

# Submission - Improving the application of concessions to bills consultation paper

Australian Energy Market Commission

19 March 2025

## About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality, and is the peak body for the community services and civil society sector. ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas. Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

Climate change and an inequitable and non-inclusive transition to a clean energy and economy, and more resilient society, is a threat to our vision.

Climate change disproportionately impacts people who face disadvantage including people on low incomes, people with disability, people with chronic health issues and Aboriginal and Torres Strait Islander peoples.

A rapid transition to net zero emissions, consistent with limiting global warming to 1.5 degrees C, is therefore critical to reducing the impact on people facing disadvantage. This will require Australia prioritising emission reductions this decade and aiming for net zero emissions by 2035.

However, to achieve benefits for everybody, the transition to net zero emissions must be fair and inclusive. Putting people with the least at the centre of policy design means we can rapidly reduce emissions, poverty, and inequality in Australia.

## Acknowledgements

This submission was prepared in consultation with the ACOSS Climate and Energy Policy Network, which comprises member organisations with an interest in climate and energy policy. We support the joint submission made by the Justice and Equity Centre (JEC) noting the ACOSS submission replicates many of the recommendations of the joint submissions as part of a broad consultation.

# Summary

ACOSS welcomes the opportunity to make a submission to the Australian Energy Market Commission's (AEMC) [consultation paper on Improving the application of concessions to bills: rule change proposal](#).

The consultation paper is seeking feedback on rule change request to amend the National Energy Retail Rules (NERR) to "remove the onus on consumers to notify retailers about their eligibility for a concession or rebate," specifically by requiring retailers to:

- a. proactively seek information from consumers **about their eligibility** for energy concessions or rebates upon sign up,
- b. introduce an information transfer obligation between retailers when a consumer switches retailers, and
- c. upon the rule taking effect, seek information from existing customers on their eligibility for concessions or rebates.

Under the current rules, a retailer is only required to provide residential customers **with information** on concessions or rebates at sign up (not ask whether they are eligible), and when a customer informs their retailer they are experiencing payment difficulties.

As noted in the consultation paper, research by Consumer Policy Research Centre found that many eligible consumers are not receiving concessions or rebates on their energy bills across all states and territories, including 31% in the Australian Capital Territory, 35% in New South Wales, 29% in Queensland, 38% in South Australia and 19% in Tasmania.<sup>1</sup>

Research by the Melbourne Institute of Applied Economic and Social Research in 2023 suggests the figure is much higher, finding just under 62% of concession card holders had not applied energy concessions to their energy bill in the past 6 months.<sup>2</sup>

People on low incomes spend five times more of their income on energy compared to high income households.<sup>3</sup> Energy concessions and rebates are crucial to achieving more equitable outcomes for people on low incomes, to help reduce energy payment difficulty, debt and disconnection. Given ongoing high energy prices, it's imperative that people who are eligible for an energy concession receives it.

To this end, ACOSS supports the rule change **as an interim measure** to increase the number of households receiving energy concessions and rebates. We urge the Federal

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<sup>1</sup> CPRC (2022) Mind the Gap <https://cprc.org.au/report/mind-the-gap/>

<sup>2</sup> Botha, F. and Prakasha, K. (2023) Insights into energy concessions awareness and energy - related behaviours among energy concession holders in Australia.

[https://melbourneinstitute.unimelb.edu.au/\\_data/assets/pdf\\_file/0009/4971096/Energy-Charter\\_Report\\_Final.pdf](https://melbourneinstitute.unimelb.edu.au/_data/assets/pdf_file/0009/4971096/Energy-Charter_Report_Final.pdf) pg. 21

<sup>3</sup> ECA (2023) Understanding the Energy Divide. <https://energyconsumersaustralia.com.au/wp-content/uploads/Understanding-the-energy-divide-1.pdf>

Government to pursue the original rule change request from the Australian Energy Regulator (AER) Game Changer report, recommending:

“Concession and rebate systems should be upgraded to facilitate centralised access to eligibility data for retailers, so they can verify if a consumer is entitled to a concession or rebate and automatically apply it to the consumer’s account. System upgrades should also ensure that consumers are able to switch retailers and retain their concessions, without the need to reapply.”<sup>4</sup>

We make several recommendations to operationalise and improve the rule change including use of multiple touch points along the customer journey, use of consistent and consumer friendly language and extending energy concession or rebates to anyone in a household who is eligible.

We also make a number of recommendations that while outside this rule change can be undertaken by federal, state and territory governments to improve access to energy concessions and better meet needs of people experiencing financial hardship.

