

Minutes



Better Bills Guideline Working Group

Date: Wednesday 15 September 2021, 9:30–11 am

Location: Microsoft Teams

Present

Organisation	Representative(s)	Role
Australian Energy Regulator	Kathie Standen	Chair
Australian Energy Regulator	Simone Tyson	Presenter
Australian Energy Regulator	Bronwen Jennings	Presenter
Australian Energy Regulator	Lois Shedd	Presenter
ActewAGL	Dylan Walsh	Member
Alinta Energy	David Calder	Member
Aurora Energy	Giles Whitehouse	Member
Australian Energy Council	Ben Barnes	Member
BETA	Harry Greenwell	Presenter
BETA	Dr Laura Bennetts-Kneebone	Presenter
Council on the Ageing	Robyn Robinson	Member
Energy & Water Ombudsman NSW	Rory Campbell	Member
Ethnic Communities Council of NSW	Iain Maitland	Member
Financial Counselling Australia	Lynda Edwards	Member
Meridian Energy / Powershop	Lauren Kane	Member
Tasmanian Council of Social Service	Stephen Durney	Member
Uniting Communities	Mark Henley	Member

Apologies

Financial Counselling Australia	Julie Barrow	Member
Origin Energy	Daisy Scarborough	Member

Queensland Council of Social Service	Wendy Miller	Member
Tasmanian Council of Social Service	Dr Charlie Burton	Member

Agenda items

1 Welcome and introductions

Kathie Standen (AER)

- Kathie Standen delivered the acknowledgement of country and moderated individual introductions of working group members.
- Responses to questions taken on notice at the 14 July working group meeting were noted.

Questions/actions	Response
Confirm whether the Guideline will cover embedded networks	<p>The AER's Better Bills Guideline will only apply to authorised retailers when they prepare and issue bills to market and standard retail contract customers.</p> <p>The AER's <i>Exempt Selling Guideline</i> (currently under review) sets out how exempt sellers, including embedded networks, must prepare and issue bills. The current r. 25 NERR billing requirements are mirrored in the current Exempt Selling Guideline.</p> <p>We have noted this question and area of interest for the Guideline. We encourage stakeholders to provide feedback on the billing arrangements for customers in an embedded network both through our current Consultation Hub. We continue to coordinate with the AER Compliance & Enforcement team who are leading our exempt sellers work.</p>
Confirm whether it will be possible to analyse online survey/RCT results by those in an embedded network:	The research did not collect data on whether a respondent was in an embedded network so it will not be possible to separately analyse the results for consumers in embedded networks.
Confirm whether the raw data will be made public	BETA has supported the 'in principle' release of the data collected in the research subject to completion of their normal QA processes, and to meeting their confidentiality and consent requirements. Once BETA has finished its QA and approval processes on the final report, we will confirm with the working group what data can be released and when.
Include Origin Energy presentation on next meeting agenda	Origin has agreed to present their billing research in a separate follow-up session

	with interested members of the working group.
Distribute updated working group documentation and meeting materials to members	Slides from the first meeting were distributed the day of the meeting. Meeting minutes and the final ToR were emailed to working group members with the agenda for this meeting and are available on the AER's website.

2 Presentation and discussion on interim research results

Presentation by Harry Greenwell (BETA): key interim results

- Impact on comprehension of varying bill length and layout:
 - On bill comprehension across four different well-designed bills – the shorter bill did not perform better than the longer bills.
 - On using an embedded link to take content ‘off-bill’ – the bill with a link performed relatively poorly in terms of comprehension as few participants clicked through to access the off-bill information.
- Content to improve market engagement (best offer and the reference price content on bills):
 - Best offers were tested in two ways – in both tests, the best offer information made it more likely for participants to suggest ‘switching’ / ‘comparing offers’ / ‘contacting their retailer’.
 - On the reference price content – participants with plans equal to the reference price were more likely to propose ‘shopping around’ compared with participants with plans below the reference price.
- Comprehension of bill benchmarks:
 - Participants were able to use benchmarks to understand how household consumption compared to similar households, but there was no evidence that anyone of the four benchmark charts tested were easier to understand.
- BETA’s interim report can be found here: [Preliminary research findings – BETA](#)

