted plan.

3.7 Accuracy of plan information and Energy Made Easy requirements

3.7.1 Using EME plan ID

Under the current Guidelines retailers are required to include EME generated unique IDs for plans created on EME. However, retailers are not required to refer to or identify plans in their call centres or other customer contact points using the EME generated plan ID.

This has led to considerable customer confusion and frustration. It also undermines the ability of EME to provide a meaningful tool for customers to compare the plans available to them and to seek to sign up to a plan of their choice because retailers are unable to locate the plan based on the EME plan ID.

Proposed provision

Retailers, or third parties acting on behalf of a retailer, must use the EME-generated unique ID as an identifier throughout their internal systems when referring to plans so that any staff member can identify a specific plan from that ID.

Intention

Any staff member of a retailer, when provided with an EME plan ID number can identify that energy plan in the retailer's system.

We often hear from frustrated customers who have called a retailer after identifying a suitable energy plan on EME, quote the EME plan ID, but find the retailer's staff are not able to identify the plan from the ID. These experiences undermine customer confidence and trust. They also add to confusion in the market and increase the likelihood of customers disengaging from the search process.

The proposed requirement addresses this issue by ensuring any retailer staff member is able to use the EME ID number to identify that energy plan in their system.

3.7.2 Plan accuracy across platforms

One of the most frequent complaints from EME users is inconsistency between a retailer's plan information and information on EME. This may include outdated plans or duplicate versions of retailer plans on EME.

These inconsistencies often are only discovered after a customer has found a plan on EME and contacted the retailer about it, only to experience frustration when they cannot sign up to the plan.

We will continue to monitor this issue and may look to impose reporting or other quality assurance obligations on retailers if these issues persist.

3.7.3 Removing retailers' ability to create EPFS

Under the current Guidelines, retailers can create their own EPFS, including those generated through EME and adapted for the retailer's purpose.

Through feedback and complaints we receive, it is clear many customers find the range of formats confusing and frustrating, particularly when seeking to compare plans.

To address this, we propose that retailers will no longer be able to design and develop EPFS in their own style and format. Retailers will be required to use the BPI and CS generated by EME. As discussed above, this requirement will ensure that customers can access key details of any plan in a consistent format and across a range of search pathways so they can more meaningfully compare different plans.

Attachment A: Summary of submissions

Stakeholder	Summary of Stakeholder submission
AGL (Link: AGL submission)	<p>The price, product and service benefits that flow to customers from competitive energy retail markets are predicated on the ability of customers to participate effectively in those markets. AGL supports policy and regulatory reforms that remove barriers to consumer participation.</p> <p>The design and layout of EPFS needs improvement. The current design results in a text-heavy and visually unappealing document. The use of illustrative images or graphics is encouraged in order to more clearly and succinctly convey relevant information on the EPFS.</p> <p>It is important that the design, layout and content of EPFS is tested with consumers. AGL supports the engagement of BETA to conduct this work, and to complement this.</p> <p>AGL prefers presentation of information in pictures rather than words.</p> <p>AGL strongly supports the introduction of a standardised industry wide comparison approach. It is recognised that consumers should not have to perform complex calculations in order to compare offers.</p>
Alinta Energy (Link: Alinta Energy submission)	<p>Consistency in approach to how retailers communicate information to customers is a key element in building consumer confidence. Any misalignment between the NEM jurisdictions and Victoria may further hamper consumer confidence in the energy market</p> <p>Need to be clear on the purpose of the EPFS. The EPFS should be viewed as a tool available to consumers already engaged in the process of comparing and contemplating energy offers.</p> <p>Customers should have access to sufficient information to be informed without providing a level of detail that drives disengagement. Consumer research will be key to ensuring that what is to be implemented is fit for purpose.</p> <p>Government can play a greater role in the education of these customers by acting as an independent source of information on the energy market and communicating the benefits available to consumers in taking a more active role in managing their energy needs.</p> <p>Retailers will continue offer services to customers through access to contact centres etc. for those not digitally engaged.</p>
Aurora Energy (Link: Aurora Energy submission)	<p>Retailers require flexibility to communicate with their customers in the most effective manner. Aurora Energy is best placed to provide the information required for a customer to make informed choices to manage their electricity needs</p> <p>The objective of the EPFS remains undefined. Residential customers in competitive jurisdictions may benefit from an accessible location to obtain key price information for the purpose of price comparison. Other customer segments may</p>

