

21 October 2020

Ms Stephanie Flechas  
Australian Energy Market Commission  
PO Box 2603  
Sydney NSW 2000



Dear Ms Flechas,

### **Submission to Consultation Paper National Energy Retail Amendment (Bill Contents and Billing Requirements) Rule**

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) consultation paper National Energy Retail Amendment (Bill Contents and Billing Requirements) Rule. PIAC supports the intent of the rule change proposal to deliver 'simpler and more understandable bills for all energy consumers' and 'reduce market complexity while strengthening the ability of consumers to make informed decisions'.

For most consumers, information provided on bills is the only ongoing interaction they have with their energy retailer regarding their usage, energy prices, and how to access crucial services and supports. Accordingly, requirements regarding on-bill information provision are imperative consumer protections that have a material impact for most consumers.

Whilst energy bills are an important tool for consumer engagement, engagement in energy should be recognised as broader than switching offers and/or retailers. Fundamentally, the onus should not be on consumers to regularly switch offers and/or retailers to get an affordable, fair price.

In this submission, PIAC identifies a number of additional problems with energy bills and outlines solutions to remedy them as well as the issues raised in the consultation paper.

PIAC proposes that rules 25 and 170 of the National Energy Retail Rules (NERR) be revised to provide better information to consumers and that the rules be accompanied by a mandatory Australian Energy Regulator (AER) guideline based on principles and guided by stakeholder consultation.

The rules must also require this guideline has a regular statutory review with a statutory timeline for implementation and a requirement for direct community engagement in its development. This would provide clarity of what basic information is required on

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bills and the flexibility of having principles in the guideline that can be updated to capture changes in technology, innovation and community attitudes.

PIAC does not support any erosion of the minimum information requirements, and strongly opposes any move to reduce the regulatory force of the requirements, such as through allowing industry self-regulation.

**Continued engagement**

PIAC would welcome the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth.

Yours sincerely,

**Thea Bray**

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## STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

### SUBMITTER DETAILS

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### CHAPTER 3 – THE CURRENT SITUATION

#### QUESTION 1 – Understanding energy bills

1. Do you agree with the statement of issues by the proponent, that bills are no longer fit-for-purpose because there are gaps in content, the information is too dense, and the language is too complex? Please explain your view.

PIAC supports the goal of the rule change to have 'simpler and more understandable bills for all energy consumers' and 'reduce market complexity while strengthening the ability of consumers to make informed decisions.' PIAC agrees 'bills are a key tool for informing consumers about their energy usage and costs'. For most consumers, bills are the **only** tool for informing them about their energy usage and costs.

PIAC also supports 'the standardisation of energy bills across the retail sector'.

PIAC concurs bills are not fit-for-purpose, in the following ways:

- Not having standard nomenclature and consistent bill formats can be confusing. PIAC also supports the statement: 'the language used in bills is too complex and inconsistent across retailers.' Having consistent, simpler language would help people better understand their bills, particularly when they switch retailers. Using plain, standardised language would help all consumers, especially those with low English literacy. This also includes reducing the usage of numerical information where it is not accompanied by a simple explanation to assist consumers to know how the data was derived and what it means. Information presented as percentages and in kilowatt hours can be particularly confusing.

