

19 December 2025

Executive Director, Default Market Offer and Consumers
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Submitted by email: consumers@aer.gov.au

Dear Executive Director,

RE: Retail guidelines review – Consultation Paper

GloBird Energy (**GloBird**) welcomes the opportunity to provide feedback on the consultation paper for the retail guidelines review (**consultation paper**).

GloBird commenced operation in 2015 and has since become one of the fastest growing electricity and gas retailers in Australia, with a customer base over 250,000 residential and small business customers across Victoria, New South Wales, Queensland and South Australia. Our excellent value energy offerings, innovative products and a high-quality customer service are key drivers of our success in this highly competitive energy market.

We support the holistic approach the AER is taking to reviewing the guidelines with the aim to make it easier for retailers to understand their obligations, which will result in better experiences for energy customers. From this angle, we believe that this review presents an opportunity to address some concerns, namely:

1. Energy plans that include a tariff linked to the prevailing spot price of energy
2. Considerations to make changes to Better Bills Guideline.

Energy plans that include a tariff linked to the prevailing electricity spot price should be treated differently from other plans

In this section we introduce two terms:

1. **Common plan** – an energy plan that is not a wholesale plan.
2. **Wholesale plan** – an energy plan that includes a tariff linked to the prevailing electricity spot price, wholesale cost pass-through plans or otherwise.

Better offer messages associated with wholesale plans should include a disclosure statement

s.46 of Better Bills Guideline (**BB guideline**) requires retailers to carry out deemed better offer checks, identify the deemed better offer and provide a deemed better offer message to small customers.

s.49 of BB guideline sets the formula “A – B”, the retailer must use in carrying out the deemed better offer check.

The term “A” refers to the “annual total cost of current plan”, defines as follows:

“annual total cost of current plan means the minimum possible amount payable by a small customer under their current customer retail contract excluding the value of any one-off gift or sign-up credit, calculated on the basis of the small customer’s annual usage history and *the tariff*, charges and discount rates **current at the date a bill will be issued, with all discounts applied including any discount the customer receives because the customer buys another good or service, and including any amounts deducted, credited, or received by the retailer under a government funded energy charge rebate, concession or relief scheme”**

The term “B” refers to the “annual total cost of deemed better offer”, defines as follows:

“annual total cost of deemed better offer means the minimum possible amount payable by the small customer under the deemed better offer excluding the value of any one-off gift or sign-up credit, calculated on the basis of the small customer’s annual usage history and *the tariff*, charges and discount rates of the deemed better offer **current at, the date a bill will be issued with all discounts applied (except any discount which applies to a customer retail contract because the customer buys another good or service) and including any amounts deducted, credited, or received by the retailer under a government funded energy charge rebate, concession or relief scheme”**

When performing the deemed better offer check involves a wholesale plan, the calculation of “A” or “B”, as applicable, will present a few challenges. Firstly, unlike common plans where prices are fixed, in relation to a wholesale plan, the tariff current at the issue date of the bill is not yet determined – spot prices change every 5 minutes. Secondly, since the better message check is concerned with the “annual total cost”, the tariff underlying “A” or “B” as applicable must reflect spot prices over the 12 months period covered by the deemed better offer check. However, since these prices are not known, different retailers may use different methodologies to estimate these.

To ensure consistency, transparency and customers are receiving appropriate and clear information, we recommend that the AER to consider requiring the retailer in this circumstance:

1. to use historical spot prices; and
2. include a disclosure statement within the deemed better offer message clarifying that the annual total cost of wholesale plan was calculated with reference to historical spot prices.

The functionality of Energy Made Easy should support wholesale plans

Wholesale plans’ structure comprises two distinct types of price categories:

1. Variable price category: this category is the tariff component linked to the spot price.
2. Fixed price category: this category includes all the other fixed pricing components such as daily charge, peak rate, shoulder rate and off-peak rate.

s.20 of the Retail Pricing Information Guidelines (**RPI guidelines**) requires retailers to submit data and information to Energy Made Easy (**EME**) in the manner and form required by the RPI guidelines. EME, in its current state, does not support the functionality of accepting the variable price category of wholesale plans. As a result, retailers have no choice but to combine the variable and the fixed price components and present these as a single rate.

