



Brotherhood
of St Laurence

Working for an Australia free of poverty

Submission to the

Review of electricity and gas retail markets in Victoria

Department of Environment, Land, Water
and Planning (DELWP)

Brotherhood of St Laurence

March 2017

About the Brotherhood of St Laurence

The Brotherhood of St Laurence (BSL) is an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, the BSL continues to fight for an Australia free of poverty. We undertake research, service development and delivery, and advocacy with the objective of addressing unmet needs and translating the understandings gained into new policies, new programs and practices for implementation by government and others.

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Introduction

The Brotherhood of St Laurence commends the Victorian Government for undertaking the *Review of electricity and gas retail markets in Victoria* and we welcome the opportunity to provide a submission.

Central to our approach is the principle that energy is an essential service. Without the services energy enables—heating, cooling, lighting, entertainment—households' health, wellbeing, social and economic participation are all put at risk. Such concerns are not merely academic. We know the numbers of disconnections have increased, forcing some households to go without energy; at the same time we know other households trade off paying their energy bills with other needs such as buying food or taking part in school excursions (see, for example, Chester 2013).

Affordable, accessible energy is therefore extremely important. Low-income households who spend a higher proportion of their income on energy than other households on energy are particularly vulnerable to price rises. So too are households who have medical special needs, those who have a person living with a disability and renters (see Azpitarte, Sullivan & Johnson 2015). Similarly households already facing difficulties paying their energy bills are particularly vulnerable to high prices.

For these reasons it is critical that energy costs are kept as affordable as possible. Across the energy supply chain, attention continues to be focused on network, wholesale and policy costs. The retail charges component of energy bills has largely escaped detailed attention. We can only surmise this is because, with retail markets deregulated and market indicators suggesting that competition is working, the assumption has been made that the outcomes will be better for consumers.

We are concerned that the market has failed to deliver on its promise. Energy retailers rather than consumers are capturing too much of the value in the market. Changes are needed.

Key problems with the operation of the market include:

- a lack of evidence of the actual prices consumers are paying for their retail energy
- outcome measures based on satisfaction, rather than the prices consumers are paying
- a lack of transparency in retail charges
- rising retail charges and high fixed charges that disproportionately affect low-income households
- reduced effectiveness of the Victorian Government energy concession at the expense of low-income households and all Victorians.

Reforms to be explored

Rather than proposing an answer, the BSL is keen to participate in dialogue with the government, other community sector organisation and key stakeholders to develop workable solutions that improve the function of the market and can be shown to lower energy bills for low-income and vulnerable consumers.

This submission identifies a number of options to consider. They include:

Improved reporting and outcome measures

- 1 Regular collection and reporting of data on the prices consumers are actually paying for energy, broken down into customer segments.
- 2 Use of measures based on the price consumers are paying for energy, as well as their satisfaction in the market, to assess retail market effectiveness
- 3 Development of metrics and a process for retailers to report on the pattern of their retail charges
- 4 Introduction of measures to control the high fixed component of retail bills in Victoria. These may include capping fixed charges or restricting them to a proportion of the network fixed charge
- 5 Consistent protocols for consumers and third parties to obtain data from retailers and distributors

Measures affecting households receiving energy concessions

- 6 Requiring energy retailers to report de-identified billing information for each concession customer once per year.
- 7 Development of Victorian Government processes to communicate directly with Victorian concession customers to alert them to the money they are losing by being on a poor energy market offer
- 8 Requiring retailers to:
 - place concession customers on the best / near to best contract at the end of benefit period or
 - introduce a simple, low-cost tariff for concession customers
- 9 Investigation of program interventions including:
 - sponsoring the establishment of a not-for-profit retailer
 - increasing funding for the Victorian Energy Compare online tool
 - development of tailored switching support for vulnerable customers.

We also note the proposals floated by Ben-David (2016). The following proposals appear relatively straightforward and should be considered immediately:

- Universal obligation to publish – require retailers to publish any contract offered to one or more customers (not simply the publicly available offers)
- Genuinely fixed prices – require all contracts of fixed length to offer fixed terms for the duration
- Recommended retail price requirements – allow retailers to set their own recommended retail price, but only to discount from that RRP.

