

Ms Stephanie Flechas
Project Leader
Australian Energy Market Commission
GPO Box 2603
Sydney NSW, 2001

Submitted online

26 October 2020

Dear Ms Flechas,

Submission to Consultation Paper Bill Contents and Billing Requirements (Reference RRC0036)

The Energy Project and Uniting Communities welcome the opportunity to provide comment on the National Energy Retail Amendment (Bill Contents and Billing Requirements) Rule proposed by the Minister for Energy and Emissions Reduction, the Hon Angus Taylor MP.

The Energy Project is a specialist energy consulting firm. We provide independent analysis, insights and advice on a range of energy related challenges faced by commercial, institutional and government clients. Our work also includes collaborating with the Community Services Sector to assist their work in supporting vulnerable energy consumers.

Uniting Communities (UC) has been providing energy efficiency support to vulnerable South Australian's since 2005 through in-home or phone energy assessments and community education around electricity, gas, water and telecommunications. This work is supported by two Tier 1 energy retailers and the SA Government's Utilities Literacy Program across metropolitan and rural South Australia.

The UC Home Energy Assessment Program works individually with households to:

- Read and understand their energy bill
- Understand their energy consumption
- Understand running costs of appliances
- Reduce consumption whilst remaining comfortable in the home
- Access concessions and appropriate energy plans – advocating on their behalf if needed
- Ensure they are on affordable and sustainable payment arrangements with their retailer
- Understand their rights and responsibilities and where to go if things go wrong
- Assess the quality of their housing against minimum standards and access tenancy support as required
- Access retrofit items to improve the energy efficiency of their home

The program works closely with communities and community agencies to support some of the most vulnerable people in our society, including; Aboriginal and Torres Strait Islander People, people from Culturally and Linguistically Diverse backgrounds, people with a disability, women experiencing Domestic and Family Violence, people within the Child Protection system and people with mental health issues.

This experience working in the homes of people experiencing energy issues over the last 15 years means that UC have seen thousands of energy bills from all different retailers, and have heard directly from consumer's the challenges they face when trying to understand their energy bill or engage with their retailer.

The Energy Project and Uniting Communities have collaborated on this submission to provide the Commission with direct insights into the issues faced by vulnerable households trying to understand their energy bills. The

information shared in this submission is based on the lived experiences of vulnerable energy consumers and the energy workers of Uniting Communities Home Energy Audit Program (HEAP).

This submission focuses on billing formats, contents and methods of delivery as areas requiring significant improvement to meet the long-term interests of all energy consumers, particularly vulnerable households.

If you require any further information regarding our submission, please contact Bronwyn Colby, at bronwyn.colby@energyproject.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Bronwyn Colby', with a stylized flourish at the end.

Bronwyn Colby

Lead Consultant/ Senior Analyst
The Energy Project

1 Consumer vulnerability

Defining consumer vulnerability in Australia is challenging. We agree with The Consumer Policy Research Centre (CPRC) when they recently stated¹:

"There is no uniformly accepted, consistent definition of consumer vulnerability among regulators, business or consumer advocates.

At its broadest, consumer vulnerability refers to circumstances that make it difficult to use markets or receive adequate products and services, and create risks of harm, detriment or disadvantage. Those circumstances can be individual-based (for example, related to income level, age, disability or health conditions) or market-based (for example, markets can create or exacerbate vulnerability through unfair practices, complex market structures and pricing, and information asymmetries)".

Anyone can become a vulnerable consumer. The CPRC's snapshot of Australian consumer circumstances demonstrates household income is no longer the main determinant for household vulnerability:

- 1 in 5 callers to the National Debt Helpline with energy issues were experiencing mental health issues
- 44% of Australians have low literacy levels
- 2 in 3 Australians experience some level of financial stress
- 1 in 5 Australians have a disability
- 1 in 5 Australians speak a language other than English at home
- 30% of Australians have savings less than 1 month's income or none at all, placing them only a few pays away from financial difficulty.

It is reasonable to expect an increase in the number of households struggling to pay bills as a result of COVID-19. Data from the Australian Energy Regulator (AER) suggests residential energy customers are experiencing financial pain, with the amount of customer debt increasing by approximately 32% from the same time last year². The Australian Competition and Consumer Commission (ACCC) has also reported on consumer financial stress³:

"Larger debts may be seen in coming months, especially once winter bills fall due. Many customers will also have used the enhanced government support payments introduced early in the COVID-19 pandemic to assist with energy bills. Such support may be less in coming months".

