



26 October 2017

Ms Sarah Proudfoot  
General Manager  
Retail Markets Branch

Via email: [AERenquiry@aer.gov.au](mailto:AERenquiry@aer.gov.au)

### **Australian Energy Regulator – Customer price information – Uniting Kildonan submission**

Dear Ms Proudfoot

I am pleased to present Uniting Kildonan's response to the Australian Energy Regulator's (AER) – September 2017 Customer price information issue paper.

#### **About Uniting Kildonan**

Uniting Kildonan is a community services arm of the Uniting Church in Victoria and Tasmania. Uniting is the joining together of 22 UnitingCare agencies, including Kildonan UnitingCare, and two church business units, on 1 July 2017. Uniting for greater change.

Previously one of Australia's oldest community organisations, founded in 1881, Uniting Kildonan has worked in the area of vulnerability for 135 years. Our main emphasis is on family preservation, early intervention and the prevention of family breakdown. Programs include youth, family and children's services, financial counselling, energy efficiency programs and community based support programs. Today, Uniting Kildonan is seen as an influential voice and adviser to State and Commonwealth government on issues of consumer hardship and is represented on many public sector and corporate consumer advisory councils.

As a merged organisation, we can better prepare for current and future changes in the community services sector. We now have access to broader resources and are able reach and support more local communities across Victoria and Tasmania.

#### **Response to AER issues paper**

*"I just want to be able to afford to heat my home in winter, have a hot shower when I need it, and use the oven to cook dinner for the family."* Uniting Kildonan client

Key points addressed are:

1. The content and format of Energy Pricing Fact Sheets
2. The development of a comparison rate for energy offers
3. Technological solutions that facilitate simpler comparisons of energy offers
4. Facilitating comparison of energy offers for consumers without access to technology, or whose preference is for online communication

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### **1. Energy Price Fact Sheet content and format (EPFS)**

Uniting Kildonan supports the idea of clear, simple, targeted and easy to read Energy Price Fact Sheets (EPFS) for consumers. The example provided in the AER's September 2017 issue paper requires a high degree of literacy to work through. We agree with the AER that the EPFS is "quite complicated" and that "consumers faced with too much complex information can be overwhelmed, hindering or preventing decision making."

People are time poor and are rushing to prioritise many things in each day – family, work, finding work, paying other bills etc. The EPFS needs to make it easier to understand energy pricing quickly.

We suggest:

- Combine use of graphics/graphs with figures and amounts to engage the reader visually.
- Dashboard style layout with key information.
- Summarise key information – tariffs and pricing, fees, discounts, length of contract, full terms and conditions, retailers contact details.
- Use simple language that speaks directly to people. Keep it friendly tone and real – not driven by data. E.g. "Here is how contracts work? Most important things to look out for and think about..., looking for discounts and concession...Make sure your getting the discounts and concessions you need..."

Uniting Kildonan frequently hosts focus groups with vulnerable customers to test business and regulatory ideas and concepts. We would be happy to facilitate some focus groups for AER to test sample EPFS fact sheets and gather feedback.

### **2. Comparison rates and reference prices**

Uniting Kildonan supports the use of comparison and reference rates. As discussed above, visual references for consumers are best. Combine these with references to average kilowatt hours (low, medium, high), alongside average costs.

The challenge is to accommodate the many different family compositions, sizes, housing structures and appliance usage.

Suggest:

- Make it visual - graphics
- Reference number of people occupying house (low, med, high) remove reference to children (keep it generic: graphic of person), along with corresponding daily kilowatt usage, and average cost
- Customisation – consider providing various additional average usage/cost scenarios. For example if customer added – e.g. electric car, pool, spa
- Define low, med, high daily kilowatt amounts as – 5kw, 10kw, 15kw+
- Display on websites, accessible on mobile phone apps, EPFS – (Powershop has example of good interface)
- Avoid information overload – keep it as basic as possible. Serve as an entry point for consumer to gain perspective, get an idea of fundamentals, how they compare, and options they could pursue.

### **3. Technological options to facilitate offer comparison**

Optical character recognition (OCR) and QR barcodes are a good idea. These may especially appeal to younger consumers. QR codes in particular have been around for some time and are used for the hiring of machinery, checking in to flights and scanning boarding passes/luggage, movie tickets etc. Also worth considering other media to create understanding – film and animation.

There is a section of consumers that will embrace these if they can click and compare quickly. Interface must be smooth, fully tested, and work well before any roll out. If it is difficult to use initially it runs the risk of over complication and creating another barrier to engagement. It is important to recognise that OCR and QR won't work for everyone and needs to be offered along with other potentially non-digital ways for accessing info such as a free helpline. The consumer could be emailed summary and options based on a conversation with an advisor.

Suggest:

- OCR and QR good addition to consumer offerings as long as interface is simple and smooth.
- People have many competing priorities in their day and technology of this sort can be a barrier for some. Consider other options in addition – phone number/contact line for people to call. (ISelect is for profit version)
- Short fun films stories (2min) comparing people's situations, housing make ups and costs.
- Powershop is an example of using good bill comparisons, short films, easy to use mobile phone apps and interface, combined with simple well pitched language

#### 4. Customers who are not digitally engaged

Research shows that while older Australians are becoming more digitally engaged, they are still less likely to access services and information online than their younger counterparts. This research showed that an estimated one million adult Australians (six per cent) have never accessed the internet (at June 2015), with older Australians accounting for 71 per cent of this group.<sup>1</sup>

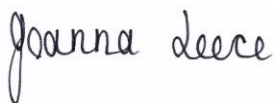
Therefore it is important that people are given access information where they live, or where they spend most of their time.

Suggest:

- National (not for profit) contact centre/phone lines
- Cultural and community groups/centres, clubs –E.g. Ethnic radio, RSL, Council of the Aged (COTA), RACV, community leaders, migrant councils, Vision Australia, Seniors newspapers, Disability support worker forums, radio stations, senior advocacy bodies (ACOSS, VCOSS, QCOSS etc), different communities leaders groups
- Translations of key fact sheets (EPFS) across all cultural groups

Thank you for the opportunity to comment on your issues paper. As mentioned, we are happy to work with you in developing and testing potential communication tools. For further information about any aspect of our submission, please contact Marcia Harkins on 0420 663 735 or [mharkins@kildonan.org.au](mailto:mharkins@kildonan.org.au)

Yours sincerely



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<sup>1</sup> <https://www.acma.gov.au/theACMA/engage-blogs/engage-blogs/Research-snapshots/Digital-lives-of-older-Australians>