Stakeholder	Summary of Stakeholder submission
	<p>prefer for the EPFS to serve as a contract summary, such as business customers who may value a higher level of detail.</p> <p>Aurora Energy will always offer phone support services for those customers unable or unwilling to engage digitally.</p> <p>By building trust and investing in communities, customers can be confident in their ability to reach out to their retailer when energy affordability becomes an issue for their household.</p>
<p>Australian Energy Council (AEC) (Link: AEC submission)</p>	<p>The AEC and its members support the AER's intent to provide consumers the information they need to: prompt them to investigate the energy market; help them to compare plans and providers; and choose the best deal for them.</p> <p>An EPFS should prioritise the provision of single offer information to enable a consumer to easily compare prices across offers. The AEC believes the EPFS needs a radical visual overhaul. The current EPFS has the repetition of terms and fees.</p> <p>The actual preferences of consumers must be understood. There is also a need to be consistent with other customer communications</p> <p>There are different challenges with profiling businesses on consumption to provide comparison rates or reference prices.</p>
<p>Care Financial Counselling Service (Care Inc.) (Link: Care Inc. submission)</p>	<p>Care Inc. is supportive of AER's aim of assisting consumers in making informed choices in the energy market through improving the type of information on offer for consumers.</p> <p>The current format of the EPFS is poorly displayed. Like ideas should be grouped. The current information on the EPFS is dense and confusing. EPFS could provide a general statement relating to consumers who hold a concession card. The comparison rate should appear on the EPFS and retailer websites as a minimum.</p> <p>If there is a demand for a phone service, it should be provided, as it is important to cater to the needs of all consumers.</p>
<p>Computershare (Link: Computershare submission)</p>	<p>The information presented in the EPFS should be presented in simple terms, which can be easily understood by the average customer. Information that is critical to a customer's decision making process should be represented in a manner that is clear and transparent.</p> <p>Computershare advocate a harmonised communication standard across all participants, with the ability to communicate with customers on their terms with simplified, personalised, up-to-date information and via their choice of digital or physical channel. Computershare believes that a like-for-like measure can assist consumers to make simple and transparent comparisons across the large number of offers and plans in the market. There are a number of variables which would factor into this measure. Any comparison method should consider these variables to reflect the representative cost to a consumer.</p>
<p>Consumer Action Law Centre (CALC) (Link: CALC submission)</p>	<p>Information provided on an EPFS needs to be provided in a way that is meaningful and that focusses on how energy costs are being experienced by the customer. A clear and accurate estimate of what the consumer is likely paying/to pay under the plan that will give consumers a sense of reasonable price to pay for energy in the wider context of the market.</p>

Stakeholder

Summary of Stakeholder submission

Information on the cost of a plan for a low, medium and high energy user, and the average cost for users within their given area should be displayed first.

The current EPFS is overly detailed. CALC suggested, using a larger font with plenty of white space and two easy to read comparison tables- one that outlines the costs under the plan and another that details costs for a typical household in the area. The EPFS should not provide contractual information.

CALC is supportive of phone a service.

Council on the Ageing Australia (COTA Australia) (Link: [COTA submission](#))

Use plain-English terms, where possible, and explain key energy terms. Present information in simple graphic format, where possible and a diagram or case studies on what a 'typical bill' inclusive of all charges would look like for light and heavy energy users.

Comparison rates should be included on the EPFS and possibly on the energy bill. A reference price would need to be pictorial and available online, in marketing material and/or on the bill.

It is critical that retailers provide all information on energy offers in paper format as well as enable consumers to discuss offers with a person either by phone or face-to-face. Government energy comparator websites need a phone service to assist these consumers. Consider funding awareness raising programs to increase consumers' understanding and skill level in comparing energy market offers, including how to read their energy bill and the EPFS.

Department of Planning and Environment (NSW) (Link: [Department of Planning and Environment \(NSW\) submission](#))

The NSW Government is committed to assisting customers shop around and move to the best energy deal. Simplifying and increasing the transparency of energy market offers will provide customers with more confidence to engage in the market and find the best energy deal.

Encouraging the use of diagrams, infographics and the Power of Choice campaign. Ensuring technological solutions do not exclude any customers (e.g. households with no access to the internet or smart[phones])

EnergyAustralia (EA) (Link: [EA submission](#))

Reducing complexity allows EPFS to be understood by a larger number of customers. The EPFS does not have to be a one-stop-shop of information for customers. Instead, EPFS can be viewed as one of many resources available to customers. These reforms should also not be viewed in isolation of other changes made that will improve transparency and usefulness of information available to customers.

