



Draft

# **Statement of Approach: AER Price Comparator Website**

November 2011

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### **Amendment record**

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## Shortened forms

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ACCC	Australian Competition and Consumer Commission
AER	Australian Energy Regulator
Customer Framework	The National Energy Retail Law, National Energy Retail Rules and National Energy Retail Regulations
MCE	Ministerial Council on Energy
Retail Law	National Energy Retail Law
Retail Regulations	National Energy Retail Regulations
Retail Rules	National Energy Retail Rules

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# 1 Introduction

National legislation to create a new National Energy Customer Framework (Customer Framework) passed both houses of the South Australian Parliament without amendment on 9 March 2011 and received Royal Assent on 17 March 2011. The Customer Framework, comprising the National Energy Retail Law (Retail Law), National Energy Retail Rules (Retail Rules) and National Energy Retail Regulations (Retail Regulations), has been developed through extensive consultation by the Ministerial Council on Energy (MCE). The MCE agreed on 10 December 2010 that jurisdictions would work towards a common target date of 1 July 2012 for commencement of the Customer Framework.

Under the Retail Law, the Australian Energy Regulator (AER) is required to develop and operate an online energy price comparison website.<sup>1</sup> The purpose of the price comparator is to assist Australian energy consumers to navigate often complex electricity and gas retail markets to find a suitable energy offer. The website will allow residential and small business customers to compare available offers.<sup>2</sup> The AER anticipates that the price comparator will be operational by 1 July 2012, when the Retail Law is expected to commence.

The Retail Law provides some guidance about the form and content of the price comparator website, but the absence of prescriptive parameters provides a degree of scope for the AER to develop the site as it considers appropriate. To assist in this, the AER has been consulting with a broad range of stakeholders including jurisdictions, jurisdictional regulators, consumer representatives and energy retailers. Submissions to the issues paper released on 27 July 2011 and the accompanying public forums on 17 and 25 August 2011 invited stakeholders to consider a broad range of issues regarding the operation of the website and the end-user experience.<sup>3</sup> The views expressed in these consultations have been considered in the development of this Statement of Approach.

This Statement of Approach explains the AER's proposed approach to the development of the price comparator website as required under the Retail Law, including required inputs from the user, the display of available offers to the user, and ensuring the website is accessible to users.

## 1.1 Provisions for a price comparator under the Retail Law

The Retail Law provides some guidance about the form and content of the price comparator website. The relevant provisions state that:

- the AER must develop and make available on a website a price comparator;<sup>4</sup>

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<sup>1</sup> s 62(2), National Energy Retail Law.

<sup>2</sup> s 62(3)(a), National Energy Retail Law.

<sup>3</sup> The issues paper can be accessed via the AER website at <http://www.aer.gov.au/content/index.phtml/itemId/748266>.

<sup>4</sup> s 62(2), National Energy Retail Law.

- the purpose of the price comparator is to assist a small customer to compare the standing offer price available to that customer, and market offer prices that are generally available to classes of small customers;<sup>5</sup>
- the AER may decide whether to develop a single comparator which compares prices for both electricity and gas;<sup>6</sup>
- the price comparator must make clear to small customers that it only provides a guide;<sup>7</sup>
- the price comparator may, in addition to including information about prices of standing offers and market offers, include any other information the AER considers will achieve the purpose of a price comparator;<sup>8</sup>
- the AER must update the price comparator website as soon as practicable after a retailer informs the AER of any variations to its standing offer price or a relevant market offer price;<sup>9</sup>
- retailers will provide information for the price comparator website in accordance with the AER’s Retail Pricing Information Guideline;<sup>10 11</sup> and
- each state and territory can opt in to the AER’s price comparator website when the Retail Law commences.<sup>12 13</sup>

## 1.2 Other energy price comparator websites

Price comparator websites are currently operated by jurisdictional energy regulators in Victoria, New South Wales, South Australia and Queensland.<sup>14</sup> There are also several private commercial sites which allow customers to compare offers and offer ‘switching services’ for customers wishing to change retailers.

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<sup>5</sup> s 62(3), National Energy Retail Law.

<sup>6</sup> s 62(6), National Energy Retail Law.

<sup>7</sup> s 62(4), National Energy Retail Law.

<sup>8</sup> s 62(5), National Energy Retail Law.

<sup>9</sup> s 62(7), National Energy Retail Law.

<sup>10</sup> s 62(3), National Energy Retail Law.

<sup>11</sup> The AER Retail Pricing Information Guideline and Notice of Final Instrument can be accessed at <http://www.aer.gov.au/content/index.phtml?itemId=734869>.

<sup>12</sup> s 62(1), National Energy Retail Law.

<sup>13</sup> Individual jurisdictions may wish to maintain their own comparator sites for a period after the Retail Law has commenced, even if they have opted into the AER’s price comparator website.