We support the AEMC's purpose of an energy bill. We note energy bills provide consumers with the following:

1. How and when to pay the bill
2. Usage and cost drivers
3. A form of identification
4. Where to get support
5. How bills are calculated

The National Energy Retail Rules specify content that Retailers must include in small customer energy bills⁴. However, the lack of direction concerning billing formats has led to bills that are complicated, confusing and difficult to digest.

¹ Consumer Policy Research Centre 2020, Exploring regulatory approaches to consumer vulnerability - A report for the Australian Energy Regulator, www.aer.gov.au/publications/corporate-documents/exploring-regulatory-approaches-to-consumer-vulnerability-a-report-for-the-aer.

² AER 2020, COVID-19 Retail Market Dashboard, www.aer.gov.au/retail-markets/performance-reporting/weekly-retail-market-dashboards-covid-19.

³ ACCC, Inquiry into the National Electricity Market – Supplementary report – impact on COVID-19 and ACCC monitoring and enforcement activities, www.accc.gov.au/publications/inquiry-into-the-national-electricity-market-supplementary-september-2020-report.

⁴ NERR, part 2, Rule 25.1.

We are of view that current Retailer billing templates make it difficult for vulnerable consumers to make informed decisions regarding their energy costs and consumption. As a result, many of these consumers do not actively engage with their energy bill and retailer – exacerbating their vulnerability.

A review of seven billing templates, currently used by Tier 1 and Tier 2 Retailers⁵ highlighted multiple issues faced by vulnerable consumers trying to navigate a complex market. The following table presents an overview of the issues identified and proposed solutions related to billing formats.

Current issues	Proposed solution
Inconsistent formats between retailers	At a minimum standardize the information presented and layout of the 1 st page of all retailer bills
Essential information spread over 4 pages	1. Present essential information only on the 1 st page 2. Move all other information to subsequent pages
Previous energy debt and current amount due presented as one amount (often leading to confusion over what must be paid)	Provide separate totals for previous debt and current amount due.
Front page too busy and confusing	1. Standardize the information presented and layout of the 1 st page of all retailer bills 2. Present essential information only on the 1st page 3. Move all other information to subsequent pages 4. Utilize white space efficiently
Font used is very small and light coloured	
Quarter of front page used for retailer messaging	

The first page is critical

In our view, the first page of an energy bill is the most important page of the bill. It is often the only page consumers will read (for a variety of reasons) and as such, should contain essential information only. We consider essential information to be the following:

1. Pay-by-date
2. Amount to pay
3. How to pay (including Centrepay⁶ information)
4. Where to get help
5. Snapshot of annual consumption profile and tariff changes (see xxx below for full description)
6. Customer details
7. Payment plan snapshot

All other information should and can be moved to subsequent pages.

Some Retailers already use page 1 of their billing template for essentials only. For example, Energy Locals electricity bill template contains most of the 7 essential information elements and uses the white space quite well (see Appendix A).

Some Retailers use around ¼ of the available space on the first page for marketing or information messages and payment details are relegated to the last page of the bill. An example of this is Simply Energy's electricity bill template. The image below (not to scale) is presented at the bottom of the first page. In our view this information does not align with the AEMC's purpose of an energy bill and takes up valuable space on the first page that could be used for essential information such as payment methods.

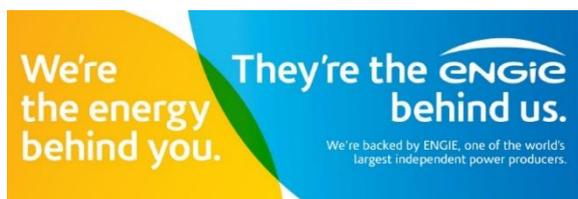


Figure 1: Example of Retailer marketing message on electricity bill.

⁵ Tier 1 Retailers - AGL, Energy Australia, Origin Energy. Tier 2 Retailers – Alinta Energy, Energy Locals, Lumo and Simply Energy.

⁶ Services Australia - A free and voluntary service to pay bills and expenses as regular deductions from Centrelink payments.

1 Bill Content

1.1 Language

The language used by Retailers is another aspect of billing that could often be improved. As a multicultural society, Australia is home to many people whose first language is not English and the levels of literacy, particularly energy literacy, is diverse across communities. It is imperative that the language used in energy bills does not impede a consumer's ability to effectively engage with the market.

