

Draft Better Bills Guideline

20 December 2021

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Overview

Under the *National Energy Retail Rules* (Retail Rules), the AER is required to make a billing guideline (the 'Better Bills Guideline' or 'Guideline').¹

The purpose of this Guideline is to create binding, enforceable obligations on energy retailers to prepare easily understandable energy bills for small customers. Energy bills help small customers to understand and pay for their energy usage. Better bills can build customer trust and confidence in their retailer and the energy market.

By 31 March 2023, a retailer must comply with Part 3 of this Guideline in preparing and issuing bills to a small customer.²

This Guideline sets out:

- a set of design principles which must be applied holistically when preparing bills (including to Tier 1 and Tier 2 information, and any additional information retailers opt to include in a bill, provided this additional information also complies with the Guideline); and
- a tiered approach to billing information, where:
 - Tier 1 information must appear on the first page of a paginated bill and at the beginning of an unpaginated bill;
 - Tier 2 information must be included in a bill, but not on the first page of a paginated bill or at the beginning of an unpaginated bill but before additional information; and
 - additional information can be included in bills however it must not be included on the first page of a paginated bill or at the beginning of an unpaginated bill, or ahead of Tier 2 information on a paginated or unpaginated bill, or ahead of the specified Tier 2 information.

AER enforcement of the National Energy Retail Rules and National Energy Retail Law

The *National Energy Retail Law* (Retail Law) gives the AER power to monitor, investigate, enforce and report on regulated entities' compliance with the Retail Law and Rules, National Electricity Law and Rules, National Gas Law and Rules, and associated Regulations and Guidelines (including this Guideline).³

The enforcement responses available to the AER in respect of breaches of the Retail Law or Retail Rules can generally be categorised as either:

- administrative resolution, such as voluntary undertakings, revisions to internal processes or improved compliance training; or

¹ AEMC (Australian Energy Market Commission), [National Energy Retail Amendment \(Bill contents and billing requirements\) Rule 2021 No. 2](#), AEMC, 18 March 2021.

² Ibid.

³ *National Energy Retail Law*, section 204.

- statutory enforcement action, such as infringement notices, court enforceable undertakings, instituting proceedings or revoking retailer authorisations.

From 4 August 2022, amended rule 25(1) of the Retail Rules will require retailers, in preparing and issuing bills to small customers, to comply with this Better Bills Guideline as made under new rule 25A. Rule 25(1) is currently classified as a Tier 3 civil penalty provision under the Retail Rules and Schedule 1 of the *National Energy Retail Regulations*.

Part 1 Application, commencement and interpretation

Application and commencement

1. This Guideline is made pursuant to rule 25A of the *National Energy Retail Rules* and applies to retailers in respect of their preparation and issuance of bills to small customers.
2. Parts 1 and 3 of this Guideline commence on 4 August 2022.
3. Part 2 of this Guideline commences on 4 August 2022 and expires, as if it were repealed, at the end of 30 March 2023.
4. Subject to sections 5 and 6, for the period beginning 4 August 2022 and finishing at the end of 30 March 2023, a retailer must comply with Part 2 of this Guideline, unless it has elected to comply with Part 3 of this Guideline instead. From 31 March 2023 onwards, all retailers must comply with Part 3 of this Guideline.
5. If a retailer elects to comply with Part 3 of this Guideline prior to 31 March 2023, the retailer must notify the AER of its intention to do so by email sent to aercompliance@aer.gov.au. A notice given by a retailer in accordance with this section must specify the day upon which the retailer will begin preparing and issuing bills to small customers in accordance with Part 3 of this Guideline.
6. A retailer that has given notice to the AER in accordance with section 5 must, from the day specified in the notice, prepare and issue bills to small customers only in accordance with Part 3 of this Guideline. A notice under section 5 cannot be rescinded after the day specified in the notice.