## Summary of recommendations

**Recommendation 1:** the final rule change uses a mix of principles and prescription, and incorporates the following measures:

- a. Require retailers to regularly and proactively seek information from all consumers on their household’s eligibility for energy concessions or rebates, including:
  - a. When a consumer applies to have their bill paid through Centrepay,
  - b. when a consumer is in debt or has issues with payment,
  - c. when payment arrangement or retail deal change requests are made,
  - d. alongside any other key touch-points with consumers;
- b. Prescribe a periodic requirement for retailers to seek information from all customers about their eligibility for concessions or rebates. For example, a requirement to check at minimum once every 12 months, with retailers encouraged to check more regularly;
- c. Require energy retailers to systematically cross-check and apply entitlements for dual-fuel customers;
- d. Apply civil penalties for breaches to the proposed requirements;
- e. Prescribe the use of consistent and consumer friendly language to maximise understanding of eligibility of energy concessions and rebates. Consult with consumers and community organisations about how best to communicate with consumers about concessions and rebates;
- f. Require retailers to provide jurisdiction-specific concession and rebate information to consumers, and ensure systems are capable of doing so effectively and staff are suitable trained;

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<sup>4</sup> AER (2023) Game changer report, <https://www.aer.gov.au/system/files/2023-11/Game%20Changer%20Report%20-%20November%202023.pdf> AER (2023) Game changer, <https://www.aer.gov.au/system/files/2023-11/Game%20Changer%20Report%20-%20November%202023.pdf>

- g. Require retailers to develop systems and approaches that enable identification of identification mismatch issues, and discretion to resolve them where possible;
- h. Require retailers to develop systems capable of applying concessions or rebates to an account if anyone living in the home is eligible for a concession or rebate, not only the account holder. This may involve work with jurisdictions to ensure adjustment in criteria and proof of eligibility.

**Recommendations 2:** The AEMC immediately advise the Energy and Climate Change Ministerial Council to pursue larger systems upgrades to facilitate centralised access to eligibility data for retailers so they can verify if a consumer is entitled to a concession or rebate and automatically apply it to the consumer's account. System upgrades should also ensure that consumers are able to switch retailers and retain their concessions, without the need to reapply.

**Recommendations 3:** The AEMC advise the Federal Government to require Services Australia to notify people upon receiving a Pensioner Concession Card, a Health Care Card, or a Department of Veterans' Affairs Gold Card health care card, that they may be eligible for concessions and rebates on electricity and gas. The correspondence should recommend the person check with their state or territory government about eligibility and provide the relevant website and phone number to do so, for further information on eligibility. The correspondence should also suggest the recipient notify their energy retailer and or embedded network provider (for both electricity and gas) and request to receive the concession or rebate, and that they will need to do this each time they change energy retailer. At a minimum this information will give consumers confidence to say, yes, when asked by a retailer if they are eligible for an energy concession or rebate, and if they are able to, be proactive so they don't fall through gaps. The Services Australia website should be updated to provide appropriate links and phone numbers to various state and territory government websites. This information should be provided in multiple languages.

**Recommendations 4:** The AEMC encourage the Energy and Climate Change Ministerial Council to implement the ACCC's 2018 advice to review and reform energy concessions and rebates to better meet energy consumer needs, specifically:

- a. Energy ministers should commit to reform energy concessions and rebates, appropriate to their jurisdictions, to better meet the energy needs of people and changing external and technological circumstances
- b. Energy ministers should request the ACCC to model how a percentage-based energy concession could be implemented across jurisdictions.
- c. Energy ministers should work with the Minister for Social Services to review and reform eligibility for energy concessions to ensure the inclusion of all people who need additional financial support to access enough energy to support health and wellbeing. The review should include community consultation.

# Discussion and Recommendations

## 1. Support rule changes as an interim measure with additional measures to improve outcomes

ACOSS supports the proposed rule change as an interim measure, with some strengthening, while more fundamental measures enabling automation are progressed. The final rule change should incorporate a mix of principles to provide flexibility for retailers alongside specific requirements to achieve desired outcomes.

### *1.1 Regular, flexible communication with new and existing customers across electricity and gas*

The rule change should apply to new and existing customers. People's eligibility for concessions and rebates may change over time. Existing customers may not be aware they are eligible, may not know they are not already receiving the concession or rebate, or may not have been eligible for a concession or rebate and have become eligible.

Retailers should regularly and proactively seek information from all customers (new and existing) on their eligibility for concessions or rebates, not confining this to when people sign-up.

Retailers should seek information at key decision or attention points – for instance when changing payment arrangements, payment plans, or making other enquiries. Retailers should be required to ask about concessions and rebate eligibility where customers are accumulating debt, have persistent payment issues or have enquired about support available.

Retailers should use multiple touch points and communications channels.

If a customer is eligible for an electricity concession or rebate, they may also be eligible for a gas concession. Energy retailers should be required to systematically cross-check and apply entitlements for dual-fuel customers.

