

16 March 2018

Ms Sarah Proudfoot
General Manager – Retail Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Submission: Draft Retail Pricing Information Guidelines

The Brotherhood of St Laurence welcomes the Draft Retail Pricing Information Guidelines, and thank the Australian Energy Regulator (AER) for this opportunity to comment. We commend the AER for conducting the consultation and research underpinning the draft.

We support the AER's proposed changes as one part of the suite of solutions needed to reform Australia's retail energy markets. We believe that the measures outlined in the draft will help consumers to better understand and compare energy prices. However, without further reform, many consumers will continue to pay excessive prices for a service they cannot go without.

The Brotherhood supports the introduction of the Basic Plan Information Document (BPID).

In contrast to existing Energy Price Fact Sheets, the proposed BPID sets out clear, easily understandable reference prices. The design should allow consumers to identify which usage profile matches their household and simply compare plans. We support the prioritisation of important information, such as reference prices and rates, as well as the removal of unnecessary data, such as ex-GST prices. We suggest that displaying annual – rather than quarterly – reference prices may be more appropriate, because typical bills vary greatly by season.

We support the AER's proposed marketing requirements, and recommend they be expanded.

At present, Energy Price Fact Sheets are often difficult to find on retailers' websites, so customers have little access to real prices or objective information about energy plans and are instead presented with confusing messages about discounts. We support the AER's strengthened requirements for retailers to link to BPIDs, and we recommend requiring them to display comparison pricing tables in advertising. This could be implemented in a similar fashion to comparison rates in banking advertisements.

At present, retailers' staff may be unable to identify an offer that a customer has found on a comparison website such as Energy Made Easy (EME). We support the AER's requirement for retailers to use EME's plan identification numbers, which should have the effect of promoting switching and enabling customers to access the plan they have chosen.

We support the proposed restrictions on the terminology used by retailers, although we consider that, without public education, some energy concepts (e.g. controlled load) will remain poorly understood regardless of the language used.

The Brotherhood would like to see the benefits of the AER's proposed changes extend to consumers in Victoria.

Despite being in the National Electricity Market, Victorian energy retailers are subject to different rules regarding energy fact sheets, and the state has its own government comparison website. We encourage the AER to engage with Victorian regulators to implement improved fact sheets and require energy retailers to use energy plan identification numbers.

Please contact Damian Sullivan (e: dsullivan@bsl.org.au m: 0405 141 735) or David Bryant (e: dbryant@bsl.org.au ph: 03 9483 2470) for further information.

Once again, we commend the AER on their work and look forward to continued consultation on retail market reform.

Yours sincerely,

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