

# Improving the application of concessions to bills

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Submission to the Australian Energy  
Market Commission

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**Energy Consumers Australia is the national voice for household and small business energy consumers. We advocate for a fair, affordable, and reliable energy system—one that meets everyone’s needs and leaves no one behind on the journey to net zero.**

## Introduction

We welcome the opportunity to respond to the Australian Energy Market Commission’s (AEMC) Draft Determination on Improving the application of concessions to bills.

Concessions are a critical safeguard for households experiencing vulnerability or hardship. However, the current system is fragmented, varies significantly between jurisdictions, and relies heavily on customers navigating complex manual processes. As a result, many eligible households miss out on support altogether.

We support the AEMC’s list of recommendations – in particular the primary recommendation that the Department of Climate Change, Energy, the Environment and Water (DCCEEW) lead coordinated, cross-government work to enable automated concession application. Automation is the most effective and equitable way to ensure eligible consumers receive support from the current concessions framework without placing unnecessary administrative burden on them.

However, the rule change itself is limited. We urge the AEMC to do more within the current rule change process to improve application of concessions in the meantime. As the Draft Determination notes, automation of concessions is complex and could take time.<sup>1</sup>

We support the proposed rule change to require retailers to ask about concessions eligibility at the point of sign-up, but this should be expanded to an ongoing obligation for retailers to ask about eligibility periodically (such as every 12 months) or at other specified times (such as when a consumer is experiencing payment difficulty). As automation of concession may require a lengthy reform process (and jurisdictions’ support is not yet confirmed) it is important that every effort is made to improve application of concessions under the current framework in the meantime.

## **We welcome the AEMC’s recommendations to improve consumer outcomes – in particular automating concessions**

### **Response to draft recommendations**

We support the AEMC’s draft recommendations to improve the application of concessions to energy bills, particularly the AEMC’s endorsement of automatic concessions (draft Recommendation 1) and harmonising schemes across jurisdictions (draft Recommendation 2). Automating concessions remains the most effective way to ensure eligible customers receive support without unnecessary barriers to administrative burden.

Recent Energy and Water Ombudsman scheme case evidence shows that even when customers provide valid concession details at sign-up, payments can still fail due to issues with (for example) Centrelink privacy protections blocking routine data-matching.<sup>2</sup> This forces a manual exceptions process

<sup>1</sup> AEMC, Draft Determination, ii.

<sup>2</sup> EWON, EWOQ, EWOSA, [Joint Submission to AEMC on Improving the application to bills consultation paper \(March 2025\)](#), p. 10.



requiring extra documents and explicit consent, leaving customers to carry the administrative burden for weeks or months. Automatic application of concessions could address these issues.

This reform is urgent. The 2025 Consumer Energy Report Card shows that among households experiencing multiple hardship indicators, nearly two-thirds (65%) had not enrolled in a retailer hardship program, around one-third (30%) had not contacted their retailer for help, and almost half (49%) had not applied for government support.<sup>3</sup> Concessions are playing crucial assistance roles, yet uptake remains worryingly low. In some jurisdictions, significant proportions of eligible households do not receive energy concessions, including 35% in NSW, 38% in South Australia, 31% in the ACT, 29% in Queensland, and 19% in Tasmania.<sup>4</sup> Even among concession card holders, just under 62 percent had not applied energy concessions to their energy bill in the past six months.<sup>5</sup>

These low uptake rates reflect structural barriers where consumers need to call their retailer, meet varying eligibility requirements, and reapply every time they switch. For an essential service, it is unacceptable that the most vulnerable consumers, including older people living alone, people with disability, or those with limited English, are expected to navigate this process repeatedly. The system was not designed with the consumer in mind, and these structural barriers make automation not only a matter of efficiency but a matter of equity.

Harmonisation of eligibility rules and application processes across jurisdictions could deliver consumer benefits by simplifying the current process, while also laying essential groundwork for a nationally consistent automated system. However, we caution that any harmonisation should not result in any reduction in protections or benefits to consumers – harmonisation should aim to lift standards, not lower them.

