

RE: AER Retail guidelines review, 2025 consultation paper

<https://www.aer.gov.au/industry/registers/resources/reviews/retail-guidelines-review>

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Overview

Thank you for this opportunity to give feedback on the Consultation Paper for *Retail guidelines review*. We are a group of researchers at the University of Sydney, Western Sydney University, and University of Melbourne. We conduct research on energy justice, energy hardship, and consumer behaviour.

The National Electricity Market was designed as a competitive retail market that would ensure consumers could make economically rational decisions after reviewing rate options and choosing which rate suited their circumstances best. However, it does not currently provide the conditions for consumers, especially the most vulnerable, to succeed in this regard.

To make rational decisions, consumers need easy access to clear, concise information¹. They also need time and knowledge to review and compare different rates. While the *Retail guidelines review* summarises recent mechanisms that target improved accessibility and clarity of information provided by retailers, given the relatively narrow scope of these improvements it is still only highly energy

¹ Daniel Kahneman, *Thinking, Fast and Slow* (macmillan, 2011); Joseph E. Stiglitz, "Chapter 13 Imperfect Information in the Product Market," in *Handbook of Industrial Organization*, vol. 1 (Elsevier, 1989), [https://doi.org/10.1016/S1573-448X\(89\)01016-2](https://doi.org/10.1016/S1573-448X(89)01016-2).

literate consumers – who can regularly spend significant amounts of time comparing rates – that can benefit from these.

There are also broader constraints on people’s ability to switch. Repeatedly reviewing rates requires time and expertise, and people may also have concerns about unexpected costs in the process. Research produced for the European Commission on the functioning of the retail electricity market² found that misleading information and aggressive sales techniques made consumers more likely to switch to a worse deal, and highlighted mistrust as a major contributor to low switching rates. The European Consumer Organisation (BEUC) identified the five main barriers to switching as: “inadequate information to consumers, aggressive selling practices, complex and bundled energy offers, switching fees and the complicated administrative process to switch”³.

Within this context that only partially provides conditions for the rate-switching on which affordability is designed to rest, consumers must navigate other issues: we focus our comments below on complex rate plans and hardship policies, two areas of the Review in which we have prior or ongoing research. People facing energy hardship must find additional time to navigate ways to access support, many of which are not transparent or straightforward. Emerging complex rate designs introduce new dimensions where those with the highest energy literacy can benefit, and those without may face unexpectedly high costs. **Our summary of recommendations below is targeted to the questions asked in the consultation paper. However, these address only a narrow subset of improvements needed to support consumers** in navigating complex rates to choose the most affordable, and in navigating complex processes to access support for energy hardship.

Recommendations

Complex energy plans

- Energy rates are becoming more complex. **Guidelines should include requirements that retailers have plain language descriptions of the type of rate that consumers are placed on, e.g. that time-of-use rates charge more for electricity used in specific morning and evening hours.** This is important for consumers to understand the cost implications of the rate that they are currently on. Plain language text should be tested with consumers to check understanding.
- **Bills should include clear information on the hours when higher rates are charged.** If people are not aware of when on-peak rates occur, they will be unable to shift their use in response.
- **Consumers should be able to access information on their own patterns of electricity use** so that they can make informed decisions about time-varying rates and other complex rates. Simple information should be included on bills, and detailed information should be available through online portals. Both approaches are necessary.