1 Response to selected review questions

Competition and the long-term interests of consumers

1. (a) Has the introduction of competition to electricity and gas retail markets in Victoria delivered improved efficiency and benefits in the long term interests of consumers? Please explain the reasons for your response
- (b) If not, what measures or alternative model(s) would you suggest for the efficient and effective delivery of electricity and gas in the long term interests of Victorian consumers? Please explain the reasons for your response.

The introduction of competition into the electricity and gas retail markets has failed to deliver the full potential benefits to consumers. As a result consumers have been paying more for electricity than they would if the market were delivering the optimal outcomes.

There are, however, two interrelated and overriding issues that undermine the ability to assess the impact of competition on Victorian consumers:

1. A lack of information is available about the actual prices consumers are paying for energy
2. Outcome measures that are used to assess retail market competition fail to account for the actual prices consumers are paying for energy, rather focusing on self-reported measures such as satisfaction.

There is limited or no information on the prices households are actually paying for energy

Numerous studies ask consumers about their level of satisfaction in the energy market (see, for example, the survey by Newgate (2016) for the AEMC, and ECA (2016)). Similarly, numerous studies have identified the spread of offers in the market (see, for example, the Vinnies Tariff Tracking Project, ESC (2016), AER (2016)).

It is striking that there are no large-scale, publicly available studies, which provide detail on the retail market offers people have actually taken up.

Such studies need to provide reliable data on the price households are actually paying for energy including the different components of the bill (e.g. fixed and variable), and the consumption levels for the households studied. Ideally there would be sufficient detail to understand the prices paid by different segments of the population who may be less engaged in the market and therefore paying more than they need to for energy.

At the Brotherhood of St Laurence, we are acutely aware that the price of energy is extremely important for low-income and vulnerable Victorian consumers. We remain perplexed that energy market institutions have not sought to identify the actual costs energy consumers are paying and whether they are truly benefiting from the competitive market. The Victorian Department of Human Services Utility Expenditure Consumption survey comes the closest to providing the information needed.

Detailed data are essential if we are to understand the real hip pocket impact of the retail energy market and to identify whether there is a significant gap between what is promised by cheap retail energy offers and the lived experience of Victorian consumers.

Outcome measures that rely on satisfaction are inadequate on their own

Consumer satisfaction with the market is a useful indicator if it is used with caution and in conjunction with other indicators, particularly the prices households are actually paying for energy. However Ben-David (2015) has highlighted a fundamental failing in satisfaction measures: many of the people surveyed make contradictory responses and are being asked about something they do not fully understand.

The actual prices people pay for energy, and the retail component, should be the primary outcome measure

The primary outcome measure should be an assessment of the actual price consumers are paying per unit of energy consumed, and the contribution of retail costs to that price.

We would expect in an effective competitive market (that is working in the interests of consumers) that the retail component of the price would reduce over time, with consumers benefiting from lower prices (relative to what they might have been). Or alternatively, consumers might continue to pay the same or more, but benefit from identifiable improvements in service.

There is, however, limited evidence of substantial ongoing improvements to consumers across the retail energy market that would justify the increased retail charges.

Households on low incomes are among the hardest hit by rising energy prices

Low-income households spend more of their weekly income on energy than other households, even though they tend to consume less overall. On average, households in the lowest 20% of income distribution spend close to 6% of their weekly income on energy, whereas the highest 20% spend only around 1% of their income on energy. Energy price rises are therefore much harder to accommodate in their smaller household budgets.

High bills also cost the Victorian Government

With a 17.5% energy concession offered to low-income Victorian households, excessive energy costs hit the government bottom line, as bigger bills mean the cost of the concession rises.

2. How much have retail charges paid by consumers increased? What are the reasons for retail charge increases and does this demonstrate that the markets are not operating in the interests of consumers? Please provide detailed evidence to support your response

While we recognise the difficulties in disentangling retail charges from other charges in the energy price stack, we note a number of studies have provided estimates of the retail component of the total energy bill.