	<ul style="list-style-type: none"> <li>- The bill 'does not help educate consumers about support tools and services' (e.g. Energy Made Easy)'. Putting additional information including about Ombudsman schemes and the Energy Made Easy price comparison website would help households to know where to get accurate information if they have a problem, want to change retailers or see what other offers their current retailer has available. Information about jurisdictional comparison services such as Service NSW's Energy Switch would also be beneficial to households. Scant information and a web address are not helpful for consumers who do not have internet access.</li> </ul> <p>The statement of issues raised in the rule change proposal also notes: 'Unnecessary content is making bills too information-dense and complex', yet no examples of what information could be removed are given. PIAC does not agree there is 'too much complex data' on the bills, but rather the data is presented in confusing ways, in confusing and non-standard order and with confusing terminology.</p> <p>Consumers should not be obliged to read all of the information in their bills if they do not want to, but the information should be there in the bill if they want or need it.</p> <p>Bills should be presented in a standard format that progresses from key information, through to additional elements of information that may be required less frequently for some consumers.</p>
<p>2. If you consider there are issues with billing, do the NERR billing provisions cause or contribute to these issues? Please explain your view with reference to the specific requirements listed in Table 3.1.</p>	<p>The NERR billing provisions are a good basis to build on. They should be updated to require the provision of additional helpful information. These details are listed in response to questions 1(3) and 3(3).</p> <p>The quality of billing could then be further improved by having a mandatory AER guideline which is based on principles and guided by stakeholder consultation. The rules should include that this guideline have a statutory regular review (say every 2 years) with a statutory timeline for implementation.</p>
<p>3. What other factors also contribute to the billing issues you have identified (e.g. lack of educational tools or campaigns)?</p>	<p>Other factors which contribute to billing issues include:</p> <ul style="list-style-type: none"> <li>- Bills are generally laid out in a series of boxes or sections which makes sense from a space saving perspective, but it makes bills overwhelming and confusing to follow. They can be difficult to navigate as there is often no logical way to read the bill/flow of information, and it can be hard to find the information people want to find.</li> <li>- It is difficult to find the rates being charged. They are often in small print, far from the top of the bill.</li> <li>- People often do not know if their rates have changed since the previous billing period and how much they have changed since then.</li> <li>- People often do not know how the rates they pay compare to what rates they could be paying.</li> </ul>

	<ul style="list-style-type: none"> <li>- Most people do not know what the current Default Market Offer is and how their rates compare to this.</li> <li>- People often do not know where they can find a better offer and might go to a commercial switching site which does not include all available offers.</li> <li>- People often do not remember what times their time of use tariffs apply to, especially if these times change. Some people are not aware that they could shift some loads to cheaper times, without compromising their lifestyle.</li> <li>- Accounting terminology can make bills hard to understand, especially when there are more complicated payment arrangements.</li> <li>- Information about government assistance is often vague and just a website. This might not prompt people to find out whether they are eligible for assistance.</li> <li>- A reference to an energy efficiency website must be included on the bill, yet energy efficiency websites can vary in quality and relevance for different types of households and climate zones, making them unhelpful for some.</li> <li>- The community languages included on the bill might not be the most commonly spoken language in the area, meaning some people are left unable to get their bill interpreted.</li> <li>- People are often unaware retailers must help them if they cannot pay their bills. This is especially the case if they have had a bad experience with a retailer in the past. This can lead to people cutting back in other areas such as money spent on food.<sup>1</sup> Use of terminology such as 'hardship' in reference to this assistance may further discourage some people</li> <li>- When people are in vulnerable situations and cannot pay their bills, they do not always want to speak to someone. However, usually only phone numbers for assistance are provided on bills.</li> <li>- Greenhouse gas emissions listed on the bill do not always take solar production and GreenPower into account.</li> <li>- Bills can still be difficult to navigate even when the layout is clear and language simple, for a variety of reasons including because people are new to energy billing.</li> </ul>
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## QUESTION 2 – Receiving energy bills

<p>1. Do you agree there is a need to specify requirements for retailers on how they issue and deliver bills? Please explain your view.</p>	<p>Issuing bills less often than every 100 days for households can cause problems for household budgeting and should only be done with explicit informed consent. Offers should not be contingent on being billed less than every 100 days.</p> <p>Paper bills must be available for both standard retail contracts and market retail contracts. Whilst it is better for the environment to have as many bills as possible in electronic</p>
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<sup>1</sup> For more information see <https://piac.asn.au/2018/11/21/close-to-the-edge-a-qualitative-quantitative-study/>, 46.

