22 July 2026

Australian Energy Regulator
Retail Guidelines Review team
Lodged via Consumers@aer.gov.au

Dear Retail Guidelines Review team,

The Australian Energy Council (**AEC**) welcomes the opportunity to make a submission to the Australian Energy Regulator (**AER**) in response to its draft AER Retail Guidelines, which consolidate the Retail Pricing Information Guidelines, the Benefit Change Notice Guidelines, the Billing Guideline and the Customer Hardship Policy Guideline into a single instrument.

The AEC is the peak body for energy retailers and generators operating in competitive markets. Our members generate and sell energy to over 10 million homes and businesses and are committed to delivering a reliable, affordable and decarbonised energy system for consumers. The AEC supports net zero by 2050 and recognises the electricity sector's role in reducing Australia's emissions. Our members are major investors in renewables, firming and storage technologies that are critical to ensuring that customers continue to receive reliable and sustainable energy supply as we navigate the energy transition.

The AEC supports the AER's objective of simpler, clearer and more accessible communications for customers. We also welcome the AER's recognition that flexible and innovative retail products do not always fit neatly within existing comparison frameworks.

We consider the central question for this review to be whether the final guideline can be implemented accurately, consistently and with certainty, whilst avoiding expanding existing obligations by implication. In our view, communications improve for customers when requirements are clear, stable, built into systems and capable of being explained to staff and customers, rather than simply because a requirement has been added to a guideline.

Two matters of context are central to our submission. The first is the AER's own timetable: a final instrument is expected in late September 2026, with a proposed commencement date of 31 December 2026 for all obligations. The second is the substantial volume of concurrent reform affecting the same systems and customer communications, including the Australian Energy Market Commission's (**AEMC**) rule changes, the assisting hardship customers reform, Default Market Offer (**DMO**) and Victorian Default Offer (**VDO**) pricing cycles and the review of the Energy Retail Code of Practice (**ERCoP**). Both bear directly on what can be delivered safely and by when.

The AEC therefore recommends that the AER finalise the guideline in line with the following principles:

- Commencement should be set at a single, realistic date that reflects the lead time required for the most complex changes, rather than the proposed 31 December 2026; staged or tranched commencement should be a fallback only if the AER is not minded to defer all obligations to that date.
- Principles-based obligations should be supported by worked examples, safe harbours and a reasonable transition, so that they do not operate as untested prescription.
- Better offer and benefit change obligations should not be expanded by implication beyond their established operation.

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- Obligations that depend on Energy Made Easy or other system readiness should commence only once that readiness is in place (and should be harmonised with Victoria where practicable).

We expand on each of these matters below and would welcome the opportunity to provide further detail and evidence as the review continues.

1. Commencement should be set at a realistic date

The AEC supports enhanced clarity with retail guidelines but we submit that the proposed 31 December 2026 commencement for all obligations is not realistic and could not be achieved safely. We note that a final instrument is not expected until late September 2026, which would leave approximately three months for legal review, system and billing changes, customer communication updates, testing, assurance, staff training and mail house processes. In practice the period is shorter, because many businesses operate December and January change freezes to protect core billing systems and because retailers cannot responsibly begin building to draft obligations before the final instrument is settled.

We note that the changes contemplated by the draft are not, in the main, simple wording changes. Depending on the final drafting, they may require billing platform changes, customer communication template redesign, Energy Made Easy data standard work, plan information changes, call centre scripting, compliance controls and third-party vendor changes. Our members have indicated that aligning existing customer communications with the new design principles alone would represent a significant body of work once the final instrument is known, and that the more complex changes (such as any expansion of the better offer calculation) would require materially longer. We also note that the same technical teams are already committed to delivering concurrent AEMC, national and Victorian reforms, so spare capacity across the sector is limited.

