



## **Response to AER discussion paper re Price Comparator Website**

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The National Body for Community Services in the Uniting Church

supporting service delivery and advocacy for children, young people, families, people with disabilities and older people

## Background

UnitingCare Australia is a network of over 400 community service organisations that provide services in various locations across Australia. Increasingly the affordability of essential services is on concern to service providers across this network. The Community Advocacy Panel provides funding for a national energy project to coordinate national perspectives on issues of energy affordability and accessibility.

## General Comments

Uniting Care Australia strongly supports the notion of a Price Comparator, with the primary objective being to assist all consumers, particularly residential and small business consumers including rural households, to be able to make informed decision about their energy retailer from a standard, and therefore comparable, set of pricing information.

There are a series of starting points which Uniting Care Australia believes are essential components of the Price Comparator website.

- The major focus of the website is to give consumers information about standing contract prices and market contract offers in a manner that readily enables comparison.
- Accurate: Customers want to know what they can expect to pay within an acceptable tolerance, we suggest of the order of plus or minus 5%.
- The focus should be on presenting the end price to be paid by consumers, that is, before discounts or special offers that only apply in some circumstances. We are convinced that at least 25% of households are already struggling to pay their energy bills on time, and so listing a price conditional on paying on time is not an effective representation of what customers are likely to actually pay.
- Simple. The basic function of the Price Comparator website must be simplicity so that customers can easily identify information which is indicative of quarterly and annual prices that they will pay.
- Independent. The comparator must be able to be recognised as being clearly independent from the electricity supply industry.
- Up to date, this is crucial in an environment where customers demand that websites are up to date. The challenge of this is recognised!
- All prices presented on the website should be GST inclusive, again for the sake simplicity, and bearing in mind the focus being on ensuring that information is presented in a manner which customers understand, in particular as it relates to how much they are likely to pay.
- The website must be presented in a way that is 'dial-up' effective, that is, it cannot have too much memory captured by graphic and additional 'features', which slow down access to website for customers whose only realistic internet option is dial-up. This particularly applies to people in rural and some regional communities.
- The website needs to give clear and consistent, stylistically, information about how to contact retailers that may be of interest to the inquiring customer.

We highlight that the Price Comparator website is for energy customers, it should not be regarded in any way, shape or form as a retailer marketing tool.

In designing the website, recognition needs to be given to the wide diversity of energy literacy amongst likely users and the website must be designed to ensure that people with relatively low energy literacy and, likely, very sporadic users are able to access information easily on first visit; for example, modest income households moving into a new house or changing rental properties.

The key design feature from our perspective should be that there is a base mode which is readily accessible and which is the focus of engagement for the person visiting the website. However, we are open to the notion of various 'add-ons' or extra detail options being available through, say, a choice of buttons on one side of the screen. We expect that some customers using the website will want considerable detail and there must be provision for them to find this detail. However such people are more likely to have high energy literacy levels and to be internet savvy and so buttons or links that people can access from one side of a screen will be quite appropriate without detracting from the core body of information simply presented on the main screen at any point of time.

We also note that the Comparator website will need to change and evolve over time. UnitingCare Australia is comfortable with this and believes that customers also will accept that AER will iterate its approach on how to deliver information customers require based on usage patterns and based on changing energy pricing presentations from retailers.

We also note that there is considerable expertise with existing regulators providing website comparators. The Essential Services Commission of South Australia and IPART in NSW come to mind. The AER will obviously build on the expertise from these sites in developing their own site. We also anticipate that there will be a transition arrangement put in place for those jurisdictions that currently offer a website comparator with initially a link through to the AER website as well as the jurisdictional comparator website being functional. We suggest that this arrangement should probably stay in place for about six months. Thereafter we recognise that it will be more difficult for jurisdictions to maintain accurate data on their websites, but the website should be maintained for some extended period of time with a direct link through to the AER Comparator website.

Before moving to responses on specific questions, we also reiterate the importance of this website being presented in a way that is clearly independent of any retailer or other commercial party and that accuracy is important. We note that there are expected spin-off benefits to this Comparator by providing a basis which would require other price comparators to be, perhaps, more accountable than some would appear to be at the moment.