### *1.2 Prescribe the use of consistent and consumer-friendly language and appropriate to jurisdiction*

We often hear from members that the language used by retailers when providing information about concessions and rebates is confusing, inconsistent and occasionally alienating.

JEC in their submission notes that financial counsellors report a disconnect between the official names for concessions and the more colloquial names that people understand. E.g. 'Commonwealth Seniors Health Card' compared to the 'Gold Card'.

The AEMC should consult with consumers and community about how best to communicate with consumers about concessions and rebates and then **prescribe** the use of consistent and consumer-friendly language to maximise understanding of

eligibility for energy concessions and rebates. This should also be done in different languages.

There are differences across jurisdictions in what concessions and rebates are available and the requirements for retailer processes to apply them. The final form of this proposed rule change will need to accommodate jurisdictional differences, including referring to both concessions and rebates and requiring retailers to provide state-specific information for customers.

### *1.3 Expand eligibility to concession holder in the house*

Under current arrangements only the electricity or gas account holder can access the energy concession or rebate if they are eligible. However, we know from the data, hundreds of thousands of households are struggling to afford their energy bills and are in debt or at risk of being disconnected. There will be financially disadvantaged and stressed households missing out on access to energy concession, because the person eligible for the energy concession or rebate is not the account holder. In some cases, it may not be possible (ie. someone living in a share house) or appropriate (someone with a mental health issue or in a domestic violence situation) to set up an account in their name.

There are several jurisdictions that link life support energy rebates to the address, as long as someone living in the household needs approved energy-intensive life support equipment at home (such as home dialysis, ventilators and oxygen concentrators), rather than directly to the account holder.

ACOSS recommends the AEMC incorporate into the rule change a requirement to allow a concession or rebate to be applied to an account if it can be demonstrated that someone permanently residing in the home is eligible but is not the account holder.

### *1.4 Apply civil penalties for breaches of requirements*

The seriousness of harm for consumers in financial hardship of not receiving an energy rebate or concession should be reflected in the application of penalties for failing to act to ensure people eligible receive the concessions and rebates.

**Recommendation 1:** the final rule change uses a mix of principles and prescription, and incorporates the following measures:

- a. Require retailers to regularly and proactively seek information from all consumers on their household's eligibility for energy concessions or rebates, including:
  - a. When a consumer applies to have their bill paid through Centrepay,
  - b. when a consumer is in debt or has issues with payment,
  - c. when payment arrangement or retail deal change requests are made,
  - d. alongside any other key touch-points with consumers;
- b. Prescribe a periodic requirement for retailers to seek information from all customers about their eligibility for concessions or rebates. For example, a requirement to check at minimum once every 12 months, with retailers encouraged to check more regularly;

- c. Require energy retailers to systematically cross-check and apply entitlements for dual-fuel customers;
- d. Apply civil penalties for breaches to the proposed requirements;
- e. Prescribe the use of consistent and consumer friendly language to maximise understanding of eligibility of energy concessions and rebates. Consult with consumers and community organisations about how best to communicate with consumers about concessions and rebates;
- f. Require retailers to provide jurisdiction-specific concession and rebate information to consumers, and ensure systems are capable of doing so effectively and staff are suitable trained;
- g. Require retailers to develop systems and approaches that enable identification of identification mismatch issues, and discretion to resolve them where possible;
- h. Require retailers to develop systems capable of applying concessions or rebates to an account if anyone living in the home is eligible for a concession or rebate, not only the account holder. This may involve work with jurisdictions to ensure adjustment in criteria and proof of eligibility.

## **2. More durable and equitable reforms to energy concessions and rebates**

### *2.1 Automating Concessions and Rebates*

In the 2022 report commissioned by ACOSS and SACOSS, *Reforming Electricity Concessions to Better Meet Need*, one of the key recommendations was for energy ministers to work with social service ministers and relevant regulators to ensure people who are eligible for energy concessions receive them, including using automation in relevant systems.

As noted in the AEMC consultation paper, the final AER Game Changer report (which ACOSS informed) recommended that concession and rebate systems be upgraded to facilitate centralised access to eligibility data for retailers to enable them to automatically apply concessions and rebates and ensure that consumers are able to switch retailers and retain their concessions, without the need to reapply.

We note other forms of automation of consumer data and private entities occurs in other government systems like the Pharmaceutical Benefits Scheme, for example.

Given the high number of people who are not receiving energy concessions and rebates, and the financial distress experienced by people eligible for concessions, comprehensive reform to automate application of energy concessions and rebates warrants prioritisation.

It is important for government to ensure it has consent from people to share their personal information with retailers and other third parties in any automation of applying concessions and rebates. People's information must also be protected by relevant privacy provisions

**Recommendations 2:** The AEMC immediately advise the Energy and Climate Change Ministerial Council to pursue larger systems upgrades to facilitate centralised access to eligibility data for retailers so they can verify if a consumer is entitled to a concession or rebate and automatically apply it to the consumer's account. System upgrades should also ensure that consumers are able to switch retailers and retain their concessions, without the need to reapply.