<sup>14</sup> In Victoria, the Essential Services Commission (ESC) operates the ‘Your Choice’ website, <http://www.yourchoice.vic.gov.au/>; in New South Wales, the Independent Pricing and Regulatory Tribunal (IPART) operates the ‘My Energy Offers’ website, <http://www.myenergyoffers.nsw.gov.au/>; in South Australia, the Essential Services Commission of South Australia (ESCOSA) operates the ‘Estimator’ website, <http://www.escosa.sa.gov.au/>; and in Queensland, the Queensland Competition Authority (QCA) operates the ‘Comparator’ website, <http://www.qca.org.au/comparator/>.

## 2 How to make a submission to this Statement of Approach

The AER invites comments on the Statement of Approach to inform the AER in its approach to the development of the price comparator website. Submissions can be sent electronically to: [AERInquiry@aer.gov.au](mailto:AERInquiry@aer.gov.au) with the title “Draft Statement of Approach – Price Comparator Website – attn Dianne McGrath” or by mail to:

Sarah Proudfoot  
General Manager, Retail Markets  
Australian Energy Regulator  
GPO Box 520  
Melbourne VIC 3001

The closing date for submissions is **2 December 2011**.

### PLEASE NOTE:

The AER prefers that all submissions be publicly available to facilitate an informed and transparent consultative process. Submissions will therefore be treated as public documents unless otherwise requested, and will be placed on the AER’s website ([www.aer.gov.au](http://www.aer.gov.au)). Parties wishing to submit confidential information are asked to:

- clearly identify the information that is subject of the confidentiality claim
- provide a non-confidential version of the submission for publication, in addition to the confidential one.

The AER does not generally accept blanket claims for confidentiality over the entirety of the information provided. Such claims should not be made unless all information is truly regarded as confidential. The identified information should genuinely be of a confidential nature and not otherwise publicly available.

In addition to this, parties must identify the specific documents or relevant parts of those documents which contain confidential information. The AER does not accept documents or parts of documents which are redacted or ‘blacked out’.

For further information regarding the AER’s use and disclosure of information provided to it, please refer to the *ACCC–AER information policy: the collection, use and disclosure of information*, which is available on the AER website.

### 3 Proposed approach to the price comparator website

As general principles, the AER's price comparator website will be

- **independent and impartial** – the price comparator will not offer a switching service, act like a broker or have affiliations with energy retailers or other interested parties. It will present information about energy offers impartially;
- **accessible** – as an Australian Government website, the price comparator will comply with the relevant Website Content Accessibility Guidelines. It will contain features to assist users from backgrounds of cultural and linguistic diversity. An alternative option will also be available to users with no or limited internet access;
- **simple** – the price comparator will be easy to use and will present instructions and information in plain English;
- **accurate** – the price comparator will provide an accurate comparison of the energy offers available to a user, based on the input information provided. Noting that the website only provides a guide, the AER will ensure that the information on offers provided by retailers will be displayed as accurately and as reasonably possible; and
- **current** – the AER will update the price comparator as soon as practicable after a retailer provides information of a new offer or a variation to an offer to the AER.

The AER recognises the importance of catering to a range of user needs, from customers with low energy literacy, to those with advanced awareness. The AER notes stakeholder comments that the functionality of the website should at least meet the functionality offered by existing jurisdictional price comparator websites, and be able to account for the different market conditions of participating jurisdictions. However, the AER reserves the right to not adopt some functionality existing in other websites (for example, estimated savings functionality). The AER also notes stakeholder comments that the design of the site should not restrict retailers' innovation in product offerings where possible.

The website will have its own address and be available via links from the AER and Australian Competition and Consumer Commission (ACCC) websites.<sup>15</sup> Where jurisdictions have opted in, the existing jurisdictional comparator sites may redirect customers to the AER's price comparator website once it is operational. Other interested stakeholder groups may also direct customers to the AER price comparator.

It is proposed that current jurisdictional regulator price comparator sites remain operational for an overlapping period of two to three months following the launch of

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<sup>15</sup> The AER is a constituent part of the ACCC. It was established under Part IIIA of the *Trade Practices Act 1974* (renamed the *Competition and Consumer Act 2010* on 1 January 2011) and operates as a separate legal entity.



the AER price comparator for transition purposes. This contingency measure will ensure that customers in jurisdictions who currently have access to independent online price comparison services continue to do so should there be any technical problems or a delay in the upload of offer data at launch.

Both residential and small business customers will be able to use the website to identify and compare offers available to them. The website will present generally available offers from each retailer, based on a range of inputs by the user. The comparator will show customers:

- the retailers that have energy offers available to them;
- unit rates for energy for each of the available offers (for example, cost of electricity per kilowatt hour (kWh), or cost of gas per megajoule (MJ));
- daily supply charge (fixed charges) for each offer; and
- an estimation of the user's annual bill under each offer, both inclusive and exclusive of conditional discounts (discounts which are contingent on a certain event occurring, for example the customer paying their bills on time).

