

# Better Bills Guideline – key obligations for energy retailers

This fact sheet provides guidance to energy retailers on their key obligations under the AER's Better Bills Guideline.

This information applies to energy retailers who have customers in Queensland, New South Wales, South Australia, Tasmania and the Australian Capital Territory.<sup>1</sup>

## Key obligations

Bills are a key source of information and communication between energy retailers and consumers.

Consumers expect bills to be simple, easy to understand and a source of information about how and when to pay. Better bills can build consumer trust in their retailer and the energy market, and help consumers make more confident decisions.

Energy retailers have been required to comply with the new billing requirements in the [AER's Better Bills Guideline](#) (Version 2) (the **Guideline**) since 30 September 2023.

The Guideline:

- establishes a set of **design principles** that must be applied holistically when producing bills,
- creates a **tiered approach to billing information**, which aims to allow consumers to quickly access essential billing information while ensuring they have access to other information when needed, and
- requires the inclusion of a **better offer message** and **Energy Made Easy** information to encourage consumers to switch to a cheaper plan.

The Guideline applies to small customers. A **small customer** is defined in section 5 of the National Energy Retail Law to mean a customer:

- who is a residential customer; or
- who is a business customer who consumes energy at business premises below the upper consumption threshold.<sup>2</sup>

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<sup>1</sup> Energy retailers who have customers in Victoria are required to comply with the requirements determined by the Essential Services Commission of Victoria.

<sup>2</sup> The upper consumption thresholds are listed in regulation 7 of the National Energy Retail Regulations and are currently 100 MWh per annum for electricity and 1 terajoule (TJ) per annum for gas.

## Design principles

Energy retailers need to follow a set of design principles, to make sure their bills:

- use simple language, avoiding jargon and abbreviations,
- are presented in a way that is easy to understand,
- give priority to the most important information through formatting and adhering to tiering requirements, and
- are designed using practices proven to enhance customer comprehension such as consumer research and testing.

## Tiered approach to billing information

Billing information must be set out in accordance with the tiering approach prescribed in the Guideline. The particular items required to be included in Tier 1 and Tier 2 are listed in the Guideline and other information is not permitted to be included amongst this information. Any information not listed in Tier 1 or Tier 2 can be included as additional information.

The Guideline classifies billing information as follows:

**Tier 1 (first page)** – critical information including customer details, amount due and due date, payment methods, key contact information (including for the relevant ombudsman), better offer message and link to the Energy Made Easy website.

Any additional information that the AER has made a decision to allow a retailer to include under section 35 of the Guideline or require under section 37, must also be included here. More information about this is available below.

An energy retailer can also include, at their discretion, information relating to natural disasters, pandemics, and emergencies among Tier 1 information.

**Tier 2 (second page or after Tier 1)** – includes information on the plan, tariffs, charges and contact information for the customer to access additional supports like interpreter services.

**Additional information (after Tier 1 and 2)** – any other information the retailer may want to add that isn't permitted to be included in Tier 1 or 2.

Where information is required to be included in a bill by operation of a State, Territory, or Commonwealth law (other than the Guideline), and that law specifies a location for that information, an energy retailer must include that information in the location specified by the relevant law.

## **Additional guidance**

To assist energy retailers in designing their bills, the AER has published [paginated](#) and [unpaginated](#) example bills. Illustrative examples of the 'Understand your bill' table, 'Comparison with customer's consumption' graph, and 'Plan summary' box are also included in the Guideline.

Following compliance activities relating to the Guideline, the AER wrote to retailers on [1 October 2024](#) setting out key findings and providing guidance to energy retailers on compliance with the Guideline. It is strongly recommended that retailers review this letter and also undertake proactive reviews of their small customer bill templates to ensure compliance with the Guideline.

## **Additional information required in Tier 1**

The Guideline allows for the AER to decide, from time to time, that additional information be included among Tier 1 information. As an example, this may allow for additional messaging to be added at the request of government or industry bodies.

The AER will write to retailers and publish an announcement on the AER website where it exercises this power.

### **Energy bill relief message**

On 9 December 2022, National Cabinet agreed to the Energy Price Relief Plan. As part of the plan, the Australian Government has been working with state and territory governments to provide up to \$3 billion in targeted electricity bill relief to residential consumers and small businesses facing rising energy costs.

Since the Australian Government (sometimes together with state and territory governments) has provided electricity bill relief, the AER has received a number of requests from the Commonwealth Department of Climate Change, Energy, the Environment and Water to make decisions under section 37 of the Guideline to approve statements to be included as part of Tier 1 information for all retailers.

More information and updates on the energy bill relief message is available on the [AER website](#). Retailers should check the AER website to ensure they are applying any currently required energy bill relief message.

### **Retailers re-using plan names**

The AER wrote to retailers on [23 May 2025](#) about a decision under section 37 of the Guideline to require retailers who re-use plan names to include additional information in Tier 1 of small customer bills that contain a negative better offer message.

The AER reached this decision following the identification of consumer and retailer concerns regarding retailers who re-use plan names. This decision was made after consideration of options that would ensure a consistent approach across retailers and enhance clarity for consumers. The AER's decision was made to help customers understand why plan names are the same and encourage them to contact their retailer to switch plans and save money.

The AER will continue to consider the retailer practice of re-using plan names and other options to address this as part of our [upcoming reviews](#) of the Better Bills Guideline and Retail Pricing Information Guidelines.

## Retailer request to include additional information in Tier 1

An energy retailer can seek approval from the AER to include additional information among Tier 1 information by submitting a written application containing the information set out in section 34 of the Guideline and emailing this application to [aercompliance@aer.gov.au](mailto:aercompliance@aer.gov.au).