² European Union (2016) Second consumer market study on the functioning of the retail electricity markets for consumers in the EU: Final Report. Brussels: Publications Office. <https://data.europa.eu/doi/10.2818/267955>

³ BEUC (2017). Stalling the switch 5 barriers when consumers change energy suppliers. https://www.beuc.eu/sites/default/files/publications/beuc-x-2017-106_stalling_the_switch_-_5_barriers_when_consumers_change_energy_suppliers.pdf

Hardship policies

- **Standardised statements should be updated to give consumers clear retailer-specific information on what documents or types of proof will be requested to assess eligibility.** Many hardship policies do not currently have transparent information on this, which makes it challenging for people to understand what they may need to provide or how long it may take them to compile any required documents. Any application forms should be clearly available on the webpage. If retailers will request financial statements, this should be transparent upfront.
- **More support is needed in plain language and languages other than English.** Many hardship policies are currently only provided in their full complex version rather than the Easy English option, and it is rare for retailers to provide full translations of hardship policies in languages other than English. Both of these conditions mean that people facing hardship may be unable to interpret the supports that they could be eligible for.
- **Wording of hardship policies should be reviewed by those with lived experience.** ScottishPower Energy Networks (a British energy retailer that supplies 3.5m homes and businesses) recently had success with a ‘Living Lab’ approach to redesigning communications about their Priority Services Register and power cuts⁴.
- **Retailers should be required to have a prominent link on the homepage that takes you to the hardship policy, with a clearly identified name** (e.g., support for those experiencing payment difficulty: see our hardship policy). At present hardship policies can be difficult to find and identify even when specifically searching for these, and are often several layers into the retailer website when attempting to navigate from the landing page.
- **Ways to communicate information about hardship supports should be expanded.** Studies in other countries have shown greater uptake of support programs after simple postcard mailouts summarising the available programs⁵. Hardship policies are long documents to navigate; additional methods could help customers currently not being reached.
- **Guidelines around hardship should be expanded to capture hardship customers who are currently invisible.** Financial stress related to energy and other bills may force some households to make trade-offs, such as delaying purchase of food in order to pay bills, tolerating unhealthy temperatures indoors to keep costs down, or borrowing money to pay bills. These are also forms of energy hardship, but are not currently reflected in hardship policies.
- **The section on range of retailer-specific programs available for support should not be used to discuss ‘ways to use less energy’.** This information is provided in other sections. Emphasising it repeatedly risks worsening possibly harmful trade-offs made by people in hardship. Standardised statement guidelines should be updated to clarify this.

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

As smart meters become more common, many customers may be offered or moved to time-of-use rates. Prior research has found that time-varying rates can cause disproportionately higher bills for

⁴ Three Hands Insight (2025). Improving customer communications. <https://www.threehandsinsight.co.uk/case-study/improving-customer-communications>

⁵ Manuel P. Teodoro and Jean Smith, “Medium and Message by Mail: A Field Experiment to Promote Low-Income Assistance Programs,” *Public Administration Review* 85, no. 6 (2025): 1625–40, <https://doi.org/10.1111/puar.13931>.

older adults and those with disabilities⁶. These rates are not effective at their primary intended purpose of shifting usage timing if people are unaware of peak times, unaware of what their own energy use patterns look like, or do not have enough flexibility in daily routines to shift usage. Recent Australian work has found that households in the lowest socio-economic areas are not responsive to time-of-use rates, i.e., are not shifting their usage away from on-peak times after being placed on time-of-use rates⁷.

As these complex rates become more common, it is important for consumers to be able to see when they have been placed on a time-of-use rate or demand rate instead of on a flat rate – for example, via a statement on bills that they are on a rate with charges that vary according to time of day. Bills also need to include clear information on the different rates charged different hours, and to clarify whether hourly charges are responsive or not responsive to daylight savings time clock shifts.

The times of day at which peak vs off peak prices are charged also need to be apparent, and this information currently is not easily visible on EnergyMadeEasy or on many retailer webpages – it requires specific knowledge to search for and identify when comparing rates, and this level of complexity may be overlooked by many households.

People require access to detailed information on their own energy use, especially when assessing time varying pricing options that have different tariffs across the time-of-day. Smart meter data can help people to understand their current usage patterns, and people should be able to access their own data easily online if they wish to so that they can understand which activities are currently using the most energy at specific times of day. Making decisions about moving to time-of-use rates will require new information provided on electricity bills so that people can evaluate whether they would be better or worse off. This information could also be useful in decision-making around Consumer Energy Resources (CER). By removing the electricity consumption benchmarks there is an assumption that people will access information via alternative means, however, 58% of Australians want a 'basic' relationship with the energy system⁸.