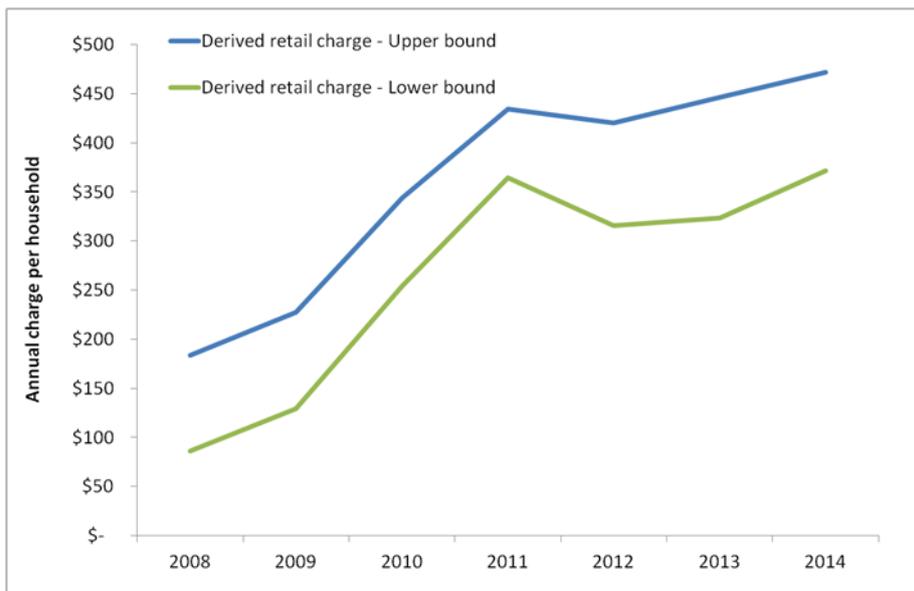
The variation in these estimates highlights the need for greater transparency in retail energy charges. The review should consider options to mandate the provision of data that enables regulators to monitor and report on retail charges.

Retail charges appear to have increased significantly over recent years.

In 2015, the Brotherhood of St Laurence commissioned CME to undertake a critique of the Victorian retail electricity market. **CME’s analysis found that that the retail component of electricity bills more than doubled between 2008 and 2014, and was far higher in Victoria than in other states.** This is based on Australian Bureau of Statistics (ABS) data for total household electricity bills, from which network charges, environmental and metering charges and wholesale supply charges were deducted, to estimate the amount retailers are charging for their services (CME 2015).

The analysis showed that retail charges rose from a range of \$86 to \$183 for the average energy bill in 2008 to a range of \$371 to \$ 471 in 2014¹. This represents an average total increase of 212% over the six years. Reducing these retail charges would reduce Victorian households' electricity bills.

Figure 1 Average annual retail charge in Victoria over time – derived (upper and lower bounds)



Source: CME 2015

Using a different methodology, OGW (2014) identified a total increase on the average bill of \$153 in real terms between 2002 and 2014 (based on 4000 kWh consumption in a household without electric off-peak hot water in 2014 dollars). Over the same period they identified an increase of \$141 or 39% in retail services charges in real terms (see Table 1). OGW’s data showed a fluctuating retail component of the bill, with largest being 20% in 2014. Wholesale charges, advanced metering infrastructure, and policy costs were accounted for separately in the OGW analysis.

¹ This is an increase of between 331% and 157% over six years.

Table 1: Retail services charges and total annual bill of a residential electricity customer in Victoria using 4,000 kWh (without electric off-peak hot water) FY02 to FY14 (2014 dollars)

	2002	2004	2006	2008	2010	2012	2014
Retail services	\$358	\$325	\$261	\$301	\$406	\$341	\$499
Annual bill (excl. GST)	\$2,360	\$2,329	\$2,267	\$2,309	\$2,416	\$2,353	\$2,513
Retail as % of bill	15%	14%	12%	13%	17%	14%	20%

Retail % figures are author calculations from research data in OGW 2014, p. 14.

While these estimates used different data and approaches to calculating the retail charge, they also point to a significant problem in the retail energy market.

There is a lack of transparency on the retail component of energy bills.

The difficulty in separating retail charges from wholesale charges presents a real challenge for anyone seeking to understand the change in retail charges. This applies not only to policy makers and analysts but also to consumers.

Market structure and regulation

3. Are there any features of market structure or regulation that inhibit the market from delivering outcomes in the best interests of consumers?

We are unsure whether any particular features of the market structure or regulation inhibit the market delivering the full benefit to consumers as a whole.

