

6 July 2023

Dear Retailer

Better Bills Guideline – Bill relief rebate message – Final AER decision

The Australian Energy Regulator has made a final decision under section 37 of the Better Bills Guideline version 2¹ that, effective from 30 September 2023, the following statement must be included as part of Tier 1 information for all retailers.

The Australian Government and your State or Territory government are supporting customers to reduce bills. Check the understand your bill section to see whether you have received a rebate or concession. More information on rebates and concessions can be found on energy.gov.au

This letter sets out the background, stakeholder feedback and reasons for our decision.

Background

Tier 1 information must relate to the Bill Objective

The AER's Better Bills Guideline provides guidance to retailers on preparing and issuing bills that make it easy for small customers to understand billing information. The Guideline requires information which is defined as 'Tier 1' information to be included on the front page of the Bill.

Under section 37 of the Guideline, the AER may approve information as 'Tier 1 information' that is otherwise not defined as 'Tier 1 information'. To make such a decision, the AER has to be satisfied the information to be included will contribute to the Bill Objective. We also take into account other factors, such as the regulatory burden and the costs to consumers relative to the potential benefits.

The Bill Objective is set out sub-rule (3) of rule 25A of the National Energy Retail Rules. Under sub-clause (3)(a) and (b) of the Bill Objective:

- The “*objective of a bill is to provide billing information that enables small customers to easily understand:*”
 - a) *payment amounts, dates and methods*
 - b) *how their bill is calculated and whether it conforms to their customer retail contract...*”

¹ See https://www.aer.gov.au/system/files/AER%20-%20Better%20Bills%20Guideline%20%28Version%20%29%20-%20January%202023_0.pdf

Request for a section 37 decision

On 28 March 2023 the AER received a request from the Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEEW) to make a section 37 decision under the Better Bills Guideline version 7 to include the following message as part of 'Tier 1' information for all retailers:

Your electricity bill has been reduced by your eligibility for a \$x rebate funded by the Commonwealth and state governments under the Energy Price Relief Plan.²

On 18 April 2023, the AER wrote an open letter to energy retailers to seek their views on a proposal to make a section 37 decision under the Better Bills Guideline version 2.³

Stakeholder feedback

Retailer feedback

We received 9 number of submissions from retailers providing feedback to the proposal, including one confidential submission.⁴ With the exception of Ergon Energy, none supported the proposal to include the proposed message as Tier 1 information for reasons including:

- implementing a 'dynamic' message which is capable of showing customers' specific rebate amounts is highly complex, including practical challenges around identifying customers and changes to IT which would be required. Additionally, having to build IT systems to implement the dynamic message would risk retailers' ability to comply with other requirements set out in the Better Bills Guidelines by 30 September 2023.
- the proposed message would not be effective in informing customers about the rebate. It does not provide any additional value to information required as Tier 2 information and/or is too overly long and complex. Further, the message would cause customers to contact their retailers about eligibility, driving call centre wait times.
- including the Bill Rebate message as Tier 1 information is inconsistent with the AER's Final Determination on the Guideline, which designated information about government rebates and concessions as Tier 2
- alternative non-regulatory approaches could achieve the same outcome of informing customers about their rebates at lower cost and be less complex to implement. Suggestions included a government advertising campaign, messages on Government and retailer websites or direct letters to eligible customers.

Retailers also suggested changes to the message which would reduce the regulatory burden on retailers but also achieve the objective of alerting customers to the presence of a rebate. In particular, this included removal of the requirement to list the exact dollar rebate which a customer is eligible for, and having the message inform customers a rebate had been applied and prompting them to see 'Understand your bill section' (typically on page 2 or 3 of a bill) to find a description of rebate and the amount.

² See https://www.aer.gov.au/system/files/DCCEEW%20request%20letter%20to%20the%20AER_0.pdf

³ See

https://www.aer.gov.au/system/files/AER%20letter%20to%20retailers%20on%20Energy%20Price%20Relief%20Plan_0.pdf

⁴ See <https://www.aer.gov.au/retail-markets/guidelines-reviews/better-bills-guideline-version-2/implementation>

Jurisdictional feedback

The AER also sought feedback from jurisdictions. Their feedback included:

- a request to make the role of individual state governments in funding the energy bill relief measures clearer
- concerns about inconsistency between the message and measures jurisdictions were taking to inform customers of available rebates and concessions, and the potential terminology confusion if only the term 'rebate' was used
- a revised form of words from DCCEEW, which it considered met stakeholder concerns and struck an appropriate balance between the need to help customers understand their bill, increase awareness of existing concessions, and reduce implementation costs for retailers
- an alternative for of words from the Queensland Government. The Queensland government also expressed a concern about potential confusion around eligibility given the range of schemes in operation.

