

 <p><b>QUEENSLAND CONSUMERS ASSOCIATION</b></p>	<p><b>A non-profit, volunteer organisation, advocating to advance the interests of consumers in Queensland</b></p> <p><i>Secretary: Max Howard PO Box 261 Corinda Q 4075 Telephone: 0419 678 395</i></p>
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26 August 2011

**SUBMISSION ON AER ISSUES PAPER ON PRICE COMPARISON WEBSITE -  
JULY 2011**

**BACKGROUND**

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

The Association is a member of the Consumers' Federation of Australia, the peak body for Australian consumer groups, and is represented on the Queensland Competition Authority's Consumer Consultative Committee and the Energy and Water Ombudsman of Queensland's Advisory Council.

The Association strongly supports measures designed to promote and facilitate well informed decision-making by consumers in the energy market. In this regard it has taken a particular interest in, and made suggestions for improvements to, the comparator currently provided by the Queensland Competition Authority

Accordingly, the Association welcomes the opportunity to have participated in stakeholder forums and to make this submission. The Association also hopes to be able to participate in further consultations on this topic.

Due to the Association's limited resources, the submission is short and consists only of some general comments and specific comments on some matters in the paper or relevant to the topic.

More detailed information about consumer needs etc. is provided in the submissions of funded consumer/community based organisations such as the Queensland Council of Social Service (QCOSS), and the Consumer Utilities Advocacy Centre (CUAC).

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## **GENERAL COMMENTS**

The development and implementation of an effective price comparator website by the AER, is a critically important matter for Queensland consumers because, if satisfactory, the AER website may become the official price comparator for Queensland consumers.

The website has the potential to become a key source of information for consumers wishing to obtain independent information to assist them to make well informed decision between various retailers and various types of energy contracts (standard as well as market contracts).

If successful, the website could result in a significant reduction in the number of consumers making decisions on energy retailers and contracts as a result of being contacted by door to door or tele marketers. This would be very welcome and beneficial.

The website should link closely to other measures taken or planned to increase the quality and availability of information to assist consumers to make well informed decisions on energy matters. Such measures include information on bills and energy price facts sheets.

Wherever possible the website should also provide, or facilitate access, to other information likely to assist and inform consumers, for example about the types of contracts likely to be available and their main features, factors to take into account when choosing energy contracts, measures to increase energy efficiency, etc.

The types of consumers and their needs the website aims to serve should be clearly identified and specified during the design phase. The extent to which prototypes meet these needs should be thoroughly tested on relevant consumers prior to the release of the final version of the site.

If the website can not initially deal satisfactorily with any significant needs, for example time of use electricity tariffs and self generation of electricity via solar and other means; they should not be included on the initial website, the site should indicate this, and further work should be undertaken on such needs.

Where necessary, the website should be able to meet any significant special needs of Queensland consumers attributable to climate, geography, price regulation, etc.

Further consideration should be given to a name for the website. It should be accurate, and preferably also memorable. "Energy Price Comparator" may not be completely accurate given that the main outputs will be (and consumers will be most interested in) estimated annual costs not tariff rates (prices) and given the emphasis on ensuring that consumers are aware that the comparator is only a Guide. An option for consideration is – "Energy Cost Comparison Guide".

## **SPECIFIC COMMENTS**

### **Disclaimer**

This should be as brief and simple as possible and be located at the start of the website.

A short statement that this is a guide only should be shown prominently, and in addition to the disclaimer, at the start of the website and again just before the user is provided with information about offers that might be available.

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

#### Postcode

Street and suburb should be input options for identification of the distribution area, additional to the postcode.

### Fuel types

Consumers interested in electricity and gas offers should be provided with information about electricity and gas only contracts as well as dual fuel offers unless they choose to obtain only dual fuel offers. There should also be information to alert such consumers to the possibility that separate contacts for electricity and gas may better suit their needs than a dual fuel offer.

### Metering arrangements

Wherever possible, consumers should not be required to input information on meter type and if it is required consumers should be assisted to locate this information.

The emphasis should be on obtaining information on tariff type (existing or planned). Information should be provided to assist consumers to enter the correct information when they are not entering a current tariff type, for example because they do not have one, do not know what it is, or want to investigate other tariff types. For example such consumers would need to know that off peak tariffs are only available with certain types of meters.

### Estimated energy consumption

Seasonal weightings applied should be as area specific as possible.

Consumers should be able to enter information on expected or planned changes to previous consumption levels already entered. The changes should be able to be given as either a percentage or a specific number of kWh/MJ.

Any information on energy spends (from bills or from memory) must be adjusted by the website or the consumer to take account of rebates, other costs and charges, etc.

### **Showing offers available to the user**

The usefulness of the site would be increased greatly if, as well as the likely cost of offers available, consumers currently receiving bills were also given information about the likely cost of continuing with their current arrangements. If this is not possible information, should be available to help consumers work this out themselves.

Further research is required on the critically important matter of whether, and if so how, to include discounts, fees, charges, etc. in the calculation of the estimated amount of a bill.

If beneficial for consumers, the calculated cost of offers should include non conditional discounts and the same rules for deciding what is or is not a non conditional discount should apply to each retailer and contract.

The website should provide clear information about conditional discounts, and the existence and likely the cost of penalties for non-compliance with contract conditions as well as the main features of offers, including length of contract period, early termination charges, and the extent to which tariffs can be changed and when.

To assist decision-making involving what the consumer has paid in the past and might pay in the future, the website should include information for Queensland consumers that regulated electricity tariffs are changed on 1 July each year and that this often triggers changes to most market contract tariffs.

Links should be provided to retailer price fact sheets only if these are fully compliant with the standards set by the AER. Consideration should be given to including in the comparator only offers for which retailers are providing fully compliant price fact sheets.

Direct links to any official state comparison websites which continue to operate after the commencement of the AER website should be conditional on the website complying with set standards of accuracy, comprehensiveness, etc.

Consideration should be given to providing direct links to commercial comparison and switching websites which meet set high quality standards. Such standards should include indicating clearly and prominently at an appropriate place before a consumer starts to enter any data, whether the website covers all retailers and offers.

**Website accessibility**

The website should meet the needs of consumer with a range of vision impairments, including “colour blindness”.

A free call phone in service (with a call back facility) should be available for use by consumers; without internet access, with queries about the website, or experiencing difficulties using the website.

**General stakeholder comments**

It is essential that the existence of the website be well promoted and that it is included (ideally be the first shown) in the results from the use of internet search engines.