The Treasury
Retail Banking and Currency Unit, Banking and Credit Branch
Langton Cres, PARKES ACT 2600

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Mandating cash acceptance

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission in response to Treasury's *Mandating cash acceptance* Consultation Paper.

The Australian Energy Council 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.

Energy retailing and cash acceptance

Given the existing regulatory framework, and the fact that energy retailers are essentially 'digital-only' businesses we believe that energy retailers should be excluded from the proposed mandate.

Energy retailers already have an existing obligation to accept payment 'in person' under Rule 32(1)(a) of the National Energy Retail Rules (NERR), which requires retailers to provide multiple payment methods, including an 'in-person' option. Given this, the proposed mandate risks introducing redundant regulation to energy retailers without delivering additional consumer benefits.

As payment methods continue to evolve, it may also be beneficial for the Australian Energy Market Commission ('AEMC') to review the existing NERR provision in future to ensure it remains fit for purpose.

The intent of the proposed mandate is to ensure that customers continue to have access to cash for essential services. While energy is an essential service, energy retailers do not typically operate physical storefronts where customers can pay their bills in person. Retailer payment options are almost entirely digital, including credit card, debit card, BPAY, and Centrepay. Digital-first payment systems streamline retailer operations and helps keep costs as low as possible for energy customers.

Customers who prefer to pay their energy bills in cash can do so through Australia Post, which is the primary channel energy retailers use for in-person cash payments. Given Australia Post is a government-owned entity, it is expected to be covered under the proposed mandate, ensuring continued access to cash payment options. We suggest that the Government prioritise ensuring that Government entities like Australia Post continue to accept cash, rather than introducing an additional requirement on energy retailers that rely on third-party intermediaries.

Introducing a separate and largely duplicative requirement for energy retailers to accept cash payments is unlikely to provide significant benefits to customers. Indeed, it creates further difficulties if these obligations are to be changed in future, as this would need to be done via two different legislative instruments. Moreover, an AEMC rule change is currently under consideration which is seeking to limit the fees and charged that energy retailers can recover from consumers, which includes over the counter payments. The AEC has concerns that the mandatory obligation coupled with these potential changes could create costs

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that are spread to the broader customer base. Keeping costs as low as possible for energy customers is a priority for energy retailers, particularly considering continued cost-of-living pressures.

Additionally, innovative energy offerings, such as battery storage, solar installations, community batteries, and EV plans, rely on digital payment systems with direct debit arrangements. These products do not have system capability for cash payments, and mandating cash acceptance would introduce considerable cost and complexity, reducing affordability for customers while also discouraging the uptake of cleaner energy solutions.

Application to EV charging stations

Similarly, we recommend that EV charging stations be explicitly excluded from the proposed mandate. EV charging infrastructure typically operates as a digital-first service, with transactions primarily processed via mobile apps, RFID tags, or card payments. Unlike traditional fuel stations, EV chargers do not have staffed payment counters, and requiring cash acceptance would introduce unnecessary operational complexity and costs.

Mandating cash acceptance for EV charging stations would not only increase costs for operators, costs that would ultimately be passed on to consumers, but also jeopardise the decarbonisation of the Australian economy. Higher costs and operational inefficiencies risk deterring investment in EV infrastructure, slowing the speed and scale of network expansion. Given the Australian Government's legislated emissions reduction targets and broader decarbonisation objectives, it is crucial to avoid regulatory settings that could unintentionally hinder electrification efforts.

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

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