

4 March 2025

RRC0063 - Improving the application of concessions to bills
Australian Energy Market Commission
Submission made online at www.aemc.gov.au

Dear Sir/Madam

Subject: RRC0063 Consultation Paper – *Improving the application of concessions to bills*

SA Power Networks (SAPN) welcomes the opportunity to provide feedback on the AEMC’s Consultation Paper for the *Improving the application of concessions to bills* review.

As South Australia’s regulated energy distributor, serving 1.7 million South Australians, we play a critical role in the well-being of our community, particularly supporting those who are experiencing vulnerable circumstances. SAPN acknowledges the challenging cost-of-living environment for customers, and the need for eligible customers to receive the energy concessions and rebates they are entitled to. SAPN wholly supports the AEMC’s review to improve concession application to bills, helping lower the cost of eligible customers energy bills and provide some relief to cost-of-living pressures for those who need it most.

In line with SAPN’s strategic outcome of “*delivering a safe, affordable and reliable service for all*”, the organisation is formally adopting a corporate strategic performance measure of “energy affordability”. By adopting this established AER and Ofgem measure, we are demonstrating our commitment to working with stakeholders to understand our role in improving affordability for customers, as a key aspect of our long-term strategy.

SAPN believes all customers deserve affordable and equitable energy supply and is committed to advocating and supporting improvements that provide safeguards for all customers, and particularly those customers experiencing vulnerability. SAPN welcomes the opportunity to provide feedback on issues identified in the AEMC’s *Improving the application of concessions to bills*. This submission responds specifically to questions one and two as outlined in the *Consultation Paper, February 2025*.

Question 1:

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

If retailers do not ask consumers about their eligibility for concessions or rebates, does it create a barrier to access, and if so, how?

Do you have any comments on the identified barriers, or additional issues the Commission should be aware of?

As outlined in the *Consultation Paper*, 38% of eligible South Australian customers are missing out on energy concessions and rebates. Based on customer feedback obtained through SAPN community engagement and through our Vulnerable Customer Advisory Group (VCAG), SAPN recognises two key barriers that prevent customers from receiving concessions at sign up.

1. Customers are unaware they are eligible for concessions or rebates. SAPN strongly supports the recommendation of requiring the retailer to proactively seek information from customers on their eligibility for energy concessions or rebates upon sign up. Enforcing this step in the customer journey would be best practice to ensure all customers are given the opportunity to disclose eligibility and have access to concessions, no matter which retailer they are engaging with.
2. Customers find the SA Government’s concession application process complicated and hard to understand, particularly for those with low digital and literacy skills, and/or for those who are culturally and linguistically diverse. Customers who have financial counsellors assist them have better success completing the application and receiving the concession, however financial counsellors have advised the paperwork required to be completed by the customer is often a barrier. Customers find the level of information and documentation they need to provide in support of the application to be too onerous, and financial counsellors find it challenging to obtain the required paperwork from their clients. Whilst financial counsellor support exists and increases success of the concession application process, resources are limited, and not all customers have access to financial counsellor support.

Question 2:

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

Can stakeholders provide information on how many consumers who are receiving concessions or rebates do not inform a new retailer of their eligibility upon transferring, and what might drive this?

In South Australia, energy concessions and rebates do not transfer with the customer data when a customer moves retailer. The customer is therefore required to reapply for a concession or rebate with their new retailer, increasing the transaction cost (time and effort) for the customer and forming a barrier to switching retailers.

Through SAPN community engagement and our Vulnerable Customer Advisory Group (VCAG), customers told us that they face financial barriers when transferring retailers, as concessions or rebate may not be applied to the customer’s first electricity bill. Although the concession or rebate is backdated once approved, paying upfront on their first bill is difficult for some customers, particularly those who are experiencing financial vulnerability. This can act as a barrier to transferring retailers, both from financial and time / effort perspective, resulting in customers remaining with the same retailer and possibly missing the opportunity to switch to a better electricity offer.

SAPN would support a national jurisdictional approach to how energy concessions and rebates are applied for and managed, streamlining processes and ensuring easier transferability of concessions.

SAPN acknowledges that this review addresses short to medium term solutions for customers, as broader longer-term solutions such as system automatic application of rebates and concessions, are outside the National Energy Retail Rules (NERR) scope change.

We value the opportunity to make a submission to the AEMC's *Improving the ability to switch to a better offer* review and support improving customer and community outcomes. Should you wish to discuss this submission, please contact SAPN's Policy and Advocacy Lead, Rebecca Carter at rebecca.carter@sapowernetworks.com.au or on 0417 480 984.

Yours sincerely



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