

6 March 2025

Andrew Lewis  
Executive General Manager  
Australian Energy Market Commission  
Level 15, 60 Castlereagh Street  
Sydney NSW 2000

**Energy Consumers Australia**  
**A** Suite 2, Level 20, 570 George Street  
Sydney NSW 2000  
PO Box A989  
Sydney South NSW 1235  
**T** 02 9220 5500  
**W** [energyconsumersaustralia.com.au](http://energyconsumersaustralia.com.au)  
ABN 96 603 931 326

## Feedback on Improving the Application of Concessions to Bills Consultation Paper

Dear Andrew,

Energy Consumers Australia (ECA) thanks the Australian Energy Market Commission (AEMC) for your consultation on the Improving the Application of Concessions to Bills Rule Change Request from the Energy and Climate Ministerial Council (ECMC).

Improving the application of concessions to bills is an essential amendment that will help ensure the most vulnerable consumers are accessing the support to which they are entitled. Only 32% of households who have trouble paying their energy bills say there is appropriate support available.<sup>1</sup> This rule change will play an important role in ensuring support that is already in existence is having as broad an impact as possible.

ECA strongly supported the original call made in the Australian Energy Regulator's (AER) Game Changer report that said: "concession and rebate systems should be improved to allow automation, portability and proactive support to ensure more consumers receive the concessions and rebates to which they are entitled."<sup>2</sup> **We view automation of concessions as the preferred option** however appreciate automating concessions may require broader changes that are beyond the AEMC's scope.

**As an interim measure, we therefore support placing additional responsibility on retailers to proactively seek out information on their customers' eligibility, and allow for the transfer of concession information when a consumer switches retailers.** In this submission we argue consumers face significant barriers to receiving concessions and the onus should be on retailers to seek out information on eligibility and proactively work to raise awareness of concessional support.

Further information on these key points is provided through our enclosed responses to the questions posed by the Consultation paper. Please reach out to Alice Gordon at [alice.g@energyconsumersaustralia.com.au](mailto:alice.g@energyconsumersaustralia.com.au) with any further questions.

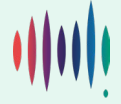
Signed,

A handwritten signature in black ink, appearing to read 'Brian Spak'.

Brian Spak

<sup>1</sup> ECA, Consumer Energy Report Card, December 2024.

<sup>2</sup> AER Gamechanger Final Report 2023 <https://www.aer.gov.au/system/files/2023-11/Game%20Changer%20Report%20-%20November%202023.pdf> p 18



## Question 1: What are the key barriers to consumers not receiving concessions or rebates at sign up?

We agree with the barriers identified in the consultation paper. A lack of consumer knowledge and stigma associated with accessing entitlements are key reasons why a consumer may not reach out for a concession to be applied to their account.

Consumers may not realise they are eligible for a variety of reasons, for example if they:

- are eligible for the first time and unaware.
- do not consider themselves as needing support, so wouldn't actively look for this information.
- find it difficult to navigate information online and determine what is relevant to their circumstances.

More than a third of households have told us they find it difficult to find information on energy plans and pricing,<sup>3</sup> and this extends to information on financial support. Eligibility for concessions is only one of many increasingly complex pieces of information consumers are being asked to tackle when engaging with energy markets. Victorian Council of Social Service's (VCOSS) research, *The Missing 14%*, also identified a lack of awareness as the number one reason Victorian's weren't accessing energy concessions, citing "lacklustre communications from energy companies, a lack of awareness among energy users and digital, literacy and language barriers."<sup>4</sup>

## Question 2: What happens to consumer access to concessions or rebates when they transfer retailers?

"Shopping around" for a better deal is frequently put forward by regulators, governments and the media as the most effective way to save on energy bills.<sup>5</sup> Our surveys find consumers experiencing financial difficulty are more likely to say they search for a new energy plan several times a year compared to those who say they are doing ok financially.<sup>6</sup> But *any benefit a consumer receives from shopping around will be eliminated if they lose access to a concession in the process.*

As discussed above, consumers are already grappling with increasingly complex information when they engage with retail energy markets. For example, at sign up, in addition to concession information, consumers are being asked about their preferences for "carbon neutral", green energy, if they want to add mobile or internet plans, and frequent flyer memberships. To ensure concession details do not get lost in the signup process, we support the rule change's intention to streamline the process of carrying over concession details when a consumer switches retailers.

