



A consumer engagement blueprint

Review of competition in NSW energy retail markets – supplementary report

Competition is delivering discounts and other benefits to NSW electricity and gas consumers and many are taking advantage of the choices they have. However, consumers want better information and support to help them choose an energy plan that suits their needs. The AEMC has developed a consumer engagement blueprint to empower consumers and make it easier for them to compare offers.

Background

In its final report released earlier this month the AEMC found that competition in the NSW retail energy markets is delivering discounts and other benefits to small consumers. However, we recommended that more can be done to make it easier for consumers to compare offers and choose an energy plan that suits their needs.

The supplementary report builds on the AEMC's final report and provides advice on how to inform and empower consumers thereby providing for more effective competition. This is consistent with the request for advice for this review from the Standing Council on Energy and Resources which requires the AEMC to advise on ways in which competition can be improved in NSW retail energy markets.

The recommendations in the report are based on consumer research, including qualitative forums, a quantitative survey, in-depth interviews and a literature review, and have been developed in collaboration with research and communication experts. We also worked with consumer groups and energy retailers to assist us in developing the blueprint.

While the report provides advice to the NSW government, the findings and recommendations are relevant to other states and territories in Australia that share the challenge of providing consumers with the information they need to compare offers and choose an energy plan that suits them.

What our research says

While competition is delivering choice, our consumer research suggests:

- there is confusion about the options available to consumers and a low level of awareness of the comparison tools available such as the Australian Energy Regulator's (AER) *energymadeeasy* website;
- there is a low level of awareness of consumer rights and protections and a mistrust of retailers; and
- many consumers are not aware they may save money by changing their energy plan.

We recommend a suite of initiatives to give consumers confidence that they have the information and support to choose the right energy plan for them. At a high level, these initiatives are:

- providing information to consumers through a media campaign that uses different channels to target specific consumer segments as well as the broader community;
- refinements to existing comparison tools, many of which are already being considered by the AER; and
- providing additional support to consumers that need it.

This consumer engagement blueprint can provide a starting point for the development of a government campaign to empower consumers.

Consumers should be confident that they have the right information and support to find an energy deal that suits their needs.

Providing information

We recommend that the NSW Government undertake a media campaign to give consumers confidence that they have the information, support and protection needed to choose an energy plan that suits them. The campaign should inform consumers:

- that there is a free, independent source of information where offers can be compared;
- they may save money by changing their energy retailer or plan;
- it is quick and easy to choose an energy retailer or plan; and
- their consumer rights are protected and their supply will not change if they change their retailer or plan.

Mass media

We recommend that the campaign be spearheaded by a TV, radio, print and online advertising campaign.

To support this campaign a simple brochure conveying the same messages should be developed that can be widely distributed through a range of places that people often go to.

Tailored media

In addition we recommend that the NSW Government undertake a more tailored media campaign to meet the needs of particular segments of the community such as people from non-English speaking backgrounds and regional communities. This includes:

- advertising in different languages; and
- advertising through local radio and niche newspapers.

Refinements to comparison tools

We recommend that the AER makes a number of refinements to the existing tools that allow consumers to compare offers. These include improvements to:

- the *energymadeeasy* website, to simplify the comparison process;
- the *energymadeeasy* telephone hotline, to broaden the service offered and support different segments of the community; and
- energy price fact sheets, to simplify and standardise the information provided to consumers by energy retailers about energy plans.

The AER has already commenced working on improvements to the website.

These improvements go hand in hand with the media campaign to ensure that once consumers are aware of the potential benefits of changing their energy retailer or plan and are motivated to investigate their options, they are directed to sources of information that are independent and easy to use.

Providing additional support to consumers that need it

Some groups in the community may prefer additional support to understand their choices and to access the comparison tools available. Community organisations and peak bodies are effective ways of reaching specific segments of the community such as elderly people, people with a disability and people from non-English speaking backgrounds. We recommend that information kits as well as training be provided to these organisations to help them assist their clients.

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