

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 draft determination

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* Draft Determination ('Draft').

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 the preferable draft rule and accompanying recommendations outlined in the AEMC's draft determination. We believe that the draft offers an important step towards lasting, long-term reform that improves the uptake and awareness of energy concessions for customers.

In our [submission](#) to the initial consultation paper, we noted that uptake and awareness of concessions is an area where customers and retailers have a mutual interest in improving outcomes. Concessions are important for the customer, particularly for those experiencing vulnerability, as they lower bills and prevent the accumulation of debt. Retailers likewise have a strong incentive to ensure that customers are aware of and receive entitlements as this supports a positive customer experience, reduces the risk of bad debt and minimises associated operational costs. As the AEMC has highlighted, many retailers already go above and beyond regulatory requirements by proactively seeking concession eligibility information throughout the customer journey, and by providing additional information on bills and online information to improve customer awareness.

As such, we agree with the AEMC that there is no evidence of a market failure in this area; rather there are gaps and process barriers arising from factors such as jurisdictional inconsistencies and the complexity of concession arrangements. We are pleased, therefore, that the AEMC has proposed two proportionate rule changes that address these gaps without being overly prescriptive. Indeed, this reflects practices that retailers already incorporate into their customer engagement.

While this pathway differs from that undertaken by the Essential Services Commission, the AEC considers the AEMC approach to be preferable. As noted in our [submission](#) to the ESC, we outlined concerns around the prescriptive elements of their chosen option, highlighting that the additional required touchpoints may not be practical or appropriate for retailers to request concession information and doing so could create unnecessary complexity or confusion for both customers and retailers.

The AEC does, however, have concerns regarding aspects of the AEMC's draft rule, particularly the reference in clause 19(1)(c) to "all applicable government funded energy charge rebate, concession or relief schemes."¹ The scope of such schemes changes frequently and creates a risk of providing excessive and potentially irrelevant information to customers at the point of sign-up. This may, in turn, detract from the overall effectiveness of the engagement with the customer and dilute the key message. The AEC considers that a more proportionate approach would be preferable, such as seeking the customer's consent to receive detailed information, narrowing the definition of schemes to be referenced, or providing retailers with flexibility to tailor the information based on the customer's likely eligibility.

In terms of the recommendations, the AEC is supportive of progressing the automation of the application of concessions. As we have previously outlined, the most comprehensive solution to concession uptake issues would be to reduce the information asymmetries between retailers and Services Australia. We are pleased that the AEMC has sought to progress this through the Department of Climate Change, Energy, the Environment and Water (DCCEE). We acknowledge, however, that achieving this will be a complex process, involving significant systems integration and careful management of privacy and data security considerations. The AEC and its members are ready to work constructively with government agencies and other stakeholders to develop and implement a solution that is effective, secure, and practical for both customers and retailers.

We likewise welcome the recommendations aimed at achieving greater harmonisation between jurisdictions in the administration of concessions. Current processes for validating concessions vary significantly across NECF jurisdictions, and there is clear scope for consolidation to improve customer awareness of entitlements and increase uptake. We therefore support the establishment of a cross-agency forum to address the remaining barriers to concessions access.

The AEC looks forward to continued constructive engagement with the AEMC on this reform and to working with other stakeholders to ensure its associated recommendations are actioned.

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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¹ AEMC, '[Draft National Energy Retail Amendment \(Improving the application of concessions to bills\) Rule 2025](#)', pg.3