We acknowledge the AER's interest in keeping commencement consolidated and in aligning with the rule changes that drive parts of this package. We would respectfully observe, however, that adequate implementation time supports the overall objective of consumer protection. Energy retailers require adequate time required to build, test and validate processes, so that what is delivered is accurate and genuinely improves consumer outcomes. In our view, rushed implementation increases the risk of billing defects, inconsistent messaging and higher call volumes, which potentially undermines the customer experience.

The AEC's preference is for the obligations to commence together, on a single later date, that appropriately reflects the lead time required for the most complex changes. On the basis that the more complex changes, in particular any expansion of the better offer calculation, require in the order of nine months from finalisation to build and test correctly, the AEC submits that a single commencement date of around 1 July 2027 would be a more realistic and achievable target than 31 December 2026.

If the AER is not minded to defer all obligations to a single later date, the AEC submits that a staged or tranched approach could be considered as a fallback. Under that approach, the obligations that are necessary to give effect to AEMC rule changes, and that require only policy or hardship-policy updates, could commence earlier, while the more complex and significant changes (such as any expansion of the better offer calculation and changes dependent on Energy Made Easy) are given a longer lead time. We note in this respect that the customer hardship policy changes are largely standardised and may be capable of being delivered sooner than other parts of the package. Additionally, we submit that any staging should avoid commencement dates that fall within common December and January change freeze periods.

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2. The design principles would benefit from scope, examples and safe harbours

The AEC supports the objective of communications that are honest, fair and easy to understand. A principles-based approach potentially allows retailers to design communications that are clearer and more useful than rigidly prescribed text and to make better use of digital channels for different customer cohorts

We do note, however, that terms such as “honest”, “fair” and “easy to understand” can add to compliance costs and burden if retailers are left to interpret what compliance requires. We also note that the draft largely adds these principles on top of existing prescriptive requirements rather than removing prescription, which may increase rather than reduce complexity.

There is also a question of unclear scope. For example, it is presently unclear which communications are captured by the expanded principles. Notices expressly required by the guidelines are plainly within scope, but the position is less clear for communications that are merely connected to in-scope matters, such as those associated with a hardship policy or the wider set of templates, digital journeys and call centre scripts that touch prescribed information. Similarly, the requirement to "appropriately adapt" communications for culturally and linguistically diverse (CALD) customers lacks sufficient clarity. It is unclear what steps retailers would be expected to take beyond existing support measures and whether the obligation contemplates the translation of communications into multiple languages. If so, this would have significant operational and cost implications and would be challenging to administer in practice. While the AEC supports improving accessibility for CALD customers, greater guidance is needed regarding what constitutes an appropriate adaptation and what would be required to demonstrate compliance. Without clearer boundaries, a reform intended to simplify the framework could instead give rise to a broad and resource-intensive review of existing communications without a clear customer benefit.

While we value the behavioural research the AER has commissioned, we do think it is worth noting that aspects of the research were conducted in supported qualitative interview settings with small samples and that the flexible-plan research did not test real-world decision-making or measure downstream outcomes such as complaints, debt or hardship. In our view, the research itself suggests that comprehension is difficult to achieve even in a dedicated setting, which supports restraint: there is a point beyond which additional information provision reduces, rather than improves, customer engagement.

We submit that the final guideline could usefully include worked examples and safe harbours that identify the core content required, the level of prominence expected and examples of acceptable presentation. It would also assist for the AER to confirm that the principles do not require a wholesale retrospective audit of communications beyond those directly affected by the final guideline. Finally, we submit that a transitional enforcement approach would be appropriate, under which early interpretive differences are not treated as enforcement matters where a retailer has followed published guidance, acted in good faith and not caused customer harm.

3. The better offer message should remain a plan comparison

The AEC supports a better offer message that helps customers identify a clear and material saving. We support the proposed $50 threshold, which aligns with the Victorian approach, and we support keeping the calculation focused on price and excluding non-financial benefits. This is, in our view, the right design for a message whose purpose is to prompt a customer to consider comparing their plan.