However, there are some features of the **offers available in the market** that increase prices for low-income and vulnerable consumers and undermine consumers' ability to realise the full benefits from the market. These include:

- high retail fixed charges, which result in low consumption households paying more per unit of energy
- residualisation of customers who do not regularly switch. At the end of contract benefit periods, customers who do not switch again will lose any discounts and face the likelihood that their terms will deteriorate further over time. The AEMC (2016) has identified that 50% of consumers have not switched in the past five years.
- lack of clarity on the starting point for discounts, which makes it difficult for consumers to assess the real value of a discounted energy bill
- price discrimination against customers who are unable to access discounts due to difficulty paying on time or limited access to the internet
- lack of easy-to-compare prices. Unit prices in supermarkets have provided consumers with a simple way to compare products that are sold in different quantities or weights. Unit prices would make it much simpler for consumers to compare offers.

Pricing cost and margins

5. To the extent that analyses of retail pricing and/or margins indicate a trend of increasing retail charges and/or margins, what are the explanations for this? Please provide evidence to support your claims.

CME (2015) identified the impact of mergers and acquisitions on retail charges or margins. Essentially, low-price, innovative retailers enter the market, capture a share of the market and are bought out by bigger players. As a result there is limited sustained downward pressure on retail margins from new entrants.

Beyond mergers and acquisition, the following factors are likely to enable retail charges to increase more than they would in a well-functioning market:

- 1 The market is not structured to facilitate simple comparison of costs and benefits of different offers, so consumers find it difficult to choose the cheapest price.
- 2 The transaction costs (or the hassle) involved in searching for a new offer are too high, relative to the uncertain (and short-lived) benefits.
- 3 The perceived risk involved in switching is deterring some households (evidenced by risk-averse households' lower levels of intended switching (Newgate 2016)).
- 4 Many consumers who may have switched in the past have remained 'dormant' for over five years. As noted previously, the AEMC (2016) identified that over 50% of consumers report they have not switched for over five years. These consumers may have disengaged because they are unaware of the potential benefits of switching, uninterested in realising the benefits, turned off by perceived hassle of switching, or unable to identify the level of benefit with sufficient confidence to warrant switching.
- 5 Specific customer segments may face barriers to participation, which undermines the competitive market's function. Newgate (2016), for example, identified older people, people on low incomes and the less internet-proficient as more likely to say they would not switch in the next twelve months.

6. Please provide any other information or evidence you consider may help the review to accurately assess retail charges and margins or pricing outcomes for consumers.

There is a paucity of publicly available information to assess this issue. We refer you to the analysis by CME (2015) for the Brotherhood of St Laurence. We also note the report by SKM MMA (2013) for the Essential Services Commission.

The lack of transparency on retail charges and margins undermines confidence in the outcomes of the retail market.

We would strongly support measures designed to monitor and report on retail charges and margins.

7. Which costs have been introduced or significantly increased as a result of the introduction of retail competition?

How much cost has retail competition added to the electricity and gas supply chains?

Costs that would have increased as a result of competition include the costs of acquiring and potentially re-acquiring customers. Others are better placed to comment on the specifics of the various costs.

The key point for the BSL is: competition should not lead to more expensive energy for low-income and vulnerable consumers.

If the current design of the competitive retail market makes energy more expensive for consumers this needs to be remedied. One obvious exception to this argument would be if there are substantive improvements in services realisable by all customers including those on low incomes.

8. What cost reductions and other benefits to consumers have resulted from the introduction of retail competition?

Are there characteristics of the electricity and gas retail markets or supply chains that inhibit retail competition from delivering cost reductions or significant other benefits to consumers?

We know consumers on the best retail market offers can get very cheap energy deals relative to other consumers. The significant expansion of discounted offers also benefits those who are in a position to access them.

The BSL is concerned that many of the benefits from competition—for example low prices for the best market offers and discounts – are only available to specific customer segments.

In particular the following customers are likely to be effectively excluded:

- customers who have difficulty paying their bills on time
- customers with low internet proficiency (or limited access) or low literacy or numeracy
- risk-averse customers

Other customer segments may also be excluded from the benefits of the market; however, with limited or no data available it is difficult to understand the extent of the problem.

9. Why do prices remain so dispersed in Victorian electricity and gas markets? Does price dispersion indicate that some consumers are not obtaining the price benefits of competition? Why or why not?

One explanation for price dispersion is that higher prices correspond with a higher level of service (e.g. quicker response times). There may be examples of this; however, we contend that they are limited in the Victorian market.

The wide dispersion of prices at any one time suggests a substantial proportion of customers either:

- do not know that there are cheaper offers available
 - do not understand the price differential
 - are unaware of how to switch
 - are not confident that the new contract terms will remain in place for a sufficient period of time to make it worthwhile
- or
- do not care enough that they are paying a higher price (relative to the effort of switching).