We recognise that it is neither effective nor practical to change the functionality of EME to accept 5-minute data for 12 months. We recommend:

1. creating a new field to accept the variable price category as a separate single rate.
2. the single rate:
 - a. is calculated as the weighted average spot price over the past 12 calendar months

- b. weighted by the representative customer total usage and load profile as determined by the AER in its DMO determination for the relevant distribution area for the relevant financial year; and
 - c. accounted for any adjustments linked to the spot price, such as cost and effect of caps, charges or credits to provide price protection, etc; and
3. requiring the retailer to include a disclosure statement explaining how that single rate was calculated.

In our views, the above recommendations will provide consistency, transparency and clarity in allowing customers to be able to compare energy plans with confidence.

Considerations to make changes to Better Bills Guideline

- **Bill in credit** - There have been enough discussions during the initial BB guideline consultation process about this matter, and the AER has determined that where a bill is in credit the amount to be displayed, in Tier 1 information, against the “amount due” must be \$0. We do not intend to re-open this discussion, however we note from the AER “Better Bills Guideline compliance review – key findings and industry guidance” letter, dated 1 October 2024, to retailers that the AER has clarified that with respect to customers on a payment arrangement it is a good practice to include in Tier 1 information “account balance”. We submit that the AER should amend the BB guideline to allow retailer to include the “account balance” in Tier 1 information where the bill is in credit. This would make the information on the bill clearer and more relevant.
- **Deemed better offer message prominence** –the deemed better offer message requirement, provided in s.60 and s.61 of the BB guideline refers to prominence in relation to the “amount due”. However, it is not clear if this term relates to the “amount due” heading or the actual dollar amount. Further, it is unclear if the prominence as related to the deemed better offer message is a reference to the whole message or just the heading. The “Better Bills – Illustrative examples” may suggest that the requirement only apply to the heading of the deemed better offer message, and it may relate to the dollar value of the amount due.

On 23 November 2023 the Essential Services Commission Victoria issued “Guideline 1 (2003): Form and content of deemed best offer message”¹. Figure 1, page 12 of this document explains how the deemed best offer message prominence requirement was achieved. In particular, the explanation among other things refers to the heading of the message and the prominence is in relation to the “amount due” heading. We ask the AER to clarify if in relation to s.60 and s.61 of the BB guidelines a reference to the “amount due” is a reference to the “amount due” heading or the dollar amount and that if the prominence of the deemed better offer message requirement only apply to the deemed better offer message heading.

- **Dual fuel bill** –
 - Customers with dual fuel that receive a single bill for both fuels often receive two deemed better offer messages on the same bill, one for each fuel. In these situations, each deemed better offer message would include similar mandatory words, namely the deemed better offer message heading “Could you save money on another plan?” and “The Australian Energy Regulator requires us to include this information”. These duplications make the information long and confusing. We request the AER to consider allowing retailers to remove these duplications where a customer receives a single bill for dual fuel and the bill contains a deemed better offer message for each fuel.

¹ <https://www.esc.vic.gov.au/electricity-and-gas/electricity-and-gas-codes-guidelines-and-policies/energy-guidelines/guideline-form-and-content-deemed-best-offer-messages>

- Whether the customer receives a message for one fuel or for both, a message starting with “Based on your past usage,...” as required by s. 62(b) and s.63(b) is confusing – the customer will not know to which fuel the message relates to. To ensure the message is clear, we suggest that the AER to consider replacing these words with “For your ‘fuel type’ service, based on your past usage ...”, where ‘fuel type’ to be substituted with electricity or gas as applicable
- **Duplication in Tier 1 information** – s.40(i) requires the provision of a link to EME on every bill, yet a positive deemed better offer message also requires a similar message, resulting in unnecessary duplication. Since the link to EME is provided on every bill, we suggest the removal of s.63(d).

Feedback on other questions

GloBird submissions provides feedback on the following questions raised in the issue paper:

Question 1: How can we make sure the combined guidelines are easy for stakeholders to use, including retailer staff who will be responsible for implementing the requirements?

We support the opportunity of reviewing the guidelines to update them to better reflect the need of the current and future energy markets. In principle we agree with:

- Removing duplications, improving alignment across guidelines, and eliminating obligations that are no longer relevant
- Establishing clearer definitions
- Ensuring the guidelines follow a consistent structure, use clear and simple language, and are easy to navigate

We acknowledge that consolidating rules can provide benefits such as improved clarity, efficiency, and consistency. However, we believe guidelines should remain specific to their respective purpose, scope and requirements. For this reason, we have concerns about consolidating the four guidelines into a single document. These include:

- a combined document may become lengthy, complex, and difficult to navigate, especially by retailer staff who are responsible for one guideline, for example staff that deal with hardship versus staff that deal with the RPI guidelines.
- in relation to the previous point, we believe requiring staff to sift through an unnecessarily long consolidated document is not an effective approach.
- future amendments to a single consolidated guideline would require reissuing the entire document, even when updates relate to only one specific area - recognising that often, not all changes occur simultaneously.