Presentation by Lois Shedd: key focus group results

- Focus groups targeted two groups of customers who were likely to be underrepresented in BETA’s online research: culturally and linguistically diverse consumers (CALD) who spoke a language other than English at home, and consumers 65 years of age or older with low on-line engagement (i.e. who opted to receive a paper bills, preferred to resolve issues on the phone, and had not downloaded an app from their retailer).
- Each focus group was up to 90 minutes duration and used two bill prototypes developed by BETA:
 - A ‘comprehensive bill’ designed to be similar to many existing bills over two, densely packed pages
 - A ‘basic bill’ that contains information necessary to enable payment, a table showing how the bill was calculated and key contact details (i.e. it omitted the plan summary, definitions, best offer and historical usage and benchmarking information).
- There was significant overlap in the results from the CALD and older consumer focus groups with a few key differences.
- On bill content:
 - Both groups tended to look first at content that helped them to pay the bill, and second at the information that helped them verify the bill.
 - Both groups valued information that would help them save money.

- Overwhelmingly, both groups preferred the comprehensive bill over the basic bill, with participants expressing a sense of reassurance from having additional information available should they need it.
- On bill comprehension, there was a lack of understanding among CALD participants about more complex aspects of a bill (i.e. GST calculations and acronyms such as NMI, kWh) while older participants did not report language concerns.
- On seeking assistance on bill-related issues, CALD participants tended to turn to family and friends, while older participants preferred to call their retailer on the phone and expressed a mistrust of online service.
- Both groups suggested improvements to existing bills. CALD participants expressed a preference for simpler language and grouping related information, while older participants suggested more white space for note taking and larger font sizes.
- CALD participants noted concerns beyond bill content and layout, including:
 - overly complex plan structures
 - billing practice such as estimated bills and bill smoothing, which could cause confusion
 - a need for further education in community languages.
- The focus group reports can be found here:
 - [Older consumers](#)
 - [CALD consumers](#)

Questions, comments and feedback

One of the payment options for the older focus group participants was ‘online via BPAY’, but the older focus group were not meant to be engaging online. Could the AER explain this apparent inconsistency?

- The AER noted the older participants were screened to prefer ‘not to be online’ (i.e. they received a paper bill, used the phone to contact their retailer and had not downloaded their energy retailers’ app). However, this did not mean they were completely offline.

Some surprise was expressed that participants generally could find the information they needed. How does the AER interpret this finding and what does this mean for the billing guideline?

- The AER noted that it is still considering the results and what they mean for the Guideline. Different perspectives are being considered and the behavioural insights are one part of the broader evidence base being considered in developing the guideline.

It was noted that some research participants raised retailer trust and bill transparency concerns when seeing less information on the basic bill prototype. It was also noted that the comprehensive and basic bills used in the focus groups were not ‘real’ bills and so would not have the same ‘standing’ with participants as real energy bills. Further research using ‘real world’ settings may be needed.

- The AER noted this feedback and that it is considering options for further research, including ‘real world’ research once the guideline is in place.

Some surprise was expressed that more focus group participants had not raised ‘bill confusion’, and it was noted that financial counsellors commonly find clients confused by their energy bills.

- BETA noted that they are undertaking further analysis on whether certain sub-groups of the research participants experienced greater or lesser difficulty understanding or paying their bills. This analysis will be reported in the final report.

It was noted that consumers on CentrePay have their energy bills paid automatically and may pay less attention to a bill unless it is unexpectedly high. Will the research consider this type of situation?

- The AER noted that it is considering how people engage with their energy bills and factors that can affect the level of engagement. The AER took this question on notice and will seek to engage directly with stakeholders further on this issue.

3 Consultation issues to consider in developing the Guideline

Presentation by Bronwen Jennings

- Consultations opened on the ACCC's consultation hub. Information on the Better Bills consultations can be found here:
 - [Background information on AER consultation](#)
 - [Consultation Hub](#)
 - [4-page consultation issues and questions](#)
- The consultation hub is designed to make it easier for stakeholders to share views by allowing people to upload a submission or provide shorter free text responses to specific questions. The AER is also happy to have 1 on 1 conversations with stakeholders.
- There are eight questions seeking input and feedback on key issues the AER is considering as we develop the Guideline.
- We are looking at ways to simplify billing information, reducing costs to serve while also enabling industry innovation. We are also looking at the costs and benefits of different approaches, and will be drawing on the behavioural insights research, as well as the existing research and literature and submissions to the AEMC process.
- More broadly, we will be considering opportunities to simplify the billing regulatory framework.

