

# Better Bills Guideline – key obligations for energy retailers

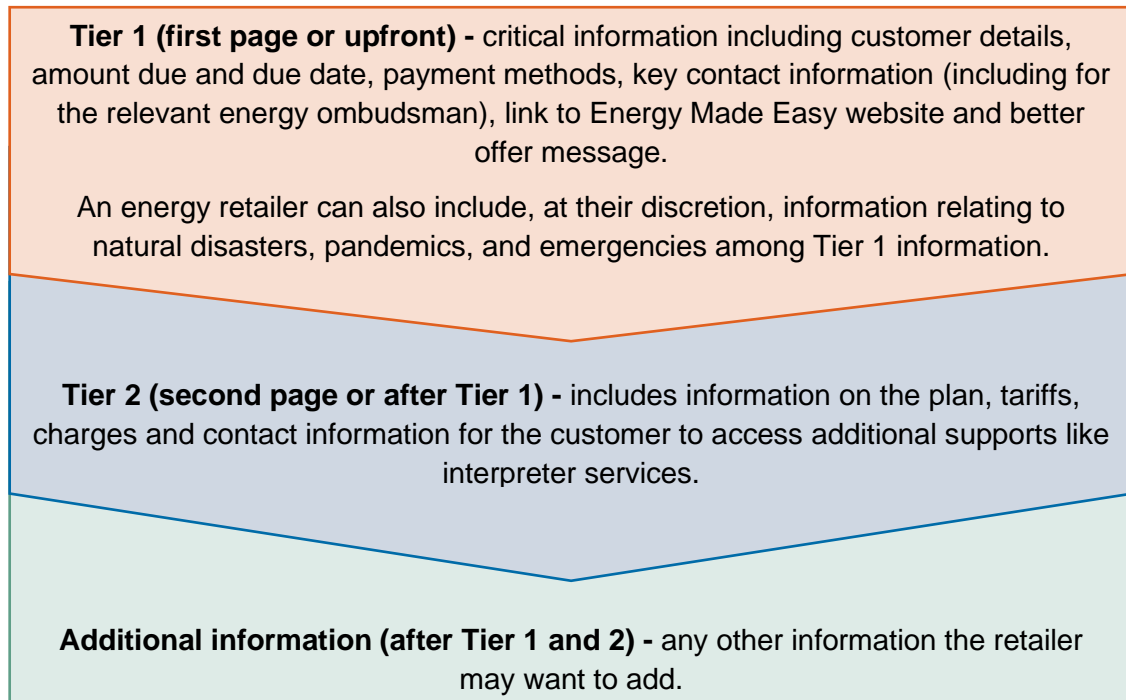
- Bills are a key source of information and communication between consumers and energy retailers.
- Consumers expect bills to be simple, easy to understand and a source of information about how and when to pay. Better bills can build consumer trust in their retailer and the energy market, and help them make more confident decisions.
- The AER was required to produce [a Better Bills Guideline](#) (the **Guideline**) to set out how energy retailers must prepare and issue bills to small customers.
- The Guideline:
  - establishes a set of design principles that must be applied holistically when producing bills
  - requires the inclusion of 'better offer' and Energy Made Easy information to encourage consumers to switch to the best plans available
  - 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.
- The Guideline creates binding, enforceable obligations on energy retailers to help them meet their obligations under the National Energy Retail Rules (the Retail Rules).
- Retailers are required to comply with all provisions in the Guideline by 30 September 2023.
- This factsheet covers key points from the Guideline. However, it is not a substitute for energy retailers familiarising themselves with their obligations under the Guideline.

## Key obligations

- 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 techniques and information ordering
  - are designed using practices proven to enhance customer comprehension such as consumer research and testing.

## Tiering

- Information needs to be set out using a tiered approach, factoring in the design principles. Bill content is classified in 3 categories.



- 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.
- 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.

### Request to include additional content

- An energy retailer can seek approval from the AER to include additional content among Tier 1 information by submitting a written application containing the information set out in section 34 of the Guideline 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 Retail Rules.
- The AER may publish the outcome of any applications on its website.

### Other information

- 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 where it exercises this power.

### **Better offer message and Energy Made Easy information**

- Energy retailers are required to include a 'better offer' statement 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.
- A better offer message must be provided on the bill at least every 100 days, or in alignment with a longer billing cycle agreed with the customer.
- Before providing 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 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.
- The Guideline provides the exact wording that energy retailers must apply to the better offer information on their bill:

***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.*

***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.*

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

## 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.
  - A Tier 3 civil penalty provision carries a penalty of \$33,900 per infringement notice, or a maximum penalty of up to \$170,000 (plus \$17,000 per day for continuing breaches) for a court based outcome.
- The AER will assess matters having regard to the compliance and enforcement factors set out in our [Compliance and Enforcement Policy](#).

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

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