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The AEC seeks clarity in the Draft Guidelines (for example, through paragraph 16) that deemed better offer assessments are not intended to require comparisons across different tariff structures, consistent with the approach adopted under Victoria's best offer framework. This clarification would be valuable given the AER's May 2026 Solar Sharer Offer fact sheet appears to suggest that Solar Sharer Offers should form part of better offer assessments, while the consultation paper does not expressly address how tariff structures should be treated.

The AEC considers that extending deemed better offer assessments to compare different tariff structures would introduce significant policy, customer and operational challenges. Tariffs such as time-of-use and demand-based products are designed not only to reduce costs for some customers, but also to influence consumption behaviour in ways that support more efficient use of the electricity system. Because deemed better offer assessments rely on historical consumption data, they are inherently limited in their ability to account for the future behavioural changes these tariffs are intended to encourage, reducing the reliability of any comparison.

Requiring comparisons across tariff structures also risks creating customer confusion and generating outcomes that are not in customers' interests. Whether a customer would benefit from moving to a different tariff structure depends on a range of circumstances, including their future usage patterns, appliance choices and metering arrangements. A deemed better offer message is not designed to assess these factors and may therefore overstate or misrepresent the likely benefits of switching.

From an implementation perspective, such an expansion would materially increase the complexity of the assessment. Retailers already undertake highly data-intensive calculations to meet deemed better offer obligations, and the growing range of available tariff structures would significantly increase the volume of scenarios that would need to be evaluated. In addition, retailers face practical constraints arising from underlying network tariff assignments, which can create misalignment between network and retail tariff structures and introduce additional commercial and operational risks.

Should the AER be considering a broader approach that incorporates tariff-structure comparisons, the AEC considers this would warrant separate and targeted consultation. Given the complexity of the issues involved, further engagement would be necessary to properly assess customer impacts, implementation feasibility and regulatory costs, and to ensure any revised requirements deliver meaningful benefits without introducing unnecessary complexity or customer detriment.

A related concern arises from the proposal that a deemed better offer must remain available to the customer for a reasonable period after the communication, which the explanatory material indicates would be at least 15 days. In our members' experience, an availability requirement of this kind is difficult to administer and enforce, particularly given the number of plans in market, the frequency with which offers change and the interaction with Energy Made Easy. We note that a similar requirement was considered in Victoria some years ago and did not proceed, in part for these reasons. The AEC submits that the AER should reconsider whether a fixed availability period is workable or at least provide retailers with sufficient flexibility to account for ordinary changes to plans and pricing during the relevant period.

If any broader approach was contemplated at any point in the future, we submit that a fulsome consultation occur, to allow for consideration of the many relevant factors, including customer testing and cost-benefit analysis, and note that given the operational complexities, very significant lead time would be required for any change.

We would also welcome clear examples, in guidance, of plans that are not generally available or not applicable to a customer. Eligibility criteria included in a better offer message should be limited to short,

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material and actionable conditions; where eligibility depends on proprietary technology, customer behaviour, meter configuration, asset ownership or other complex conditions, the plan should not be forced into a short-form better offer message unless it can be described without misleading the customer. Examples that warrant explicit guidance may include new-customer-only offers, retention-only offers, plans requiring proprietary technology, virtual power plant and battery plans, electric vehicle plans, wholesale pass-through products, plans requiring particular meter or secondary settlement point configurations, products limited by distribution area, export-related arrangements and plans whose value depends materially on customer behaviour. A customer should not be told they have a better offer if they cannot access it or cannot reasonably understand the conditions needed to realise the saving.

4. Benefit change notices should not capture unchanged percentage discounts

The AEC supports the streamlining of benefit change notices and the objective of telling customers clearly when a benefit is being lost. Our concern relates to changes that alter the dollar value of a benefit without altering the benefit itself. As drafted, a price change that alters the dollar value of an unchanged percentage discount may trigger a benefit change notice, even though the discount percentage and structure have not changed.