We support draft Recommendations 3–7 as interim measures to improve the current manual system until automated concessions are introduced. We support the establishment of a cross-agency forum, including to resolve verification issues as a priority, and recommend consumer and community groups are appropriately represented on this forum (draft Recommendation 6).

In relation to the stakeholder input sought on draft Recommendation 8, we support in principle concessions being applied at the household level, and the AEMC's draft Recommendations 8.1 and 8.2. This would ensure eligible households can receive support even if the concession holder is not the account holder, removing a significant barrier for households in shared tenancies, carer arrangements, or where cultural and family norms mean the bill is in another person's name. We agree that the issues raised by the AEMC regarding privacy, consent and potential financial abuse are matters that would need to be considered as part of this reform by governments in consultation with consumer advocates, retailers and community organisations, to ensure appropriate safeguards without creating unnecessary barriers to access. The final recommendation could reflect this.

## Broader review of concessions schemes

As we have raised in our submissions to the AEMC's Pricing Review, we recommend as part of that review (and perhaps in conjunction with the Better Energy Customer Experiences process) a broader review of the effectiveness of current concessions schemes and whether they are providing the most

<sup>3</sup> ECA, [Consumer Energy Report Card – Understanding and measuring energy hardship in Australia \(June 2025\)](#), p. 16.

<sup>4</sup> Consumer Policy Research Paper, [Mind the Gap](#) (2022), p. 10.

<sup>5</sup> EWON, EWOQ, EWOSA, Joint Submission to AEMC on Improving the application to bills consultation paper (March 2025), p. 2.



effective support and protection for vulnerable consumers.<sup>6</sup> We have also made similar recommendations elsewhere.<sup>7</sup>

This could include examining structural reforms to improve affordability and equity, including the feasibility of a low-cost or hardship tariff for eligible consumers, and optimising existing government and industry schemes to better support consumers. We acknowledge any concessions reforms will necessarily involve a range of stakeholders, but the AEMC itself can play a central role in leading discussions through the Pricing Review and through the forums that may be established to progress the AEMC's welcome draft recommendations.

## **The proposed rule change should go further to improve consumers' access to concessions**

While we agree that automation of concessions is the preferred approach, we recommend the AEMC do more within the current rule change process to improve application of concessions in the meantime. As the Draft Determination notes, automation of concessions is complex and could take time.<sup>8</sup>

### **Asking consumers about their eligibility at sign-up**

We support the proposed requirement that retailers ask consumers about their eligibility for concessions at sign-up, though as the paper notes this is already standard practice,<sup>9</sup> so we do not anticipate this will significantly improve the application of concessions.

We note the proposed rule gives retailers flexibility as to how to 'ask' consumers about their eligibility but that the AEMC recommends the AER develop guidance on this (Draft recommendation 3). We support this recommendation and further recommend that the AER undertake ongoing monitoring of retailers' communication with consumers about concessions against its guidance, to ensure all retailers are communicating in a manner that is clear and comprehensible to consumers, particularly vulnerable consumers.

### **Asking consumers about their eligibility periodically or at certain times (beyond sign-up)**

As we submitted in response to the Consultation Paper, we consider that the requirement to ask consumers about their eligibility should be ongoing – that is, retailers should be required to ask further about consumers' eligibility periodically or at certain times. We urge the AEMC to reconsider implementing this proposal.

We note the Victorian Essential Services Commission (ESC) is considering similar issues as part of its review of the Energy Retail Code of Practice. The ESC has proposed that retailers request concession eligibility information at all times when a retailer considers it relevant to do so, as well as at other specified times.<sup>10</sup>

At the point of sign-up, a consumer is presented with a range of complex information (including the information required under section 19 or 64 of the Rules Rules). A consumer's priority at this point is likely to be simply getting connected under their new energy contract; it is easy to overlook important information about concessions at this point.