AER decision and reasons for decision

The AER's has decided under section 37 of the Better Bills Guideline to include the following message as Tier 1 information:

The Australian Government and your State or Territory government are supporting customers to reduce bills. Check the understand your bill section to see whether you have received a rebate or concession. More information on rebates and concessions can be found on energy.gov.au

The AER considers the message will contribute to the achievement of the Bill Objective while minimising regulatory costs and addressing stakeholder concerns. Our reasons for decision are set out below.

Message contributes to Bill Objective

The message will help customers understand how their bill is calculated by highlighting whether the rebate has been applied to their current bill, by referring them to the 'understand your bill section', and by further prompting them to check eligibility. The inclusion as Tier 1 information also places the information about rebates and concessions in a prominent position. We consider it is likely to be particularly useful to small customers at a time when both the Australian Government and State and Territory Governments are providing bill rebates and concessions to a substantial proportion of electricity customers.

Directing customers to energy.gov.au should allow customers to easily find out information about specific government bill relief measures, and their eligibility for them, regardless of where they live. This information is displayed prominently on the energy.gov.au landing page (see Appendix 1).

This decision is consistent with the intention of section 37. This provision was included in the Better Bills Guideline in recognition that, from time to time, other information may be needed on the front page. Our Notice of Final Instrument for version 1 of the Guideline indicate that

we expected that this section “will be used rarely but may allow for additional messages as requested (but not legally required) by governments”.⁵

We consider the message also addresses concerns which jurisdictions had about DCCEEW’s proposed messages because:

- the removal of references to ‘eligible customers’ means that the message should not cause confusion for Queensland customers, all of whom will be receiving a Cost of Living Rebate, along with other forms of assistance to which specific eligibility requirements apply.
- by stating ‘the Australian Government and your State or Territory are supporting customers to reduce bills’ and then referring them to the understand your bill section, the message has been phrased in such a way that there should not be any confusion as between the Energy Price Relief Plan and existing State and Territory rebates, and be consistent with NSW-specific bill information requirements for retailers.
- the revised wording of ‘Australian, your State or Territory government’ gives greater emphasis to the shared funding role of the States and Territories than the wording proposed by DCCEEW’s initial section 37 request, while retaining the simplicity of a single message for all bills nationally

Minimising regulatory burden and costs

In making our decision, we considered the need to minimise the regulatory burden on retailers and implementation costs associated with introducing a new message, which would likely be passed onto consumers. In particular:

- we have opted for a single simple message across all jurisdictions rather than require tailored messages for each jurisdiction or messages to display the specific rebate and concession amount applicable to the customer to whom the bill is addressed. This minimises the complexity and cost on retailers.
- directing customers to energy.gov.au rather than to retailers to find out more information about their eligibility for rebates and concessions will reduce the need for customers to contact their retailer call centre to obtain this information.

Implementation

All retailers must comply with this decision from the commencement of the Better Bills Guideline on 30 September 2023.

In the interim, they are subject to transitional arrangements which include a requirement to include on a small customer bill ‘any amount deducted, credited or received under a government-funded energy charge rebate, concession or relief scheme or under a payment plan.’

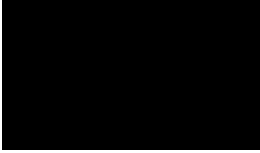
Retailers may also elect to comply with the Guideline in advance of 30 September.

We recommend that retailers adopt the wording of this section 37 decision as soon as possible to assist customers to understand the concession and rebate elements of their bills.

⁵ See Better Bills Guideline version 1, p.26.

We would like to thank all stakeholders who provided input. If you have any questions or feedback please contact Simon Kidd, [REDACTED] or [REDACTED].

Yours sincerely




James Cox PSM

Acting Chair
Australian Energy Regulator


Appendix 1 – Energy.gov.au homepage


Energy Bill Relief Fund


The Australian Government and your state or territory government are helping customers to reduce bills. Find out more about available [rebates and concessions](#).




Australian Government
Department of Climate Change, Energy,
the Environment and Water




Minister  [COVID-19 Help](#)

[A](#) [A](#) 

[Home](#) [COVID-19 Information](#) [Households](#) [Business](#) [Government priorities](#) [Rebates](#) [Data](#) [News](#)




Energy information for all Australians




Energy Bill Relief Fund

Find out how the Australian Government and your state or territory government are helping customers to reduce bills.




Households

Practical advice to reduce your home energy bills, improve comfort and sustainability.



Business

Advice to manage your business energy costs, energy efficiency technologies and opportunities.



Rebates and assistance

Find support in your community from the Australian and state and territory governments.