

19 October 2012



Senator Matt Thistlethwaite
Chair
Senate Select Committee on Electricity Prices
PO Box 6100
Parliament House
CANBERRA ACT 2600

via email: electricityprices.sen@aph.gov.au

Dear Senator Thistlethwaite

PIAC response to questions on notice

This letter outlines the Public Interest Advocacy Centre's (PIAC) response to two questions on notice sent to (PIAC) by the Senate Select Committee on Electricity Prices on 5 October 2012. We were asked to respond by today, 19 October 2012.

Question 1

The organisation One Big Switch (OBS) argues in its submission that a lack of transparency around plans and pricing for consumers is impeding the benefits of competition and they are arguing retailers should be forced to supply more information to customers including immediately informing the market of price rises and publicly releasing price rises for all plans for customers. Do regulations currently prohibit retailers supplying this information to customers and what is your organisations view of OBS's submission?

Availability of consumer information

Naturally, the precise meaning and scope of the regulations are matters of statutory interpretation and so PIAC does not here provide advice on that specific issue.

In relation to one of the key recommendations in the OBS submission, regarding the public release of pricing information for all energy plans, PIAC submits that such a requirement already exists. The NSW Minister for Energy has the power to issue Pricing Guidelines.¹ It is a condition of a retailer's operating licence that it provide all information required under the Pricing Guidelines, including submitting details of all available retail offers to the Independent Pricing and Regulatory Tribunal (IPART). IPART makes this information publicly available through its My Energy Offers price comparator service. My Energy Offers is available both online and over the telephone, and allows consumers to compare all retail offers available in their area.

Under the National Energy Consumer Framework (NECF), the Australian Energy Regulator (AER) has a similar power to make and amend Retail Pricing Information Guidelines (the AER Pricing Guidelines).² The AER Pricing Guidelines specify that retailers must produce Energy Price Fact Sheets³, which outline specific details of all available offers in a simple and easily comparable manner. The requirements include details of all tariff components, fees and charges, available discounts and the term of the contract. The AER Pricing

¹ *Electricity Supply Act 1995* (NSW), s 181A(2); *Gas Supply Act 1996* (NSW), s 75AA(2).

² *National Energy Retail Law Act 2001* (SA), s 61(1).

³ AER, *Retail pricing information guidelines*, 2012, 4. Available at: www.aer.gov.au/node/16091.

Guidelines also specify the form in which details of all retail offers must be provided to the AER, to be made available through its price comparator service. The AER price comparator service, Energy Made Easy, operates in jurisdictions that have implemented the NECF. Once additional jurisdictions implement the NECF, Energy Made Easy will be a single site from which customers across the National Energy Market will have access to information about retail energy offers.

Question 2

OBS also argues for easy to understand dash board information to be supplied to consumers to make it easier for them to understand their contracts and bills. What information should be included on such a dashboard for consumers?

Simple and consistent information

PIAC submits that such information about contracts is part of the Energy Price Fact Sheets discussed above. PIAC contends that the key feature of the Energy Price Fact Sheets is that their content and format are regulated and enforced by an independent authority that does not have an interest in consumers taking up one offer over another.

PIAC further submits that any new information sources should build on the base that has been established by state regulators and the AER in the form of their comparator services and other methods of providing information to consumers, such as Energy Price Fact Sheets. The goal should be to provide consumers with simple and easily comparable information about energy offers. In PIAC's view, this should be done by complementing existing channels of information provision so consumers are not forced to seek this information from a number of disparate sources.

PIAC also notes that while there is potential to make electricity information available to consumers through the use of smartphones, not everyone uses such a device. Care must be taken to ensure that those who do not use such tools—or the internet generally—are not disadvantaged in their access to the essential service of electricity. This is especially important given the correlation between those who lack access to such technologies and those who are most disadvantaged in our community.

If you would like to discuss any matters related to this issue further, please contact myself or Oliver Derum, Policy Officer in the Energy & Water Consumers' Advocacy Program, on 8898 6518 or oderum@piac.asn.au.

Yours sincerely

Carolyn Hodge
Senior Policy Officer
Energy + Water Consumers' Advocacy Program
Public Interest Advocacy Centre