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

AER hardship policy guidelines and standardised statements set the minimum requirements for retailers. This means that the standardised statements can directly shape how easy it is for people to understand whether they could qualify for energy hardship programs and the types of supports available to them. Hardship policy transparency and accessibility affects the administrative burdens that people experience when attempting to access hardship support, where administrative burdens are defined as encompassing the time and other costs of identifying support, navigating stressful

⁶ Lee V White and Nicole D Sintov, “Health and Financial Impacts of Demand-Side Response Measures Differ across Sociodemographic Groups,” *Nature Energy* 5, no. 1 (2020): 50–60, <https://doi.org/10.1038/s41560-019-0507-y>.

⁷ Kelly Burns and Bruce Mountain, “Do Households Respond to Time-Of-Use Tariffs? Evidence from Australia,” *Energy Economics* 95 (March 2021): 105070, <https://doi.org/10.1016/j.eneco.2020.105070>.

⁸ Energy Consumers Australia, “Consumer Energy Report Card Data,” 2025, <https://energyconsumersaustralia.com.au/our-work/surveys/consumer-energy-report-card-data>.

processes, compiling required documentation, and related areas⁹. These burdens can prevent households from accessing the support that they need.

In our ongoing research, we are considering variation between retailer policies related to administrative burdens. Preliminary findings indicate, as of early December 2025:

It is difficult for people to access transparent information on whether they are eligible for hardship programs based on hardship policy statements. The current standardised statement required for inclusion is that staff will speak to you by phone and “work out if you can join the hardship program”. There is rarely additional transparent information given in writing about the application processes and hardship eligibility criteria applied by each retailer. Further, choices made beyond the standardised statements can present people in hardship with very different impressions of how easy it is to get help. In our preliminary research we found that:

1. **Eligibility:** Only 6 out of 15 retailer hardship policies reviewed to date gave clear written information about how they would work out if a customer could join the hardship program. For example, some of the clearer policies stated that any residential account holder who phoned and stated that they were experiencing hardship would be accepted into the program. In contrast, other retailers provided only the minimum required statements, e.g. that to be eligible you must be experiencing short or long-term financial hardship – but without detail on how this would need to be proved.
2. **Application:** Hardship programs require applications/assessments, but standardised statements do not include language around what applications entail. Only 3 of the hardship policies that we reviewed had added detail that could help customers understand what an application requires them collect and how they would share it with the retailer (e.g., stating that the process for assessing hardship eligibility involves a verbal discussion of customer circumstances and that if a customer is ineligible then the reasons for this will be communicated during the phone call). Others stated that a conversation would take place followed by an application assessment, but did not provide information on what the application would need to include. This leaves a lot of uncertainty around practical aspects such as whether any documents or financial statements will be required as proof of financial hardship.
3. **Timelines:** Retailers are required to include a standardised statement about timelines to assess applications, but have flexibility on how long this can take. Most retailers allow more than five days to assess an application, with only 5 out of 15 reviewed stating less than five day turnaround. For customers experiencing payment difficulty, longer turnaround times may be stressful – particularly when coupled with limited information around what assessment entails.

Challenges also remain around accessibility of information. There is potential burden for consumers in identifying hardship policies and interpreting these to learn about the necessary supports, and this burden is exacerbated if hardship policies cannot be easily found on websites, or if these cannot be easily interpreted once found:

4. **Websites can be challenging to navigate:** Retailer websites do not present hardship policies in a standardised location – sometimes it is a link in the webpage footer, sometimes it is under

⁹ Donald Moynihan et al., “Administrative Burden: Learning, Psychological, and Compliance Costs in Citizen-State Interactions,” *Journal of Public Administration Research and Theory* 25, no. 1 (2015): 43–69, <https://doi.org/10.1093/jopart/muu009>.

