

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Australian Energy Regulatory & Australian Competition and Consumer Commission

Question No: 88

Topic: Energy Price Comparator Website Energy Made Easy

Reference: Written

Senator: Ketter, Chris

Question:

1) Could you please update the Committee on the price comparator website “Energy Made Easy”.

2) Has there been an IT contract associated with this initiative? How much has that cost? How much has been spent? Who has the contract and when was it procured/put out for tender?

3) What information must be obtained from industry for “Energy Made Easy” to work for consumers? Has this information been obtained?

4) What are the timelines and timeframes for this project? How is the ACCC tracking on this?

5) Have any consultancies been procured in relation to this initiative? If so, who has been selected, what was the value of the contract and what were/are they asked to do?

Answer:

1) Energy Made Easy (EME) has been operating since the commencement of the NERL on 1 July 2012. In 2015–16 there were more than 400,000 visits to the website. More than 5,000 offers were published over the period, with around 2,800 electricity and 280 gas offers available at any one time, (including 345 from Queensland—311 electricity and 34 gas).

EME is a key resource for consumers looking to make informed energy choices in Queensland, New South Wales, South Australia, Tasmania and the Australian Capital Territory. It contains useful information about energy efficiency, energy contracts and bills and consumer protections. The site also allows residential consumers to compare their electricity usage against similar households in their area. The benchmarks, updated every three years, assist consumers to better understand how they use energy.

The AER’s *Retail pricing information guidelines* prescribe the requirements on retailers for providing offer information to the site. Retailers must enter all generally available offers onto EME within two business days of making an offer available to consumers. This timeframe ensures the website gives up-to-date and complete information on products in the market.

- 2) IT contracts for EME, including for development, support and maintenance, are summarised below:
- **Reviuum** – Awarded contract designed and built the initial EME website for commencement of the National Energy Retail Law (NERL) in July 2012.
 - **Cost** (exc GST): \$582,422.16
 - **When tendered:** October 2011
 - **Link Digital** – Awarded hosting, support and maintenance services for the EME website post-July 2012 launch, continuing until June 2015.
 - **Cost** (exc GST): \$506,521
 - **When tendered:** Hosting and maintenance service were an optional element of the original tender process. Link digital were engaged in April 2012.
 - **Link Digital** – Awarded contract to design and build enhancements to EME website including enabling it to more efficiently deal with higher volumes of offers (as more jurisdictions adopted the NERL); reduce administration for energy retailers; and accept more complex tariffs.
 - **Cost** (exc GST): \$161,146.82
 - **When tendered:** Engaged through limited tender process in November 2013
 - **PreviousNext (PNX)** – Awarded contract to finalise website enhancements.
 - **Cost** (exc GST): \$588,127
 - **When tendered:** PNX was engaged through the ACCC’s IT service providers panel in November 2014
 - **PreviousNext** – Awarded the contract to provide website support and maintenance services from May 2016.
 - **Cost** (exc GST): \$138,000
 - **When tendered:** PNX was engaged through a limited tender process in May 2015
 - **Additional cost** (ex GST): \$57,082 (contract variation for additional development work, January 2016)
 - **Additional cost** (ex GST): \$113,407 (one year extension for support and maintenance, as provided for under the initial contract of June 2015 for support and maintenance to May 2017)
- 3) EME uses customer’s consumption data from one or more bills to generate an annual price estimate for each offer based on the rates, tariff type, and discounts provided by the retailer. To facilitate this calculation, retailers must provide offer information that includes:
- Tariff type (e.g. single rate or time of use)
 - Usage and supply costs
 - All fees relating to an offer
 - Whether the offer has a GreenPower component and/or is available to customers with solar systems

- Any discounts, such as pay-on-time discounts

Retailers upload offers to EME's retailer portal in comma-separated values (CSV) format for the AER to publish. The AER developed this approach in consultation with retailers in order to provide an offer upload and management system that minimised administration and time impacts on the businesses while ensuring their regulatory obligations were met.

The AER's *Retail pricing information guidelines* prescribe the requirements for the form, content and timeliness of the information provision.

- 4) Section 62 of the National Energy Retail Law (NERL) requires the AER 'develop and make available on a website a price comparator' that assists small customers to compare the standing offers and generally available market offers available to small customers in their jurisdiction.

The AER launched EME website on 1 July 2012, the date on which the NERL first took effect in Tasmania and the Australian Capital Territory (the NERL commenced in Tasmania and the Australian Capital Territory on 1 July 2012, then in South Australia on 1 February 2013, New South Wales on 1 July 2014 and Queensland on 1 July 2015). Subsequently, EME contained the generally available offers in each jurisdiction from the date the NERL commenced in that jurisdiction.

- 5) The AER procured a number of consultancies to provide specific technical expertise in a range of areas during the development of the website. These were:
- **IT analysts** – The AER engaged an IT business analyst, test analyst and project manager to work with AER staff over the course of the website enhancement project.
 - Contract value (exc GST) – \$374,423
 - **Vision Australia** (Mar-June 2012) – Conducted level AA WCAG 2.0 accessibility testing of the Energy Made Easy Website.
 - Contract value (exc GST): \$16,800
 - **Cordelta** (June 2012) – independent security testing of the initial Energy Made Easy website
 - Contract value (exc GST): \$18,480
 - **Inside Story** (September 2012) – Conducted user testing of initial website to inform development of website enhancements.
 - Contract value (exc GST): \$56,650
 - **Bearcage** (June 2015) – Produced 'How to use EME' video (including providing translated captions and copying to 750 EME-branded USB sticks)
 - Contract value (exc GST): \$ 28,636
 - **Scope VIC Pty Ltd** (June 2015) – Review website text and revised in accessible format
 - Contract value (exc GST): \$6,000