

22 September 2021

Mr Mark Feather
Consumer Policy Team
Australian Energy Regulator

PO Box 4093
Ainslie ACT 2602
T (02) 6230 1775
F (02) 6230 1704
anglicare@anglicare.asn.au
www.anglicare.asn.au

Via email: consumer.policy@aer.gov.au

Dear Mr Feather,

Re: Better Bills Guideline

Anglicare Australia appreciates the opportunity to provide input to the development of the Better Bills Guideline. Electricity and gas are essential services that are vital to keeping people healthy and connected. When people struggle to pay their energy bills, they are forced into impossible positions, having to decide between keeping the lights and the fridge switched on, or food on the table. Lower income households spend more of their income on energy than higher income households, putting them at especially high risk of energy hardship.¹

Last year, more than 100,000 Australians accessed emergency relief or financial support through Anglicare Australia Network members. Financial counsellors across our Network report that paying energy bills and accruing energy debt are a major issue for many of the people they work with.

We strongly support the intent of the guideline and of the Australian Energy Market Commission (AEMC) rule change to make bills simpler and easier to understand.

For many households, bills are the only way they interact with their energy retailers. But making bills clearer is a small part of ensuring the energy system is fair for everyone. Households should not be required to engage with the market to receive a fair and affordable energy deal. Anglicare Australia Network financial counsellors report that many consumers simply don't read their bills. They pay the amount specified, if they can, without understanding how the rates they are charged compare to other offers, or whether there are better options available to them. In particular, vulnerable consumers, people on low incomes, people dealing with trauma or stress, and people for whom English is a second language are unlikely to engage with the market.

Include best offer information

A clear statement on the bill about whether a better offer is available would help make sure consumers are on the most affordable and appropriate plan and are not paying more than they need to.

One Anglicare Australia Network member consulted told us that people struggling to make ends meet rarely change their plans unprompted. But when a financial counsellor explains the savings they could access if they did, many switch quickly. A best offer requirement could help those households recognise there are savings available to them.

However, some consumers have little trust in energy retailers, and may perceive the best offer information as a marketing tool. And many people will never look at their bills so a best offer statement will be of little help to them. Consumers need to be protected from unfair or unaffordable contracts via a fair default price, regardless of their level of engagement and whether they check their bill regularly.

Require consistent language and bill formats

We support the standardisation of energy bill layout and language. This would make bills easier to compare and explain. Currently, the language and units of measurements used on bills are confusing, complex and inconsistent across retailers and jurisdictions.

For example, language around tariffs and reference prices are confusing to many people and can lead them to disengage. As much as possible, bills should use consistent, plain English language. When comparing plans or showing changes in cost or usage, simple visualisations are likely to be easier for many people than complex technical language.

Make clear whether readings are metered or estimated

Financial counsellors advised us that one of the most confusing elements for people is estimated readings. Estimated readings are often used when network providers cannot access a household's meter. Because they are an estimate, they can be underestimated, meaning a household will owe more on the next metered read. They can also be overestimated, forcing people to pay more than they needed to. It should be made very clear on the bill when it is based on an estimated read.

Consumers can submit their own self-meter read, but few people are aware of this option and most vulnerable consumers are unlikely to do so. Better communication with financial counsellors and consumer advocates would help them understand people's options around estimated readings.

Provide guidance about fortnightly costs

For people not already on payment plans, quarterly bills can cause bill shock and put them at risk of accruing debt. One way to reduce this risk is to include suggested fortnightly payments on bills to help people manage their payments.



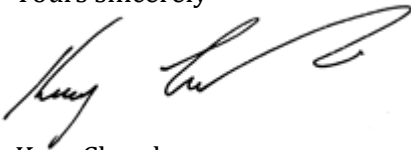
Information about hardship assistance and who to contact if a household is experiencing financial difficulty should also be prominent on the front page of bills.

Include information about energy savings

Many people have little idea the amount of energy they are using, patterns of use, or how to reduce energy usage to keep their bills lower. Including information about energy efficiency measures, and the approximate cost of common household energy use (for example, the difference between the cost of heating a house for an hour with the curtains open versus closed) may help people make informed decisions to manage their energy usage.

Anglicare Australia looks forward to continuing to work with the AER, AEMC and consumer advocates to make sure energy is affordable, and low income and vulnerable households receive a fair deal in the energy market.

Yours sincerely



Kasy Chambers
Executive Director

ⁱ Australian Council of Social Service and the Brotherhood of St Laurence (2018) [Energy Stressed in Australia](#).