

Minutes



Better Bills Guideline Working Group

Date: Tuesday 12 October 2021, 1:00–2:00 pm

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	Mark Feather	Discussant
ActewAGL	Dylan Walsh	Member
Alinta Energy	David Calder	Member
Aurora Energy	Giles Whitehouse	Member
Australian Energy Council	Ben Barnes	Member
Behavioural Economics Team of the Australian Government (BETA)	Harry Greenwell	Presenter
Council on the Ageing	Robyn Robinson	Member
Council of Small Business Organisations Australia (COSBOA)	Elle Marengo on behalf of Alexi Boyd	Member
Energy & Water Ombudsman NSW	Rory Campbell	Member
Ethnic Communities Council of NSW	Iain Maitland	Member
Meridian Energy / Powershop	Lauren Kane	Member
Origin Energy	Daisy Scarborough	Member
Queensland Council of Social Service	Wendy Miller	Member
Tasmanian Council of Social Service	Stephen Durney	Member

Apologies

Australian Energy Regulator	Louise McCue
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Financial Counselling Australia	Lynda Edwards	Member
Uniting Communities	Mark Henley	Member

Agenda items

1 Welcome

- Kathie Standen welcomed members. Kathie introduced Elle Marengo, attending on behalf of Alexi Boyd, who joined the working group as a representative of the Council of Small Business Organisations Australia (COSBOA).

2 Final research findings

Presentation by Harry Greenwell , BETA

- The final research report includes some additional findings (including further analysis of open-text data, subgroup analyses, and some survey responses), as well as additional attachments (including technical appendices, data files, statistical analysis and unit record data).
- In response to a question raised in a previous working group meeting, BETA calculated that 2% of survey participants indicated that they pay their bill using CentrePay.
- Similarly to the interim report, the final report details the main uses of a bill and how information can be best included and presented to promote comprehension.
- As noted in the interim report, a key finding was that a well-designed bill can have additional information without reducing comprehension, but information taken off bill can reduce bill comprehension.
- **Action:** Kathie Standen noted that the final report would be published in the next couple of weeks (early November) [complete].

Questions, comments and feedback

Q: The presentation noted that bill benchmarks are likely to be beneficial to some consumers. Which consumers would bill benchmarks be likely to benefit?

- BETA noted that consumers with below average energy consumption are not likely to benefit from bill benchmark information, citing the CSIRO's comprehensive literature review on the subject.

3 Policy options for the draft Guideline

Presentation and discussion facilitated by Bronwen Jennings, AER

- Bronwen provided an update on current staff-level ideas, and invited comments and input.
- Bronwen outlined key insights from the recent early public consultation on key issues for the Guideline, which took place during September.
- The Group discussed next steps towards implementing the Guideline, namely:
 - 8 November 2021: Next scheduled Working Group meeting
 - AER staff developing draft Guideline and Notice of Draft Instrument
 - December 2021: Consultation on draft Guideline in line with National Energy Retail Rules retail consultation procedure
 - 7 February 2022: Working Group meeting to discuss key insights from draft Guideline and discussion of policy directions and implementation considerations for final Guideline.
- Staff confirmed the commencement date/s for the Guideline will be clarified in the Notice of Draft Instrument.

- Staff noted the AER received 33 submissions in the initial consultation (19 from energy businesses, 8 from consumer groups, 2 from ombudsman schemes and 4 from other organisations and individuals).
- Staff noted that they would be pleased to receive any additional data and insights Working Group members have (noting that we did not receive much additional data through the recent consultation process).
- Staff outlined that the draft Guideline would take an outcomes-based approach with seven key outcomes and articulating 'core/essential' information and 'nice to have/additional' information.

Questions, comments and feedback

Question: Guideline outcomes must be measured. Is that in scope?

- Staff shared some options that could be considered to measure outcomes of the Guideline, including consumer surveys, and invited views.
- A member noted that any research (including to measure outcomes) must be done in a way that will capture CALD perspectives, which doesn't include online surveys (referencing the BETA research, where less than 3% of consumers spoke a language other than English at home while the stakeholder believes the actual figure is more like 22%).

Summary of Working Group discussion and comments

- There is strong support for articulating 'must have' information but what about 'must not have' information like excessive advertising information? It will be important to consider challenging circumstances or complex billing scenarios including estimated bills/payment plans/security deposit/bill smoothing can make bills complex and lengthy.
- There is a trade-off between including 'must have' information and ensuring that customers receive a clear and concise bill. As such, the list of 'must have' information is potentially too long, especially if 'must have' indicates it must be included on the first page. Also, consumers are engaged in a diverse range of billing scenarios that can't necessarily be laid out neatly on 2 pages. Further, the BETA findings indicate that a shorter bill is not necessarily better, as long as the bill is well designed. How does the proposed approach accommodate complex billing scenarios?
- The BETA findings don't lead naturally to a very prescriptive bill. Is it beneficial to prescribe must-have information on page 1, versus a less prescriptive approach that requires important information to be in an accessible and well-designed position? Generally, balancing principles and prescription should depend on the level of clarity or confusion. Where comprehension is more ambiguous or contested, a more prescriptive approach might be called for.
- There could be various complications associated with many types of information considered 'must have'. Therefore, 'must have' information could be provided at a high level on the first page, with more detailed and complex information explained on subsequent pages, where there are complications associated with that information.
- We might get a better outcome if we didn't have a complex front page.
- Some members consider that the 'best offer' message has not been successful in practice. Customers either ignore it, do not understand it, or do not think that it is a genuine offer. Conditions or circumstances that apply may also mean it is not actually the best offer for them.
- Any steps we can take towards standardising language will help consumers. Inconsistent language can cause confusion, creating a barrier to market engagement.

Discussion: Summary of AER staff comments

- The submissions indicated support for an outcomes-focused approach, with some submissions noting that if the Guideline is too prescriptive, this will increase costs to serve for retailers.
- We did not receive many suggestions for information that could be removed from bills (with the exception of bill benchmarks).

- Submissions did not generally indicate support for including the reference price on bills.
- There were different views about the benefits and costs of standardising language.

4 Concluding remarks

- **Action:** Staff will distribute the meeting slides via email.

Action items

Agenda Item	Action	Owner
2	Publish final BETA report – <i>complete</i>	AER
3	Clarify commencement dates for Guideline in Notice of Draft Instrument – <i>through the draft Guideline</i>	AER
4	Distribute meeting slides – <i>actioned</i>	AER