



queensland council of social service inc

WORKING FOR A FAIR QUEENSLAND

27 June 2011

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

Dear General Manager,

RE: AER Retail Pricing Information Guideline

Queensland Council of Social Service (QCOSS) is the peak body for over 600 welfare and community sector organisations in Queensland. For over 50 years QCOSS has worked to promote social justice and exists to provide a voice for Queenslanders affected by poverty and inequality. We act as a State-wide Council that leads on issues of significance to the social, community and health sectors. We work for a Fair Queensland and develop and advocate socially, economically and environmentally responsible public policy and action by community, government and business.

QCOSS has been funded by the Department of Employment, Economic Development and Innovation for an energy consumer advocacy project in Queensland. The purpose of this project is to advocate on behalf of Queensland consumers and particularly vulnerable and low income households in relation to energy.

QCOSS welcomes the opportunity to comment on the draft AER Retail Pricing Information Guideline.

In general, QCOSS supports the draft Guideline, and believes that it strikes an appropriate balance between providing adequate information and ensuring that price fact sheets remain comprehensible to consumers. However, we would suggest some minor changes to further improve the quality of information provided to customers, as follows:

- **The required statement about the price comparator on price fact sheets should include the telephone number for the information line, in addition to the website address.**

QCOSS is pleased that the AER has included a requirement for price fact sheets to include a clear and obvious statement on the availability of the price comparator in the draft Guideline. We support this approach as an alternative to providing annual cost information on fact sheets. However, many consumers do not have internet access, particularly among low income and vulnerable groups. The AER has recognised this fact, stating in the notice of draft instrument that consumers without internet access will most likely be able to call an information line to obtain a printed copy of the information the comparator website will provide. QCOSS welcomes this approach, but suggests that it may be of limited use if consumers are not made aware that they can request information by telephone.

- **A statement should be included in clause 2.2 of the Retail Pricing Information Guideline that the unit price shown on energy price fact sheets must be exclusive of any discounts that may be offered.**

The notice of draft instrument states that the AER considers that all unit prices should be shown as amounts before a discount. QCOSS supports this approach, but notes that it is not specified in the draft Guideline. We believe that it should be included in the Guideline, to eliminate any possibility of confusion about retailers' obligations in this matter.

- **The Retail Pricing Information Guideline should require retailers to provide energy price fact sheets to the AER a reasonable number of days before the offers become available, to maintain the integrity of the information provided by the AER price comparator.**

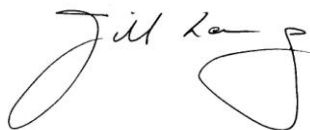
Under clause 3.1 of the draft Guideline, retailers will be required to provide a copy of the energy price fact sheet for each generally available offer to the AER within 2 business days of the offer becoming available. In Queensland, retailers are currently required to provide information about changes to their offers to the Queensland Competition Authority (QCA) at least 10 business days prior to the date they take effect, so that the QCA Price Comparator can be kept up to date. QCOSS believes it is reasonable to require retailers to provide the AER with sufficient notice of new offers, or changes to generally available offers, to ensure that the price comparator will provide correct information at all times.

- **There appears to be words missing in the second last line on page 11 of the draft Guideline, which reads 'the customer should only be required the minimum level of information'.**

QCOSS is disappointed that the AER has decided against obliging retailers to provide a revised energy price fact sheet when prices change, as discussed in its September 2010 Position Paper. We believe that while the draft Guideline should enable consumers to easily make comparisons between new offers. Comparing them with their existing contract will be difficult if the tariffs or fees have changed since the contract was formed. The Retail Pricing Information Guideline does not require retailers to make information about obsolete or other non-generally available offers available through any medium that does not require direct contact between the customer and retailer. The lack of other information sources is likely to mean that customers seeking a summary of the fees and charges applicable under their current contract to compare with alternative offers will need to contact their retailer to obtain this information. In effect, they would be required to alert their retailer to the fact that they were considering another offer. This may benefit individual customers, since it gives retailers the opportunity to make lower counter offers to retain customers. However, it does not support the development of effective competition in the long term. For those customers who do not choose to request information from their retailer, their ability to make informed decisions about switching is likely to be limited.

If you would like any further information or to clarify any aspect of this submission, please contact Linda Parmenter or Nadine Lester on 07 3004 6900.

Yours sincerely

A handwritten signature in black ink that reads "Jill Lang". The signature is written in a cursive style with a large loop for the letter 'J'.

Jill Lang
Director