



22 September 2021

Ms Clare Savage
Chair
Level 17 Casselden,
2 Lonsdale Street,
Melbourne VIC 3000

Email: ConsumerPolicy@aer.gov.au

Dear Ms Savage,

RE: AER Better Bills Guideline Consultation

Origin Energy appreciates the opportunity to provide input into the key issues the Australian Energy Regulator (AER) ought to consider in developing its draft Billing Guideline.

We agree with the observations from the Behavioural Economics Team of the Australian Government (BETA) that the vast majority of customers prefer a simple bill that is visually attractive, uses simple language and is not dense with information. Many of BETA's early observations appear consistent with extensive customer engagement Origin has undertaken to identify the format and style of a bill that customers prefer.

We see the Guideline as an opportunity to better align regulation with customer preferences. However, to achieve this it is important that the AER strike a balance between ensuring the Guideline sets out guidance for bill content, and guidance on any prominence or grouping requirement for the required content without prescribing the actual structure of the bill itself. We believe that allowing retailers to continue to have responsibility for determining their own bill format is essential to support innovation around how retailers interact with their customers.

Retailers are best placed to understand how and in what format customers prefer information to be delivered about their accounts and services. Furthermore, allowing retailers to determine the format of their bills provides necessary flexibility to tailor bill formats in response to evolving product and service offerings.

Bill content and structure

The BETA research found that in a well-designed bill, length and layout are not barriers to customer locating important information. The research also found that the current bill format works equally well as any of the templates that BETA created.

We agree, it is in retailers' interests to have a user-friendly bill format. Clearly set out bills make for a better customer experience and can reduce customer confusion about their accounts. This in turn means lower inbound calls to our call centre to resolve complaints and misunderstandings. We believe that retailers should retain the ability to use language consistent with their other communications.

Origin has undertaken extensive customer engagement to identify the format and style of a bill that customers prefer. We have undertaken research with customers to develop a bill format that is simple and presented in a way that is easy for customers to understand. On reviewing the key design principles BETA used in developing templates for sample bills, we found that our bills already conform to many of these principles. Elements identified as good design principles by BETA such as making the payment box as clear as possible, using colour to help the eye navigate, consistent language and a simple design are already present on our bills.



Of the bill design options BETA used, we think that the 'comprehensive bill' or 'structured comprehensive bill' options provide the best opportunity to include the information that most customers find useful. We believe that appropriate prominence and consistent grouping of information can be achieved through a Guideline, which will make it easier for a customer to find information even if they change retailer.

Energy usage information

Currently bills show benchmarking data that allows a customer to compare their usage against similar households in their area. This provides the customer with some insight into overall usage. BETA's research found that the format and delivery of usage feedback to customers means that many customers have problems understanding this information. There is no clarity on the ideal format and mode of delivery for this in BETA's findings.

Energy usage information and energy efficiency information are not the same. Energy usage information (benchmarking) provides an indication of whether a customer's usage is 'average' or not, which may lead to the customer seeking further information on efficiency. Retailer bills give the Energy Made Easy website for customers to access efficiency tips. We feel that this is a simple solution to providing general information to a customer.

We note that as the uptake of smart metering increases, this will provide retailers and customers with greater information about their usage. As this information becomes available, we expect to enhance our information sharing capability. We have already developed an app which allows users to see their energy usage and solar generation information (if applicable) as soon as it is available to us. Customers with smart meters can compare their current accrued total against their prior bill period, or month, or even see how their usage tracks over the course of a day or week. This provides much greater insight into how the use of specific appliances can impact usage costs, rather than relying on common assumptions about the impact of heating and cooling.

BETA's finding that a clickable link to more detailed data did not convert into customers utilising the link in testing could be due to the scenario being simulated. We consider that since each customer will have variable energy efficiency information needs, it is most feasible to keep detailed usage information for a more interactive platform that is designed to engage the customer with their usage habits.

Best offer information

We agree with BETA's view that making bills easier for customers to compare against available energy offers could lead to positive customer outcomes. The easiest way for a customer to do this at present is to upload a copy of their bill to Energy Made Easy to obtain a comparison based on their recent billing information. This functionality allows the customer to compare quickly and easily available offers in the market.

Origin believes that being transparent with our customers helps to build trust. We do not object to a requirement for a retailer to show their best offer on a customer's bill. If effective, this measure would ensure customers are receiving the retailers' best offer. We note that our previous research has found that customers do not like marketing on their bills. Any best offer information should be presented so that it is clearly informational.

Practical and implementation considerations

Compliant bills are the basis for a series of flow-on processes. While we retain the view that the problem is that the current bill content requirements want too much information displayed on the bill, we acknowledge that it is simple to ensure compliance with those requirements.

Demonstrable compliance is of concern because of the impact of uncertainty on associated processes for managing non-payment and debt. Given the poor customer outcomes that can occur, and the penalties retailers face if they are unable to demonstrate compliance, the Guideline requirements must be clear to ensure that compliance can be readily established.



Origin previously submitted examples of implementation timeframes relating to changes to our billing templates to the Australian Energy Market Commission's consultation on Better Bills. Origin will be pleased to provide feedback to the AER about the required implementation timeframe once draft Guideline requirements are available.

If you have any questions regarding this submission, please contact Courtney Markham in the first instance on [REDACTED] and or [REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to read "Sean Greenup", written over a light grey rectangular background.

Sean Greenup
Group Manager Regulatory Policy
[REDACTED]