Actual price dispersion is in all likelihood greater than recent analysis suggests

Recent studies of price dispersion are based on publicly available offers in the market (see for example, Vinnies 2015, ESC 2016). However, we know that customers whose contracts are more than 1 or 2 years old are likely to be outside the benefit period. Moreover AEMC (2016) for example reports 50% of consumers have not been active in the market for more than five years, but no information is publicly available on how much these inactive households are paying for energy.)

Inactive households are likely to be paying a disengagement penalty. Their contracts may be worse than the worst contracts on offer today.

It remains alarming that limited reliable data is collected on the actual prices people are paying, despite numerous customer surveys by energy market institutions.

10. When do consumers end up on standing offers or higher priced (typically undiscounted) market offers? What happens to consumers at the end of their contract period?

An additional important question is: which customers are more likely to end up on standing offers or higher priced market offers?

We remain concerned that low-income and vulnerable consumers are likely to be some of those who remain on standing offers and who are on higher priced market offers.

It is our understanding that many customers lose their benefits at the end of either the contract or benefit period (which is often 1 or 2 years). At this point the customers revert to the original pre-discount terms. Also the retailer may increase the price, without offering the customer a renewed best offer. The extent to which customers on residualised offers may be paying more than the standing offer is unknown.

Negate (2016) for AEMC identified the following groups in Victoria who were more likely to say they were *not* interested in switching:

- lower income households – 42% earning less than \$50,000 annually vs. 26% of those earning \$50,000 or more;
- people who hadn't switched in the past five years – 44% vs. 22% among those who had switched
- self-assessed technology laggards
- households with a low quarterly electricity bill – 43% of those with a bill less than \$300 vs. 24% of those with a bill of \$300 or more

Nationally the same study identified the following additional groups:

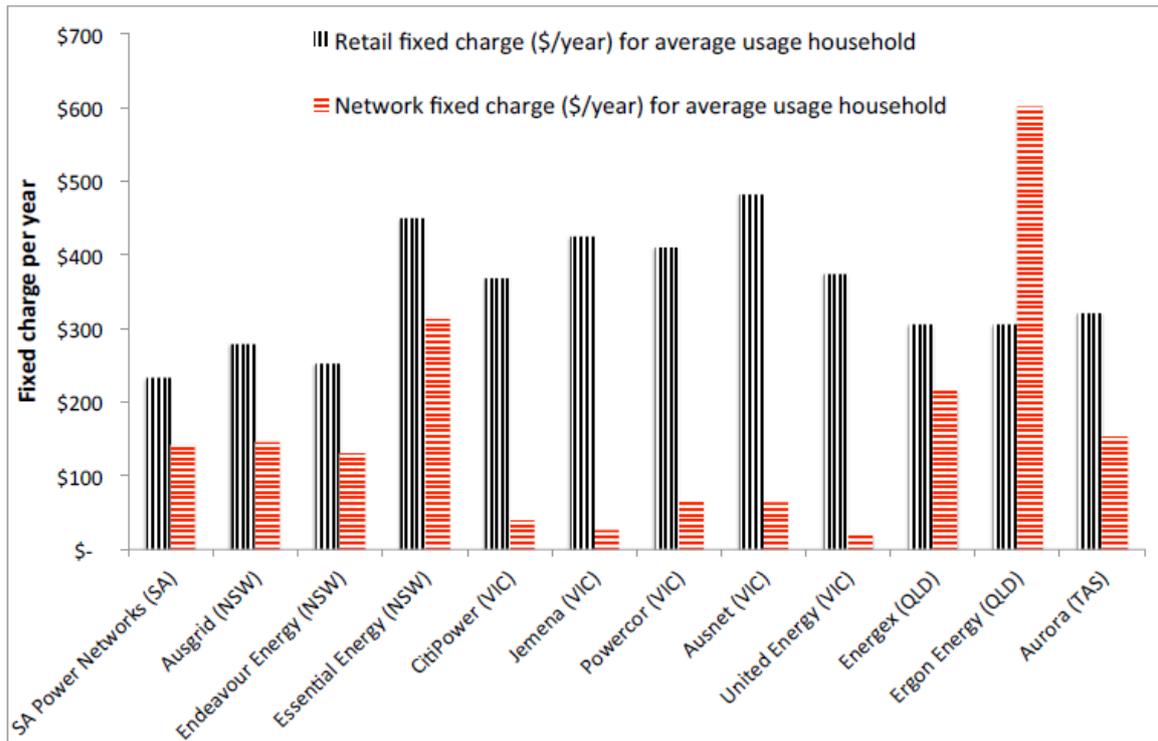
- older people – 40% of those aged 55+ vs. 29% of those aged under 55 years
- less internet-proficient – 44% of those who rated their comfort with using the internet as 0–6 out of 10 vs. 32% of those who rated their comfort level as 7 or higher
- more risk-averse – 37% of those who rated their willingness to take risks as 0–6 out of 10 vs. 24% who rated their risk willingness as 7–10.

