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Mr Simon Kidd
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Dear Mr Kidd

**Submission on the Australian Energy Regulator Issues Paper:
Customer Price Information**

The Energy and Water Ombudsman (SA) Limited ("EWOSA") welcomes the opportunity to comment on the Australian Energy Regulator's (AER) Issues Paper on *Customer Price Information*.

In this submission, the EWOSA primarily addresses matters that are specifically of interest to the EWOSA Scheme.

EWOSA is an independent Energy and Water Ombudsman Scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

Energy affordability is a major concern for many Australians, particularly in light of recent increases in electricity prices. In addition to complaints about high bills – which accounted for around 15 per cent of all complaints received by EWOSA in 2016-17 – EWOSA receives many enquiries regarding high and rising energy prices. Given that EWOSA has no jurisdiction over prices, our staff often refer customers in these instances to the AER's Energy Made Easy website and encourage them to consider the offers and make the best decision for their individual circumstances.

Information provided about energy market offers on the Energy Made Easy website, as well as the Energy Price Fact Sheets (EPFS) that can be accessed from it and retailers' websites, are thus very important for energy customers in comparing offers. It is vital that this information is clear and easy to understand and that it is not difficult for customers to compare the relative benefits and costs of different offers.

We therefore support the AER making improvements to the EPFS, the Energy Made Easy website and the Retail Pricing Information Guidelines (RPIG), so that energy customers can be better informed of their electricity and gas supply options and be more comfortable and confident in making a decision that best suits their circumstances.

The remainder of our submission responds to many of the questions contained in the Issues Paper.

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

We support continuing to provide most of the information currently included on the EPFS.

However, we question whether there is any need to include energy prices excluding GST on the EPFS, given that the prices excluding GST do not actually apply and this may cause confusion for consumers. There could be a line inserted immediately beneath the "Electricity pricing information" section heading stating that all prices, fees and discounts include GST.

Question 2: How should the information on an EPFS be set out to most effectively highlight price and key contract details? How should information be prioritised?

We believe that the percentage amount for discounts and the dollar value for fees should be in a separate column to the explanatory text that accompanies them.

We believe that the "Electricity key contract features" section under the "Electricity pricing information" heading should be placed immediately below the "Bill frequency" section under the "Electricity offer" heading, given that these are not part of electricity pricing.

We believe information regarding any Fixed Benefit Period should be provided in a separate row under the "Electricity offer" heading, so that this information is more easily identified.

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

Given that most EPFS "spill over" onto two pages, they would be easier to read if the font size was increased and the information was more spread out.

If references to prices, fees and discounts including and/or excluding GST are to continue, then they should all be: "(exc. GST)" and "(inc. GST)". On some EPFS, there are statements such as: "This amount is not subject to GST" and "The amount is GST inclusive". These should be replaced with the above in brackets.

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

We believe energy customers would benefit from information about the expiry of fixed benefit periods, as well as any impending price changes, being included on the EPFS.

We also support the appropriate contact details – such as the phone number and website of the relevant government department – for accessing concessions being included on the EPFS in the "Contact details and more information" section. Given that EPFS apply to particular distribution areas (and therefore State or Territory), it would also be useful to include basic information about the available concession in the relevant jurisdiction, such as the dollar value.

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

We support the use of a comparison rate or reference price as a way for customers to be better able to compare different energy offers.

However, we believe constructing an appropriate comparison rate or reference price will require a separate consultation process. There are a number of issues which are discussed in our answer to the next question.

Question 6: What are the potential benefits and risks of each?

There are a number of challenges or risks associated with a comparison rate or reference price, particularly regarding assumptions around typical energy usage.

The circumstances of different energy consumers can be substantially different and can have a large impact on the bills the consumers end up paying. Low energy users benefit more from a tariff structure with a low fixed charge and high usage charge, while a larger energy user will be better off with a higher fixed charge and lower usage charge.

As advanced meters become more widespread and time of use charges and demand tariffs become more prevalent, differences in consumer behaviour may become even more difficult to account for in a comparison rate or reference price.

It is important to note that the AER's Energy Made Easy website already provides the ability for consumers to compare total bills across different offers (including and excluding discounts), based on the customer inputting data from a recent energy bill or providing information about their household (such as the number of occupants and whether or not they have a pool).

If a comparison rate or reference price is implemented, it will be necessary for retailers to calculate them for each distribution area that they operate in.

In times of frequent or large changes to energy prices, there may also be a need to change or re-calculate the comparison rate or reference price on a regular basis so that they remain relevant.

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

We believe that a comparison rate or reference price should be displayed on the Energy Made Easy website and on EPFS.

For comparison rates or reference prices displayed on EPFS, as noted above, there will need to be a different comparison rate or reference price for each distribution area and there will need to be a note that the comparison rate or reference price applies to a typical consumer with a given usage amount. The same would apply for any display of comparison rates or reference prices on retailer websites or media materials.

Question 8: Is there utility in enabling 'customisation' of such a tool (ie allowing for customers to identify additional factors such as appliances or pools and have these reflected in the figure)?

We believe that customisation of a web-based tool – best located on an improved Energy Made Easy website – for energy consumers to include more details of their individual circumstances, so that they can be provided with a more relevant comparison rate or reference price, would be very informative and useful.

Question 9: What other risks and considerations should we be aware of?

Please see our response to Question 6.

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

QR codes and OCR technology are most likely to benefit those customers who are already engaged with the energy market and are tech-savvy.

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

Many of the people who can't, or don't, engage online are vulnerable customers and require assistance to engage with the energy market.

Information about the fact that different offers are available should be clearly and prominently displayed on energy bills. In particular, retailers should be required to alert customers of market contract offers that they provide that would result in the customer being better off if they switched to that offer.

Many consumer groups already provide information and education programs to vulnerable customers, which may include information in newsletters, public forums and one-on-one counselling on energy prices, options for clients to access better energy market contracts and understanding such contracts. Local governments could also provide education sessions on energy bills, particularly via libraries. Additional government funding should be allocated to help fund and expand these activities.

Question 15: What information or messaging might be included on bills or fact sheets to increase the likelihood of switching?

Information about the Energy Made Easy website and an associated phone service should be clearly displayed on energy bills.

Information about the fact that different offers are available should be clearly and prominently displayed on energy bills. In particular, retailers should be required to alert customers of market contract offers that they provide that would result in the customer being better off if they switched to that offer.

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

We believe that it is very important for government energy comparator websites to have a phone service to assist customers, not only for people who use the internet and are having trouble with such websites, but particularly for people unable or unwilling to use it and could receive the equivalent service over the phone. Many of the people who don't engage with the energy market are vulnerable customers and require encouragement and assistance to navigate the market.

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

Please see our response to Question 14.

Other Issues

We believe that additional resources should be provided to the AER to improve, market and promote the Energy Made Easy website.

Should you require further information or have any enquiries in relation to this submission, please email me at antony.clarke@ewosa.com.au or telephone me on (08) 8216 1851.

Yours faithfully



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