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Dear Mr Barr,

RE: AEMC – National Energy Retail Amendment (Bill contents and Billing requirements) Rule - Consultation Paper Ref: RRC0036

The South Australian Council of Social Services (SACOSS) is the peak body for the community services sector in South Australia, with an interest in the affordable delivery of essential services to communities across the state. We thank the Australian Energy Market Commission (AEMC) for the opportunity to provide feedback on its Draft Rule Determination for the *Bill Contents and Billing Requirements Rule Change Request* dated 17 December 2020 (the Draft Determination), and the AEMC's *Draft Bill Contents and Billing Requirements Rule* (the Draft Rule).

SACOSS supports the submission made by the Public Interest Advocacy Centre (PIAC) in relation to the Draft Determination and Draft Rule. SACOSS makes the following brief submissions to emphasise our concerns with the billing objectives and principles proposed by the AEMC (which it states have been made to protect 'consumers while supporting the innovation currently underway in the retail market'¹).

The purpose of this Rule Change is to make bills easier to understand for customers, and to communicate important information that will assist customers with their decision-making. This means ensuring consistent content, terminology and formatting in energy bills. SACOSS supports the need for this Rule Change. Retailer conduct and customer feedback has clearly demonstrated that prescription is required for the content and form of bills. As noted by the ACCC:

¹ AEMC, *Bill contents and billing requirements, Draft rule determination*, 17 December 2020, p. i
[https://www.aemc.gov.au/sites/default/files/documents/rrc0036 - bill contents and billing requirements - draft determination fv.pdf](https://www.aemc.gov.au/sites/default/files/documents/rrc0036_-_bill_contents_and_billing_requirements_-_draft_determination_fv.pdf)

‘...there are significant risks in giving retailers freedom to choose what information is relevant to consumers. We consider that the risks associated with giving retailers complete flexibility to deliver billing information to consumers significantly outweigh the benefits.’²

Whilst SACOSS supports the intent of the Draft Rule, we are not convinced the principles underpinning the development of the billing guideline should be so open to interpretation, or so focussed on costs to retailers. We also consider the proposed Rule misses the opportunity to recognise and promote the important existing consumer protections under the NECF and the ‘application’ of those protections for small customers (including the right to supports if customers are experiencing payment difficulty or hardship, and the right to be protected from disconnection).

The Draft Billing Objectives – Draft Rule 25A(2)

Draft Rule 25A(2) sets out objectives for the billing guideline, to enable small customers to easily understand the following various matters:

- (a) payment amounts, dates and methods for their bill;*
- (b) how their bill is calculated and whether it conforms to their customer retail contract;*
- (c) their energy consumption and production, and related costs and revenue, to assist with:*
 - (i) using energy efficiently;*
 - (ii) comparing their customer retail contract with other energy offers available to them;*
 - (iii) considering options for energy supply other than through the interconnected national electricity system;*
- (d) how to dispute or raise a query in relation to their bill;*
- (e) how to access interpreter services and seek financial assistance,*
(the billing objectives)

SACOSS supports PIAC’s submissions in relation to each of the objectives.

SACOSS is pleased the AEMC has included ‘*how to access interpreter services and seek financial assistance*’, as a billing objective (draft rule 25A(2)(e)). However, we urge the AEMC to consider making these two separate objectives, and to change the wording of ‘seek financial assistance’. This wording does not reflect the rights and entitlements of energy customers to supports under the NECF, nor does it reflect the obligations of retailers to their customers. SACOSS is seeking the **AEMC provide a separate billing objective (f), to enable small customers to easily understand:**

‘their rights and entitlements to support under the National Energy Customer Framework, and how to access that support from their retailer.’

SACOSS considers it would be a missed opportunity to fail to use the only regular communication tool between the retailer and the customer (the bill), as a means of communicating information about customer’s rights and entitlements to support.