11. What factors influence the level of fixed charges imposed by retailers?
What are the implications of fixed charges for consumer outcomes?

CME (2015) made the following observations on fixed retail charges:

- 1 Victorian consumers pay a higher fixed charge as part of their energy bills than people in other states (with the exception of the NSW Essential Energy network).
- 2 The fixed retail charges Victorian consumers face are much higher than the fixed network charges that underlie the retail tariff (as can be seen in Figure 2).

Figure 2 Network and retail fixed charges (\$/yr) for electricity supply to households in the National Electricity Market in the year to 31 December 2014



Source: CME 2015, p.23

High retailer fixed charges mean that the average price per kilowatt hour of energy paid by low consumption (typically low-income) households in Victoria is far higher than the average paid by higher consumption (typically higher income) households.

We remain surprised that there have been very few offers with low or no fixed component introduced in the Victorian retail market. Such offers would make the costs of energy simpler for many consumers to understand.

The BSL strongly supports moves to address the high fixed component of retail bills in Victoria.

The implications of various options to address high fixed charges need to be carefully assessed. Options that should be investigated include:

- capping fixed charges
- restricting fixed charges to a proportion of the underlying network fixed charge.

12. What product or service innovation has been introduced by Victorian electricity retailers?

Are there any barriers preventing the entry of new, innovative energy business models or products and services in Victoria?

Portals

Energy retailer and distributor portals are a relatively recent innovation. Such portals are a welcome development. Of particular interest for customers wishing to compare offers is the recent Citipower / Victorian Energy Compare initiative that provides a direct link between household consumption data and the best offers from all retailers for that energy usage profile.

We note however that such initiatives are unlikely to be taken up customers with limited access to or capability with online services.

Development of service quality indicators

In this submission we have highlighted the importance of price to the low-income and vulnerable consumers we work with. We also note the importance of service quality and innovation.

To this end we would encourage any attempts to introduce a reliable, empirically based measure of retailer service quality into Victorian Energy Compare. Such a measure would provide consumers with an additional trusted indicator, to assess the performance of a given retailer. Data already reported to the ESC could be used to develop the indicator (for example, very low rates of wrongful disconnections and customer complaints).

Access to data

Lack of individual and third party access to smart meter data remains a barrier to product and service innovation. We have found most retailers and distributors to be helpful in accessing data. However, there are material transaction costs involved in going to more than one retailer/distributor that result from:

- no common data format for providing data to third parties
- no common, legally recognised consent forms
- (in most cases) no easily identifiable contact point for accessing data
- differences between and within retailers and distributors on the conditions for the provision of data vis-a-vis consent, costs and timeframes.

We note the green button protocol in the United States (<http://www.greenbuttondata.org/>), which is an industry-led effort 'to provide utility customers with easy and secure access to their energy usage information'. Such an approach is essential if consumers are to realise more benefits from Victoria's smart meters.

The BSL supports the development of consistent data sharing protocols in Victoria.

Consumer awareness, understanding and engagement

15. What implications does discounting raise for consumer outcomes, including consumers' ability to compare offers and for retail competition more generally?

We note a number of organisations, including the Consumer Action Law Centre (CALC), have looked in detail at discounting.

We have the following concerns with discounting:

- discrimination against consumers with poor payment records or low internet connectivity who cannot access many of the discounts. This becomes more important as low-cost, non-discounted offers dwindle in the market.
- lack of clarity and uniformity about the base level from which discounts are offered. This makes it difficult for consumers to compare offers from a given retailer and between retailers
- default late payment penalty. Discounts essentially become a penalty for those who cannot pay on time.

Other issues

17. Are there any issues that have not been considered in this discussion paper that you consider should be considered during the review?