Definitions and Interpretation

7. In this Guideline –

AER means the Australian Energy Regulator established by section 44AE of the *Competition and Consumer Act 2010* (Cth);

benefit change means:

- (a) a change to, or the expiry of, a benefit (such as a price discount) provided to a customer for a minimum period or a fixed benefit period under a market retail contract during the term of that contract (whether or not as a result of the variation to the contract), and
- (b) a change of the type specified in the benefit change notice guidelines, but does not include an excluded change;

benefit change date means the date on which the benefit change will take effect;

benefit change notice guidelines means the guidelines made by the AER under rule 48B of the *National Energy Retail Rules*;

business customer means a customer who is not a residential customer;

business premises means premises of a business customer, other than premises used solely or principally for personal, household or domestic use;

delivery point identifier means the meter installation identification as defined under the relevant Retail Market Procedures within the meaning of the *National Gas Law* and made under the *National Gas Rules*;

energy means electricity or gas or both;

energy ombudsman means a body or person prescribed by the *National Energy Retail Regulations* as an energy ombudsman;

excluded change means a change to the tariffs, charges or benefits to a small customer under a market retail contract that is specified not to be a benefit change under the benefit change notice guidelines;

fixed benefit period means a period of a market retail contract during which a benefit to the customer (such as a price discount) is available and where the end date of that period is:

- (a) specified or ascertainable at the beginning of that period; and
- (b) earlier than the date on which the contract will end;

market retail contract means a customer retail contract referred to in section 33 of the *National Energy Retail Law*;

National Metering Identifier (NMI) means –

- (a) in the case of electricity – the National Metering Identifier (NMI); or
- (b) in the case of gas – the Meter Installation Registration Number (MIRN) as defined under the relevant gas Retail Market Procedures, or the delivery point identifier;

metering data has the same meaning as:

- (a) in the case of electricity – in the *National Electricity Rules*; or
- (b) in the case of gas – in the applicable Retail Market Procedures;

national energy retail objective means the objective set out in section 13 of the *National Energy Retail Law*;

paginated bill means a printed bill or a bill in electronic form that is comprised of separate pages (e.g. a PDF bill);

plan summary means a summary of the key features of a small customer's energy plan prepared in accordance with sections 30, 31 and 32 of this Guideline;

residential customer means a customer who purchases energy principally for personal, household or domestic use at premises;

Retail Market Procedures means –

- (a) in the case of electricity – the Retail Market Procedures within the meaning of the *National Electricity Rules*; or
- (b) in the case of gas – the Retail Market Procedures within the meaning of the *National Gas Law* and made under the *National Gas Rules*;

retailer means a person who is the holder of a retailer authorisation;

retailer authorisation means a retailer authorisation issued under Part 5 of the *National Energy Retail Law*;

retailer identifying information means a retailer's trading name, logo and website;

unpaginated bill means a bill in electronic form that is not comprised of separate pages;

small customer has the meaning given by section 5 of the *National Energy Retail Law*.

Part 2 Contents of bills – transitional requirements

8. A retailer must prepare a bill so that a small customer can easily verify that the bill conforms to their customer retail contract and must include the following particulars in a bill for a small customer:
- (a) the customer's name and account number;
 - (b) the address of the customer's premises for the sale of energy and the customer's mailing address (if different);
 - (c) the meter identifier;
 - (d) the billing period;
 - (e) the pay-by date for the bill and the bill issue date;
 - (f) the total amount payable by the customer, including amounts of any arrears or credits;
 - (g) tariffs and charges applicable to the customer;
 - (h) the basis on which tariffs and charges are calculated;
 - (i) whether the bill was issued as a result of a meter reading or an estimation and, if issued as a result of a meter reading, the date of the meter reading;
 - (j) the values of meter readings (or, if applicable, estimations) at the start and end of the billing period;
 - (k) particulars of the average daily consumption during the billing period;
 - (l) if a bill was issued by the same retailer for the corresponding billing period during the previous year, particulars of the average daily consumption during that previous billing period;
 - (m) the estimated date of the next scheduled meter reading (if applicable);
 - (n) details of consumption or estimated consumption of energy;
 - (o) for residential customers – energy consumption benchmarks in accordance with Part 11 of the *National Energy Retail Rules*;
 - (p) any amount deducted, credited or received under a government-funded energy charge rebate, concession or relief scheme or under a payment plan;
 - (q) if the customer has provided a security deposit, the amount of that deposit;
 - (r) details of the available payment methods;
 - (s) reference to the availability of government-funded energy charge rebate, concession or relief schemes;
 - (t) a telephone number for account enquiries, the charge for which is no more than the cost of a local call;
 - (u) a telephone number for complaints (which may be the same as that for account enquiries), the charge for which is no more than the cost of a local call;
 - (v) a separate 24-hour telephone number for fault enquiries and emergencies, the charge for which is no more than the cost of a local call, being the telephone number for the distributor and giving the name of the distributor;
 - (w) contact details of interpreter services in community languages;

(x) any proportionate billing information in accordance with rule 22 of the *National Energy Retail Rules*.