Also, **dedicated contact information for customers experiencing (or anticipating experiencing) payment difficulty (not a general ‘help’ line)** should be required to be clearly displayed on the bill. There has been some discussion about including information about Ombudsman schemes on bills, and whilst these schemes are important, contacting the Ombudsman is a later step in resolving an ongoing dispute, not an initial step

² ACCC, *Retail Electricity Pricing Inquiry Final Report*, June 2018, p.289
https://www.accc.gov.au/system/files/Retail%20Electricity%20Pricing%20Inquiry%E2%80%94Final%20Report%20June%202018_0.pdf

in receiving support. As noted in other submissions and by the ACCC, contacting the retailer is the first step in getting support:

*'We consider that internal dispute resolution is an important first step, especially given that energy ombudsman schemes will not consider complaints where the consumer has not first sought to resolve these with the retailer.'*³

The Draft Principles – Draft Rule 25A(4)

Draft Rule 25A(4) provides that in making and amending the billing guideline, the AER *must* take into account the following principles:

- (i) the need for consumer protections for small customers, while also enabling retail market innovation, competition and consumer choice;*
- (ii) the costs of compliance by retailers with the billing guidelines and the potential resulting costs for small customers;*
- (iii) whether the requirements in the billing guidelines are effective and proportionate to the expected benefits that result from achieving the relevant billing objectives; and*
- (iv) the potential benefits of standardising language and terminology across bills, customer retail contracts and energy offers;*

SACOSS is broadly concerned the draft principles appear to focus on a **balancing of costs to retailers and benefits to consumers** – effectively repeating the same central costs / benefits principle several times:

- consumer protections, but not at the expense of innovation
- cost of compliance for retailers, and therefore costs to consumers
- expected benefits are 'effective and proportionate' to costs of the requirements
- benefits of standardising language across bills, contracts, offers.

Efficiencies for retailers alone is not an objective. This balancing exercise is only relevant in so far as the efficiencies gained by retailers are in the long-term interests of consumers. SACOSS submits the repetitive nature of the principles needs to be addressed, and if they are to be included then principle 24A(4)(a)(ii) should be deleted for duplication. SACOSS questions whether these principles represent a departure from the purpose and intent of the Rule Change Request (to make bills more customer friendly), and whether these principles need to be included in the NERR at all?

As noted in our previous submission, the AEMC can only make an energy retail rule if:

- *the rule will or is likely to contribute to the achievement of the national energy retail objective (the NERO), and*
- *the rule is compatible with the development and application of consumer protections for small customers, including (but not limited to) protections relating to hardship customers (section 236(2)(b) of the Retail Law).*

Whilst the AEMC states efficiency in the long-term interests of consumers is the fundamental objective in making a rule, it also states that 'for any changes to the NERR, understanding the compatibility of the proposed change with **the application and development of consumer protections is just as important as establishing the implications for efficiency of the rule change**'.⁴

³ ACCC, *Retail Electricity Pricing Inquiry Final Report*, June 2018, p. 290
https://www.accc.gov.au/system/files/Retail%20Electricity%20Pricing%20Inquiry%E2%80%94Final%20Report%20June%202018_0.pdf

⁴ AEMC, *Applying the Energy Market Objectives*, 8 July 2020, p.9 https://www.aemc.gov.au/sites/default/files/2019-07/Applying%20the%20energy%20market%20objectives_4.pdf

Commenting broadly on the Draft billing principles outlined above, SACOSS is concerned the AEMC appears to have framed the Draft Rule around the premise that there are two *competing* objectives at play; consistency with the application and development of consumer protections for small customers, and achieving retail market innovation, competition and consumer choice. SACOSS considers these objectives are not in the alternative and do not require a 'balancing' of costs and benefits (as is the focus of the principles).

As noted above, '*enabling retail market innovation, competition and consumer choice*' (Draft Rule 25A(4)(a)(i)), is only an objective in so far as it promotes the long-term interests of consumers. It is not a 'stand-alone' objective aimed at benefitting retailers to better market their product. Promoting the application of existing consumer protections under the NECF and ensuring the development of additional consumer protections *is* a stand-alone objective that aligns with promoting innovation and consumer choice for the benefit of *consumers*.

Therefore, SACOSS suggests this principle be amended so the AER takes into account:

'the application of existing consumer protections for small customers, the development of consumer protections for small customers and efficiency in the long-term interests of consumers.'

SACOSS submits 'Enabling retail market innovation' should not be a phrase that is included in the NERR. We believe the Rules should be able to be readily interpreted, not left completely open to interpretation.

If you have any questions in relation to this submission, please contact Georgina Morris at georgina@sacoss.org.au or 8305 4214.

Yours sincerely,



Dr Catherine Earl
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