Often the terms used within energy bills are not standardized between Retailers, contain abbreviations and accounting terminology (i.e. opening balance) and in one case, contained two different terms within the same bill to describe the same tariff (e.g. Energy Australia used the term off-peak in the greenhouse gas emissions graph, but billed the usage as a dedicated circuit consumption tariff for a customer that did not speak English).

Proposed solutions

- a. Use simple and plain English for all aspects of energy bills.
- b. Establish and implement a set of mandatory standardized terms for all retailers.
- c. Where abbreviations are used in a bill, provide definitions in the same bill. Most retailer bill templates contain blank space that could easily accommodate a short glossary.

1.2 Presentation

The presentation of content is often confusing for consumers. Specific examples include:

1. Using combination graphs to represent multiple data series (usually daily average cost and consumption).
2. How costs (usage x tariffs) are calculated for different time periods and/ or tariff changes.
3. Account transactions for payments and adjustments.

As a result, many UC clients simply don't engage with this information, rendering it superfluous.

Proposed solutions

- a. Avoid using graphs with multiple data sets, instead use infographics or plain English to present information.
- b. Where a season change or tariff change has occurred within a billing period, present the cost calculations, including the total, for each season or tariff separately.
- c. Provide a snapshot comparison of annual consumption profile and tariff changes expressed in percentages. UC clients often do not equate increased costs with consumption, rather they attribute it to a perceived increase in retailer tariffs. This prompts a switch to a different retailer without a change in consumption behavior. A simple message on the front page could be: "The cost of your bill has increased from this time last year. This is due to a xx% increase to the amount of electricity you have used and/ or a xx% increase to the cost of your electricity.
- d. Implement a 'bank statement' style for account credits and debits. It can be difficult to reconcile when adjustments/ reversals are made. Account adjustments need to be clearly tracked.

2 Digital delivery

We commend the Commission for raising the appropriateness of electronic bills for consumer energy bills. Electronic bills must be the consumers choice and not the default of method for Retailers. Many vulnerable households do not have access to affordable internet and/ or digital devices and may not have the knowledge to navigate electronic communication. If consumers choose to receive a paper bill, they are charged for this service. This is counterproductive for vulnerable consumers struggling to pay off an energy debt and/ or ongoing consumption.

For some vulnerable consumers the only access to an electronic bill is via their mobile phone. This has resulted in some consumers failing to read the entire bill and missing essential information that was not presented on the first page.

Proposed solutions

- a. At a minimum, customers who are participating in a Retailer hardship program or have a payment plan in place must be given the choice of paper or electronic bills and where the choice is for a paper bill this is provided free of charge.
- b. Retailers periodically check in with customers to confirm their preferred communication method and where the choice is email, email addresses are checked.

3 Implementing change

We agree with the proposal to develop an enforceable guideline that will provide “a single point of reference to industry on the required form, content and delivery of energy retail bills”⁷. However, this should not be at the expense of customers participating in retailer hardship programs or payment plans. The costs incurred by Retailers to update their billing systems should not be borne by these customers.

The Energy Project and Uniting Communities are willing to participate in further activities (ie. focus groups etc) the AEMC may conduct for the Rule change process and / or the AER in developing a guideline.

⁷ Hon Angus Taylor MP, Minister for Energy and Emissions Reduction, Rule change request, Bill contents and billing requirements, 17 April 2020, p. 3.



Customer name and address

Tax Invoice:

Issue Date:

Customer Number:

 **Account Enquiries** **1300 MY ENERGY**
 1300 693 637
 hello@energylocals.com.au
 energylocals.com.au

 **Office Hours**
 Monday to Friday 8:30am – 6:00pm (AEST)
 Email hello@energylocals.com.au

 **Faults & Emergencies**
 SA Power Networks
 Call 13 13 66 (24 Hrs)

Thank you for your energy supply to help strengthen Australian communities

Your Account

Previous Balance + Payments Received Opening Balance + New Charges =

Energy Charges For the Period

Electricity charges (please see over for details)
 Solar FiT
 GST
Total New Charges

Invoice Summary

Amount Due
 Due Date

If you've already set up direct debit or a credit card with us, thank you. There's nothing else you need to do.

For energy efficiency and price comparison information, visit www.escosa.sa.gov.au or call 1800 226 100.