	<p>form, the reality remains paper bills are the preferred, and sometime the only, way to receive bills and manage payments and energy usage for many people in the community. This includes people on low incomes, people in vulnerable situations and older people. Paperless bills should be encouraged - it could be effective to remove barriers to switching from paper bills such as 'just getting around to it' by reminding people (such as using nudge techniques) and making it as easy as possible to switch to paperless billing. However, households who prefer to receive their bills in paper form should not be disadvantaged and should not be charged for it.</p> <p>Consistency across these issues would ensure households who switch to market retail offers are not any worse off.</p>
<p>2. Do you have a view on how best to give effect to the principle of consumer choice driving billing issuance and delivery? Please explain your view.</p>	<p>As articulated in the Thwaites Review:</p> <p><i>Consumers are entitled to obtain easily understandable energy offers and enter into energy contracts that provide value for money and don't contain negative surprises.<sup>2</sup></i></p> <p>A household entering into a contract and not being clearly aware they are unable to receive a paper bill for free and/or did not give explicit, informed consent that they can be issued a bill less than every 100 days would be a 'negative surprise' and should not be permitted.</p>

### QUESTION 3 – Materiality of the issues

<p>1. Which, if any, parts of a bill are confusing to customers, and how does any confusion affect a customer's ability to engage with the market to better manage their energy?</p>	<p>See response to question 1(3).</p> <p>Over a number of years, PIAC, in partnership with the Energy and Water Ombudsman NSW, provided capacity building workshops for community workers and social housing community leaders to enable them to assist their clients/neighbours with energy and water issues. This included bill reading exercises, where participants either read bills provided, or brought their own bills to examine. Participants were asked to work in teams and to:</p> <ol style="list-style-type: none"> <li>1. Locate Graph – what does it tell you?</li> <li>2. When is the biggest usage?</li> <li>3. How much is the daily supply charge?</li> <li>4. Are there any fees?</li> <li>5. Where do I find the rebate?</li> <li>6. What is the tariff?</li> <li>7. Do you have controlled load or off-peak hot water?</li> </ol> <p>Generally, participants found bills confusing, especially because the information was in different places on different</p>
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<sup>2</sup> Thwaites, John, *Independent Review into Electricity and Gas Markets in Victoria*, 51.

	<p>retailer bills. They also found it confusing that retailers used different words to describe the same things.</p> <p>Given this was a generally literate and engaged audience – used to helping clients with problems - it was concerning they found the bills difficult to decipher.</p> <p>As part of this exercise, participants expressed that they wanted to understand bills but did not know where to start. Many were not aware of Energy Made Easy or Service NSW’s Energy Switch. Many people indicated they found the confusing nature of the bill and how to choose a better contract a disincentive to switching retailers. Conversely, most found the concept of energy efficiency (also included during the workshops) much more appealing and achievable.</p> <p>As part of this rule change process, PIAC recommends the AEMC conduct its own research – by engaging directly with consumers - into which aspects of the bills people find confusing and how these issues could be resolved. This should build on the work undertaken by the Behavioural Economics Team, as included in the consultation paper. As part of the development of mandatory guidelines, there should be a statutory requirement for the AER to undertake consumer research into how people would prefer bills to be presented. This could involve the testing of particular billing format ‘scenarios’ rather than relying upon interpreting information volunteered by consumers.</p>
<p>2. How do current billing arrangement meet or not meet customer requirements? Please specify whether your comments relate to all customers or specific segments of customers.</p>	<p>The confusing nature of bills means it is likely that most people just pay their bill, even if they would like to understand their energy usage, how the bill was calculated and/or learn how to reduce their bills and usage.</p> <p>The current way bills are presented is particularly problematic for people with low English literacy and/or numeracy.</p> <p>Fundamentally, PIAC rejects the premise that greater engagement with the retail market should be required to receive a fair energy deal. As an essential service, households should be able to receive a reasonable, affordable energy deal without having to be ‘engaged’ in a way that requires regularly switching deals or retailers, and assessing and comparing complex information.</p> <p>Whilst the consultation paper notes paper billing might remain the preference for some households, it should also be acknowledged that the ideal of the 2-sided market is far from reality for many. Households who rent (32% of Australian households and increasing<sup>3</sup>), low income households, those in apartments etc, have much more limited capacity to engage in 2-sided market activities, even if they want to. It is imperative households who cannot (due to income, tenure or</p>