## Question 3: How could retailers best ask or inform consumers about their eligibility or rebates at sign up? How would a principles-based vs prescriptive rule impact both consumers and retailers?

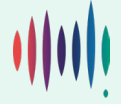
Retailers should provide information at signup that helps a consumer understand if they are eligible for a concession, including asking for specific eligibility conditions or asking if there is anyone in their household who holds a concession card (and discussing if this person should be the account holder).

<sup>3</sup> ECA, Consumer Energy Report Card, December 2024.

<sup>4</sup> Victorian Council of Social Service, *The Missing 14%*, May 22 2023, <https://vcoss.org.au/essential-services/2023/05/the-missing-14/>.

<sup>5</sup> ACCC December 2024, *Sydney Morning Herald* January 2023.

<sup>6</sup> ECA, Consumer Energy Report Card, December 2024.



This information should be provided in clear language that avoids jargon, as was recommended in VCOSS's research.<sup>7</sup>

Principles-based regulation may have merit in this context as it would put the onus on retailers to identify and understand the diverse experiences of their customers and tailor how they provide this information. We encourage the AEMC to consider the findings of the AER's review of consumer protections for future energy services. The AER's **final advice** to Ministers suggested the introduction of principles-based regulation and an "overarching consumer duty complemented by the types of consumer outcomes that service providers should seek to achieve".<sup>8</sup>

Adopting a principles-based approach would not just impact how retailers inform consumers about their eligibility at signup. It would also require retailers to consider more broadly what they must do to ensure all customers are accessing eligible concessions, including how to ensure existing customers are accessing concessions and improving awareness of concessions overall. As noted, there are any number of reasons why a consumer may not be accessing their eligible concessions. As such, there may be many different ways a retailer can overcome these barriers and ensure concessions are being accessed. Principles-based regulation puts the onus on retailers to consider these potential solutions and tailor them for the diversity of their customer-base. It would require them to consider, for example, if they should discuss with a customer transferring the account to a concession holder's name or how to make concession information easily accessible for culturally and linguistically diverse consumers.

However, any principles-based regulation must be accompanied by clear guidance on what is expected of retailers. As described in Question 5, retailers should have clear guidance on when they make eligibility checks. But this could also extend to how retailers can communicate with their customers and improve awareness of concessions in the first place. The UK's Financial Conduct Authority introduced guidance notices to support their overarching consumer duty. Their guidance on how firms engage with consumers experiencing vulnerability may be useful when considering how energy retailers can ensure all consumers are aware of and accessing concessions.<sup>9</sup>

#### **Question 4: What should occur at a transfer?**

As discussed in Question 2, we support the rule change request's proposal to require information transfer between retailers when a consumer switches retailers. While increased information about eligibility at sign up will help more consumers identify eligibility, there may still be some consumers who fail to alert retailers of their eligibility. Transferring information between retailers provides another mechanism for retailers to identify if their customers are eligible.

#### **Question 5: How could retailers inform or ask current customers about their eligibility for concessions or rebates?**

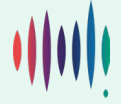
The Essential Services Commission's consultation to introduce similar reforms proposed that retailers should be required to seek eligibility information at different points of contact with a customer.<sup>10</sup> We

<sup>7</sup> Victorian Council of Social Service, The Missing 14%, May 22 2023, <https://vcoss.org.au/essential-services/2023/05/the-missing-14/>

<sup>8</sup> AER, Review of consumer protections for future energy services, Final advice report, November 2023, <https://www.aer.gov.au/system/files/2023-12/AER%20-%20Review%20of%20consumer%20protections%20for%20future%20energy%20services%20-%20Final%20advice%20-%20November%202023.pdf>.

<sup>9</sup> FCA, Guidance for firms on the fair treatment of vulnerable customers, February 2021, <https://www.fca.org.uk/publications/finalisedguidance/guidance-firms-fair-treatment-vulnerable-customers>.

