SACOSS Submission to the AEMC consultation on RRC0063: Improving the application of concessions to bills

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The South Australian Council of Social Service (SACOSS) is the peak non-government representative body for non-government health and community services in South Australia, and has a vision of *Justice, Opportunity and Shared Wealth for all South Australians.* We undertake policy and advocacy work in areas that specifically affect disadvantaged and low-income consumers in South Australia.

SACOSS has a long-standing interest in the delivery of essential services. Our research shows the cost of basic necessities disproportionately impacts people on low incomes or experiencing disadvantage. SACOSS participates and engages in regulatory processes relating to the provision of essential services to promote better outcomes for South Australian households.

SACOSS welcomes the opportunity to provide input on the proposed rule change RRC0063: *Improving the application of concessions on bills*[1]*.* Concessions and rebates are essential for ensuring energy affordability for low-income and vulnerable consumers, yet the current system is riddled with complexity, inconsistency, and administrative burdens that too often result in consumers missing out on the financial support they are entitled to. SACOSS are broadly supportive of the proposed rule change, but as our submission outlines below, there are key elements of the reform that need to be implemented carefully.

The responsibility to ensure concessions are applied correctly and fairly must lie with retailers and the regulator, not consumers. It is neither reasonable nor appropriate to expect consumers—particularly those in financial hardship—to navigate complex, inconsistent, and opaque systems to access support that is intended for them. The regulator must ensure that this rule change delivers genuine improvements by minimising risk to consumers, strengthening retailer obligations, and ensuring proper enforcement mechanisms are in place.

Our submission will focus on the following key elements:

- Responsibility on retailers and regulators
- Civil penalties for non-compliance
- Automatic application of concessions and removing consumer burden
- Concessions at the household level
- Systemic barriers requiring further action
- Permanent concessions for eligible consumers

As a general comment, SACOSS would add that the cost to retailers of implementing this rule change should not be a primary consideration. Energy is an essential service, and retailers operate in a market where consumers have no choice but to participate. Unlike other competitive markets, consumers cannot opt out of purchasing energy.

Retailers that choose to operate in this space must meet higher consumer protection obligations to ensure fair treatment, particularly for those facing financial hardship. Protecting vulnerable consumers must be prioritised over retailer cost concerns.

[1] AEMC (2025) *RRC0063: Improving the application of concessions on bills*

The Onus Must Be on Retailers to Ensure Concessions Are Applied Correctly

Consumers should not bear the burden of ensuring they receive the concessions they are entitled to. The onus must be on retailers and regulators to implement systems that correctly and consistently apply concessions to eligible consumers. Many people who should receive concessions miss out simply because of administrative barriers, complex application processes, or a lack of proactive engagement by retailers.

One critical improvement is allowing the backdating of concessions, as is already the case in Victoria[2]. Since concessions are funded by the government, backdating does not impose additional costs on retailers. This approach ensures that consumers are not unfairly penalised for delays in processing or eligibility confirmation. A universal system of automatic backdating would provide much-needed financial relief to low-income and vulnerable households and should be a standard requirement across all jurisdictions.

Retailers should be responsible for:

- Asking all new and existing customers about their concession eligibility as a standard part of their sign-up and billing processes. This rule change must apply not just to new customers or those switching retailers but to all consumers. Financial hardship can arise at any time—not just when someone signs up for a new plan or retailer. Ensuring ongoing eligibility checks and improved communication between government agencies and retailers is essential.
- Ensuring that eligibility for concessions continues seamlessly when a customer transfers between retailers.
- Automatically applying all available concessions and rebates to an eligible customer's bill, rather than requiring consumers to repeatedly confirm eligibility.

The regulator must ensure that strict compliance and enforcement mechanisms are in place to hold retailers accountable when they fail to meet these obligations.

Strengthening Regulatory Oversight and Enforcement

It is our view that the AEMC must ensure that this rule change has strong enforcement mechanisms to drive compliance. SACOSS supports the application of civil penalties for retailers that fail to:

- Apply concessions correctly and consistently.
- Inform consumers of their eligibility during sign-up or transfer.
- Maintain transparent processes for consumers to check and update their concession status.

Without strict penalties, retailers will continue to place profit over consumer welfare. The cost of non-compliance must be greater than the cost of compliance to ensure retailers take these obligations seriously.