In our view, that outcome would not assist customers. Customers generally understand that the dollar value of a percentage discount moves when underlying prices or consumption move, and treating that as a benefit change risks duplicating price change notices, applying inconsistent notice periods and adding complexity to annual pricing processes. We understand the policy concern the AER is seeking to address, namely price changes that materially erode the value of a benefit, and we agree that genuine erosion should be communicated. We submit, however, that the drafting could target that concern more precisely, rather than capturing every percentage discount whose dollar value changes with price.

We note that the interaction with price change processes is significant. A benefit change notice and a price change notice carry different minimum notice periods, so a customer could receive two notices about the same event. The timing is, in places, not feasible: the DMO decision is released in late May, retailers must then calculate and load prices, and there are not 20 business days before standing prices must change on 1 July. We also note that recent AEMC reforms have reduced, in some cases to nil, the notice period for price decreases, with the result that a customer could be denied the timely benefit of a price reduction merely because an unchanged discount is treated as if it had changed.

The AEC submits that the final guideline should distinguish clearly between a retailer changing, withdrawing or reducing a benefit; a retailer changing the tariff or price while the benefit structure remains unchanged; customer consumption changing the realised dollar value of a benefit; and upfront benefits. In our view, only the first of these should ordinarily trigger a benefit change notice. We would welcome confirmation that an unchanged percentage discount is not a benefit change merely because a tariff or usage level changes its dollar value, clarification of the treatment of upfront benefits, and, where the AER's concern is genuinely about price changes that erode the value of a benefit, that this be addressed through the price change notice framework, which fits more naturally with the existing rules and timing, rather than by widening the benefit change notice trigger.

5. Bill notifications and bill content would benefit from tighter drafting

The AEC supports customers seeing useful comparative information when a bill is issued. We submit that the final guideline should draw a clear boundary between a communication that issues or accompanies a bill and other account communications. We note the AER's indication that the intent is to capture communications informing a customer that a bill has been issued, such as a cover email or an

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SMS advising that the bill is available, and not payment reminders, overdue reminders or pre-bill alerts. We welcome that clarification and submit that it would be helpful for it to appear expressly in the guideline.

Precision here matters because the wording has significant template and system consequences. Without a tight definition, retailers may need to review and rebuild a substantial number of communication templates, including pre-bill alerts, direct debit reminders, application push notifications that do not accompany bill issue and generic account messages, even where the customer benefit is marginal. We accordingly submit that the definition of a bill notification should expressly exclude these communications.

Members have identified several further practical matters relating to bill content that would benefit from resolution in the final guideline. First, a retailer email address should not be required on bills where email is not a contact channel that the retailer offers. A preferable approach would be to allow the retailer's primary digital contact pathway, which may be a website, application, secure message, live chat or contact form. Second, we would encourage caution about adding low-value information to the bill summary where it crowds out more important content and requires costly layout changes. The proposed addition of contract terms and customer obligations to the bill summary, for example, adds implementation effort and consumes limited space. The AEC submits that any such additions should be justified by a clear customer benefit and tested against constrained bill formats before being mandated.

Third, the AEC questions the value of the proposed requirement to state the proportion of a bill that is based on an estimation, expressed as a percentage or number of days. While we understand the intent, members are not persuaded that this information would meaningfully assist customers, and it would add cost and bill-design effort. We note a degree of tension with the premise underlying parts of the draft: if the concern is that customers do not closely read their bills, it is unclear what benefit is gained from adding a further item of detail to them. We submit that the AER could usefully weigh the implementation cost of this requirement against the customer benefit it is expected to deliver.

6. Flexible plan obligations should be aligned with Energy Made Easy readiness

The AEC welcomes the AER's recognition that flexible plans, including virtual power plant, battery, electric vehicle and wholesale pass-through products, do not fit standard pricing information and better offer frameworks. This is a constructive and necessary development as the market evolves around consumer energy resources, automation and dynamic tariffs, and we note that members have sought this recognition for some time because the existing framework has tended to force innovative plans into comparisons that confuse customers.

