

5 February 2021

Stephanie Felchas
Project Leader
Australian Energy Market Commission

Dear Stephanie

RRC0036: Bill Contents and Billing Requirements Draft Rule Determination

Thank you for this opportunity to comment on the Australian Energy Market Commission's (AEMC) Bill Contents and Billing Requirements Draft Rule Determination.

Background

TasCOSS supported the intent of the rule change request in our initial submission¹ – seeking to simplify energy bills so households can better understand and manage their bills and find a better energy deal. We also agreed with the Minister's view that standardising bills across the retail sector and ensuring delivery of clear and accessible information to all consumers will help reduce market complexity while strengthening the ability of consumers to make informed decisions.

TasCOSS did not express a view in our submission on whether the best way to achieve these aims is by replacing, or improving, rule 25, but did make a number of comments in relation to improving the content, design and protections for consumers through billing provisions.

With AEMO's draft determination to replace rule 25 and progress the development of billing guidelines, I wish to offer the following comments specifically in relation to the *Draft National Energy Retail Amendment (Bill contents and billing requirements) Rule 2021*.

Access to free paper bills must be a requirement

TasCOSS' primary recommendation in our submission to the rule change request was to ensure access to free paper bills for all consumers as the default billing option. TasCOSS strongly disagrees with AEMC's determination that the issue of paper billing does not need to be considered further in this rule change.

Many stakeholders highlighted that consumer choice should be the key principle driving how bills should be delivered, and that consumers should always have the option to access paper bills². While the National Energy Retail Law may currently provide the option for small customers to receive a paper bill, TasCOSS contends that bills should be provided free-of-charge and this right should be protected in the new rule.

¹ https://www.aemc.gov.au/sites/default/files/documents/rule_change_submission_-_rrc0036_-_tascoss_-_20201023.pdf

² AEMC, *Draft rule determination - bill contents and billing requirements*, 17 December 2020, p18.

AEMC's own justification that different jurisdictions have different approaches to accessing free paper bills³ provides the evidence needed for this protection to be enshrined in the rules.

Bills are likely to remain a key feature of energy contracts for some time. Many households are unable, or unwilling, to participate in new technologies or digital options that reduce the need for paper bills, or the need for a bill at all. However, customers who prefer to receive their bills in paper form should not be disadvantaged by doing so and this option must be free-of-charge.

Energy bills are the only communication most households have with their energy provider. It is often the people experiencing vulnerability or disadvantage who need paper bills the most. For these customers, and those without access to digital or new technologies, bills are more than just a notice for payment. Paper bills are a key form of consumer engagement, the primary way that most households are aware of their energy usage and costs, and an important tool for record keeping and dispute resolution.

The new rule must ensure that this most basic of consumer rights – to be issued, without charge, a hard-copy statement of a bill for an essential service - is protected. We support consumers having the option and preference for electronic or digital bills, but the default option for all consumers must be a free paper bill.

Recommendation: **The rule change include a requirement that free paper bills are to be provided as the default billing delivery option to all consumers and that retailers must ensure consumers are aware they are entitled to a free paper bill.**

Rule 24 – Frequency of bills

TasCOSS supports the ability for consumers to negotiate billing frequency, but there must be protections in place to ensure consumers do not end up agreeing to bill frequency which does not suit their needs or is not in their interests. To ensure consumers are protected, a minimum billing delivery arrangement of 100 days should be in place and should not be subject to the guidelines.

Recommendation: **The words 'or at such other time specified in the billing guidelines under rule 25A' be deleted from section 24(1).**

New Rule 25A – Billing guidelines

The billing objective in section (2)(e) should also include a requirement for retailers to make consumers aware they are entitled to support and provide direct contact details to access financial assistance.

The requirement in section (3) for the AER to amend billing guidelines is vague and non-committal. The new rule should include a statutory timeline for review (e.g. every two years) and a requirement for direct community engagement.

The matters relevant to the billing guidelines in section (4)(a)(iv) should also include standardisation of format across bills, retailers and energy offers. Consistency of placement of basic information in a logical order would help consumers compare offers, switch offers and access third party energy services.

³ AEMC, *Draft rule determination - bill contents and billing requirements*, 17 December 2020, p41.

I look forward to AEMC's further consideration of these recommendations and comments aimed at strengthening consumer protections in the new rules.

If you have any questions about this submission, please contact Mr Stephen Durney, Senior Policy Officer, on 03 6169 9508 or email stephen@tascoss.org.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrienne Picone', with a long, sweeping horizontal stroke extending to the right.

Adrienne Picone
CEO