Question 2: How could we adapt the design principles to different communications and where is more specific formatting guidance required

In principle we support the view of having some design principles across various communication types. However, we are not supportive of guidelines that are prescriptive. Notwithstanding the cost implication of system changes, retailers are best placed to understand the need of their customers and adjust communications accordingly, noting that communications form part of the service provided to customers.

Question 3: How could we make communications more accessible for customers?

More than 98% of GloBird customers receive their correspondence via digital channels. These customers can take advantage of free tools, like browsers and other applications that come with native translation, and operating systems that already come with screen reading capability.

Of the less than 2% of customers that receive paper-based communication, they are doing so out of preference or that they are not digitally savvy. In our view, the cost of amending the guidelines to improve communication for people with accessibility needs in relation to paper-based communication would outweigh the benefit.

We agree with the finding that following the implementation of the BB Guideline, more customers are contacting their ombudsmen as a first point of contact and therefore, we support amending the BB guideline to help retailers clarify the information on the bill. We suggest replacing the text “Disputes” in Tier 1 information with “Unresolved disputes”.

Question 4: How could benefit change notices be improved to make it easier for customers to understand and take action when their benefit is changing?

The content of table 1, para. 47 of the Benefit Change Notice Guidelines (**BCN guidelines**) is no longer relevant due to changes made to EME. The original intent of this content - helping customers finding a better plan - no longer aligns with the current EME questions set. The questions that customers now see on EME are already self-explanatory.

We recommend that the AER should remove section 4 any reference to Zone A from the BCN guidelines

Question 6: How could our guidelines make complex energy plan information more relevant and easier to understand?

Please refer to the above section “Energy plans that include a tariff linked to the prevailing electricity spot price should be treated differently from other plans”.

Question 7: How could we improve transparency and reduce customer confusion in relation to energy plan names?

The consultation paper raised a concept related to healthcare without much information on how this concept relate to or can apply to the energy industry. The Gold, Silver, Bronze and Basic health insurance plans (**tiers**) have different coverage and the higher the tier is the higher is the plan cost. This approach does not work with energy plans. Further, health insurance products are designed to provide some sort of protection against unforeseen events outside the control of the customer. Energy plans on the other hand, have different purpose, for example two energy plans may have the same tariff structure but they send different price signals to customers to encourage them changing their behaviour and take control of their energy cost. GloBird does not support applying such approach to energy plans.

Retailers develop many energy plans every month in response to changes to market conditions or business strategy. Giving a different name to each plan would result in the retailer ending up with hundreds of names and will lose the ability to have an effective marketing campaign that drives competition.

With respect to the deemed better offer message, where the deemed better offer name has the same name as the customer’s current energy plan’s name, we suggest that the word “new” or “newer” to precede the deemed best offer name.

Question 8: How could we ensure better offer messages are clear, relevant and trusted?

Please refer to the above section “Consideration to make changes to better Bills Guideline”

Question 9: Where should customers receive better offer messages and how could we ensure the messages are clear and appropriate for different kinds of communications?

We support adding the deemed better offer messages to the bill covering email.

Question 10: What should we consider in defining the term 'deemed better offer', including in relation to how better offers are identified and how much a customer would need to save?

We support increasing the deemed better offer threshold from \$22 to \$50, consistent with the requirement in Victoria.

Question 13: What specific changes could we make to the standardised statements in hardship policies to make them more consumer friendly?

We suggest that the standardised statements could use more user-friendly language. For example replacing "you must" with something like "Please make sure...", "To help things go smoothly, please...". Similarly, the phrase "we will" could be replaced with something else like "We are happy to...", "We are looking forward to ..."

Question 14: What concession and rebate information should be included on energy bills?

We suggest:

1. if a final bill is raised for a service/premises linked to a concession or rebate, a standardised message be included in Tier 1 information of that final bill, informing the customer that they will need to reapply for their concession with their new retailer. Note, where the bill covers two or more premises, a final bill may be issues to one premises that is not eligible for any concession or rebate.
2. In all other cases, a standardised message to be included in Tier 1 information, reminding customers to contact the retailer with their concession.

If you have any questions about this submission, please contact Nabil Chemali Senior Manager Regulation & Commercial, at [REDACTED]

Yours sincerely

[REDACTED]

John McCluskey
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GloBird Energy