<sup>3</sup> <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release>

	<p>other circumstances) or do not want to participate in the 2-sided market are not disadvantaged.</p> <p>Further, Nicholls et al found that whilst many households are disinterested in the energy market, they are interested in energy<sup>4</sup>. This indicates the energy community should broaden its understanding that 'engaged' means more than switching retailers. They write:</p> <p><i>Unengaged or deliberately disengaged does not mean householders are always disinterested – disengagement from energy market, tariff and energy businesses occurs alongside interest in other aspects of energy including:</i></p> <ul style="list-style-type: none"> <li>• <i>energy policy responses to address affordability, reliability and environmental impacts of energy</i></li> <li>• <i>ensuring health, comfort and productivity in the home</i></li> <li>• <i>improving the energy efficiency of Australia's housing</i></li> <li>• <i>adoption of new energy technologies (e.g. automation, demand response and distributed energy generation)</i><sup>5</sup></li> </ul> <p>Broadening understanding of how people are interested in energy could be used to make bills more engaging and innovative.</p> <p>The consultation paper notes Click Energy had 97% of its customers using online billing. However, as a smaller, newer retailer, Click was likely to have a mobile customer base who were likely to be more digitally active and willing to switch retailers than the general population. As such, PIAC would not expect this to be indicative of the general population's interest in digital billing.</p>
<p>3. Do you have suggested improvements to billing arrangements that address any issues you consider are material? Please explain how your proposed solutions are compatible with the trend towards increasing digitalisation, the move to a two-sided market, and the introduction of the Consumer Data Right in energy.</p>	<p>PIAC agrees with the premise that the AEMC should 'seek to facilitate innovation while maintaining consumer protections'.</p> <p>Paper bills remain crucial for many households. Whilst the NEM is moving towards a 2-sided market and digitalisation, it is not there yet for all households.</p> <p>There are is no loss or negative impact for all consumers to continue to receive bills, even if households access usage data through other means and payment is made automatically. Bills remain an ongoing reference and important for record keeping to identify, understand and resolve potential disputes or issues. Bills are likely to remain imperative for quite some time for many households who cannot or do not want to</p>

<sup>4</sup> Nicholls L, Arcari P, Glover A, Martin R & Strengers Y. *Engaging households towards the Future Grid: experiences, expectations and emerging trends*, Centre for Urban Research, RMIT University, Melbourne, 2019, 4. Available at <https://cur.org.au/cms/wp-content/uploads/2019/03/future-grid-homes-household-report-final-1-1.pdf>

<sup>5</sup> Ibid, 27.



participate further in energy. Bills also provide a backup source of record keeping if digital reporting technology fails.

Ways bills could be more fit for purpose include:

- The mandatory information is laid out on bills consistently across all retailers. This would ensure that regardless of which retailer a household is with, the recipient would become familiar with how to locate the information they need/want to know. Further down the bill, retailers could provide additional information to enable them to provide innovative services, should they wish to.
- There should be a logical flow of information, not just a series of boxes. People should be able to start reading from the top of the bill and progress down the bill (if they are interested) in a straightforward manner, not be confronted with a confusing (and often overwhelming) presentation of information. Additional information could be titled such as 'Good to know' so consumers are aware they do not have to keep reading if they do not want to.
- 25(g) should be amended so charged rates (usage (including any time of use and GreenPower), daily charge and any solar feed-in rates) are in large font and prominent positioning towards the top of the bill and:
  - What the rates were in the previous billing period and how much they have changed since then.
  - How rates have changed across the market (percentage and average amount in dollars) to indicate whether their rates have kept up with the trend or not. Explicitly state how they compare with the rates the consumer is on and alert the consumer if their rates have gone up or stayed the same whilst the trend in the market has gone down. This will help consumers decide whether they will seek a better deal.
  - What the current Default Market Offer is and explanation of what this is.
  - The retailer's best offer available and how much their bill would have been if they had been on that offer to prompt action by people who are on tariffs much higher than they need to be. This should be based on actual data (including payment habits, e.g. if they pay on time) and if there is less than a year's worth of data to base this on, this should be clearly stated (since energy use is usually seasonal). This should include caveats that savings are indicative only because energy use and habits can change so this saving might not be achieved in a future bill, and they should contact their retailer for more details.
- How they can access their retailer's best offer.
- That they might be able to make further savings through a different retailer and provide contact details for Energy Made Easy and any jurisdictional comparison service, such as Service NSW's Energy Switch.
- If they are on time of use tariffs, clearly stipulate what times the tariffs apply to and, further down the bill,

	<p>explain how households could shift their loads to take advantage of the cheaper rates.</p> <ul style="list-style-type: none"><li>- Accounting terminology can make bills hard to understand, especially when there are more complicated arrangements such as payment plans, bill smoothing and/or missed bills. Payments should be clearly set out and include plain language explanations.</li><li>- Numerical symbols and shorthand without simple explanation (such as percentages, kilowatt house, calculations and terminology regarding tariff types) can make bills difficult to understand. These should be minimised but where used, they should be accompanied by simple explanations. Including key information in simple graphic presentation such as meter types, when peak or off-peak charges occur, etc, can make data easier to understand.</li><li>- Expand 25(s) to include what specific government assistance is available, for example that there are concessions available for certain consumers and emergency assistance (as applicable in the jurisdiction).</li><li>- 170(1)(b) should contain more specifics around which energy efficiency/energy saving websites can be included. For example, a state/territory government website. Households should not be directed to a website with scant, inaccurate or unhelpful information (for example if it does not reflect the household's climatic zone and/or does not helpfully prioritise options for a range of households depending on income and whether they own or rent their home), or to a website which does not inform households about available schemes (such as NSW's Energy Security Safeguard) to assist with the implementation of energy efficiency or renewable energy. This website should be required to be preceded with words such as: 'Find ways to reduce your energy use'.</li><li>- 25(w) should be more specific regarding a minimum number of particular community languages to include, and ensuring they are the most common community languages in the area the household is in.</li><li>- That retailers must provide assistance to people who are unable to pay their bill and contact details to enable a variety of different ways to make contact - not just a phone number.</li><li>- Greenhouse gas emissions, taking into account solar production and GreenPower and showing how this compares to other households.</li></ul> <p>A mandatory AER guideline should be introduced to further improve bills including ensuring bills have a consistent, straight forward layout (for mandatory information) and use plain (and explanatory where required) language. Statutory reviews and timeframes would ensure the guideline was updated in a regular and timely manner.</p> <p>Information on the bill should be prioritised to assist with readability, so, for example:</p> <ul style="list-style-type: none"><li>- Up the top is payment and contact information, including how much is owed, the due date (and any pay on time</li></ul>
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	<p>discount information), what the current rates are, how the rates have changed since the last bill and how this compares across the market.</p> <p>Then, under a heading such as 'Good to know', could be more explanatory information in the following categories:</p> <ul style="list-style-type: none"> <li>- Information explaining usage, ideally in simple pictorial or graphic format, showing usage both for this period and compared to relevant periods or benchmarks. Greenhouse emissions should also be part of this information.</li> <li>- Information explaining the breakdown of the bill in simple consistent terminology, or graphic form – demonstrating how much is fixed charge, how much is related to usage, when it was incurred and at what rates, and how much of the each of these elements contributed to the overall bill amount.</li> <li>- Next could be information about how to reduce usage (expansion of the requirements under 170 (1)(b)). This should include shifting load information if the consumer is on time of use tariffs. This should be guided by direct consumer consultation to ascertain which information consumers value most.</li> <li>- Information about how to get help if the consumer cannot pay their bill: This should include that retailers are required to assist them and they might also be able to access government supports. A variety of ways to contact the retailer should be given. Use of the word 'hardship' should be avoided.</li> <li>- Information for switching: alerting the consumer to look for a better deal if their rates have gone up/stayed the same yet the benchmarked trend has gone down and what the bill would have cost if they had been on the retailer's best offer (with caveats as listed in response to this question earlier); and details about how to get on the retailer's best offer as well as how to find a better offer with another retailer at Energy Made Easy and other jurisdictional switching programs.</li> <li>- Next, the retailer could provide information about any innovative products or services they offer.</li> <li>- Finally, there could be a fact sheet similar to the one required in Victoria to help people understand their bill and navigate the energy market should they wish to.</li> </ul>
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## SECTION 5 – RELATED PROJECTS AND RESEARCH

