



Australian Government
Department of the
Prime Minister and Cabinet

BETA

Disclosure for consumers

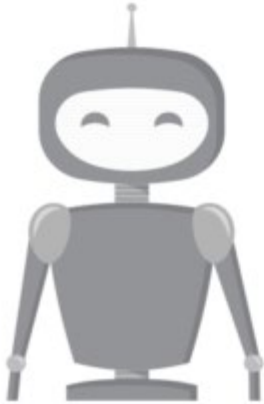
Janine Bialecki, Behavioural Science Adviser, BETA



Say you want to find the best product or service....

Disclosure reduces asymmetric information

Choice overload causes people to disengage



The problem

- The retail banking market is complex
 - Yet consumers have reasonably predictable demands
- We want to help consumers compare and choose something that suits their needs
 - When then are compelled to choose
 - When they think about switching
- We want good outcomes for ongoing consumers



The information asymmetry approach



Sun Energy
Sunny day offer – SUN123456MR

Customer type	Fuel type	Distributor(s)	Tariff type	Offer type	Release date
Residential	Electricity	Busy Energy	Time of use with controlled load	Market offer	03-Aug-2017

Electricity offer

Contract term	Ongoing contract with benefit period
Contract Expiry details	Ongoing contract which continues until you or we end it. The benefit period is 12 months. At the end of this term we may extend your current Energy Plan or set you up with a new Energy Plan – but only if we've written to you first and you haven't told us not to. If you don't hear from us, your energy supply will continue under our Agreement without Energy Plan benefits.
Bill frequency	Every 3 months

Electricity pricing information

1 Jul to 30 Jun	Price (exc. GST)	Price (inc. GST)
Peak consumption 7am-9am and 5pm-6pm on Weekdays		
All usage	18.08 cents per kWh	20.598 cents per kWh
Off peak consumption All other times		
All usage	10.40 cents per kWh	21.54 cents per kWh
Shoulder consumption 9am-5pm and 6pm-10pm on Weekdays		
All usage	33.77 cents per kWh	37.147 cents per kWh
Daily supply charge	141.01 cents per day	155.111 cents per day
Controlled load	Price (exc. GST)	Price (inc. GST)
Off peak – Controlled load 1 All controlled load 1		
All usage	10.10 cents per kWh	16.61 cents per kWh
Daily supply charge	13.50 cents per day	14.85 cents per day
Off peak – Controlled load 2 All controlled load 2		
All usage	20.52 cents per kWh	22.572 cents per kWh
Daily supply charge	13.50 cents per day	14.85 cents per day

Daily supply charge: a charge that applies for supplying electricity to your property for each day of the billing period, regardless of how much electricity you use.

kWh: kWh stands for kilowatt hour and is the unit of measurement for your electricity usage.

Conditional discounts	
Direct Debit discount	A 10% discount on the GST exclusive usage charges listed above will apply for the benefit period when you pay by direct debit and receive your correspondence (including bills) via email. Discounts Sun Energy apply to GST exclusive usage charges only (off our published usage charges, which can be found on our website), and are only available to customers signing up for this offer from the above effective date.

Price changes	
Are these prices fixed?	No
We may vary the Charges (including the amount, nature and structure of any of the charges) by notice to you at any time. The notice could take the form of a message on your bill and will specify the effective date of the variation.	

Electricity key contract features	
Cooling off period	10 business days
Eligibility criteria	Eligibility, availability criteria and T&Cs apply. Under this Energy Plan, you'll need to have agreed to pay your bills in full by direct debit. This energy offer applies to residential customers in New South Wales who consume less than 100 MWh/annum of electricity within the Essential electricity distribution network area. For solar feed-in tariffs and eligibility, please call Sun Energy on 1300 123 456 for further information.
Incentives	
\$50 First Bill Credit (Sunenergy.com.au/signup/only)	The first bill credit is only available when signup occurs via sunenergy.com.au This one-off (GST incl) credit will appear as a separate credit on your first bill. Your credit applies only in conjunction with this Sun Energy offer and is not transferable. Customers are eligible for only one upfront credit on an account on any 12 month period.
Fees	
Payment processing fee	Fixed rate - \$2.00 \$2.00 (GST incl) for over the counter payments at Australia Post.
Late payment fee	Fixed rate - \$12.00 A fee of \$12.00 (GST exempt) may apply if your bill is not paid by the due date. A late payment fee may not apply depending on your circumstances.
	Fixed rate - \$93.19 A \$93.19 (GST incl) fee may apply when your property is reconnected (including when you move).

