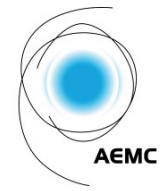


# Assisting hardship customers rule change - feedback from consumer groups on the consultation paper



## 16 December 2024 – meeting notes

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### Purpose of the session

At an online meeting with AEMC staff on 16 December 2024, consumer groups provided verbal feedback on the consultation paper for the *Assisting hardship customers* rule change (RRC0060). This rule change is from the package of consumer-related rule changes submitted by the Hon. Chris Bowen MP, Minister for Climate Change and Energy, as Chair of the Energy and Climate Change Ministerial Council (ECMC).

As agreed, the AEMC is considering the feedback during this session as a formal submission to the consultation paper from the consumer groups listed below. A summary of the feedback is below.

The AEMC welcomed consumer groups to provide any supplementary written submissions.

### Consumer group and AEMC attendees

Organisation	Representatives/role
AEMC	<ul style="list-style-type: none"><li>- Executive General Manager of Consumer, Markets and Analytics team</li><li>- Project Sponsor</li><li>- Project Leader</li><li>- Legal Director</li><li>- Senior Lawyer</li></ul>
Australian Council of Social Service (ACOSS)	Program director
Energy Consumers Australia (ECA)	Executive manager
Justice and Equity Centre (JEC)	<ul style="list-style-type: none"><li>- Program director</li><li>- Policy officer</li></ul>
South Australian Council of Social Service (SACOSS)	<ul style="list-style-type: none"><li>- Senior policy officer</li></ul>
Tasmanian Council of Social Service (TASCOSS)	Senior policy officer

### Summary of feedback

- Consumer groups broadly support the intention of the rule change but have concerns about unintended consequences and perverse outcomes, particularly under the current framework that is opaque in terms of how better offers are determined and how retailers determine customers as hardship.
- Some consumer groups, including JEC, SACOSS and ACOSS, expressed they have the following concerns with the proposed crediting mechanism:
  - available better offers becoming less publicly available

- disincentivise retailers in having consumers enter a hardship program
- retailers become more aggressive with removing people from a hardship program, resulting in people being forced out of a hardship program while still in debt and losing the credit as well
- fewer customers in a hardship program as a result
- bill shock when customers exit a hardship program and no longer receive a credit and reinforcing cyclical nature of consumers experiencing hardship (ie. consumers getting the better offer while they're on the hardship plan, coming off the hardship plan going back to more expensive bills, going into debt again)
- the crediting mechanism not benefiting customers in the long run and whether or not energy will continue to be unaffordable for them.
- JEC and ACOSS suggested the AEMC consider alternatives for delivering the intent of the rule change request and mitigate potential unintended consequences from the crediting mechanism.
- JEC supports an objective approach that is based on a transparent, objective and consistent criterion that can be monitored or reported (eg, debt or consumers who are receiving a rebate or concession). JEC also encourages the AEMC to consider the widest possible scope of action in solving the identified problem.
- ACOSS and SACOSS suggested additional, supplementary and/or alternative measures to the crediting mechanism, including:
  - strengthening communications to the customer regarding available deemed better offers and why they are receiving a credit
  - requiring retailers to proactively engage with customers in moving them onto the deemed better offer, and providing the credit if a customer chooses not to switch to a deemed better offer
  - building more communication or transparency on how better offers are decided so people know where it's coming from to build trust
  - putting customers permanently onto a better offer, regardless of whether they are in or out of the hardship program.