<sup>10</sup> Essential Services Commission, Energy Consumer Reforms Discussion Paper, 24 October 2024, <https://www.esc.vic.gov.au/sites/default/files/documents/CNP%20-%20Energy%20Consumer%20Reforms%20-%2020241017.pdf>, p. 22.



strongly support this. The timing of eligibility check-ins should be considered carefully to ensure they are effective, for example after the winter bill, after the introduction of a new concession, or at the first sign a consumer may be experiencing payment difficulty.

Many consumers do not frequently sign up to new plans and are therefore not often presented with the opportunity to add details around concession eligibility. The ACCC identified 2.1 million consumers are on flat rate offers that are more than 2 years old<sup>11</sup> and our surveys find nearly half of consumers (42%) say they investigate switching plans or retailers less frequently than once a year, while 12% say they never do.<sup>12</sup> During this time, many consumers may have experienced changes in circumstances and may become eligible for a concession. However, for the reasons already discussed, many are unlikely to inform their retailer of this change.

Retailers are currently required to ask for a customer's eligibility when a customer informs them they are experiencing payment difficulty. However, many consumers may not be reaching this point of contact with their retailer. Our surveys find that while 40% of households indicated they had trouble paying their home energy bills in the last six months, only a third of these households said they had contacted their retailer for help.<sup>13</sup>

Retailers are best positioned to identify eligibility for concessions. They have a direct contact point and relationship with the account-holder, they know a household's consumption and they have first insight into indications of financial stress. They also have access to financial and personal information that could indicate the likelihood of the need for assistance. As such, retailers should be using their data to actively monitor their customer-base and identify appropriate points in time to check-in and prompt consumers on their eligibility and how best to do so. The Australian Securities & Investments Commission made the same recommendation for lenders as part of their report, *Hardship, hard to get help: Findings and actions to support customers in financial hardship*.<sup>14</sup>

Retailers should check-in at the first sign a consumer may be experiencing payment difficulty. Consumers may be sacrificing in other areas in order to afford their energy bills, or over-restricting on energy use,<sup>15</sup> and may therefore already be experiencing significant hardship by the time their energy retailer is alerted to any payment difficulty. The use of Buy Now, Pay Later loans to pay for bills may also be obscuring a consumer's true financial hardship.<sup>16</sup>

### Question 6: What are your views on compliance?

Retailers should face penalties if they are found to be in breach of any of the proposed rules as there is already sufficient evidence that retailers are often not acting in the best interests of consumers. These new rules should be accompanied with clear guidance to retailers on what is expected from them to avoid consumer harm from misconduct occurring in the first place.

In its Energy Assistance Report, Consumer Action Law Centre (CALC) highlighted instances where people reported being coerced into unaffordable payment plans while other options, such as eligible

<sup>11</sup> ACCC, Inquiry into the National Electricity Market, December 2024, <https://www.accc.gov.au/system/files/accc-national-electricity-market-december-2024-report.pdf>

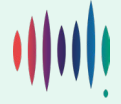
<sup>12</sup> ECA, Consumer Energy Report Card, December 2024.

<sup>13</sup> ECA, Consumer Energy Report Card, December 2024.

<sup>14</sup> Australian Securities & Investments Commission, *Hardship, hard to get help: Findings and actions to support customers in financial hardship*, May 2024, <https://download.asic.gov.au/media/w35baapb/rep782-published-20-may-2024-20240809.pdf>.

<sup>15</sup> Australian Council of Social Services, "It's not enough": why more is needed to lift people out of poverty', September 2023, [https://www.acoss.org.au/wp-content/uploads/2023/09/ACOSS\\_COL\\_Report\\_Sep\\_2023.pdf](https://www.acoss.org.au/wp-content/uploads/2023/09/ACOSS_COL_Report_Sep_2023.pdf).