Reconnection fee	This fee is passed through from your distributor and may vary. Please visit your distributor's website to find out the current rate.		
Other fee	Fixed rate - \$1.75 \$1.75 (incl GST) applies for each paper bill.		
Disconnection fee	Fixed rate - \$93.19 A \$93.19 (GST incl) fee may apply when your property is disconnected (including when you move). This fee is passed through from your distributor and may vary. Please visit your distributor's website to find out the current fee.		
Credit card processing fee	Percentage of bill - 0.37% A 0.37% fee (GST incl) may apply to payments made by VISA or MasterCard.		
Additional fee information	You must pay us any charges your distributor imposes on us in relation to services performed by your distributor (or anyone else) at your supply address. For details on additional charges that may apply see www.sunenergy.com.au/123456Additional-charges		
Solar feed-in tariff options			
Sun offers 0 cents per kWh exported, subject to eligibility. All amounts are GST-inclusive (if any) (cents per kWh exported)	0.00		
GreenPower option	Change type	Amount (incl. GST) / Percentage	Description
25%	Weekly charge	\$2.00 (incl. GST)	For \$2 per week 25% of your electricity usage is matched with electricity from Government accredited GreenPower sources
50%	Amount per unit of usage	\$0.0281 (incl. GST)	For 2.81 cents/kWh 50% of your electricity usage is matched with electricity from Government accredited GreenPower sources
100%	Amount per unit of usage	\$0.0561 (incl. GST)	For 5.61 cents/kWh 100% of your electricity usage will be matched with electricity from Government accredited wind GreenPower.
Electricity offer terms and conditions			
Not available in all areas. Discounts do not apply to other charges such as the GreenPower or supply charges. Under this Energy Plan you will be automatically registered for My Account ("Ongoing Services") if not already registered. For full terms and conditions, visit www.sunenergy.com.au/3333/My-terms-of-service			

Contact details and more information

Retailer	Phone number	Retailer's website
Sun Energy	13 23 45	www.sunenergy.com.au

Energy Made Easy

Energy Made Easy is an Australian Government website where you can compare energy offers. Visit Energy Made Easy at www.energy.madeeasy.com.au

This information is a guide only and does not recommend a particular offer. You should make your own enquiries with retailers on any offers that interest you.

An alternative approach to disclosure



Energy Plan Snapshot Sunny Day Offer at 20 October 2017

To find out more or to get this plan contact us on:
Phone: 13 00 00
(you can quote reference number SUN83837MR)
Web: www.sunenergy.com.au

My household is most like:		Estimated yearly bill for this plan			
		Base price	With discounts		
1 to 2 people	1 to 2 bedrooms	Weekly washing, little heating and cooling	Employed full time, spending little time at home	\$1,413	\$1,161
3 to 4 people	3 bedrooms	Washing a few times a week, regular heating and cooling	Employed full time, home most evenings and weekends	\$2,542	\$2,064
4 to 6+ people	4+ bedrooms	Daily washing, heating and cooling	Home evenings, weekends and some days	\$3,297	\$2,660

Bill estimates exclude solar payments, concessions and bonuses and are based on an average household. Your household's usage may vary.

Key features

Solar feed-in	✓ 9 cents per kWh
Off peak savings	✓ Cheaper at night and on weekends
Controlled load	✓ Off peak controlled load options
Green power	✓ Up to 100% green energy option available. Fees apply

Key facts about this plan

Discounts and bonuses	19% discount on pre-GST usage charges if you: • pay on time (10%) • pay by direct debit (2%) • use e-Billing (1%)	Sign on bonus: • one-off \$50 credit on your first bill
Fees	Early exit fee: nil Late payment fee: \$12 Disconnection fee: \$93.19 Credit card payment fee: 0.37% Direct debit: nil Other fees and charges may apply, for more info see our website	
Contract	Ongoing contract with 12 month benefit period. Charges will go back to base price after 12 months Quarterly billing 10 day cooling-off period Prices may vary by notice to you at any time	
Prices	Daily fees apply for both regular consumption and controlled load	
Before you switch	No need to contact your old provider No interruption of your service	

