

Australian Energy Market Commission
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Submitted online: <https://www.aemc.gov.au/contact-us/lodge-submission>

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Improving the application of concessions to bills

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission in response to the Australian Energy Market Commission's ('AEMC') *Improving the application of concession to bills* Consultation Paper ('the Paper').

The AEC is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC supports improving the uptake of energy concessions, recognising the important role of concessions in the customer protection framework. We believe this consultation offers an important opportunity to achieve increased uptake of energy concessions.

As outlined in our submission to the Essential Services Commission on this issue, we note that this is a policy area where the incentives of retailers and customers are directly aligned.¹ Concessions are important for consumers, particularly customers in vulnerable circumstances, as they directly contribute to lower bills and prevent the accumulation of debt. For retailers, ensuring that eligible customers receive their concessions reduces the risk of bad debt and minimises associated operational costs. As such, retailers have a strong interest in ensuring that customers are aware of and are receiving their entitlements. Indeed, retailers proactively seek concession information in multiple instances of the customer journey as well as provide additional information on bills and online material to improve customer awareness.

While out of scope in this consultation, the AEC maintains that the most comprehensive solution to low concession uptake would be to reduce the information asymmetries between retailers and Services Australia. Retailers generally capture a significant portion of their customer base when it comes to concessions, but do not know who is eligible. On the other hand, Services Australia knows the customers who are eligible, but not who their retailer is. Improving the flow of information between these two entities would be a far more comprehensive, long-term solution. Retailers would be better able to cross check their databases with information from Services Australia to better identify customers who might be eligible but have not notified their retailer. Likewise, this would help decrease instances where there might be rejected eligibility on the basis of minor errors, such as name differences between customer details provided to Services Australian and those available to a retailer. As it stands currently, there are very few ways for a retailer to check for these minor discrepancies.

¹ Australian Energy Council, [Submission to Energy Consumer Reforms](#), [2024].

The paper asks if there are efficiencies that can be found specific to NECF jurisdictions. Here, the AEC considers that there might be scope for harmonisation and consolidation on concessions across states to increase customer awareness of their entitlements and greater uptake. South Australia, for instance, maintains regulations that are likely to contribute to lower uptake. Here, a customer must wait for their first bill and therefore cannot apply for their concessions at the point of sale, the best instance a retailer has to proactively ask customers if they are eligible. Moreover, only the main account holder can apply for a concession. In instances where one partner of a couple is eligible for a concession, but is not the main account holder, then a concession may not be applied. South Australia has the lowest rate of concession uptake across the NECF as cited in the paper. It should also be noted that other jurisdictions, such as New South Wales, are currently conducting reforms to their rebate structures.

The proposal to link concessions obligations with the NMI transfer process is not supported by the AEC. NMIs are associated with sites/premises, rather than customers. Attaching concession information to the NMI would risk conflating customers, particularly in instances when a customer changes residence. As this would require amendments to MSATS, there would also be significant implementation costs that would inevitably flow through to customers. Ultimately, this pathway would not add any further value as retailers already work to capture concession status on sign-up.

Any questions about this submission should be addressed to Braeden Keen by email to braeden.keen@energycouncil.com.au.

Yours sincerely,

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