EA think the most valuable insight as to layout and graphics will be obtained from customers. Customers like to see a discount identified and represented separately. EA's view is that for the purposes of static documents (e.g. EPFS) which explain energy costs to consumers on a large scale, there is no scope to include the ability to tailor this to individual customers. EA does not believe this is the role of the comparison rate or reference price. Customers who want to undertake a more detail assessment of their potential energy cost can undertake this assessment using objective comparator website such EME or VEC.

Stakeholder	Summary of Stakeholder submission
Energy Consumers Australia (ECA) (Link: ECA submission)	<p>The simplicity of both the information on the EPFS, together with its presentation, will be important to its success in delivering consumers with a product that can assist in easy decision making about energy offers.</p> <p>Much of the language currently used to describe energy offers is not easy for consumers to understand. ECA would encourage a closer review of terms such as tariff type, controlled load and discounts. Encourage the exploration of graphics and other tools.</p> <p>The ECA agrees that EME should have a phone line to allow consumers than cannot or do not wish to use the internet have an opportunity to use the service.</p> <p>The ECA is not convinced that the right metric is in fact “switching” per se, it would prefer to see more emphasis on outcomes i.e. whether the consumer is on a good energy deal (relative to the market).</p>
Energy and Water Ombudsman of NSW (EWON) (Link: EWON submission)	<p>EPFS fees section is not consistent and difficult to compare regarding disconnection fees, noting that the information needs to be displayed in the same order. There is inconsistency around the how the terms and conditions of contracts are displayed on the EPFS, with some retailers providing a link to the retailer website, the actual contract, or a reference to the terms and conditions. With the introduction of meter contestability, EPFS should clearly include information on the fees associated with retailer installed meters.</p> <p>EWON are supportive of mandating the requirements for the key information that should be in the EPFS rather than the format. Although EPFS are easily accessible on EME, they are difficult to locate on retailer websites. Each headline contract offer displayed on a retailer's website should link directly the corresponding EPFS, so consumers do not have to search the entire site.</p> <p>EPFS should clearly present information around impending rate increases within a three month period rather than a general phrase stating all prices are not fixed (a case study was provided to demonstrate this point) and availability of rebates/concessions.</p>
Energy and Water Ombudsman of Queensland (EWOQ) (Link: EWOQ submission)	<p>EWOQ agrees that the information should be summarised in the EPFS. EWOQ agrees that customers must be able to understand the key elements of an energy offer in terms of price, contract terms, fees and charges. EWOQ is supportive of any initiative that requires retailers to customers in a consistent, simplified and transparent format. The EPFS should include information relating to any fixed benefit period within contract offers that discounts may apply as well as including information about how the notification of any price will occur. EWOQ supports the inclusion of concession information and rebates to customers</p> <p>Encourage proposals to require retailers to present information to customers in a consistent, simplified and transparent format that would ultimately assist customers to better understand and compare plans best suited for their circumstances.</p>
Energy and Water Ombudsman	<p>EWOSA is supportive of retaining most of the information currently included on the EPFS, however pricing including GST is</p>

Stakeholder	Summary of Stakeholder submission
<p>of SA (EWOSA) (Link: EWOSA submission)</p>	<p>sufficient and there is no need for addition excluding GST pricing.</p> <p>The percentage amount of discounts and dollar value for fees should be displayed in a separate column to the explanatory text. Font increase required for easy reading.</p> <p>Include information about the expiry of fixed benefit periods and impending price changes. Supportive of displaying the appropriate contact details for the relevant government department for accessing concessions within the "Contact details and more information" section.</p> <p>EWOSA is supportive of requiring retailers to clearly and prominently display information regarding different offers on energy bills, noting alternative offers that might be better suited to the needs of the customer. EWOSA are supportive of a phone service and of the AER increasing its capability and resourcing to encourage consumers through wider promotion of the EME website.</p>
<p>Energy and Water Ombudsman of Victoria (EWOV) (Link: EWOV submission)</p>	<p>EWOV supports using simple images and symbols to support and reflect the written content in materials. Clear, unambiguous information should be provided with the option to be posted to the customer in the mail, as email is not often the best medium for vulnerable customers.</p> <p>A free phone service, offered in languages other than English, should be made available to assist CALD customers who might not have access to the internet. EPFS can be provided in languages other than English to facilitate better dialogue and reduce complaints to EWOV.</p> <p>EWOV is in support of establishing meaningful ways that help consumers compare offers as a means to increase consumer engagement and assist consumers better understand contractual arrangements.</p>
<p>Energy Queensland (Link: Energy Queensland submission)</p>	<p>The information the current EPFS is complex and excessive and hinders customer comparisons. A focus on how information is provided to energy customers will result in better outcomes as opposed to a sole focus on what information is provided.</p> <p>Energy Queensland suggests an effective method of providing users of EME with meaningful information could be the application of a comparison rate, similar to that used by financial institutions</p>
<p>Federation of Ethnic Communities' Council of Australia (FECCA) (Link: FECCA submission)</p>	<p>FECCA is supportive of information being presented in a manner that is clear, consistent and easy-to-read with no unnecessary detail. EPFS should also be made available in languages other than English. FECCA suggested the use of more realistic examples together with simple language, graphics and images, no more than two pages in length.</p> <p>EPFS should include information about concessions and impending price changes to simplify the process of comparing market offers and encouraging CALD consumer engagement.</p> <p>Supportive of alternative engagement methods to engage consumer who are not digitally engaged through continuing to providing key information on EPFS. Energy information could also be communicated via community radio and television</p>