AER questions

- What are the key insights from our consumer and behavioural research? What do you consider are the key opportunities for the AER to improve consumer outcomes that arise from the research?

Working group comments

- The bill content tested in the research has been relatively simple, while bills are going to become more complex as technology and markets develop.
- How do we design bills for the energy market of the future? Some principles about design and readability would help.
- Prescription on the first page is a good idea. That first page is critical, and it is important to be able to draw people's attention to key information.
- Customers use bills for very different things. There is no 'one size fits all' solution.
- The AER should consider what consumers use their bills for, and what things consumers need their bills to achieve.
- The AER should consider the costs and benefits of any changes to bills, including the opportunity cost of retailers not developing other information tools for consumer engagement.
- The AER should consider bill design from an accessibility perspective and be conscious of the support customers will require as energy markets transition.
 - The AER agreed that there will be a plethora of new energy products and services entering the market in the near future (i.e. NEM2025). A balance between prescription and principles-based responses is necessary.

- Accessibility of paper and digital bills should be considered, particularly in remote communities where mail may not be a reliable or easily accessible option for some older consumers, while younger consumers prefer to operate online.
- Options for consumers with low levels of English language skills, particularly for Indigenous and CALD consumers, should be considered, including the use of pictures and diagrams.

AER question

- Are there additional or new insights about the current problems with energy bills that the working group considers are relevant?

Working group comments

- The AER should consider the New Zealand 'Easy English' bill, and 'Bring your Bill' days conducted by Origin in NSW. These approaches could be useful sources of information and ways to increase comprehension for groups of consumers.

AER question

- What do you consider are the key opportunities to ensure energy bills are simple and easy to understand?

Working group comments

- Graphics can make bills easier to understand but the AER must also consider digital access and bandwidth limitations faced by some consumers.
- Steps to improve bill comprehension must be based on an understanding of what consumers use their bills for. The guideline should be clear about the purpose of each type of content on a bill.
 - The AER noted that the final report will include results on what consumers look at, value, and use their bills for.
 - BETA noted that the research shows that consumers' bill use is contextual. For example, consumers will engage with different content on their bill if the amount is higher than expected.
- The AER should consider the extent to which a 'one-size fits all' approach in the guideline is appropriate, and how consumers can be given choice on the type and level of information they have on their bill.
 - The AER noted that it is considering the costs and benefits associated with billing options, as well as the role of innovation and technological change.
- Simplification must also consider that many retailers do not have shop fronts and bills are a key avenue of communication between a retailer and its customers.
- The AER should consider what is the 'essential' information that must be on a bill relative to what content is 'nice to have'.

AER questions

- Would it be useful to include comparator information such as a 'best offers' on energy bills?

Working group comments

- Customers tend to be loyal, and it can be difficult for some people to have a conversation with their retailer about whether a better offer is available. Best offer content makes that easier.
- Best offer information needs to be accurate. Currently, offers in the market change frequently and this can reduce the usefulness of best offer content.

- The anecdotal evidence in Victorian is that customers are not acting on best offer information. The number of customers receiving best offer information is increasing.
- There is also evidence from the ombudsman schemes that consumers can be distrustful of best offer information on their bills.
- It can be difficult to make the best offer content relevant to a consumer's personal circumstances as it does not take into account individual context.
- Retailers are opposed to the use of a reference price on energy bills. Consumers do not understand what the reference price is, and it will likely increase consumer confusion.

AER questions

- How can we simplify the billing regulatory framework and reduce costs to serve? Are there practical and implementation considerations we should be aware of?

Working group comments:

- Energy markets are experiencing significant change due to technological developments, innovation and reforms to policy settings. In developing the guideline, the AER should consider how these broader factors interact with the new guideline and the costs and benefits of any proposed changes.

4 Conclusions, next meeting date and agenda

Kathie Standen (AER)

- The next working group meeting is scheduled for 2 pm, 12 October 2021. The agenda will cover:
 - Discussion on additional results from BETA's research
 - Discussion on key insights from AER public consultations
- Subsequent meetings are scheduled for:
 - 8 November 2021 and will include a briefing on the draft Guideline and upcoming AER consultation
 - 29 November 2021 and will include a discussion of the draft Guideline, including implementation considerations.

Action items

Action	Owner
AER to consider the impact of automatic payment arrangements (such as CentrePay) on bill engagement and to engage with stakeholders further on this issue.	AER
AER staff to organise a presentation on Origin's billing research.	AER