The impact of sub-optimal retail energy contracts on concession spending

Every year the Victoria Department of Health and Human Services provides millions of dollars in electricity and gas concessions to assist eligible low-income households to pay their energy bills. The BSL supports energy concessions as a valuable measure to reduce cost pressures on households.

The largest energy concessions are:

- 1 *Mains electricity concession*, claimed by 910,865 households in 2015/16, at a cost of \$142 m for the year. This provides a 17.5% reduction on bills (it does not apply to the first \$171.60 and only applies up until the bill reaches \$2,672; above this amount the household must apply for an excess energy concession, see below.)
- 2 *Mains gas concession*, claimed by 643,957 households in 2015/16, at a cost of \$63.5m.

Also of interest is the *excess energy concession*. Households with a bill over \$2,672 must apply if they are to get the additional amount covered. In 2015/16, 8271 households received this concession, at a cost of \$1.6m. The average claim is \$198, which would be applied in addition to the mains electricity concession.

We are concerned that the benefits of the concession will be eroded if the concession households are on expensive retail contracts.

Further analysis is needed to identify the actual contracts of concession households. However, it is reasonable to assume some of these households are on more expensive contracts. In such circumstances the concession essentially acts as an inflated subsidy to the energy retailer.

The Victorian Government should help to ensure concession households are on better contracts. Given that the Victorian Government is footing a proportion of the concession card holders' bills, it has a responsibility to ensure those bills are not unnecessarily high.

There are however barriers to the Victorian government addressing this issue.

While the Victorian Government provides the energy concession, it does not issue the cards that define eligibility. So it does not automatically have the contact details of those who receive the concession.

The parties who have the contact details of concession households are:

- the Commonwealth departments that issue the relevant concession cards (these include Department of Human Services and the Department of Veterans' Affairs)
- the energy retailers whose customers sign up for the concessions.

Several possible remedies should be explored. These may include:

1. Requiring energy retailers to report to the government de-identified billing information for each concession customer once per year.

The information could be provided in a common, agreed format. It should include the supply charge, amount consumed (at each rate, e.g. peak, shoulder, off-peak), total price, discount pre-concession, concession amount. Other information should include some geographic identifiers (e.g. postcode, but preferably one of the ABS's smaller scale location identifiers).

Clearly, this will be a lot of data. However, a government agency could contract out analysis of the data to identify patterns of pricing.

2. Victorian Government accessing contact information in order to communicate directly with concession customers.

Options to consider include:

- Commonwealth sharing data with Victoria
The consent process involved in applying for a health care, pension or DVA gold card could include either an opt out or opt in to share contact information with named state government departments for the specified purpose of providing energy-related information to households receiving state concessions.
(Safeguards would need to be built in to ensure appropriate use of the data)
 - Victorian Government communicating with concession households via the retailer or the Commonwealth in order to advise them of the benefits of switching and potentially how much they are losing compared with the best offer).
3. Requiring energy retailers to either place concession customers on the best / near to best contract or offer them the best / near best contract.

At the completion of contract benefit periods, concession customers could be placed on terms equivalent to the best available tariff (or a tariff within 10% of the best available tariff). This could also apply to concession customers on standing offers.

4. Requiring retailers to offer a simple, low-cost tariff for concession customers who do not re-engage in the market, or to provide an unconditional discount to these customers.

In addition the Victorian Government could consider programmatic interventions including:

- Sponsoring the establishment of a not for profit retailer
- supporting a dramatic increase in outreach for Victorian Energy Compare
- tailored switching support for vulnerable customers.

Initiatives to improve consumer outcomes

21. What potential policy options and measures exist to address any issues with the operation of retail electricity and gas markets? Please explain how these policy options and measures would improve outcomes for consumers and identify any potential risks arising from these options and measures.

The BSL is keen to engage in dialogue on the best mix of reforms to improve outcomes for low-income and vulnerable consumers from Victoria's retail energy market. This submission identifies a number of options to consider. They include:

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Further consideration should be given to the other proposals by Ben-David, which include:

- 4 Separated billing – identify the network component of energy bills separately from the retail charges, providing a comparable anchor for discounts.
- 5 Regulatory approval, review or veto of offers – give regulators the authority to approve, review or veto products offered by energy retailers
- 6 Market segmentation – structurally differentiate retailers who supply small customers from those who supply large customers
- 7 Limits on market share

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