### **Specific Questions for Comment**

**Question 1:** *Do stakeholders agree with AER's proposed overview of the Price Comparator website?*

Uniting Care Australia is supportive of the overview presented in the Issues Paper for the Price Comparator website. We highlight our view that the architecture of the website should be such that there is a 'base level' of functionality which provides clear and specific information that is readily

accessible and understood by consumers even with relatively low energy literacy. Then we are supportive of a range of add-ons to provide greater detail, greater specificity and probably more accuracy for, perhaps, more complex retail products e.g. 'time of use' tariffs.

The comments below, unless otherwise indicated, will apply to what we have simply referred to as the 'base level' website.

**Question 2:** *What information do stakeholders consider should be included in the disclaimer?*

We consider that the disclaimer should be simple and in relatively large type so it cannot be easily missed. The disclaimer should be simply say that the prices indicated are best estimates based on the available information from energy retailers at the time of the request.

**Question 3:** *Where should the disclaimer be located?*

Noting the Table on page 13 of the discussion paper, we believe that the disclaimer should be *after* the input information is provided by the customer. We believe that by locating the disclaimer at this point of time the customer will be more engaged, having provided input about their Postcode, electricity use or spending, for example and so will be more engaged and so will be more aware of the disclaimer. We would expect that there is a box that needs to be ticked or clicked on for the customer to proceed, recognising that they have read the disclaimer and again we stress that the message will be simple and easy to read and fit *easily* on one screen.

**Question 4:** *What are the options for sorting retail offers available to the user?*

We believe that where standing contract prices are available, this should always be presented as the first offer and then other retail offers can be sorted by unit cost and projected quarterly or annual bills.

**Question 5:** *Should some content presented be mandatory?*

Yes, we believe that standing contract offers should be mandatory for all results presented and that this should be the comparison for any estimates of discounts or other 'offers'. Also we believe that the estimated quarterly and annual bills should be mandatory for each offer.

**Question 6:** *Do stakeholders agree with AER's proposed user inputs?*

Yes, we believe that the proposed user inputs are appropriate. We note that websites already in operation already have the capacity for a number of input fields to be included, but with a subset only being 'required fields'. We suggest that the only mandatory input field should be Postcode and either last bill paid by the customer or daily use and then further options simply be optional, recognising that the more information provided would probably give greater household information.

**Question 7:** *Are there other potential inputs that would be useful for inclusion on the Price Comparator?*

We suggest that, should no input be provided, perhaps other than Postcode, then the information presented by website would be of median household use data by various household

types for that particular Postcode. And stressing that this is simply the median household price that could also be used for that location as an indication of the size bills that can be expected. Information will need to be presented stating that households would need to adjust their own likely use against their understanding of median household use.

We also suggest that advance search options be made available for consumers who want to put in additional information and that this would be a button on one side of the screen.

**Question 8:** *Do stakeholders have views on how time-of-use tariffs should be handled?*

We recognise that time-of-use tariffs will be quite difficult for generic website information to present, however it is an area where an add-on button could be developed over time that is able to give some explanation about time-of-use tariffs and some indicative results. But we suggest that this is not mandatory or even critical for the initial website, it is something that perhaps can evolve and be developed over time.

**Question 9:** *Do stakeholders have views on how the Price Comparator website should be developed to aid Small Business customers?*

We suggest that Small Business customers are more likely to have daily use data and so this then would be an important input for small business alongside of Postcode. We also suggest that for small business customers it may be more helpful for the website to give a *price range* for various retailer options, with perhaps the option for small business being able to present 'high use' day data and 'lower use' day data so that the user is given a range in which their likely electricity bill would fit from various retailers.

**Question 10:** *Which manner of presenting offers do stakeholders consider appropriate for the Price Comparator site?*

Uniting Care Australia believes that the starting point in a table of offers would be to present the standing contract price for jurisdictions where there is a standing contract. All offers should be presented as base level offers giving price as the basic comparator with discounts being displayed separately along with penalties and other rules. We believe that the early payment discount, for example should not be included in the base price set. The base price should be calculated on a price that a customer can expect to pay within, say, a week of the due date being exceeded.

We also note that retailers are inclined to give less time between the bill being issued and 'due date', than in the past, no doubt assuming next day postal deliver across Australia. This is clearly unrealistic. Rural and even regional customers can receive bills on or even after the stated 'due date' which retailers use to determine 'discounts and penalties' regarding on time payment. So it cannot be realistically expected that all customers even have their bills on time.