Stakeholder

Summary of Stakeholder submission

stations, ethnic communities' councils and centres, and service providers that cater for CALD Australians, such as settlement and migrant support services. A free phone service, offered in languages other than English, should be made available.

Momentum Energy (ME) (Link: [ME submission](#))

EPFS are overly detailed and not user-friendly. Defining the purpose of the EPFS is important, taking into consideration new market developments.

ME has extended an offer to work with the AER and consumer groups to improve the EPFS template to increase the readability and accessible language. Supportive of using BETA and graphic designers to develop consumer driven documents to create designs that will work best for consumers.

Consider engaging financial counsellors, social workers, and community groups to reach consumers who do not use technology.

Origin Energy (OE) (Link: [OE submission](#))

OE strongly support moves to improve EPFS and to make them more comprehensible so that customers can effectively use them to compare offers. This should include the creation of an industry-wide price comparison, which OE supports as a measure for providing customers with more information about energy offers.

OE believes that customers can be furnished any additional information via a link on the retailer's website. The information needs to be accessible but we do not think a formal document needs to be created. The Rules already cater to this information being provided to customers via a disclosure statement and through the actual contract. The purpose of an EPFS should be to assist a customer with choosing the most suitable energy plan.

Customers that are not engaged online will still depend on written communication and contact with the call centre or external third parties (such as financial counsellors) to remain engaged.

OE's view, AER's immediate priority should be towards improving the functionality of EME instead of establishing a contact centre. OE is aware of some agencies, such as the EWON organising 'Bring your bill' days. Consumer groups and welfare agencies are also involved. This has proven to be a useful community outreach program and is a good way of engaging customers without access to the internet.

Powershop (Link: [Powershop submission](#))

Supportive of less information on EPFS. The EPFS should only focus on unavoidable fees, prices, discounts and key conditions to access discounts. Information around eligibility, contract features, terms and conditions, and contact details and more information should be omitted from EPFS. Powershop suggested the EPFS be amended to include the following information: Pricing information should be included with and without discounts, GST inclusive, and information on discounts needs to be included in the current conditional discounts section. Retailers should be given the choice to include information around fees based on whether the retailer charges these or not. A mandated message regarding a fixed benefit period should be included also. Powershop is supportive of current language used on EPFS.

Powershop is supportive of making information accessible to CALD communities through the following strategies:

Stakeholder	Summary of Stakeholder submission
	<p>engagement with community leaders and organisations by providing these organisations with knowledge around retail electricity and information provided in a number of languages.</p> <p>Powershop is opposed to including messages on customer bills or fact sheets that encourage customers to switch as it might lead to compromising competitive nature of the market. Strongly supports clearly displaying information regarding fixed benefit period and all changes in rates and/or discounts clearly highlighted on bills.</p>
<p>Public Interest Advocacy Centre (PIAC) (verbal) (Link: PIAC submission)</p>	<p>EPFS need to be simple to engage disengaged consumers. More engaged consumers will prioritise accurate information over simplicity. EPFS will need to balance the needs of both types of consumers</p> <p>Advised the AER should review the Ethnic Communities Council publication regarding engaging CALD communities.</p> <p>Supportive of the AER's proposed policy position, however PIAC noted that, while information needs to be simple to engage disengaged consumers, balancing the need for accurate information to target more engaged consumers is also required.</p>
<p>Queensland Competition Authority (Link: Queensland Competition Authority submission)</p>	<p>Consumers require the following information to make an informed choice: current/future consumption levels, solar feed-in tariffs, discount benefit period, incentives, and willingness/ability to meet conditions attached to discounts, and fees and charges attached to discounts. Retailers should be required to clearly state how discounts are applied to solar exports, as there are inconsistencies. Retailers need to provide clearer guidance on how 'key fees' are attached to retail offers as there are inconsistencies across retailers.</p> <p>Retailers should be required to specify the payment processing attached to each offer and if there are fees involved for each payment type. EME should clearly specify what type of controlled load tariff is attached to retail offers. The terminology used for controlled load needs to be consistent and better defined.</p> <p>Currently EME users need to input their kWh usage from a recent electricity bill via a 'standard (peak/anytime)' field. Further, the data used to apply an estimate for users that do not have a recent electricity bill need should be based on the most recent data from distributors, rather than the current data being based on a survey from 2014.</p> <p>The Qld Competition Authority is supportive of allowing solar customers to input their net bill inclusive of revenue from solar exports on EME. Information regarding discounts and fixed benefit periods need to be clearly identified as per each offer displayed on the EME website, along with information about where customers can obtain further information about the benefit periods.</p>
<p>Queensland Consumers Association (Link: QCA submission)</p>	<p>EPFS need to be clearly accessible and easier to understand. Retailers should be required to make the EPFS more accessible on their websites by including a link to all EPFS on the first page of retailers' websites.</p> <p>Prices and charges on EPFS should only be provided inclusive of GST.</p> <p>The term 'switching' is confusing as it is not clear about what it is specifically referring to. Further clarification is required</p>

Stakeholder

Summary of Stakeholder submission

regarding whether the term refers to a consumer changing contract with the current retailer, changing retailer or both. Supportive of using community groups to facilitate increased consumer knowledge and engagement in energy market.

QCA supports having a phone service for government comparator websites.

Queensland Council of Social Services (QCOSS) Link: [QCOSS submission](#)

QCOSS noted that although EPFS can enable consumers to compare offers, it is only effective for those consumers who are already energy literate and have an awareness of EME and EPFS. The submission also noted that comparison data will need to be based on the actual usage patterns, solar exported to the grid, concessions and generation types of the customer.

QCOSS supports keeping information on EPFS to a minimum and suggested highlighting critical information through colour coding and organising information into three sections.

Supportive of upgrading EME to allow solar customers to input information about their kWh export from electricity bill and value of electricity rebates received. QCOSS also highlighted the need for regulation around the National Energy Customer Framework implemented by QLD Government.

QCOSS was strongly supportive of a phone line, particularly important for older Australians, however, greater awareness through promotion is required. QCOSS also suggested that EME should be updated to allow customers to filter out offers which require the customer to conduct transactions online or charge extra.

Terms used in energy offers (such as the word 'peak'), terms and conditions and lack of awareness around the different offers and ability to switch are barriers to market engagement.

QCOSS suggested that AER work more closely with CALD communities to develop resources such as additional translated resources and that there is a need for culturally appropriate information, education, and communication for Aboriginal and Torres Strait Islander consumers.

Red Energy/Lumo Energy (Link: [Red Energy/Lumo Energy submission](#))

Any additional tools need to be tested with consumers. The purpose of the EPFS should be increase confidence when comparing offers. A reference price is preferable as a comparison tool. Any technological enhancements need to factor in the cost given the fast changing nature of this space.

EPFS should focus on the comparison of offers based on price, rather than a detailed comparison of terms. A click through link included to take customers to a separate document containing key features of the contract would be useful. Simplifying EPFS would further assist non-digitally engaged customers.

Non-digitally engaged consumers are most likely to seek to use phone services for comparison and information. Likely they would work with a consultant over the phone to determine the best decision for them rather than requesting an EPFS.

Uniting Kildonan (Link: [Uniting Kildonan submission](#))

Supportive of clear, simple, targeted and easy to read EPFS for consumers that aims to avoid information overload by serving as an entry point for consumers to gain perspective. The current EPFS requires a high level of literacy. A summary

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	<p>of key information should be included in EPFS.</p> <p>Graphics/graphs could be used in conjunction with figures/amounts.</p> <p>Consumers should be given access to information where they live and/or spend most of their time. A contact line should be offered. Translated EPFS across all cultural groups should be considered as a way of engaging CALD communities.</p>