‘support’ (although often not), sometimes it requires a search tool that also returns other pages. Finding the hardship policy often requires clicking through many layers of the website. In some cases the hardship policy document is named something else, which could be inconsistent with the language used in bills and contracts and leave people confused when they try to find support. To mitigate this, we recommend that retailers be required to have a prominent link on the homepage that takes you to the hardship policy, with a clearly identified name (e.g., support for those experiencing payment difficulty: see our hardship policy).

5. **Support for people with English as a second language:** Only 5 of the hardship policies that we reviewed included useful resources for understanding hardship policies in languages other than English. Two had provided translated hardship policy documents directly. The other three had clear direction to interpreter services in multiple languages on the first page of the hardship policy document. Others did not have usable support, such as only mentioning interpreter services in English, several pages into the policy – it is unlikely that customers needing language support would find this.
6. **Easy English:** Only 5 out of 15 retailers that we’ve reviewed in NSW have made an ‘Easy English’ version of their hardship policy available on their website next to the standard hardship policy text.

Hardship policies generally contain concrete information on concessions and rebates that are available, but still include very limited mention of retailer-specific supports that could alleviate financial stress. It is important to consider the level of support that consumers can access once they find and interpret the hardship policy. Programs such as Energy Accounts Payment Assistance (EAPA) in NSW can grant vouchers to people who are in demonstrated financial crisis, but the process of demonstrating this will introduce an additional layer of stress and burden. Other concessions and rebates are targeted at specific sociodemographic groups, and particularly with rising housing cost pressures this may overlook many households who face genuine financial difficulties.

7. **Supports beyond payment plans:** 10 of the 15 hardship policies we reviewed by NSW retailers have provided information beyond the standardised statement that “Depending on the state or territory you live in, there are other supports to help you pay your energy bills.” These 10 policies gave actionable information such as the names of state-specific concession or rebate programs, and had functioning website links that landed directly on the application page for the relevant program. When new requirements¹⁰ come into effect in mid-2026, retailers will all be required to both inform consumers about relevant concession, rebate and relief schemes specifically available in their jurisdiction and to ask consumers if they are eligible for any of those concession, rebate or relief schemes.
8. **Retailer-specific supports:** Standardised statements include a requirement for information on retailer-specific supports, i.e., “As a hardship customer, you can access a range of programs and services to help you: [retailer to insert other services/products available to hardship customers].” Of the 15 NSW retailers reviewed thus far, all inserted retailer-specific text, but this varied greatly in the substance of support available to consumers. Only 4 retailers extended on the standardised statement with offers related to financial support (such as interest free loans, parking arrears, or incentive payments for adhering to payment plan). The other 11 gave general indications of supports that are available without reference to material financial support (e.g., reiterating other required information such as giving guidance on how to reduce energy use). None of the 15 mentioned a possibility of debt waivers or debt relief in

¹⁰ Improving the application of concessions to bills, 2025 AEMC retail rule change: <https://www.aemc.gov.au/rule-changes/improving-application-concessions-bills>

extreme cases, although these mechanisms do exist and were mentioned in submissions to the *Review of payment difficulty protections in the National Energy Customer Framework*.

More broadly, international and Australian research speaks to the ways in which a reliance on phone calls, hardship policy documents, and narrow definitions of hardship may be failing to support vulnerable energy consumers.

Ways to share information about hardship supports outside of bills, contracts, and retailer webpages should be considered. Direct mail, or unsolicited advertising via postal service delivery, has been shown to be an effective tool for increasing program enrolment ¹¹. Evidence from a U.S. field experiment demonstrates that even low-cost, simplified outreach can be impactful, with a black-and-white postcard increasing participation in a utility assistance program ¹². Other studies show that simplifying application requirements and coordinating eligibility materials and determination processes with other social service programs and services can yield higher participation rates ¹³. Therefore, we recommend consideration of engaging in such activities to increase awareness of the opportunities provided through the hardship policy.