We support the intent of a framework that helps customers make informed choices without presenting innovative products as inherently risky or overwhelming customers with technical detail. We note that the AER's behavioural research indicated that customers responded well to plain-English information explaining who a plan may suit, framing key points as questions and setting out both benefits and risks, and responded poorly to value judgments made on their behalf and to technical explanations of mechanisms such as demand charges. Subject to clearer scope and practical limits, we support retailers explaining material features in plain English, including who the plan may suit, key eligibility conditions, how prices may vary, how device control or automation works, what the customer needs to do to get value and where to find more information.

At the same time, we submit that the guideline should respect the limits of retailer knowledge and control. A retailer can explain product design and the assumptions behind its estimates, but it cannot guarantee how a customer will use energy, that weather will be typical, that device performance will be maintained, or that third-party technology and network tariff settings will produce a particular outcome. We would respectfully suggest that the drafting avoid open-ended terms, such as unreasonably high bills and what the customer needs to do to make the most of the plan, which are difficult to assess and partly beyond the retailer's control, and that it not require retailers to predict individual customer outcomes or to attach warnings implying that a plan is unsuitable merely because its value depends on behaviour. We note the AER's confirmation that it does not intend warning-style disclosure, which we welcome. We would add that some members favour full and clear disclosure of a plan's key attributes, conditions and limitations, so that customers can assess suitability for themselves; the AEC submits that the guideline would benefit from clarity about what information is required and at what point in the customer journey it should be provided, so that retailers can disclose product features fully without those features being framed as warnings.

We note that the Energy Made Easy dependency is significant and, as we understand it, not yet resolved. Energy Made Easy requires data standard changes before it can receive flexible-plan information, and we understand it cannot yet display that information and is undergoing its own technology change. In our view, requiring retailers to build to assumed Energy Made Easy requirements now would risk building twice, once to the guideline and again when the platform's capability is settled, without improving customer understanding in the interim.

The AEC accordingly submits that obligations dependent on the Energy Made Easy data standard, plan identifiers, plan linkage or display should commence only once a finalised data standard, a test environment and a production platform able to display the information are in place. We would also encourage the AER to settle detailed flexible-plan disclosure requirements with reference to behavioural testing, and to distinguish in the drafting between information within the retailer's control and outcomes that depend on customer behaviour, weather, consumption, network tariff assignment, device performance and third-party technology.

7. Plan naming and jurisdictional alignment

The AEC recognises the concern that customers may be confused where plans share a name but differ in price or version and we agree that customers should not be misled into assuming that the same plan name necessarily means the same price or value. We submit, however, that the proposed month and year convention may not fully solve that problem and may create new difficulties. While intended to improve transparency, there is a question as to whether the proposed naming format delivers meaningful customer value in practice. Member research indicates that customers often interpret the date as referring to the date they joined the plan, rather than the version date of the offer itself, which risks creating further confusion rather than improving understanding. Full month and year labels can also be too long for some systems and customer-facing fields, including a short message, a bill summary line or a customer portal field, and they do not distinguish between multiple price changes within the same month, which retailers do make. We also note that divergence between national and Victorian naming conventions would increase implementation cost and reduce consistency for national retailers.

The AEC accordingly submits that it would be preferable for the AER to work with industry on a shorter and more durable versioning approach. Options include a short date format, a version code, or a unique product identifier displayed alongside a plain-English plan name. We submit that the solution should be harmonised with Victoria wherever practicable, and that it should be tested against the communications where it will actually appear, including bills, Energy Made Easy, better offer messages, plan information documents, applications and call centre systems. In our experience, a convention that works in a table may still fail in a short message or a constrained system field. We are also concerned about the extent to which the requirement may apply retrospectively. Renaming historical plans and updating associated systems, records and customer-facing artefacts would be a substantial undertaking with significant cost and resourcing implications. If the AER proceeds with a versioning requirement, the AEC considers it should apply prospectively and, at a minimum, be limited to plans that remain active or are still used for comparison purposes. This would better balance the objective of customer clarity against the implementation burden of maintaining versioning information for legacy products that no longer have practical relevance for customers.

