



**Government of South Australia**

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Dear Ms McGrath

Thank you for the opportunity to comment on the *draft Statement of Approach – AER Price Comparator Website* and the *draft amended AER Retail Pricing Information Guideline and Notice*.

I am pleased to note that the price comparator website development process is continuing on form and that submissions to the previous consultation were clearly considered and adopted where possible to create a robust foundation for the website.

I was disappointed to see, however, that the Australian Energy Regulator (AER) did not adopt the suggestion of inclusion in the results table of an estimation of annual savings that can be achieved by customers between market contract prices and the standing contract price. The comparison would be a useful tool for customers which would clearly illustrate the discounts available from the applicable standing contract price and, as you would be aware, the Essential Services Commission of South Australia (ESCOSA) estimator currently provides this comparison for users.

I understand that the AER considers inclusion of estimated annual savings against the standing contract price may be considered misleading by the Australian Consumer and Competition Commission (ACCC) as was the case in the Energy Watch Pty Ltd misleading conduct proceedings. It is understood, in that case, Energy Watch made advertising statements about the amount that consumers have saved and would save by using their website. This is different to providing an estimation of annual savings and it is not suggested that the AER state that consumers will necessarily save money by using their website.

The AER's current suggested approach states that the price comparator will show a results table containing annual amounts for all offers available to a consumer in their area. This table will include the standing contract price for their area and available market contract prices meaning that consumers will be able to make the calculation of savings on their own. Given that the estimated annual savings would require a

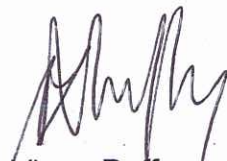
simple deduction of the two prices, the Department of Manufacturing, Innovations, Trade, Resources and Energy (DMITRE) does not consider that this has the potential to be any more misleading than the current proposed approach by the AER. Provision of the estimated annual savings, however, would be quicker, easier and more reliable for the consumer.

As long as the disclaimer page clearly states that the savings calculation is made against the local standing contract price, that it is intended to be used as an indication only and is ultimately subject to the customer's actual consumption, the AER will not be making any misleading statements. ESCOSA has included this calculation in their current estimator and the information presentation has not been considered misleading.

DMITRE continues to strongly support the inclusion of an annual savings calculation in the final results table.

Thank you again for the opportunity to comment on these papers.

Yours sincerely



Vince Duffy  
EXECUTIVE DIRECTOR  
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