Telephone helplines can present barriers: research from the UK on advice and information hurdles identified automated telephone systems with long menus, call centre staff using rigid scripts, and the cost of calls as key barriers. Among their recommendations were adoption of British Standard 18477 on inclusive service provision by retailers (since superseded by BS ISO 22458 consumer vulnerability), and provision of a freephone telephone line. Some of these same barriers were identified by submissions to the *Review of payment difficulty protections in the National Energy Customer Framework*, such as the high volume of information customers must parse during scripted phone calls.

Many people in energy hardship are not visible when considering only bill arrears or disconnections – namely those people who restrict their energy use to unhealthy levels in an effort to minimise energy bills ¹⁴, or those who borrow money in order to pay bills in the short term. These households are also in energy hardship, but may not see themselves reflected in current hardship policies, and would face difficulty accessing crisis supports such as EAPA even if they were in a managed crisis – e.g., drastically reducing quality of food purchased in order to keep on top of energy bills. The guidelines around customer support should be expanded in ways that allow these currently invisible hardship customers to also receive information on financial help with energy bills, and hardship program eligibility assessments should also consider these types of situations. If vulnerable energy consumers are truly to be supported, then these currently invisible hardship customers need to be captured in ongoing monitoring.

¹¹ Jessica Lasky-Fink and Elizabeth Linos, “Improving Delivery of the Social Safety Net: The Role of Stigma,” *Journal of Public Administration Research and Theory* 34, no. 2 (2024): 270–83, <https://doi.org/10.1093/jopart/muad021>.

¹² Manuel P. Teodoro and Jean Smith, “Medium and Message by Mail: A Field Experiment to Promote Low-Income Assistance Programs,” *Public Administration Review* 85, no. 6 (2025): 1625–40, <https://doi.org/10.1111/puar.13931>.

¹³ Michelle Graff, “Reducing Administrative Burdens in an Energy Bill Assistance Program,” *Public Management Review* 27, no. 10 (2025): 2336–61, <https://doi.org/10.1080/14719037.2024.2335556>.

¹⁴ N. Willand et al., “Recognition Justice in Australia: Hidden Energy Vulnerability through the Experiences of Intermediaries,” *Energy Research and Social Science* 98 (2023), Scopus, <https://doi.org/10.1016/j.erss.2023.103013>; S. Meyer et al., “Capturing the Multifaceted Nature of Energy Poverty: Lessons from Belgium,” *Energy Research and Social Science* 40 (2018): 273–83, Scopus, <https://doi.org/10.1016/j.erss.2018.01.017>.

The language of ‘hardship policy’ or ‘hardship customer’ may create burdens related to a sense of stigma when navigating processes, and could further discourage people from accessing support ¹⁵. We recommend that consultation and focus groups seek to determine the best language for Australian customers by incorporating their perspectives directly, such as via the Living Lab described below.

Wording of hardship policies should be reviewed by those with lived experience. ScottishPower Energy Networks (a British energy retailer that supplies 3.5m homes and businesses) recently had success with a ‘Living Lab’ approach to redesigning communications about their Priority Services Register and power cuts.

¹⁵ Kay Cook, “Gender, Malice, Obligation and the State: Separated Mothers’ Experiences of Administrative Burdens with Australia’s Child Support Program,” *Australian Journal of Public Administration* 80, no. 4 (2021): 912–32, <https://doi.org/10.1111/1467-8500.12522>; Jonas Krogh Madsen and Kim Sass Mikkelsen, “How Salient Administrative Burden Affects Job Seekers’ Locus of Control and Responsibility Attribution: Evidence from a Survey Experiment,” *International Public Management Journal* 25, no. 2 (2022): 241–60, <https://doi.org/10.1080/10967494.2021.1951905>; Moynihan et al., “Administrative Burden: Learning, Psychological, and Compliance Costs in Citizen-State Interactions.”