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General Manager – Strategic Policy and Energy Systems Innovation Branch
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

By email: ConsumerPolicy@aer.gov.au

Draft Better Bills Guideline Submission

Aurora Energy welcomes the opportunity to provide feedback on the Australian Energy Regulator's (AER) Draft Better Bills Guideline (Draft Guideline).

Aurora Energy supports the proposed approach to regulating bill information and presentation, with the overall framework providing an appropriate balance between regulatory prescription and the capacity for retailer innovation. However, there are elements of the Draft Guideline that require further consideration and either revision in the Guideline itself or support through its implementation as retailers prepare to meet their obligations.

Aurora Energy has prepared feedback that addresses both the Draft Guideline and steps required for its implementation and oversight. This is provided in Annexure 1. For clarity, Aurora Energy's feedback is addressing the obligations contained in Part 3 of the Draft Guideline.

Yours sincerely

A handwritten signature in blue ink, appearing to read "A.Burke".

Alistair Burke
Acting Company Secretary / General Counsel

Annexure 1 – Detailed Submission to Draft Better Bills Guideline

1. Re-ordering of Tier 1 and 2 information

Aurora Energy agrees with the majority of the categorisation of what is Tier 1 and Tier 2 information, although there are elements of the ordering that may counter the AER’s purpose to facilitate easily understandable energy bills for small customers.

Based on a review of the current Aurora Energy bill and other comparative instances, the obligation to include the listed Tier 1 information on the first page of a bill will place significant pressure on the usability goals for the Better Bills Guideline. As outlined in the Draft Guideline, the Tier 1 information is wide in function and has competing purposes, such as to inform on cost impacts, directions on how to pay, provision of fault numbers and provision of comparative tariff information. Aurora Energy contends that this first page of competing functionality does not simplify bills, rather it may complicate them.

Some information required as a Tier 1 obligation can be lengthy and detailed when applied in full to a bill. For example, Aurora Energy lists the required payment method options on its current bill format but splits these across pages 1 and 2 of the bill as follows:

Page 1 Payment Options

The screenshot shows the 'YOUR PAYMENT OPTIONS' section of a bill. It includes several sub-sections: 'DIRECT DEBIT' (choose automatic payments), 'CENTREPAY' (use Centrepay for regular deductions), 'BPAY' (internet or phone banking), and 'AUSTRALIA POST' (pay in person or by mail). A 'Post Billpay' logo and a barcode are also visible. To the right, a blue box displays the 'Amount Due' as \$144.71, the 'Due Date' as 6 Dec 2021, and the 'Account No.' as 100106969 6.

Page 2 Payment Options

The screenshot shows the 'MORE PAYMENT OPTIONS' section of a bill. It includes 'CREDIT CARD' (VISA/MASTERCARD ONLY), 'PAY IN PERSON' (present at any service Tasmania shop), 'MAIL' (post payment with this portion to Aurora Energy Locked Bag 4 Hobart Tas 7001), and 'AUSTRALIA POST' (pay in person at any post office, by phone 131 816, or go to postbillpay.com.au). A 'Post Billpay' logo and a 'Billier Code: 0755 Ref: 100106969 6' are also visible. Below this, a 'LATE PAYMENTS' section states there is a late payment fee of \$5 for accounts not paid in full by the fifth day past the due date.

In doing this, Aurora Energy has based the most utilised options for payment methods as a priority noting that alternative measures are used far less frequently. Conveying all payment methods on the first page will consume more space than is necessary and will place additional space pressure on the bill format.

Aurora Energy also identifies the ‘better offer’ information as a further Tier 1 requirement that would better fit in Tier 2. As indicated in the AER’s Behavioral Study, information to drive switching of customer tariffs is not the main purpose of the bill. On this basis alone, the better offer information does not fit well as a Tier 1 requirement as it is not considered primary billing information.

Aurora Energy also notes that under provision of best offer information, it would seek to provide adequate supporting information on potential costs to move to new tariffs, noting that in some circumstances there can be additional charges to change offers driven through either customer works or network requirements. Further caveating the best offer information will add more volume and complexity to the customer bill.

Hence, it is recommended that in order to meet the stated obligation of placing Tier 1 information on the first page or ahead of Tier 2 that one or more of the currently listed information points be transferred to the Tier 2 category to allow retailers to effectively meet the new obligations and customers to be provided with the simple, understandable bill.

2. Clarity and extension of electronic billing provisions

Aurora Energy is supportive of the provisions in the Draft Guideline that outline the application of the tiered information structure to unpaginated electronic bills. In terms of the more complex provision of information through online access points such as 'apps', Aurora Energy considers that the Draft Guideline does not apply. Online internet based access services like apps are a distinct method of accessing information with menus and icons leading to information and services considered Tier 1 or 2 in the Draft Guideline. As such, 'apps' do not immediately display the type of information listed in the Draft Guideline, rather these electronic access points provide cascading information sources that require customer action to reveal them.

Aurora Energy's online access service, 'aurora+' is a bespoke service tailored to address specific customer feedback and needs and is again distinct from the requirements specified under the Draft Guideline. However, with over 40,000 customers using aurora+, there is a growing critical mass of customers that provide evidence of the transition of customers from receiving 'traditional' energy bills to new electronic services. It is Aurora Energy's understanding that other retailers are now also offering similar services.

Aurora Energy notes that many aurora+ customers have expressed confusion and frustration that they continue to receive a traditional bill via email or post, which is required to be sent by Aurora Energy in order to comply with the current National Energy Retail Rule (NERR) requirements.

As such, to reflect changing customer expectations and the growth in use of non-traditional sources of billing information, there is benefit in planning to extend the Better Bills Guideline to accommodate this growing shift and remove the need for traditional billing for those customers who consent to this change.

3. Transitional recognition for materially affected retailers

Aurora Energy notes that there is an extended period for implementation of the full suite of obligations proposed under the Draft Guideline with a delivery date of 31 March 2023. However, in some circumstances further time may be required by materially affected retailers to ensure readiness to meet the new obligations.

For example, the best offer obligation is currently provided by retailers who operate in the Victorian region and it is reasonable for the AER to expect those retailers would have a capacity to provide this information on a customer bill. As a retailer solely operating in the Tasmanian jurisdiction, Aurora Energy does not currently provide best offer information to its customers on its bills. Given a number of competing regulatory changes, including global settlements and the consumer data right, Aurora Energy is unable at this point in time to confirm whether there is

adequate time to ensure the full changes proposed by the AER in the Draft Guideline can be delivered.

Noting that there are likely to be material changes to retailer bills following the release of the final Better Bills Guideline, it will be important that the AER provides active advice on what retailer proposals meet the requirements of the new Guideline.