**Questions 11 – 14:** *These questions deal with presentation of information on the Price Comparator Website*

Our views in response to these questions are in line with question 10 which is that any incentives or penalties need to be displayed in a separate column or format to the presentation

of standing offer and base price comparisons. It would be inappropriate, we believe, to show discounted rates to consumers where there is a reasonable chance that consumers would in fact pay the non-discounted rate.

**Question 16:** *How should dual fuel offers be displayed?*

Uniting Care suggests that displaying of dual fuel options as presented by retailers is a legitimate option for the Price Comparator to include but separate electricity and gas price offers need to be displayed as well. We suggest that a dual fuel option would be one that customers could select as one of the website options but would not be included in the base level website presentation of electricity prices.

**Question 17:** *Do stakeholders consider an estimated savings function is an appropriate feature for the website? If so, how could accuracy be optimized for it to usefully work for comparing different offers?*

Uniting Care Australia is ambivalent about the merits of estimated savings functions for fear that customers put too much value on the strength of these estimates and budget on the basis of planned savings rather than actual use or penalty or other charges. We suggest that there is difficulty in determining the basis from which savings should be compared and the complexity and variability of savings and discounts offered by various companies makes it difficult to get a reasonable degree of accuracy to projected savings. So Uniting Care would tend to not advocate for an inclusion of estimated savings function although we recognise that some customers would be looking for the basic maths to be done for them to work out potential savings.

**Question 18:** *Do stakeholders agree with proposed website accessibility options?*

Uniting Care Australia is satisfied that the AER has identified priority groups for assisting with accessibility, including utilising 'zoom text' or similar software to make the Price Comparator accessible for vision impaired people. We also are supportive of the background features to assist people from culturally and linguistically diverse backgrounds. Our overarching comment would be that keeping the website, at least at base level, really simple will help with accessibility as well and this is part of the site architecture that we have discussed earlier. The option of providing information on the Price Comparator service by calling the ACCC information centre is an option that we strongly support on the proviso that this is a FREECALL number so as not impose a significant cost burden to a rural household, for example. But the use of the ACCC information centre in enhancing accessibility to the website Price Comparator is a very good idea.

**Questions 19 and 20:** *Are there other features or considerations that the Price Comparator website should include to maximise accessibility?*

Uniting Care believes that it is important for clear information about how to get in touch with retailers is displayed. The website should also provide information about dealing with disputes with retailers, specifically with clear information about the role, function and contact details for Ombudsman schemes in the various jurisdictions.

Another matter that some customers will no doubt be looking for in the website is a savings estimate from the installation of Photo Voltaic panels. This is very topical at the moment with jurisdictions changing or reviewing feed in tariff (FiT) arrangements. This will in turn add greater complexity to developing a relatively simple FiT option for the comparator. We regard this issues as significant, but one that can be developed once the 'basic' website is in place

We also suggest that one of the 'buttons' that we have suggested be an additional button on the website would provide a list of definitions or simple explanations about some of the language used by retailers in their offers, and explaining the basic units of measurement of electricity and gas e.g. kilowatt, terajoule etc.

As a final comment we suggest the compatibility of the website with I Phone and Android applications for accessibility through mobile phone and I Phone type platforms is of growing importance. This is a design function for now and we believe that, if not initially, then soon after launching the website there needs to be the option of accessing basic information through mobile phone and related platforms. This then also leads into the option of social media add-in options as part of the website architecture, for example, the capacity for a customer, sometime in the future, to sign up for an application which sends a text, for example, when a price rise to their energy contract occurs. Maybe this is a feature that could be built into the website, maybe it is more a responsibility for individual retailers. We suggest that if the functionality can be built into the website then it would be a useful add-on once the website core functions are established.

**Question 21:** *What avenues of promotion should the AER consider to make residential and small business customers aware of Price Comparator websites?*

This question is clearly part of the broader National Customer Framework communications strategy that is also the responsibility of the AER. We note that there is need for quite a wide range of information dissemination which should include information about the Price Comparator website through media, community organisations, newsletters published by peak bodies, for example Councils of Social Service, financial counselling associations etc. Financial counsellors are important audiences for information, as if of course, ACCC – information centres and ideally State Consumer Affairs Departments as well. So the availability and the website for the Price Comparator is a core message for the broader NECF communication strategy.