8. Energy plans linked to spot prices

The AEC notes the challenges of providing better offer message for customers on an energy plan that are linked to the spot price. We understand that the AER is interested in what specific plans should be excluded from the better offer message. We support the exclusion of energy plans linked to the spot price from the better offer message. We note that while an energy plan linked to the spot price is a restricted plan and therefore is not considered as part of potential better offers, customers on those innovative plans are required to receive better offer message comparing their plans to other generally available plans.

9. Amended clauses

We have identified some other additional concerns as per the table below:

Amended Clause	AEC Comment
Annual total cost The minimum possible amount payable by a small customer under an energy plan calculated on the basis of the small customer's annual usage history and the tariff, charges and discount rates current at the date a communication will be issued, • excluding the value of any one-off gift or sign-up credit • with all discounts applied including any discount the customer receives because the customer buys another good or service, and • including any amounts deducted, credited, or received by the retailer under a government funded energy charge rebate, concession or relief scheme.	The inclusion of the words '*at the communication date'*, will add significant technical complexity and means the best offer may need to be calculated on the bill and again as at the communication date for any subsequent communication letting the customer know they have a new bill. Calculation software needs to support annual-cost calculations for a wider range of communications, not only bill generation.
Benefit change A change (other than an excluded change) to, or the expiry of, a benefit (whether or not as a result of the variation to the contract), including but not limited to: • any financial benefit; or • any non-financial benefit.	We request that the phrase "*customer for a minimum or fixed period*" be retained, as this is the wording used in the National Energy Retail Rules (NERR). The definitions in the Guidelines should not be broadened beyond those contained in the NERR. Accordingly, only benefits that fall within the scope of the NERR should be captured. One-off benefits and ongoing benefits that are not contingent on a customer remaining for a minimum

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Amended Clause	AEC Comment
	or fixed period should be exclude from benefit change notices.
Bill notification A communication from the retailer to the customer that is sent within two weeks of a bill issue date to inform the customer that the retailer has issued a bill, including but not limited to: • a cover email to which the bill is attached • a cover email which links to a website where the bill can be downloaded • an SMS message that informs the customer the bill has been issued • an application notification that informs the customer the bill has been issued.	For best offer message. This goes beyond the intent of the AEMC Rule change. Rule 25 NERR refers to sending better offer messages with communication sent at the same time as a bill -not within 2 weeks of a bill. Regardless of the situation – we believe that the 2 weeks should be removed and requirements linked to communication sent with a bill.

Conclusion

The AEC supports the AER's objective of a clearer, simpler and more coherent retail guideline, and supports the AER's overall intent of modernising the framework for a market that is becoming more flexible, digital and customer-driven. If executed properly, a consolidated instrument could improve the way obligations are understood and applied, provided the final guideline is practical to implement and does not expand existing obligations by implication.

To that end, the AEC submits that the AER should:

a) set a single, realistic commencement date that reflects the lead time for the most complex change;
b) support the reform process with worked examples, safe harbours and a transitional enforcement approach;
c) keep the better offer message a like-for-like plan comparison unless a retailer elects to provide broader information;
d) provide clear guidance on generally available and applicable plans, including complex eligibility conditions;
e) confirm that an unchanged percentage discount is not a benefit change;
f) tightly define bill notifications and bill content;
g) align flexible-plan obligations with Energy Made Easy readiness;
h) adopt a workable, nationally harmonised approach to plan naming. Each of these recommendations is directed at the same end, namely protections that are implemented accurately, consistently and in a way customers can understand;
i) exclude energy plans linked to the spot price from better offer messaging.

We would welcome further engagement with the AER on drafting, implementation sequencing and practical examples before the final guideline is made, including by providing implementation timeframe and cost information by workstream.

Please do not hesitate to contact me at jo.desilva@energycouncil.com.au or by telephone on 03 9205 3100 if you wish to discuss our submission further.

Yours sincerely,

Jo De Silva

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