Part 3 Contents of bills

9. The following sets out the design principles that retailers must apply to the preparation of Tier 1 information, Tier 2 information and any other information included in a small customer's bill.

Note: The design principles listed below are not mutually exclusive. For example, the presentation of accessible language necessarily interacts with salience, and other requirements. Retailers must take a holistic approach to bill design, guided by the bill objective and other sections in this Guideline. For example, the principles on making the most important information most prominent must be applied having regard to the principles on ordering the bill to make it easy to understand.

Use simple language

10. Bills must use:

- conversational tone and plain language; and
- basic grammar.

11. Bills must avoid:

- jargon, technical terms and uncommon terminology; and
- abbreviations and acronyms.

Make the bill easy to understand

12. The information in a bill for a small customer must be presented in a way that is easy to understand.

13. A bill must enhance customer comprehension through use of:

- appropriate colour, headings and shading to logically group related bill information and differentiate other bill elements;
- accessible font sizes and font styles;
- white space to reduce clutter; and
- information in infographic, graph, table and/or picture forms (e.g. symbols for payment method information).

Make the most important information most prominent

14. A bill for a small customer must give prominence to information in a way that enhances customer comprehension.

15. To make information prominent, a bill must use:

- prominent placement or positioning;
- bold font or a large font size (compared to the majority of bill information); and
- appropriate colour and shading.

Order the bill to make it easy to understand

16. A bill must be structured in a way that makes the bill readily understandable.

17. Bills must:

- present key information upfront;

- group and present related information together; and
- use borders and shading to separate unrelated information.

Design

18. When preparing bills, retailers must apply practices proven to enhance customer comprehension and make information included in bills readily understandable.

Example: Activities that comply with this principle include:

- *applying consumer research and testing on bill design, language and accessibility; and*
- *updating bill design in response to findings from consumer testing.*

Requirement to present billing information using a tiered approach

19. The following set out requirements relating to the presentation of billing information using a tiered approach. It classifies certain bill content into three categories– Tier 1, Tier 2 and additional information – and outlines retailers’ obligations when preparing each category of information in a bill issued to a small customer.

Overarching approach

20. Retailers must apply the design principles set out in sections 9 to 18 of this Guideline when preparing Tier 1 information, Tier 2 information and any other information included in a small customer’s bill.
21. There are three categories of billing information: Tier 1 information, Tier 2 information and additional information.
22. Tier 1 information must appear on the first page of a paginated bill and at the beginning of an unpaginated bill.
23. Retailers must not include information other than Tier 1 information on the first page of a paginated bill or ahead of Tier 1 information on an unpaginated bill.
24. Tier 2 information must be included in a bill, but not on the first page of a paginated bill or ahead of Tier 1 information on an unpaginated bill.
25. Retailers may include information in addition to that included in Tier 1 and Tier 2 , provided this information is not included on the first page or ahead of Tier 2 information on a paginated bill or ahead of Tier 1 and Tier 2 information on an unpaginated bill.
26. Tier 2 information must be the next most prominent after Tier 1 information, and have more prominence than additional information. Tier 2 information must be readily accessible by consumers.

Tier 1 information

27. Tier 1 information is:

- customer name and address/es (of the premises to which the energy is being supplied as well as the customer’s mailing address, if different);
- customer account number;
- ‘National Metering Identifier (NMI)’ or ‘National Metering Identifiers (NMI)’, using this prescribed wording;
- a link to the Energy Made Easy website: www.energymadeeasy.gov.au;
- ‘better offer’ information (see section 33);
- amount due and due date;
- payment methods;
- bill issue date;
- retailer identifying information (see section 7);

- a telephone number for the customer to:
 - make account enquiries and complaints;
 - contact the relevant energy ombudsman; and
- the name and telephone number of the relevant distributor for the customer to make fault inquiries and report emergencies; and
- headings intended to assist a customer's understanding of prescribed Tier 1 information.

Example: A 'Need help?' heading may be included to assist a customer's understanding of the above telephone numbers.

Note: If a better offer information requirement is prescribed in the Guideline, it will likely include a requirement to include a link to Energy Made Easy with this information.