<sup>6</sup> ECA, [submission-doc-aemc-pricing-review-electricity-pricing-consumer-driven-future-discussion-paper.pdf](#), 11.

<sup>7</sup> E.g. ECA, [submission-doc-dcceew-2025-reforms-default-market-offer-consultation-paper.pdf](#), 9.

<sup>8</sup> AEMC, Draft Determination, ii.

<sup>9</sup> AEMC, Draft Determination, 3.

<sup>10</sup> ESC, [Energy Consumer Reforms](#), 126.



There are also a range of reasons why concessions information will only be relevant to a consumer at a later point (after sign-up), for example:

- a consumers' eligibility for a concession has changed
- a new concession has been introduced
- a consumer is experiencing payment difficulty.

Additionally, noting the AEMC has not proposed to implement a one-time contact obligation on commencement of the rule, there will be a number of consumers currently eligible for concessions who do not sign-up to a new contract and will not be asked about their eligibility for some years or never. 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> 20% of consumers review their energy plan only 'once every few years' and 16% 'less frequently than every 5 years' or never.<sup>12</sup>

We acknowledge it may be difficult to devise a proposed rule at this stage that covers the full range of touchpoints at which it may be most useful for retailers to ask consumers about their eligibility. Retailers could be given discretion to determine the appropriate times to ask consumers, subject to minimum requirements. Accordingly (in addition to the requirement to ask on sign-up), **we recommend that retailers have an ongoing obligation to ask consumers about their eligibility for concessions at least once every 12 months.**

We note the AEMC has excluded consideration of the provision of information about concessions to consumers at the point of payment difficulty because of the AER's concurrent payment difficulty review. The AER has now delivered its review and has recommended including a range of reforms that would require changes to the Retail Rules.<sup>13</sup> We accept that this broader package of reforms should be the subject of a separate rule change request but do not see why this should preclude the AEMC from making targeted changes now to better support application of concessions for customers experiencing payment difficulty that align with the sign-up obligation the AEMC has proposed.

Retailers are already required to provide information about concessions to customers experiencing payment difficulty (rule 33(3)), recognising that this is a key point at which this information is most useful to consumers and when they are most likely to engage with this information. Extending this to an obligation to ask consumers about their eligibility at this point would be consistent with the proposed sign-up rule. As an alternative (or in addition) should the AEMC not wish to implement the ongoing requirement recommended above, we suggest requiring retailers to ask consumers about their eligibility when they are experiencing payment difficulties.

### **A one-time contact obligation on commencement of the rule**

We note the AEMC does not propose to implement the proposed one-time contact obligation on commencement of the rule. Should our recommendation above (to require an ongoing obligation to ask consumers about their eligibility) be adopted, we are comfortable with the one-time contact obligation not being implemented. However, without an ongoing obligation, as we have noted above, there will be a number of consumers currently eligible for concessions who do not sign-up to a new contract and will not be asked about their eligibility for some years or never.

<sup>11</sup> ACCC, [Inquiry into the National Electricity Market report](#) - December 2024.

<sup>12</sup> ECA, [Consumer Energy Report Card data](#) | Energy Consumers Australia.

<sup>13</sup> AER, [AER Review of payment difficulty protections in the NECF - Findings report](#) - May 2025.



If the AEMC does not wish to adopt our recommendation for an ongoing obligation, we suggest the AEMC reconsider a one-time obligation as an alternative. The AEMC accepts retailers' arguments that these campaigns are costly and without significant benefit. However a compelling counter-example was noted by EWOV of a retailer campaign resulting in a 225% increase in requests for the Victorian Utility Relief Grant.<sup>14</sup> This suggests that other campaigns may not have been well-designed to elicit the desired behavioural responses, rather than that outreach campaigns of this kind are necessarily ineffective.

While a targeted ongoing obligation is our preferred option given its long-term reach, a one-time obligation could be an alternative if an ongoing obligation is not preferred by the AEMC.

<sup>14</sup> Draft determination, 9.

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