### QUESTION 4 – Related projects and research

1. Are there other research findings or projects the Commission should consider in making its determination; what are the most relevant	PIAC concurs with the findings from the Retail electricity pricing inquiry 2017-2018: 'the risks associated with giving retailers complete flexibility to deliver billing information to consumers significantly outweighs the benefits' <sup>6</sup> .
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<sup>6</sup> ACCC, *Retail Electricity Pricing Inquiry—Final Report*, June 2018, 289.

research conclusions and project linkages?	
2. What key lessons should the Commission take from good practice regulatory frameworks for bills in comparable Australian sectors, or energy retail markets overseas?	<p>PIAC supports many of the provisions required in energy bills in Victoria, but notes this does not remedy other issues including the layout and language issues.</p> <p>PIAC understands the AEMC is researching billing in other markets and would be interested in viewing this research.</p>

## CHAPTER 4 – SOLUTIONS

### QUESTION 5 – Proposed solution

1. To what extent would the proposed solution address the identified problems and their causes, and promote the NERO?	<p>PIAC sees no reason to replace rule 25 entirely. As stated in response to question 1(2), PIAC supports a system where the rules and an accompanying AER mandatory guideline work together to balance prescription with adaptability to changing circumstances. The rules and the guideline need to cover a wider range of issues to address the identified problems with bills.</p>
2. Do you consider the proponent's solution could be modified to be more effective? Please explain your view. Please explain the benefits, costs, risks and implementation issues associated with the proponent's solution.	<p>The proposed solution only addresses some of the issues identified. PIAC does not agree rule 25 should be abolished.</p> <p>PIAC agrees with the proposed guideline objective "to improve the experience of small customers in relation to billing for the retail supply of energy".</p> <p>PIAC agrees with the proposed principles 'to ensure small customers can: easily identify key information; easily verify how much energy they consume and how their bill is calculated; confidently query or dispute bills; and confidently navigate the market and seek the best offer.' However, we propose adding that they must also:</p> <ul style="list-style-type: none"> <li>- Know how to read a bill regardless of who their retailer is.</li> <li>- Know how their rates compare to what best offers are, what the DMO is and average change of rates.</li> <li>- Be aware that payment assistance schemes are available to them and what they are (retailer, government and community).</li> <li>- Clearly know where they can get information to reduce their bill through non price means (i.e. energy efficiency, load shifting (if applicable), renewable energy, demand response and other schemes they could participate in).</li> <li>- Know what their household's greenhouse gas emissions are from the usage captured in the bill.</li> </ul> <p>PIAC agrees 'the rules should also establish aspects of bills that the guideline could specify, including requirements as to the content and form of energy bills and the manner of issue of these bills.' In addition, the layout and language should be straight forward, logical and consistent across retailers.</p>