Removing Consumer Burden

The most effective way to improve concession access is through automatic application of all available concessions and rebates. This must be the ultimate goal of this reform, and the AEMC should work with state and federal governments to ensure this happens.

[2] DFFH (2025) *Concessions and Benefits – Annual Electricity Concession*

Recent federal initiatives, such as the Energy Bill Relief Fund[3], demonstrate that automation is both feasible and essential in ensuring support reaches those who need it. Expecting low-income consumers to navigate bureaucratic processes to access concessions is both inequitable and unnecessary, particularly when consideration is given to the discrepancy of availability, application, and provision of concessions across the National Energy Market (NEM).

Consumers on permanent support payments, such as the aged pension or disability pension, should not have to repeatedly confirm their concession status. A simple mechanism, such as a tick-box system or a permanent concession registration, could prevent eligible consumers from losing their concessions due to administrative errors or lapses in re-confirmation.

Ensuring Concessions Are Applied at the Household Level

Another major failure of the current system is that concessions are only applied to the account holder, despite the reality that energy costs are often shared within households. This creates inequities, particularly for:

- Renters in shared housing or informal arrangements.
- Households where the primary account holder is not the concession-eligible person (e.g., a partner, carer, or family member).
- Multigenerational households where elderly parents or individuals with disabilities contribute to energy costs but are not listed as the account holder.

However, we do not believe that an appropriate solution to this is to necessitate the person to whom the concession applies to be the account holder, for multiple reasons:

- More than one person in the household could be eligible for concessions, and these concessions could be different.
- This approach could risk putting the concession holder in a position where they are vulnerable to financial abuse.

We recommend that the AEMC explore mechanisms to allow concessions to be applied at the household level, ensuring that all eligible consumers receive the financial support they are entitled to. This is an issue that SACOSS has previously explored in our work on concessions, where we have noted that the exclusion of many house-sharing residents from being able to access the concessions to which they're entitled relies on assumptions about the nature of share houses and the relationship between these residents which simply may not be true. House sharing is often an effective way of reducing housing and other living costs, such as utilities, but this may be little more than a commercial agreement and does not necessarily imply income sharing or financial reciprocity. The assumption that people in shared housing support each other financially risks inadvertently increasing these residents' vulnerability by lowering their overall access to support[4].

Retailer Obligations During Consumer Transfers

Many consumers lose access to their concessions when transferring retailers, often because they are unaware they need to reapply or because retailers fail to ask about eligibility. The responsibility

[3] DCCEEW (2024) *Energy Bill Relief Fund 2024-25*

[4] SACOSS (2023) *The State of Concessions in South Australia: Poverty Premiums and Barriers to Access*

must sit with retailers and regulators, not consumers. As part of this rule change, work should be done to investigate including concession eligibility status in retailer transfer information. This would ensure that when a consumer switches retailer, their concession status is automatically carried over, reducing the risk of losing support during the transition.

Systemic Reform Beyond This Rule Change

The barriers preventing eligible consumers from receiving concessions are systemic and cannot be resolved solely by energy retailers. Governments must take greater responsibility for creating a streamlined and automated system. This rule change should be viewed as an interim measure rather than a complete solution.

SACOSS calls on the AEMC, state and federal governments, and energy market bodies to commit to:

- Improved data-sharing between government agencies and retailers.
- Reducing the administrative burden on consumers through streamlined processes.

The inconsistent application of concessions across jurisdictions remains a major issue. As acknowledged in the proposal document, not all concessions and rebates are administered by retailers. For example, in South Australia, these are handled by the Department of Human Services.

We acknowledge that automation will require system upgrades, but these costs must be weighed against the significant financial and social benefits of ensuring all eligible consumers receive the support they need. Consumers should not have to navigate complex systems to receive the financial assistance they are entitled to. A streamlined, automated process would ensure that concessions and rebates are applied fairly and consistently.

We commend efforts to strengthen consumer protections and improve the fairness of energy retail markets. SACOSS trust that the suggested improvements we have proposed will ensure successful implementation of this rule change. If you have any questions about our submission, please contact our Senior Policy Officer Malwina Wyra at malwina@sacoss.org.au or on 8305 4228.

Kind regards,

Ross Womersley, CEO