The price comparator website will also include information on key features, incentives, and conditions that apply to an offer. This information may include:

- the length of the contract;
- non-price incentives (for example, vouchers for use in energy retail stores, magazine subscriptions, cinema tickets or tickets to sporting events);
- discounts (including related conditions);
- key fees (including but not limited to exit or early termination fees, account establishment fees and late payment fees);
- whether the offer has green power options; and
- whether the offer is available to customers with solar panel installations.

The website will display a disclaimer making it clear to users that the price comparison service is only a guide. This will be displayed prior to the user obtaining the list of available offers.

### **3.1 Operation of the price comparator website**

At a high level, the price comparator website will operate as follows (Diagram 1 provides a visual overview).

#### **3.1.1 Step one: indicate whether the user is a residential or small business customer**

The price comparator website homepage will initially request that the user select whether they are a small business or residential customer.

### **3.1.2 Step two: input user information**

Once the user selects which type of customer they are, the price comparator will prompt users to enter information about their circumstances and energy requirements. This will allow the price comparator website to generate a list of offers available to the user.

Required input information will be:

- whether the customer is seeking to compare electricity, gas or dual fuel offers;
- the user's postcode (the comparator will also include functionality to determine the user's distributor if they are located in a postcode that contains multiple distribution zones);
- the user's tariff type;
- the user's consumption data from a previous bill, or data to establish an estimate of energy consumption, with various approaches of deriving the estimate (refer to section 4.1.5 for further information); and
- whether the customer is seeking to compare only solar offers.

Information required from the user is discussed in further detail at section 4.

### **3.1.3 Step three: accept disclaimer**

Once the user has submitted the required input information and clicks to proceed with the comparison, the comparator will display the disclaimer. This disclaimer will inform the user that the price comparison service is a guide only. The disclaimer will also inform users:

- of the purpose of the comparator;
- that the content of the price comparator may change, particularly at regulated price variation periods;
- that the accuracy of the comparator depends on the accuracy of the inputs entered;
- that the annual bill estimation under each offer shown includes GST; and
- that the user should consider all the terms and conditions of each offer, and make their own inquiries with retailers to determine which offer will best meet their requirements and circumstances.

The user will have to click to accept this disclaimer in order to access the list of available offers.

The AER notes that stakeholders showed a high level of interest in the content of the disclaimer. There was general agreement that messaging must clearly communicate that the site is a guide only and does not have a role in recommending a particular offer, nor in providing a switching service. Stakeholders also highlighted the

importance of a disclaimer that is easy to understand and does not deter users from accessing the comparator service. Accordingly, the AER intends to keep messaging simple with minimal legalistic language. Similar messaging will be displayed at appropriate locations throughout the website (for example, upon initial entry to the website homepage).

#### **3.1.4 Step four: show results**

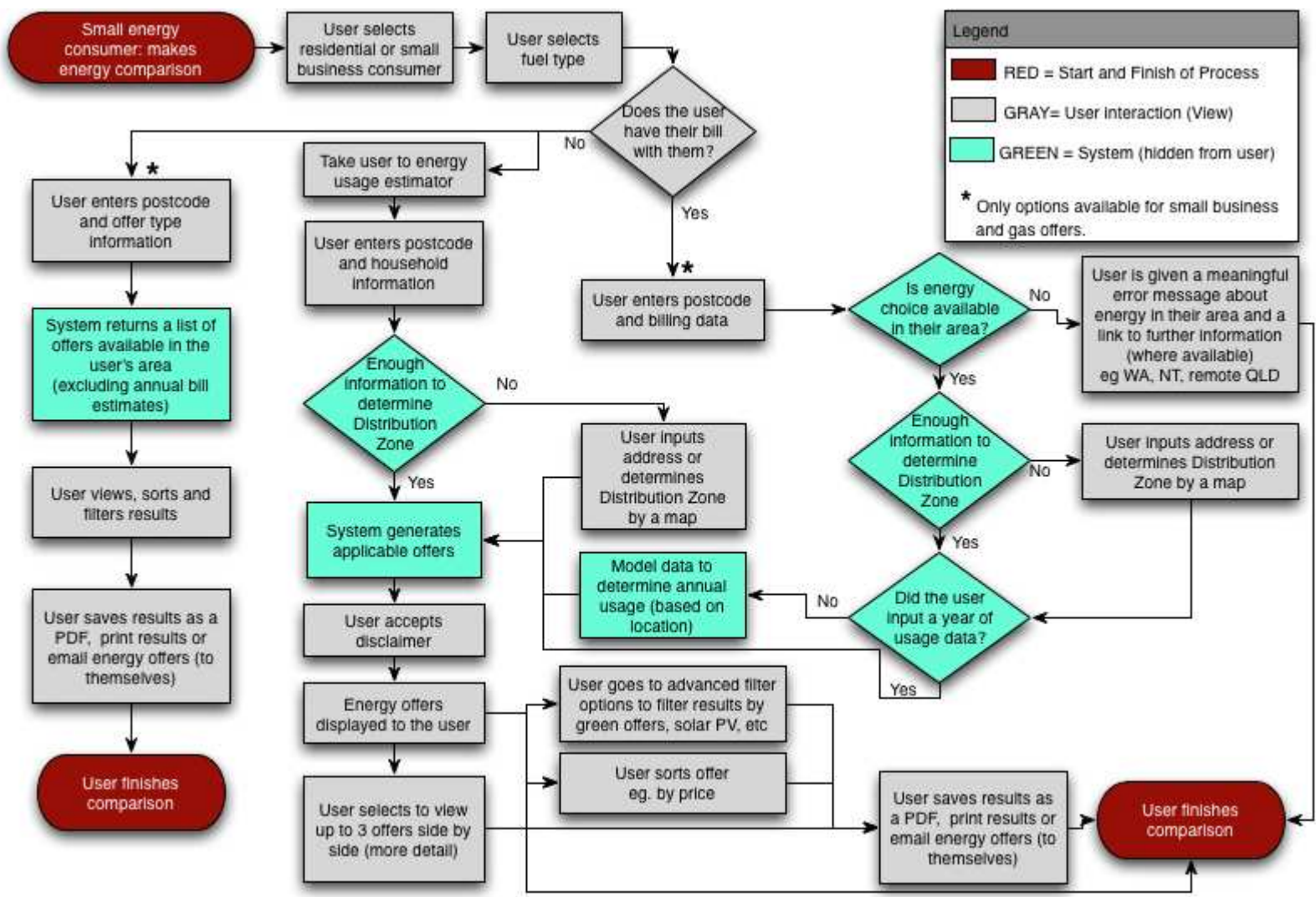
Once the user has accepted the disclaimer, the price comparator will generate a list of energy offers available and display the results in a table format (see Table 1 for proposed layout). To allow for navigation and customisation of the results, users will be able to sort the results by a number of fields (for example, alphabetically by retailer name or annual estimated bill cost). Users will also have the option to filter results by different categories (for example, offers within a specific percentage range of green power or by contract term).