## 2.2 Services Australia

Services Australia manages and distributes concession cards that grant eligibility to a range of state-based concessions, including the Pensioner Concession Card and the Health Care Card. These cards are used by states and territories to define eligibility for energy concessions and rebates. At the moment, Services Australia does not explicitly notify people of the benefits these cards entitle them to and what they need to do to access these benefits. The website provides some information but says to 'check with your state and territory government about what concessions Health Care Card holders can get (no links are provided).<sup>5</sup> This particular information does not appear to be available in different languages. ACOSS has made repeated requests to Services Australia to provide more information both in writing to people when they are granted their income support entitlement and on their website, and no progress has been made. ACOSS recommends.

**Recommendations 3:** The AEMC advise the Federal Government to require Services Australia to notify people upon receiving a Pensioner Concession Card, a Health Care Card, or a Department of Veterans' Affairs Gold Card health care card, that they may be eligible for concessions and rebates on electricity and gas. The correspondence should recommend the person check with their state or territory government about eligibility and provide the relevant website and phone number to do so, for further information on eligibility. The correspondence should also suggest the recipient notify their energy retailer and or embedded network provider (for both electricity and gas) and request to receive the concession or rebate, and that they will need to do this each time they change energy retailer. At a minimum this information will give consumers confidence to say, yes, when asked by a retailer if they are eligible for an energy concession or rebate, and if they are able to, be proactive so they don't fall through gaps. The Services Australia website should be updated to provide appropriate links and phone numbers to various state and territory government websites. This information should be provided in multiple languages.

## 2.3 Reform Energy Concessions to Better meet need

As noted in the 2022 report commissioned by ACOSS and SACOSS, *Reforming Electricity Concessions to Better Meet Need*,<sup>6</sup> energy concessions and rebates are supposed to help ensure that people on low incomes or experiencing financial hardship can pay their energy bills without foregoing other essentials. Yet too many

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<sup>5</sup> <https://www.servicesaustralia.gov.au/what-benefits-are-health-care-card?context=21981>

<sup>6</sup> <https://www.acoss.org.au/wp-content/uploads/2023/09/Reforming-electricity-concessions-to-better-meet-need-Summary-Report-Final.pdf>



people in Australia cannot afford to pay for the energy they need, leading to damaging outcomes such as:

- Non-payment of energy bills, growing energy debt and possible disconnection of their energy supply;
- Default on other financial obligations in order to pay energy bills, leading to indebtedness and loss of housing or other essential goods or services;
- Going without other essentials such as food or medicine to afford energy bills; and
- Reducing energy use by not heating or cooling their homes, cooking less or taking fewer showers, leading to serious health or social outcomes.

For decades, energy consumer advocates have been concerned about the design of most state and territory energy concessions, which are typically delivered as a fixed amount (flat-rate). This design does not:

- meet need;
- respond to changes in price, seasons, circumstances, and technology; and
- remove inequities in the assistance with some households getting more assistance than they need, while others get less.

Advocates are also concerned that many people who need additional financial support to afford their energy bills are missing out due to eligibility restrictions or accessibility barriers. Failure to clearly articulate clear objectives and criteria regarding who needs assistance and how much assistance is necessary has hindered good policy design.

This concern was echoed by the ACCC in 2018 when it concluded that most state and territory energy concession schemes delivered via a fixed amount were not fit for purpose, being poorly targeted and giving disproportionate support between households with low-consumptions households receiving disproportionately more support relative to the size of the energy bill than high-consumption households.

The ACCC recommended that energy ministers urgently improve energy concessions schemes in several ways, including means testing and targeting people most in need, giving a fixed rebate on the supply charge and a percentage discount on usage, and improving access. **These recommendations have not been acted upon.**<sup>7</sup>

**Recommendations 4:** The AEMC encourage the Energy and Climate Change Ministerial Council to implement the ACCC's 2018 advice to review and reform energy concessions and rebates to better meet energy consumer needs, specifically:

- a. Energy ministers should commit to reform energy concessions and rebates, appropriate to their jurisdictions, to better meet the energy needs of people and changing external and technological circumstances
- b. Energy ministers should request the ACCC to model how a percentage-based energy concession could be implemented across jurisdictions.
- c. Energy ministers should work with the Minister for Social Services to review and reform eligibility for energy concessions to ensure the inclusion of all

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<sup>7</sup> <https://www.accc.gov.au/publications/restoring-electricity-affordability-australias-competitive-advantag>

people who need additional financial support to access enough energy to support health and wellbeing. The review should include community consultation.

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