

 <p>QUEENSLAND CONSUMERS ASSOCIATION</p>	<p>A non-profit, volunteer organisation, advocating to advance the interests of consumers in Queensland</p> <p><i>Secretary: Max Howard PO Box 261 Corinda Q 4075</i></p>
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16 March 2018

**SUBMISSION ON AER DRAFT RETAIL PRICING INFORMATION
GUIDELINES JANUARY 2018**

BACKGROUND

The Queensland Consumers' Association (the Association) is a non-profit organisation established over 40 years ago and which exists to advance the interests of Queensland consumers. The Association's members work in a voluntary capacity and specialise in particular policy areas.

The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups, and works closely with many other consumer and community groups.

The Association has been especially active for many years on energy issues in Queensland and nationally and is currently represented on the:

- Queensland Competition Authority's Consumer Consultative Committee
- Energy and Water Queensland Ombudsman's Advisory Council
- Energex's Customer Council.

The Association is also a member of the Queensland Council of Social Service's Essential Services Consultative Group and the Queensland Energy Minister's Consumer and Industry Reference Group, and was a member of Origin Energy's National Consumer Consultative Council.

The Association has participated in, and made numerous submissions to inquiries etc. on energy issues conducted at national level, in Queensland, and in other states, and made a submission on the AER's Issues Paper.

Therefore, the Association welcomes the opportunity to make this submission. The contact person is Ian Jarratt, email ijarratt@australiainmail.com

GENERAL COMMENTS

The Association has a strong interest in policies and practices likely to improve the effectiveness of markets, and especially in the need for effective consumer protections and ongoing effective consumer demand created by many engaged consumers making well informed choices.

The draft RPIG contains some useful changes that will assist consumers to make more informed choices and increase effective competition between retailers.

However, some aspects of the draft RPIG should be changed as outlined below.

SPECIFIC COMMENTS

Table 2

Should also include “demand charges”

Paragraph 74

It is not sufficient that the BPID must only be in a “prominent position”. It should also be legible. These are very distinct and different aspects of information provision which is partly recognised in paragraph 82 which refers to a “clear and prominent link”. Printed information can be prominent but not legible.

Detailed guidance should be provided about how to achieve these two requirements in terms of factors such as font size, font type, boldness, contrast with background, and location. Such guidance will increase consistency of provision, which will increase consumer use, and greatly facilitate monitoring and enforcement of compliance.

The above requirements for informing consumers about the BPID should apply to any information provided about a plan, not just that on retailer websites.

Estimated costs to consumer

Retailers, agents and comparison websites should be required to show prominently and legibly in all advertisements only estimated cost information from the BPID.

Such a requirement would increase competition based on cost rather than discounts and other benefits and, according to the Victorian government’s interim response to the “Thwaites” Review, is likely to be required soon in in Victoria.

If the above is not adopted, retailers, agents and comparison websites should be required to show prominently and legibly in all advertisements the estimated cost information from the BPID in addition to discounts, etc.

Appendix A: Basic Plan Information Document

1. The estimated quarterly cost information should be replaced with Estimated Annual Cost because:
 - For most consumers there are great variations in the size of quarterly bills.
 - Many consumers no longer receive quarterly bills.
 - The estimated annual cost is used by EME and other comparison websites.
 - The annual cost is a larger amount and therefore more likely to attract consumer attention and interest, as also will any cost differences between plans.
2. The kWh/year information should be provided in addition to kWh/day information because:
 - Per day usage often varies greatly between seasons.
 - Annual usage would link to the use of estimated cost per annum proposed above and likely to be used in Victoria.
 - Annual usage is widely used by industry and regulators.
3. The characteristics of the household types linked to the assumed levels of usage should be removed or greatly reduced and neutral terms such as “low”, “medium” and “high” descriptors of use should be used because:
 - Usage is often influenced by many factors other than those currently shown.
 - Some consumers will notice that their usage differs greatly from the levels shown for their household type and this may reduce their confidence in the accuracy, reliability and usefulness of all the information.
 - Some consumers may find the descriptors misleading and they may also result in anxiety.