To enable the user to compare offers they might be interested in, the user will be able to select up to three offers to view side by side.

The user will also be able to print, save as a PDF and email the list of results. On all printable material users will be reminded that the price comparator is a guide only.

Display of offers available to the user is discussed in further detail at section 5.

Diagram 1: Overview of the operation of the price comparator website



## **4 Information required from the user**

### **4.1 Mandatory inputs**

Users will need to input certain information about their usage and circumstances so that the price comparator can determine which offers are available to them. The AER considers that the inputs listed at sections 4.1.1 to 4.1.5 are necessary to enable the price comparator to provide a list of generally available offers for a particular user.

The AER recognises the necessity of keeping the website user friendly. To this end we intend to keep the mandatory inputs as simple as possible, and minimise the number of user ‘clicks’ required to generate a list of offers. Likewise, the AER recognises the difficulty in creating a simple, usable website while ensuring accurate outputs, particularly when determining a user’s consumption estimate if the user does not have a previous energy bill. The AER believes that a functional website for comparison of energy offers should not result in inaccurate outputs.

To assist users to input information, energy term definitions will be located throughout the website where necessary. The website will also contain information on how to use the website.

#### **4.1.1 Customer type**

The user will be required to indicate if they are a

- residential customer; or a
- small business customer.

This information is required to ensure the website leads the small customer through the correct data inputs pathway, leading to the generation of a list of offers that are only available to that customer category.

#### **4.1.2 Fuel type**

Users will be required to select whether they want to compare electricity, gas or dual fuel offers.

#### **4.1.3 Postcode**

This information is required as the availability of offers and tariff rates may vary depending on the location of the user’s premises, particularly their distribution zone.

##### **Where the postcode entered covers more than one distribution zone**

Where the postcode entered by the user covers more than one distribution zone, users will have the option of accessing a map of the postcode area indicating distribution zone boundaries. This will enable users to determine which distribution zone they fall into.

To ensure that users unable to access the map are able to determine their distributor, a second option of entering in the user’s street address will be available. Once entered,

the user's distributor will appear in the input field. A note will assure users that the information they enter is secure, not stored or shared, and is used only for the purpose of identifying their distribution zone.

#### **Where the postcode entered is not in the national electricity or gas market**

The AER acknowledges that users situated in towns or regions not on the national grid (including those in jurisdictions not within the national electricity market), or users who are not situated in covered gas networks, may attempt to use the price comparator. Where the postcode entered by the user corresponds to these areas, users will receive a targeted message and be referred as appropriate to an agreed external jurisdictional website.

For example, should a residential customer from Western Australia (WA) attempt to use the price comparator, following the entry of that user's postcode, the user will receive a message explaining that the price comparator website does not contain information on offers available to customers in WA. The user will then be directed to an appropriate information source such as the website for the WA Office of Energy, where the user can access information on tariffs relevant to their area.