To compare plans from all energy providers visit the Australian Energy Regulator's independent website www.energymadeeasy.gov.au or call 1300 585 165



Energy Plan Snapshot Sunny Day Offer at 20 October 2017

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(you can quote reference number SUN83837MR)
Web: www.sunenergy.com.au

My household is most like:		Estimated yearly bill for this plan
		Base price
1-2 people	3,281 kWh per year	\$1,413
3 people	6,941 kWh per year	\$2,542
4+ people	9,390 kWh per year	\$3,297

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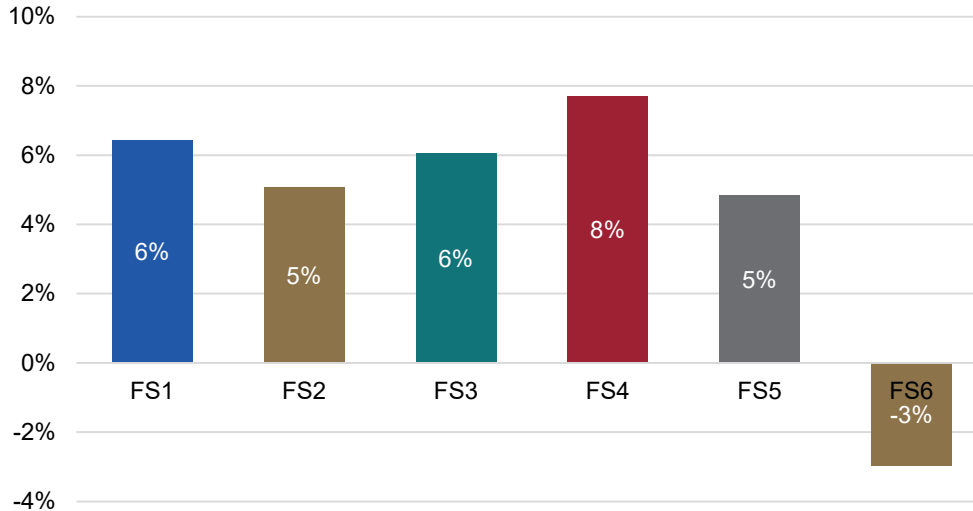
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Results: change in consumer confidence



Complements to disclosure: prompts and reminders

Credit card repayments

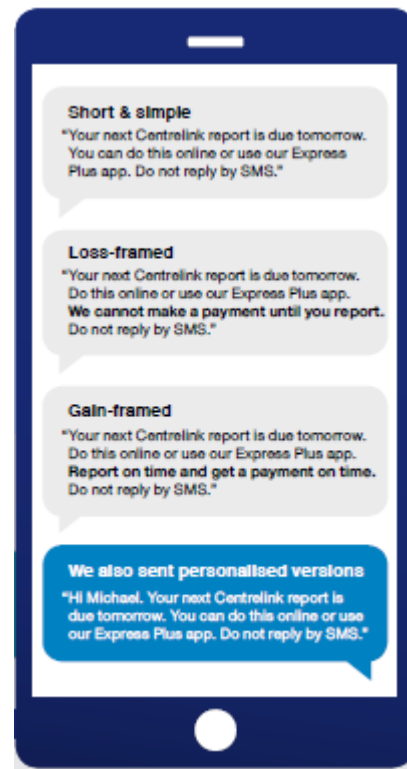
This trial will test the impact that timely reminders have on credit card repayment behaviour. More specifically, it will provide evidence of the impact of framing of language and motivational messages that capitalise on behavioural economics principles.

Intervention(s): Customers receive messages either via SMS or email, which vary in the framing of language, and focus on either social norming or loss aversion

Complements to disclosure: prompts and reminders

Minimum Repayment Warning: If you make only the minimum payment each month, you will pay more interest and it will take you longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay ...	You will pay off the Closing Balance shown on this statement in about ...	And you will end up paying an estimated total of interest charges of ...
Only the minimum payment	[period]	[total interest 1]
[repayment 2]	2 years	[total interest 2], a saving of [savings 2]



Thank you

