



Ethnic Communities' Council of NSW Inc.

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By email: AERInquiry@aer.gov.au

General Manager
Markets Branch
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Submission to AER Retail Pricing Information Guidelines Issues Paper

Dear GM,

Ethnic Communities Council of NSW (ECC) welcomes the opportunity to comment on the AER Retail Pricing Information Guidelines Issues Paper (Issues Paper).

ECC is a non-government peak body representing many organizations and people from the multicultural communities in NSW. ECC has previous experiences of working with the CALD (culturally and linguistically diverse) communities on various sustainability subjects. We are also working with different types of small businesses to help them reduce the electricity consumption, therefore to reduce the greenhouse gas (GHG) emissions. All the projects mentioned above made ECC win both the Community Sustainability Award and the Premier's Award for Sustainability of the 2009 NSW Green Globe Awards.

Followings are our responses to the individual questions listed in the Issues Paper.

Q 1. What are stakeholder views on the forms of advertising that the AER should target with this Guideline?

Based on ECC's experience of working with the CALD communities, different communities prefer different media as the source of information. For instance, Arabic speakers prefer television; Chinese speakers prefer newspapers; Greek speakers prefer press and radio; and Vietnamese speakers prefer press and television. With this Guideline, AER should target on various forms of advertising to access all the communities.

Q 2. To what extent should the AER be less prescriptive in the presentation of pricing information on mass media platforms (such as billboards) as opposed to door-to-door sales, brochures and websites?

The pricing information presented on billboards, radio and TV could be less prescriptive. However it should at least include the unit prices (flat tariffs or time-of-use tariffs) under the standard offer.

Q 3. Should a template be published? Under what circumstances should retailers be required to present prices following that template? What should the template be called (i.e. the Price Disclosure Statement or Price Information Sheet or another name)? Do stakeholders have any views on what type of format?

A fixed template should be published since it makes it easier for consumers to compare the offers among different retailers. It could be called Price Information Sheet. The prices need to be presented by the retailers based on the required template when they are printed on the leaflets/brochures, newspaper/other print advertisements, as well as on websites. In terms of format, the following table format is suggested.

Energy Company Name		
Name of Offer 1.		
Flat	All the time	c/kWh
Name of Offer 2.		
CPP/DPP event	10am to 6pm Dec-Feb 5pm to 8pm June-Aug (10 days per year)	c/kWh
Non-extreme days	The rest of the year	c/kWh
Name of Offer 3.		
Peak	Monday to Friday 2pm to 7pm	c/kWh
Shoulder	Monday to Friday 7am to 2pm	c/kWh
Off peak	The rest of the time	c/kWh
Supply charge (same for all offers)		\$/day
Further price details and Fees (esp. the early termination fee)		

Q 4. What are stakeholder views on the effectiveness of using standardised unit pricing as a way of presenting prices?

ECC thinks the standardised unit pricing is an effective way of presenting the prices.

Q 5. What are stakeholder views on discounts/rebates/fees etc. being disclosed separately from the actual price of energy?

ECC supports the discounts/rebates/fees to be disclosed separately from the actual price of energy since this will increase the transparency of the energy prices.

Q 6. Is standardised unit pricing likely to become too complex when bundled offers/complex tariffs are disclosed in the proposed formats?

Even the standardise unit pricing is becoming complex under certain circumstances; there is no more simple way of price disclosing.

Q 7. *What are general views on the formats presented in these tables?*

The proposed formats look alright for now.

Q 8. *What units might be most effective (i.e. cents/day or \$/week) and what format is likely to be most useful for customers (i.e. c/kwh or “cents per kilowatt hour of electricity”)?*

\$/day might be most effective and c/kWh is likely to be most useful for customers.

Q 9. *The AER would like to obtain stakeholder views on the effectiveness of using the annual cost method as a way of standardising the presentation of prices and enabling ease of comparison between offers for small customers.*

ECC is not particularly in favour of the annual cost method since it is difficult to present the figures meaningfully to reflect the personal situation due to the complexity of climate zones and household appliance variations.

Q 10. *The AER seeks views on how it might develop consumption bands that would reflect appropriate consumption levels of small customers – both residential and small business – and whether these levels should be differentiated to accommodate differences between NEM jurisdictions?*

ECC believes the issues involved here are too complicated to be meaningfully discussed.

Q 11. *Given the significant variations in consumption levels by small businesses (and limited data availability), what would be the best method to determine an approximate range of bands that can be used to reflect consumption of both electricity and gas by small businesses?*

Based on ECC’s experiences of working with small businesses, it is not practical at all to develop the annual cost method for small businesses since there is not enough data available.

Q 12. *The AER seeks views on how discounts should be displayed. For example, is it appropriate that the discounts are disclosed separately from the annual cost of an offer? If not, how else should they be displayed?*

The discounts should be disclosed separately from the annual cost of an offer.

Q 13. *What assistance or additional guidance in the form of ‘pointer questions’ could be provided to assist customers to place themselves in the appropriate consumption band?*

No suggestions.

Q 14. *The AER seeks comment on the possible methods put forward for determining how retail offers should be presented given the potential for*

the development of more time-of-use-tariff offerings from retailers. In particular, what are stakeholder views on using the load profile data as a method for creating an assumed distribution of usage over time to enable comparison using the annual cost approach?

From our experience of working with the community, we don't think the general public will understand the meaning of load profile and the assumed distribution of electricity usage over time. So we don't support the annual cost approach under the TOU tariffs offers.

Q 15. What other appropriate methods could be considered?

The retailers could provide the unit prices (c/kWh) of peak/shoulder/off peak periods. They also need to publish the related period (i.e. from what time to what time of the day/week/year). If there is the Critical Peak Price (CPP) or Dynamic Peak Price (DPP), the related unit prices and the time period should also be provided.

Q 16. Should different load profiles be created for each jurisdiction or season?

Yes.

Q 17. How often should the load profile be updated?

The load profile should be updated every other year.

Q 18. What are stakeholder views on the effectiveness of using a combination of both the annual cost and standardised unit pricing method to present price information?

It is not necessary to use the combination method. It will only confuse the customers more. Also, it will impose greater compliance costs on retailers; in the end, the customers need to pay for them.

If you have any questions about this submission, please contact me on 02 9319 0288.

Sincerely yours,



Joyce Fu
Energy Program Coordinator
Ethnic Communities' Council of NSW Inc.