#### **4.1.4 Tariff type**

A customer's tariff type will determine the rates at which energy is charged (for example, peak and off peak rates, or time of use tariffs), and which offers are available. A 'help' button with simple explanations of tariff types will assist customers to select the correct one.

Users will be able to select from one of the following tariff types:

- single rate;
- two rate (peak and off peak);
- time of use; and
- unknown.

If the user selects unknown tariff type, the comparator will use single rate as the default option. Single rate tariff type it is the most common tariff type for residential customers at present.

#### **Time of use tariffs**

We note that very few users are currently on complex time of use tariffs. The time of use tariffs currently available typically involve different tariff rates for specified peak, off peak and shoulder periods. The AER intends to provide simple time of use functionality which can accommodate these block periods at initial website commencement on 1 July 2012. We envisage that this time of use functionality will be similar to the functionality on IPART's My Energy Offers comparator.

The AER will seek to introduce functionality to accommodate complex time of use tariffs as they become increasingly available, for example if the moratorium on smart meters is lifted in Victoria.

#### 4.1.5 Estimated energy consumption

Consumption information is required for the price comparator to calculate the estimated annual cost of each of the generally available offers.

For electricity, the comparator will provide two input options for determining an estimate of the user's consumption. The user will be able to enter either

- (i) information about their own electricity consumption estimate based on a recent bill or bills, or
- (ii) information about their household.

The latter option will enable users with no previous electricity bills for their household (for example, those moving house) to use the price comparator to estimate their electricity consumption.

Users will only need to enter information for one of the proposed options. The AER notes, however, that information from a recent bill will produce the most accurate results. This option will therefore be promoted first – the user will be asked upon entry to the comparator, 'Do you have a copy of a recent bill?', or words to that effect.

To estimate a user's gas consumption, the user will only be able to enter information about their own gas consumption estimate based on a recent bill or bills.

The options for inputting information about a user's energy consumption are detailed below.

1. The user's own estimate of how much energy they consume in kWh (electricity) and/or MJ (gas), based on a recent bill

Users can choose to enter a figure from one bill or a total annual figure, ensuring that the annual figure is the sum of consumption from previous bills over an annual period. If the user enters a figure from one bill, the user will also have to select the season the bill applies to from a drop-down menu. The comparator will then apply seasonal weightings to estimate the user's annual energy consumption.

2. Information about the user's household energy profile

Users can choose to enter household information which will enable an estimate of electricity consumption to be derived. Household information may include:

- property type (for example, house, apartment)
- the number of bedrooms
- number of residents
- whether they use gas for heating
- what type of hot water they use (gas or electric)

- if residents are generally home during the day
- if the property has a pool.

Some stakeholders were critical of the issues paper proposal to use typical expenditure on gas and/or electricity in dollars to estimate energy consumption. The AER acknowledges that it will be difficult to produce an accurate estimate of consumption and the resulting estimated annual cost may result in outcomes that are not beneficial, or at worst misleading, to consumers. The AER has therefore decided not to offer this option of estimating consumption.

### **Small business users**

The AER considers that it will be difficult to derive a meaningful estimate of consumption for small businesses if they enter in information about their business characteristics. Therefore, to generate an estimated annual cost, small businesses will only have the option of entering in consumption data from a recent bill.

### **Where the user's consumption is unknown**

If the user is unable to provide any consumption information (that is, both of the input options are left blank), the price comparator will only display the rates of available offers without information about the estimated annual costs of those offers. Users will only be able to see the tariff unit rates and key fees, discounts and non-financial incentives for each available offer.



## 5 Display of offers available to the user

At this stage, the comparator will have information about the user's customer category, distribution zone, tariff type, and an estimate of expected energy consumption (where applicable). Prior to the user obtaining a list of available offers, the user will have to accept a disclaimer informing users that the website is only a guide and that they must consider all the terms and conditions that apply to each offer (including any early termination or switching fees under their existing contract). The disclaimer will also remind users that they should make their own inquiries with retailers to determine which product will best meet their requirements and circumstances. The comparator will then display a list of offers available to the user.

### 5.1 Presentation of offer information on the results webpage

To enable users to compare offers and make informed choices, the presentation of the offer information on the results webpage will include the following features:

- Users will be informed of the total number of offers found by the price comparator and the total number of retailers they can take supply from.
- Offers will initially be displayed by lowest to highest estimated annual bill cost exclusive of all discounts (both conditional and non-conditional discounts). The AER notes that there were a variety of stakeholder views regarding initial ranking of offers. The Retail Law provides that the purpose of the price comparator is to assist small customers to compare the energy offer *prices* available to them.<sup>16</sup> While ranking by lowest to highest unit rates of energy would achieve a comparison of prices, the AER believes that ranking by lowest to highest estimated annual cost will assist consumers to make more meaningful comparisons between offers.
- Users will be able to sort the list of results by a number of offer components, including but not limited to alphabetically by retailer name and by estimated annual bill cost.
- Users will be able to filter the list of results by a number of offer components including but not limited to length of contract term and offers within a specific percentage range of green power.
- Users will be able to access information on how to use the website, and website prompts and 'help' buttons will assist users. This will enhance usability of the site and assist customers in understanding the outputs.
- The website will only provide users with information to compare energy offers, and will not include a switching service. Users will be directed to contact the relevant retailer if they are interested in taking up a particular offer. To ensure ease of use for customers, the price comparator will provide clear links to retailer

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<sup>16</sup> s 62(3) National Energy Retail Law.

websites. If clicked on, these links will open in a new tab to allow the user to continue to view the price comparator website at the same time.