	PIAC agrees breaches of the guideline should be subject to a civil penalty.
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## ALTERNATIVE SOLUTIONS

### QUESTION 6 – Rules-based approach

1. Are there rules-based solutions that the Commission should consider (e.g. filling gaps in rules 25 and 170 of the NERR, a principles-based bill format provision, or using opt-out provisions for information pertaining to certain bill functions)? Please explain (i.e. benefits, costs and risks).	There remains a place for prescriptive rules in billing to ensure necessary information is provided to consumers. PIAC outlines how rules 25 and 170 could be amended in response to question 3(3). Bills would be further enhanced by a principles based mandatory AER guideline which should be updated regularly to accommodate new technology, other innovations and community attitudes.
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### QUESTION 7 – Non-rules-based approach

1. Are there non-rules based approaches — such as an industry code, a non-binding guideline or other industry initiatives — that the Commission should consider to address the issues raised by the proponent and their causes? Please explain (i.e. benefits, costs and risks).	<p>Bills are a key consumer protection that facilitates consumer understanding, choice and more effective access to essential services that suit their needs. Given the current situation has led to confusing bills, PIAC supports more regulation so bills contain information people need in a way people understand.</p> <p>It would not be appropriate to allow industry self-regulation of minimum information provisions requirements.</p> <p>Principles-based regulation is appropriate in relation to any on bill information requirements that are additional to the minimums, and may relate to new emerging technology products and services and their integration with traditional retail services.</p>
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### QUESTION 8 – Hybrid approach

1. Are there hybrid approaches — a suite of rules and non-rules approaches — that the Commission should consider to address the issues raised by the proponent and their causes? Please explain (i.e. benefits, costs, risks, and balance between principles-based and prescription and rules/non-rules)?	As outlined in response to questions 1(2) and 3(3), PIAC supports the revision of rules 25 and 170 to provide more effective information which works with a mandatory AER guideline which is based on principles and guided by stakeholder consultation. The rules should include that this guideline has a statutory review (say every 2 years) with a statutory timeline for implementation and a requirement for direct community engagement. This would enable clarity of what basic information is required on bills (captured in the rules) with the flexibility of having principles in the guideline that can be updated to capture changes in technology, innovation and community attitudes.
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## CHAPTER 5 – ASSESSMENT FRAMEWORK

### QUESTION 9 – Assessment framework

1. Is the proposed assessment framework appropriate for	PIAC supports a harm-based consumer protections frameworks, with a similar approach to determining where
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<p>considering the rule change request? Are there other considerations that should be included?</p>	<p>regulatory protections should be applied. This framework should be proportionate to the potential for consumer harm that may result in the retail energy market from its provision of an essential service.</p> <p>The ability for consumers to obtain a fair deal, budget for their bills, understand and control their usage, and access information regarding supports, is heavily dependent upon the information contained in bills. Inadequate, inconsistent or confusing information has a significant potential to inflict harm upon consumers as a result. The nature and materiality of its impact on any number of consumers must be a key consideration.</p> <p>Energy bills remain the primary way that most households are aware of their energy use and its costs, both financial and environmental. Any costs borne by retailers and the AER should have regard to this.</p> <p>The AEMC should consider the findings (as detailed in response to 3(2)) by Nicholls et al<sup>7</sup> that engagement should be viewed more broadly than it currently is by the energy community.</p> <p>As part of this rule change process, PIAC recommends the AEMC conduct its own research – by engaging directly with consumers – into which aspects of the bills people find confusing and how these issues could be resolved.</p> <p>Aligning billing requirements to those already required in Victoria should impose little additional costs to retailers as most retailers operate in Victoria.</p>
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<sup>7</sup> <https://cur.org.au/cms/wp-content/uploads/2019/03/future-grid-homes-household-report-final-1-1.pdf>