Tier 2 information

28. Tier 2 information is:

- a standardised plan summary (see sections 30 to 32);
- a breakdown of how the amount due was calculated (the 'Understand your bill' section), including by reference to the following (where applicable):
 - billing period (date-to-date);
 - previous reading;
 - current reading;
 - usage (for electricity, in kilowatt-hours kWh; for gas, in megajoules MJ);
 - rates/tariffs, in dollar figures;
 - charges, in dollar figures;
 - peak usage;
 - off-peak usage;
 - usage discount;
 - rebates, concessions and grants;
 - GST;
 - solar exports;
 - solar usage;
 - average daily usage and exports, in kWh or MJ (daily average);

Note: An example of an 'Understand your bill' section is given below.

- if a bill was issued by the same retailer for the corresponding billing period in the previous year, the particulars of the customers' consumption in that previous billing period/s; and

Note: An example of such a comparison is given below.

- contact details to enable a small customer to access:
 - financial assistance;
 - interpreter services (in community languages); and

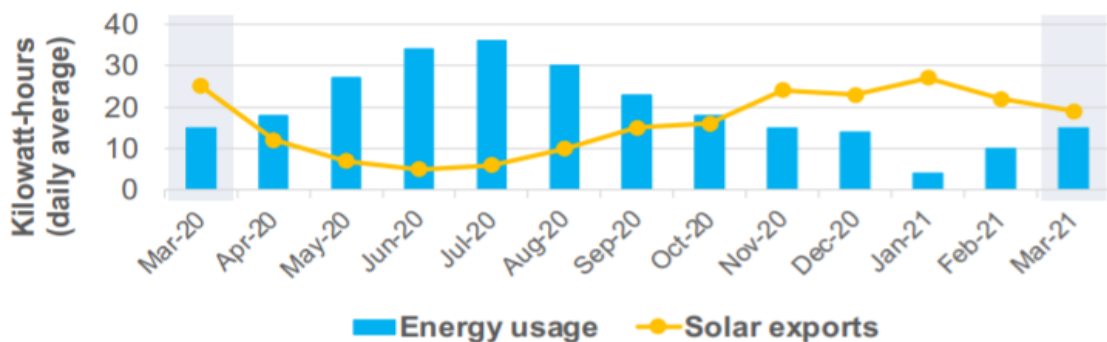
- services for customers with hearing and speech impairments (e.g. the National Relay Service);
- whether the bill amount is based on metering data or on an estimation of the customer's consumption of energy. Where a bill amount is based on an estimation of the customer's consumption of energy, the bill must state that the relevant amount is 'based on an estimation' and must not use an abbreviation of this, for example the letter 'E'.

Example 'understand your bill' table

	Previous reading	Current reading	Usage	Rates/tariffs [in dollar figures]	Charges [in dollar figures]
Peak usage					
Off-peak usage					
Usage discount					
Rebates, concessions or grants					
SUBTOTAL					
GST					
Solar exports					
Solar usage					
TOTAL BILL					

Example figure: comparison with customers' consumption in the corresponding billing period in the previous year

Average daily usage and exports



3.1.1 Requirement to prepare and include a standardised plan summary

29. The purpose of a standardised plan summary is to help customers easily understand and compare the key features of their plan and how their bill was calculated. The standardised plan summary must be standardised in format and language, in accordance with section 31.

30. The standardised plan summary must include the following information:

- plan name (if applicable);
- a summary of applicable tariffs, charges, peak/off peak times, discounts and concessions that have been applied to the bill;
- percentage of energy generated by renewable sources and carbon offsets (if applicable to a small customer’s plan); and

Note: A retailer is required to include, in a plan summary, the percentage of energy generated by renewable sources and carbon offsets where this is a specific feature of the small customer’s plan. A retailer is not required to include this information where it is not a feature of a small customer’s contract.

- benefit type and benefit change date (see section 7).

31. The plan summary must be presented in a standardised form, using the following format, order and terminology, designed in a way that meets the design principles in this Part:

Plan Name	Plan feature
Plan charge details	<p>\$X.XX per day supply charge</p> <p>XX cents per kWh peak usage (Xam – Xpm)</p> <p>XX cents per kWh off-peak usage (other times)</p> <p>XX cents per kWh paid to you for solar exports</p> <p>XX% usage discount</p> <p>[Concessions applied, if relevant]</p>
Energy from renewable sources or carbon offsets (if applicable)	XX%
Benefit expires (if applicable)	[benefit type] ends [DAY MONTH YEAR]

Better Offer

32. [Please refer to section 8. Better Offer and Attachment A in the *Notice of Draft Instrument: Draft AER Better Bills Guideline*, 20 December 2021, for a discussion of the AER's proposed better offer requirement.]