<sup>16</sup> Joint consumer submission re Regulating Buy Now, Pay Later in Australia, options paper, December 2022, [https://treasury.gov.au/sites/default/files/2023-02/c2022-338372-joint\\_consumer\\_group.pdf](https://treasury.gov.au/sites/default/files/2023-02/c2022-338372-joint_consumer_group.pdf)



concessions, were not explored.<sup>17</sup> CALC’s recommendation is for “Services Australia and the Department of Families, Fairness and Housing to work with relevant government and regulators to automate the application of utilities concessions for eligible consumers”, a position which ECA also supports as this would eliminate any instance of retail misconduct in regards to concession application. However, in the interim, sufficient penalties for any breaches and clear guidance on how to avoid them must be included as part of these reforms.

The identification that many consumers are missing out on eligible concessions has, to date, largely been a result of community-sector research such as the Consumer Policy Research Centre’s Mind the Gap report.<sup>18</sup> There should be a more formal approach monitor the effectiveness of this rule change and identify any further amendments needed. Retailer practices should be actively monitored to identify how they are, or are not, improving access to concessions for their customers.

### **Question 7: Could consumer access to concessions and rebates be improved in a different or more efficient way?**

Automation of concessions on bills has been widely acknowledged as the more effective means of ensuring consumers are accessing concessions, and we encourage further work to progress this. We will continue to agitate with governments and the Department of Climate Change, Energy, the Environment and Water for autopayment to be included in the next phase in reforming consumer protections and progressing the recommendations arising out of the game changer initiative.

Given automation is beyond the scope of this consultation paper, the AEMC should consider how retailers can increase overall awareness of concessions. More than nine out of ten (92%) households in our Consumer Energy Report Card say they are interested in learning about energy rebates and concessions they might be eligible for.<sup>19</sup> Our [submission](#) to the Essential Services Commission’s consultation noted that concession details on retailers’ websites are often hard to find and require consumers to navigate multiple pages. The AEMC should include a requirement for retailers to make information on concessions easily available and consider the different ways consumers may be navigating their websites.

The Energy and Water Ombudsman Victoria’s (EWOV) has highlighted the importance of retailers taking proactive steps to increase awareness of concessions. They used the example of one retailer who launched a dedicated website for the Victorian Utility Relief Grant and sent dedicated communication materials to customers they considered likely to be eligible. This resulted in a 225% increase in requests for the grant.<sup>20</sup>

## **Concluding remarks**

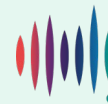
The gap in eligible consumers accessing concessions is further evidence of the challenges consumers face in an increasingly complex energy market. We continue to advocate for automating concessions and expect the required system upgrades be actively pursued to enable this to occur. However, requiring retailers to proactively check for eligibility is the logical short-term solution. Retailers are equipped with

<sup>17</sup> Consumer Action Law Centre, Energy Assistance Report, June 2024, [https://consumeraction.org.au/wp-content/uploads/2024/06/CALC034-Energy-Assistance-Report-2024-0.3-FA\\_WEB-ROSE-UPDATED.pdf](https://consumeraction.org.au/wp-content/uploads/2024/06/CALC034-Energy-Assistance-Report-2024-0.3-FA_WEB-ROSE-UPDATED.pdf)

<sup>18</sup> Consumer Policy Research Centre, Mind the Gap, November 2022, <https://cprc.org.au/report/mind-the-gap/>.

<sup>19</sup> ECA, Energy Consumer Report Card, December 2024.

<sup>20</sup> Energy and Water Ombudsman Victoria, Submission on proposed energy consumer reforms to the energy retail code of practice, 26 November 2024, [https://www.esc.vic.gov.au/sites/default/files/documents/Energy%20and%20Water%20Ombudsman%20Victoria%20-%20Submission\\_Redacted.pdf](https://www.esc.vic.gov.au/sites/default/files/documents/Energy%20and%20Water%20Ombudsman%20Victoria%20-%20Submission_Redacted.pdf)



substantial information on the energy market and their customers, placing them in the best position to be able to assess which of their customers may be eligible.

This rule change will not solve every issue impacting a consumer's ability to pay their energy bill. But it is a sensible and effective way to improve access to support that is already in existence and provide real and immediate assistance to consumers who need it.

**The national voice for residential and  
small business energy consumers**



PO Box A989,  
Sydney South NSW 1235  
T 02 9220 5500

[energyconsumersaustralia.com.au](http://energyconsumersaustralia.com.au)