



31 October 2017

Mr Simon Kidd
Assistant Director, AER Retail Markets branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Email: AERInquiry@aer.gov.au

Dear Mr Kidd

2017 Customer Price Information Issues Paper

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Regulator (AER), on its consultation on the Customer Price Information – Issues Paper.

This submission is available for publication and is provided by Energy Queensland, on behalf of its related entities Energex Limited (Energex), Ergon Energy Corporation Limited (Ergon Energy) and Ergon Energy Queensland (EEQ).

Since the introduction of the National Energy Customer Framework (NECF) in Queensland in 2015, EEQ has presented and promoted its offers in accordance with the AER Retail Pricing Information Guidelines. As a community focussed retailer operating in regional Queensland, EEQ supports initiatives that will improve the clarity of information to make our customers even more confident to engage in the market.

It is important to note the unique circumstances applying to EEQ, as a non-competing retailer operating in regional Queensland. The Queensland Competition Authority determines retail electricity prices for customers in Ergon Energy's distribution area, and EEQ may only charge customers the regulated retail prices as prescribed in the Queensland Government Gazette. The Queensland Government's Uniform Tariff Policy (UTP) ensures customers in regional Queensland do not pay more than customers in south east Queensland, even though the cost of supply may be different. The UTP is funded through a Community Service Obligation payment to EEQ. Furthermore, the regulatory framework in Queensland also imposes a range of limitations in respect of costs and contracts in some parts of regional Queensland meaning that EEQ does not offer market contracts and does not currently charge exit fees, paper bill fees, or fees for paying through Australia Post.

With respect to the provision of additional information to customers, Energy Queensland agrees with the AER that complex and excessive information hinders customer comparisons. Therefore, any proposal to include additional information that does not currently appear on the energy price fact sheet, such as information about available concessions, the expiry of benefit periods and/or impending price changes

may not automatically enhance customer outcomes. For example, additional information on concessions and customer benefits (particularly given the large variability of social benefits provided across different jurisdictions) would complicate the message and distort the product comparison that the Energy Made Easy website seeks to achieve. Moreover, the NECF legislation already requires retailers to provide information to customers on a range of different matters to assist them in making an informed decision.

Energy Queensland notes that the Australian Securities and Investments Commission have indicated that complex and lengthy disclosure documents have not enhanced customer outcomes in the financial services industry and “have typically imposed significant costs on providers”¹.

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. To this end, Energy Queensland submits that there are enhancements that can be pursued to facilitate simpler comparisons of energy offers. Specifically, the Energy Made Easy website does not include demand in its bill calculations which therefore returns artificially low results for demand tariffs and provides customers with estimates of false savings by switching to these tariffs. System enhancements to include demand in the bill calculations could address this issue and avoid confusing customers further.

Finally, Energy Queensland suggests an effective method of providing users of the Energy Made Easy website with a meaningful comparison could be the application of a comparison rate, similar to that used by financial institutions.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact either myself on (07) 3851 6416 or Trudy Fraser on (07) 3851 6787.

Yours Sincerely



Jenny Doyle
General Manager Regulation and Pricing

Telephone: (07) 3851 6416
Email: jenny.doyle@energyq.com.au

¹ Financial System Inquiry Interim Report: Submission by the Australian Securities and Investment Commission, August 2014, page 16.