The AER expects that this process will be used in limited scenarios where energy retailers can provide evidence that including the further information will promote the billing objective in subrule 25A(3) of the National Energy Retail Rules.

The AER may publish the outcome of any applications on the [AER website](#). We recommend that retailers review any published requests and reasons for the AER's decisions before considering whether to make a request under section 34 of the Guideline. If considering making an application, retailers are invited to contact us to discuss further, please email [aerretailcompliance@aer.gov.au](mailto:aerretailcompliance@aer.gov.au).

## Better offer message

Energy retailers are required to include a better offer message in Tier 1 information under the heading 'Could you save money on another plan?'. A better offer message is intended to encourage consumers to switch to the best plan their retailer can offer them.<sup>3</sup>

A better offer message should look similar to this:



## Identification of a deemed better offer

The deemed better offer must be either:

- the lowest cost generally available plan applicable to the customer having regard to the customer's annual usage history and that does not have as a condition that the customer have or maintain an affiliation or membership with an entity unrelated to the retailer, or
- a plan that has a lower cost than the lowest cost generally available plan applicable to the customer.

Where the plan provides a discount on the condition that the customer buys another good or service, the deemed better offer identified must be determined without any such discount.

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<sup>3</sup> Pursuant to clause 59 of the Guideline, Ergon Energy is not required to provide a deemed better message on a small customer's bill where the customer receives the sale and supply of energy under Ergon's standing offer pursuant to section 33A of the National Energy Retail Law (Queensland).

## Deemed better offer check

To provide a better offer message, an energy retailer must carry out a deemed better offer check to identify the relevant offer for that customer. A deemed better offer check must be calculated using the following formula:

**Deemed better offer check result = A – B**

*A = annual total cost of current plan*

*B = annual total cost of deemed better offer*

The **annual total cost of current plan** and **annual total cost of deemed better offer** are defined in the Guideline.

The annual total cost of current plan is based in part on a customer's annual usage history. If a retailer does not have a year of metering data, they must use their best estimate with regard to any relevant information that is available to them.

Where the deemed better offer check result is greater than \$22 (inclusive of GST), the deemed better offer check result is **negative**.

Where the deemed better offer check result is less than or equal to \$22 (inclusive of GST), the deemed better offer check result is **positive**.

## Deemed better offer message requirements

A better offer message **must be provided on a small customer's bill at least every 100 days**, or in alignment with a longer billing cycle agreed with the customer.

A retailer is not required to provide a deemed better offer message where:

- the customer's estimated annual consumption level determined for the purpose of carrying out a deemed better offer check would result in the customer no longer being a small customer,
- the customer receives a single bill in respect of the sale and supply of energy at 2 or more premises, or
- it is the small customer's final bill.

Where the deemed better offer check result is negative, the retailer must include a **negative better offer message** on the small customer's bill.

Where the deemed better offer check result is positive, the retailer must include a **positive better offer message** on the small customer's bill.

The better offer message must include the statement that 'The Australian Energy Regulator requires us to include this information'.

The better offer message must also include clear and simple instructions on how to switch to the better offer or compare other plans on Energy Made Easy, as applicable.

The Guideline provides the exact wording that energy retailers must apply to the better offer information on their bill. Examples of better offer messages are as follows:

**A negative better offer message:**

***Could you save money on another plan?***

*Based on your past usage, our “Name of Plan” may cost you up to “\$ amount” less per year than your current plan. Contact us on “[Phone Number/Email/URL]” to switch plans.*

*The Australian Energy Regulator requires us to include this information.*

**A positive better offer message:**

***Could you save money on another plan?***

*Based on your past usage, you are on the best plan we can offer you.*

*To compare other plans available, please visit [Energy Made Easy](#).*

*The Australian Energy Regulator requires us to include this information.*

## Where conditions apply

In cases where the better offer message is subject to conditions, a retailer may provide a statement about the nature of the conditions and how they apply. If further clarification is required, this can be provided as additional information following all Tier 1 and Tier 2 information.

## Reporting of non-compliance

Subrule 25(1) of the Retail Rules provides that Retailers must comply with the Guidelines in preparing and issuing bills to small customers.

A failure to comply with subrule 25(1) is a Tier 3 civil penalty provision under the Retail Rules.

- Currently, a Tier 3 civil penalty provision carries a penalty of \$33,900 per infringement notice, or a maximum penalty of up to \$188,000 (plus \$18,800 per day for continuing breaches) for a court based outcome.<sup>4</sup>

In accordance with the [AER's Compliance Procedures and Guidelines \(Version 7\)](#), breaches of rule 25 are required to be included in a retailer's half-yearly report to the AER.

Additionally, retailers are required to report to the AER as soon as reasonably practicable after a material breach has been identified. A breach may be considered material where, for example, it is a billing issue that results in the overcharging or undercharging of a customer resulting in significant harm, where the breach impacts a significant number of customers or where the breach occurred over an extended period of time. Further guidance for determining whether a breach is material is available in the [AER's Compliance Procedures and Guidelines \(Version 7\)](#).

The AER will assess any breaches reported having regard to the compliance and enforcement factors set out in our [Compliance and Enforcement Policy](#).

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<sup>4</sup> These amounts are indexed every 3 years, see [this link](#) for the current penalties.

## Further information

For further information, see the AER's [Better Bills Guideline](#), or contact us at [aerretailcompliance@aer.gov.au](mailto:aerretailcompliance@aer.gov.au)

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