



26 August 2011

Mr Tom Leuner  
General Manager, Markets  
Australian Energy Regulator

By email: [AERinquiry@aer.gov.au](mailto:AERinquiry@aer.gov.au)

Dear Mr Leuner,

**Re: Development of the AER's National Energy Price  
Comparator Website**

Australian Power & Gas (APG) welcomes the opportunity to provide comments on the AER's Issues Paper on the development of a national energy price comparator website.

APG holds the view that a national energy price comparator website should only be introduced if it is to take the place of the existing jurisdictional based (Government) energy price comparator websites. The suggestion in the issues paper that;

*"Each state and territory can opt in to use the AER's price comparator website when the Retail Law commences",*

and the further statement;

*"Where jurisdictions have opted in, the existing jurisdictional comparator sites may redirect customers to the AER's price comparator website"* gives significant cause for concern.

Adding another layer to the website comparison services in having both a jurisdictional and national service is not only inefficient, it will add to customer confusion. Further the administrative burden and complexity in ensuring that all website services (jurisdictional and national) consistently align will add cost and complexity in providing a service that we believe is not being widely used by customers.



In developing a national energy price comparison website the AER must ensure it adheres to a number of fundamental principles. These being,

- The website must be simple for consumers to use,
- Retailer updates must be able to be applied in a simplistic manner to the website,
- Consistency in the method of assessment of retailers offers, including between websites (jurisdictional & national),
- Retailers should only need to provide those offers that are generally available to customers,

Whilst not highlighted in the issues paper we would suggest that retailers must be involved in the testing phase of any proposed website comparison service. Retailers are best placed to review the representation of their energy offers as well as testing the capabilities and practicalities of navigating the site.

Our comments on a number of key issues / requirements for a comparison website are contained in the attached.

Should you wish to discuss or require any additional information I may be contacted on (02) 8908 2714 or via email: [sruddy@auspg.com.au](mailto:sruddy@auspg.com.au)

Yours Sincerely,

**Shaun Ruddy**  
Manager Regulatory & Compliance  
Australian Power & Gas



## AER Price Comparator Website Issues Paper

### National v Jurisdiction Energy Price Comparator Websites

The issues paper suggest that jurisdictional energy price comparison websites will / may be retained following the introduction of a national energy price comparison website.

APG holds the firm view that the national website should only be introduced if it is to replace the existing jurisdictional (Government) comparison websites. The introduction of another layer of comparison websites will only add cost and potential customer confusion, especially in cases where the information on the websites are not aligned.

There is a genuine concern with the ability of the AER and the jurisdictions to maintain websites that are consistent in terms of the accuracy of the information contained within the site. If the jurisdictional and national websites become "out of step" in terms of the accuracy of their pricing and product information it will have a detrimental impact on market confidence and that of customers.

We have already experienced such issues in cases where the jurisdictional comparison websites have failed to maintain current / accurate pricing and product information compared to that being offered in the market. Given such experiences it is our strong view that the market cannot support both jurisdictional and national energy price comparison websites.

### Simplicity of Use

Any website must strike a balance between simplicity of use and the provision of accurate (current) information. Requiring customers to input metering configuration information may be seen as adding complexity to the service, however without such detail the comparison information provided to customers could only ever be considered to be generic.



At a minimum the customer should be required to input the following;

- The customers postcode,
- The fuel types (gas & electricity) the customer is looking to compare,
- The users meter type (peak, off-peak, time of use),
- Estimated consumption or dollar spend on energy,

The estimated consumption information is an important indicator for determining the estimated costs of available offers and therefore the most beneficial offer for the customer.

Where a customer is unable to provide this information they may be able to provide generic profile information such as;

- Property type,
- Number of residence,
- What fuel they use for heating etc.

This information may be used to develop a profile of the customer's energy usage and hence be used to provide comparison information. However this approach or option will add considerable complexity (and cost) to the way the website operates.

It also needs to be remembered that the more generic the information that is provided by the customer, the more generic the results will be. This is where the importance of the website disclaimer comes in.

The website disclaimer advising the customer of the limitations of the information being provided should appear on both the initial entry screen to the website as well as the last during the interaction.

The statement should clearly advise customers of the limitations of the information being provided especially in the case where only generic information has been provided by the customer.



## Information Updates

A commonly experienced issue with the existing comparison websites is the timely update of information to ensure the website remains current.

The ability of the website administrator (in this case the AER) to ensure the website information remains current will be impacted by the method it prescribes for retailers to provide updates. Hence any method needs to be simplistic in nature to allow for the ease of updating.

This flows through to the issue of which offers should be provided for on the website. For simplicity and efficiency we support the approach that only generally available offers need to be provided.

## Search Results

Customers should be provided with the ability to search results via key offer attributes, including;

- Price,
- Green offer,
- Market offer term (fixed or not-fixed)

Of question is how the site will display the initial comparison response. The issues paper indicates that responses will be displayed in tabular format; however what is not clear is whether this will be done in a ranking of best to least beneficial offer, whether the results will be displayed alphabetically or by other ranking format, e.g. green offers first.

Whatever format is chosen it is important to ensure this is clearly disclosed to customers so they are aware of the initial ranking placed on results.