- Users will be able to print, save as a PDF and email the list of results. All printable materials will contain a note reminding users that the price comparator is a guide only.

## 5.2 Presentation of individual offer information

The presentation of individual offer information will include the following features:

- Available offers will be displayed in a table format (see Table 1 for proposed layout). Only those offers that are relevant to the particular user will be displayed. For example, if a user enters that they are seeking information on gas offers only, then only available gas offers will be displayed. In the case of users seeking information on dual fuel offers, both dual fuel offers and individual electricity and individual gas offers will be displayed, with a note that the user should compare combinations of individual electricity and gas offers against dual fuel offers to determine which will give the user the best deal.
- Consistent with the requirements set out in section 2 of the AER's Retail Pricing Information Guideline, the terminology will be standardised across all retailers (for example, terms used to refer to price components and descriptions of key features and conditions).
- Each offer listed will have clear and obvious links to its corresponding Energy Price Fact Sheet as required under section 2.1 of the AER's Retail Pricing Information Guideline.<sup>17,18</sup> Retailers' contact information will also be clearly presented, enabling users to access additional information about each offer and to inquire about switching retailers.
- A standing offer will be noted as such in the table of offers.
- The table of offers will include a very short text description of the key fees, charges, discounts (including cash rewards) and incentives accompanying each offer. Discounts will be denoted as non-conditional or conditional.
- If discounts are available, three (3) estimated bill costs for the first 12 months of the contract per offer will be displayed: (i) exclusive of all discounts; (ii) inclusive of non-conditional discounts; and (iii) inclusive of non-conditional and conditional discounts (refer to section 5.2.1 for further detail). If no discounts are available, one estimated bill cost for the first 12 months of the contract per offer will be displayed.

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<sup>17</sup> The AER Retail Pricing Information Guideline and Notice of Final Instrument can be accessed at <http://www.aer.gov.au/content/index.phtml?itemId=734869>.

<sup>18</sup> The AER is also consulting on the draft amended Retail Pricing Information Guideline (draft amended Guideline) which will give guidance to retailers on how they should provide information and data to the AER for the purposes of the price comparator website. The draft amended Guideline can be accessed at: <http://www.aer.gov.au/content/index.phtml?itemId=749242>.

- Each estimate of the user’s bill will be presented as an annual estimate regardless of the time period of the consumption data entered. Presenting the bill cost as an annual estimate will account for seasonal tariffs which may present a skewed estimate if a monthly or quarterly bill estimate is displayed.
- Each total estimated bill will include GST. This will allow users to see an estimate of the actual price that they can expect to pay. However, as required on an Energy Price Fact Sheet, the energy and supply charge units will be shown both GST-exclusive and GST-inclusive. This will allow users to compare their current unit rates, which are stated on a GST-exclusive basis on customer bills, with the unit rates of each offer.
- Each different percentage of green power accompanying an offer will be displayed as a separate offer.
- For offers relevant to customers with solar panels, the comparator will note that the user’s estimated annual bill associated with this offer may be different, depending upon their individual energy consumption and how much energy they feed back into the grid.

### **5.2.1 Treatment of discounts in the estimated annual bill cost**

If discounts are available, three (3) estimated bill costs for the first 12 months of the contract per offer will be displayed:

1. Estimated annual bill cost exclusive of all discounts. This will be the more prominently displayed of the three annual estimates. The offers available to the user will initially be displayed by lowest to highest estimated annual bill cost exclusive of all discounts.
2. Estimated annual bill cost inclusive of non-conditional discounts only. Users will be referred to the incentives and special features column of the results table for details of the non-conditional discounts included in the estimate.
3. Estimated annual bill cost inclusive of non-conditional and conditional discounts. Users will be referred to the incentives and special features column of the results table for details of the non-conditional and conditional discounts included in the estimate.

Users will be able to sort the list of offers available to them by each of the three annual estimates.

Each estimated annual bill cost will not include jurisdictional-specific rebates or concessions (such as a life support rebate or low income household concession) or non-monetary incentives (such as a magazine subscription or movie tickets).

If no discounts are available, one estimated bill cost for the first 12 months of the contract per offer will be displayed.