Energy Locals ABN 23606408879

How To Pay

Pay by Direct Debit - the fee free way to go.
 Credit and debit card payments incur a 1% incl GST processing fee.
 Please pay by the due date to avoid a late payment fee.
 For details, visit www.energylocals.com.au/fees

Direct Debit



Call us on 1300 693 637 to set up a Direct Debit.

BPay



Bill Code:
 Ref:

Credit Card



Visit energylocals.com.au/pay and use your customer number to make payment via your VISA or Mastercard

Telephone & Internet Banking - BPAY®
 Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account.
 More info: www.bpay.com.au

Customer Number

Due Date
 Amount Due

Customer Name
Customer Number
NMI
Next Read Date

Supply Address
Billing Period

Billing Days
Total Charges

Meter Reads

Meter Number	Start Date	Start Read	End/Read Date	End Read	Multi	Total Usage
		0.00 kWh (A)			1.0	
		0.00 kWh (A)			1.0	

A = Actual, S = Substitute, E = Estimate

Usage Charges

Type	Description	Charge Period	Quantity	Unit	Rate \$	Total
RETAIL	Peak Usage			kWh x	=	
	Peak Usage - Step 1			kWh x	=	
	Membership \$4.50/wk			days x	=	
	Membership \$5.00/wk			days x	=	
	Supply Charge			days x	=	
	Supply Charge			days x	=	
	Solar FiT - Step 1			kWh x	=	
	Solar FiT - Step 1			kWh x	=	
	Rounding Adjustment					
	Total EXCLUDING GST					
	GST					
	Total Including GST					

Concessions

To obtain your State Government Concession, please contact us on 1300 693 637. Concession details may be validated with Centrelink or other parties.

Payment Difficulty?

If you are having difficulty paying your account, please visit our website energylocals.com.au/hardship or call 1300 693 637 weekdays between 9am-5:00pm AEST to discuss.

Moving Premises

Please call us 3 days prior to your move on 1300 693 637 weekdays between 9am-5:00pm AEST. We will gladly arrange disconnection at your old premises and connect you at your new premises.

Interpreter Services

Servicio Interpreti
servicio de interpretaci
Dịch vụ phiên dịch
خدمات الترجمة الشفوية
口译服务
διερμηνεία υπηρεσίες

Call 13 14 50

Meter Access

To enable your electricity meter to be read on your next schedule read date please ensure there is safe and clear access. Refer to your invoice for the next read date.

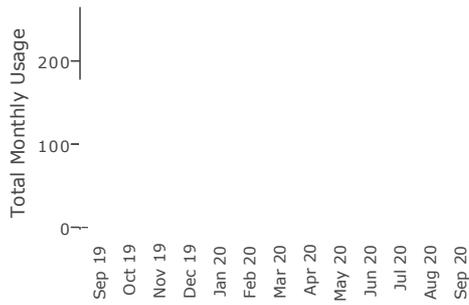
Complaints

If you wish to speak to us to provide us with feedback or to lodge a complaint, please contact us 1300 693 637. For details on how we handle complaints visit our website energylocals.com.au/complaints

National Relay Service

If you are deaf, or have a hearing or speech impairment: Contact us through the National Relay Service (TTY) on 133 677. Give them Energy Locals number 1300 693 637 to call for more information, visit: www.relayservice.gov.au

USAGE SUMMARY



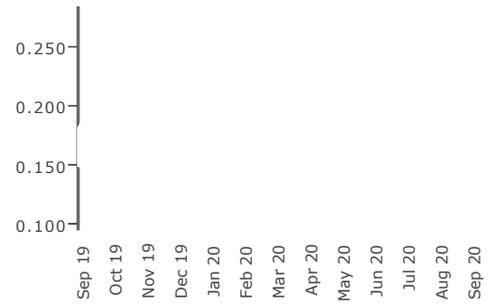
Average daily usage (kWh):
 Average Peak:
 This Period Electricity:
 Average Cost Per Day (incl GST):

COMPARE USAGE

Personnel	Average
1 person	8.10
2 people	11.72
3 people	13.71
4 people	16.23
5 people	16.92

Your average daily usage (kWh)
 You use the same as a 5 person household
 Visit www.energymadeeasy.gov.au to compare household usage and see where you fit.

GREENHOUSE GAS EMISSIONS



Total greenhouse gas emissions (Tonnes) for NMI
 20010237753: 0.17658 For more information please visit
www.climatechange.gov.au