The AER notes that stakeholder responses to the issues paper showed a high level of interest regarding the inclusion or exclusion of discounts in the estimated annual bill cost, with no consensus either way. As noted by stakeholders, it is crucial the discounts included in the bill estimate are transparent to users. This will be made clear in the descriptions about the discounts provided by retailers about each offer. ‘Help’

buttons will also assist users in understanding conditional and non-conditional discounts.

**Table 1: Proposed table layout in presentation of offer information to users**

Retailer Plan (offer)	Tariff rates (inc. and exc. GST)	Incentives and special features (financial and non-financial)	Contract terms and conditions (fees include GST)	Estimated annual cost (includes GST)
Retailer A  Energy Saver  <u><a href="#">Energy Price Fact Sheet link</a></u>	<p><b>First 1750 kWh per quarter:</b></p> <ul style="list-style-type: none"> <li>• 17.35c per kWh (exc. GST)</li> <li>• 19.08c per kWh (inc. GST)</li> </ul> <p><b>Balance:</b></p> <ul style="list-style-type: none"> <li>• 25.5c per kWh (exc GST)</li> <li>• 28.05c per kWh (inc. GST)</li> </ul> <p><b>Daily supply charge:</b></p> <ul style="list-style-type: none"> <li>• \$0.430 per day (exc GST)</li> <li>• \$0.473 per day (inc GST)</li> </ul>	<ul style="list-style-type: none"> <li>• 12 month magazine subscription</li> <li>• Green power option</li> </ul> <p><b>Non-conditional discounts:</b></p> <ul style="list-style-type: none"> <li>• Guaranteed 7% off standard offer rates including supply charge</li> </ul> <p><b>Conditional discounts:</b></p> <ul style="list-style-type: none"> <li>• 5% discount for bill paid on time</li> </ul>	<ul style="list-style-type: none"> <li>• 2 year fixed term contract</li> <li>• Early contract termination rates:                             <ul style="list-style-type: none"> <li>• Year 1: \$100</li> <li>• Year 2: \$70</li> </ul> </li> </ul>	<p><b>\$1435 per annum</b></p> <p>\$1335 per annum including non-conditional discounts*</p> <p>\$1263 per annum including non-conditional and conditional discounts*</p> <p>* Refer to the incentives and special features column for the discounts included in these cost estimates</p>

Retailer Plan (offer)	Tariff rates (inc. and exc. GST)	Incentives and special features (financial and non-financial)	Contract terms and conditions (fees include GST)	Estimated annual cost (includes GST)
Retailer B  Flexi Saver  <u><a href="#">Energy Price Fact Sheet link</a></u>	<p><b>First 1750 kWh per quarter:</b></p> <ul style="list-style-type: none"> <li>• 17.35c per kWh (exc. GST)</li> <li>• 19.08c per kWh (inc. GST)</li> </ul> <p><b>Balance:</b></p> <ul style="list-style-type: none"> <li>• 25.5c per kWh (exc. GST)</li> <li>• 28.05c per kWh (inc. GST)</li> </ul> <p><b>Daily supply charge:</b></p> <ul style="list-style-type: none"> <li>• \$0.430 per day (exc GST)</li> <li>• \$0.473 per day (inc GST).</li> </ul>	<p><b>Conditional discounts:</b></p> <ul style="list-style-type: none"> <li>• 5% discount for bill paid on time</li> </ul>	<ul style="list-style-type: none"> <li>• No early contract termination fee</li> <li>• No moving home disconnection fee</li> <li>• No late payment fees</li> </ul>	<p><b>\$1435 per annum</b></p> <p>\$1435 per annum including non-conditional discounts*</p> <p>\$1363 per annum including non-conditional and conditional discounts*</p> <p>* Refer to the incentives and special features column for the discounts included in these cost estimates</p>

## 6 Website accessibility

The AER acknowledges the importance of creating a functional and accessible website which meets the participation needs of small energy customers. The price comparator website will comply with the Australian Human Rights Commission recommendations and government standards for accessibility.<sup>19</sup> The comparator will include the following features to ensure that the website is as user-friendly and accessible as possible:

- The website will be built to a minimum of Web Content Accessibility Guidelines Version 2.0 (WCAG 2.0) Level AA.
- The layout and presentation of the website will be as clear as possible. For example, fonts, colours and shading will be appropriate, and the instructions and information will be in simple, easy-to-understand language.
- To assist people who have visual impairment, including colour blindness, a number of features will be included such as the ability to increase font size and avoidance of images that rely on colour as the only means of conveying information. The website will also be compatible with screen reader programs.
- The website will include a number of features to assist users from culturally and linguistically diverse (CALD) backgrounds. For example, we are considering translating key information sheets describing the price comparator website into languages other than English. We also envisage that there will be details of an interpreter service (for example, the Translating and Interpreting Service) to assist users who do not speak English.
- Alternate access arrangements for users without internet access will be available. This will also assist users who are having difficulty interpreting their bill and inputting information into the comparator. This service will likely be accessed through the ACCC Infocentre. For users without internet access, call centre staff will input the user's information into the price comparator and a copy of the results will be sent to the user.

The AER will also need to promote the price comparator website to residential and small business customers to ensure awareness. The AER is developing a strategic communications plan to maximise the awareness of the website with key stakeholder groups.

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<sup>19</sup> The Australian Human Rights Commission's Disability Discrimination Act Advisory Notes can be accessed at [http://www.hreoc.gov.au/disability\\_rights/standards/www\\_3/www\\_3.html](http://www.hreoc.gov.au/disability_rights/standards/www_3/www_3.html). In November 2009, the Online and Communications Council endorsed WCAG 2.0 requiring all Australian, state and territory government websites to conform to the guidelines to meet WCAG 2.0 Level A by December 2012. The Secretaries ICT Governance Board extended the requirement for Australian Government agencies to conform to WCAG 2.0 Level AA standard by December 2014.

## 7 Other functions of the website

The AER expects the website to evolve over time. The AER will continue to have regard for suggestions made by stakeholders about how to optimise the value and usability of the website. The AER expects that additional functionality and improvements, such as complex time of use input functionality, will be rolled out in subsequent versions of the website as required after 1 July 2012.

At the initial website launch, however, the AER anticipates the website will have the following additional functions which are supplementary to those prescribed in the Retail Law:

### 7.1 Retailer secure area

The price comparator website will contain a secure section for retailers to provide their energy offer data and information.

Details on the specific data and information required, as well as how and when retailers will be required to provide this data to the AER for the purposes of the price comparator are discussed in the AER's draft amended Retail Pricing Information Guideline (the draft amended Guideline).<sup>20</sup> The AER has undertaken targeted consultation with energy retailers and jurisdictional regulators to assist in understanding some of the relevant key issues. This information will be utilised to draft the draft amended Guideline. The discussions have also assisted the AER to develop the proposed retailer secure area functionality to allow for the efficient and secure transferral of data from retailers to the AER.

We propose that the retailer secure area will consist of an online template embedded into a secure part of the AER's price comparator website accessible only to retailers. This will facilitate timely provision of data for the price comparator website. Retailers may be able to save product offerings in draft form and preview the information prior to submission to the AER for publication on the website.

A range of functionality may be available to the retailer, including but not limited to the ability to:

- manage offers;
- approve offers for submission to the AER;
- view information or lists on their existing or draft offers;
- print or export lists or information about offers;
- update retailer contact details;
- generate and download Energy Price Fact Sheets; and

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<sup>20</sup> The AER's draft amended Guideline can be accessed at <http://www.aer.gov.au/content/index.phtml?itemId=749242>.



- manage system users.

To ensure the security of the data and information provided, the retailer secure area will contain a number of security features such as retailer logins and the ability for a retailer account administrator to create additional user accounts for the retailer.

The retailer will have discretion to assign data and information approval rights to the appropriate staff.

## **7.2 Functionality to assist jurisdictions with their ongoing reporting requirements**

The AER is aware that following the commencement of the Retail Law, jurisdictions and jurisdictional regulators may continue to have reporting requirements which are currently fulfilled or supported by information from their own jurisdictional comparator websites. As it is envisaged that these websites will transition over to the AER's national price comparator, the AER proposes enabling jurisdictions to generate the same reports using data directly from the AER's price comparator website via special restricted user access.

We are working with jurisdictions and jurisdictional regulators to determine current and anticipated reporting requirements so that functionality to accommodate these specific requirements can be built into the website's back-end. The AER is also in the process of establishing and updating appropriate information sharing agreements with agencies.

## **7.3 Price comparator website as a consumer 'energy information hub'**

The AER believes the price comparator website has a role in educating consumers about energy more generally. The price comparator website will therefore contain useful information for consumers, including but not limited to information on energy efficiency, jurisdictional concessional programs, how to save energy, how to switch retailers, and other relevant general energy consumer topics.

The website will also link to energy information sources that consumers may find helpful. The Department of Climate Change and Energy Efficiency's Living Greener website (<http://www.livinggreener.gov.au/energy>) is an example of such a site that the website could link to.

### **Energy Bill Benchmarking**

Under the Retail Rules, from 1 July 2012, energy retailers will be required to include information on the electricity bills of residential customers to enable them to compare their household electricity usage with that of similar sized households in the same area.<sup>21</sup> In addition to this information, retailers must provide a reference to an energy

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<sup>21</sup> Rule 170(1), National Energy Retail Rules.

efficiency website containing information about electricity consumption benchmarks.<sup>22</sup>

The AER and the Consumer Information Implementation Committee (CIIC) consider that the energy bill benchmarking project is complementary to the price comparator website. As such, we envisage that the benchmarking information will be published on the price comparator website and that retailers will be able to refer to the price comparator website as the energy efficiency website on the bills they provide to their customers. The AER will provide a URL to retailers later this year for this purpose.

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<sup>22</sup> Rule 170(1)(c), National Energy Retail Rules.