



7 March 2025

Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Via online lodgement – www.aemc.gov.au

Improving the application of concessions to bills - Consultation Paper (RRC0063)

Alinta Energy welcomes the opportunity to respond to the Australian Energy Market Commission's consultation paper on improving the application of concession to bills rule change.

Retailers and customers have a strong shared interest in ensuring that all eligible customers are able to access concessions and rebates. Customers eligible for concessions and rebates have lower energy costs and are less likely to encounter payment difficulty. This in turn reduces the risk of bad debt for retailers and lowers costs for all energy customers.

The proposed rule change does not set out sufficient detail to instil confidence it will address the perceived issues in the consultation paper. Further prescription is unlikely to improve efficiencies and reduce retailer operating costs. Most retailers actively engage with customers to establish their eligibility for concessions and rebates as part of the customer transfer process or when a customer establishes a new account. Furthermore, retailers routinely check customer eligibility for concessions and rebates when they face payment difficulty and enter a hardship program.

While noting barriers may exist, retailers take steps beyond current minimum requirements prescribed in the National Energy Retail Rules and have incentives to ensure eligible customers have access to concessions and rebates.

Whilst there is a role for retailers in providing access to concessions and rebates for eligible customers, Government and other agencies involved in the delivery of concessions and rebates can also assist in making the process easier and more efficient to provide financial support. Jurisdictional harmonisation is a key opportunity for improvement.

Changes to transfer systems, for example, requiring the inclusion of concession eligibility information in standing data, would be costly and duplicative where retailers already check and establish customer eligibility as part of the normal customer transfer process.

Alinta Energy recommends the Commission consider alternatives to a change to the NERR that would still address the potential concerns the proposed rule identifies. This would include:

Jurisdictional harmonisation

In some jurisdictions, barriers to accessing concessions and rebates are driven by the administration of these benefits. Harmonising processes and removing restrictions to access at the jurisdictional level - for example, the process applied in South Australia, where customers must wait until they receive their first bill for concessions to apply, rather than when they sign up - would reduce the instance of customers missing out on these benefits.

Further consistency across jurisdictions as to who is eligible to receive concessions is required. It is not acceptable to have the situation where a concession card holder is eligible to receive a rebate or

concession in one jurisdiction where in another the same concession card holder is not.

Information campaigns

As the provider of concessions and rebates, State and Commonwealth agencies could develop targeted information campaigns (including for customers from culturally and linguistically diverse backgrounds and less digitally literate households) to encourage further uptake of concessions and rebates.

Monitor accessibility over time

Providing retailers with the flexibility to manage customer access to concessions and rebates and measuring changes over time within the context of a principles-based approach would be more effective than further prescription within the NERR.

We respond to specific questions contained in the consultation paper below. Alinta Energy welcomes any further opportunity to discuss our response with the Commission, please contact David Calder (David.Calder@alintaenergy.com.au) in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Shaun Ruddy', written in a cursive style.

Shaun Ruddy
Manager, National Retail Regulation

Question 1: What are the key barriers to consumers not receiving concessions or rebates at sign up?

If retailers do not ask consumers about their eligibility for concessions or rebates, does it create a barrier to access, and if so, how?

Do you have any comments on the identified barriers, or additional issues the Commission should be aware of?

As discussed above, retailers have strong incentives to ensure customers can access concessions and rebates and to verify their eligibility. There is no evidence to suggest that retailers conceal this information or fail to check eligibility during sign-up. In fact, we understand most retailers actively confirm customer eligibility for available concessions and rebates when onboarding new customers.

The Commission has identified the range of barriers that consumers may face in accessing concessions and rebates.

Question 2: What happens to consumer access to concessions or rebates when they transfer retailers?

Can stakeholders provide information on how many consumers who are receiving concessions or rebates do not inform a new retailer of their eligibility upon transferring, and what might drive this?

Alinta Energy takes a proactive approach to establishing a new customer's eligibility for concessions and rebates. This reduces the onus on the customer to volunteer their eligibility on signing up. We believe this approach is best-practice and is in the mutual interest of customers and retailers.

Question 3: How could retailers best ask or inform consumers about their eligibility for concessions or rebates at sign up?

How would a principles-based vs prescriptive rule impact both consumers and retailers? What would the implementation costs and process be for any such change?

Alinta Energy does not support a prescriptive approach through new rules in the NERR in addition to existing obligations (information requirements) and voluntary actions by retailers in establishing customer eligibility when signing up. A prescriptive approach would increase operating costs, leading to higher costs for all consumers, outweighing any potential benefits. The rule change request does not set out the rules that would apply and its objectives would be best served through alternatives that emphasise a principles-based approach, including information sharing, retailer best practice, and harmonisation of jurisdictional rules.

Question 4: What should occur during a transfer?

How would a transfer-specific obligation interact with an obligation for a retailer to ask a customer about their eligibility at sign-up?

What are your views on the options for a transfer-related obligation, such as adding a field to the current NMI transfer process, a requirement similar to that in NSW, or any other recommendations? What would the implementation costs and processes be for these options?

If retailers are already routinely confirming customers' eligibility for concessions and rebates, modifying transfer systems such as MSATS would be largely redundant. The costs of adding additional fields to individual NMIs would far exceed any potential benefits.

Similarly, the New South Wales requirements are met when retailers check customer eligibility on signing up on transfer.

We are unable to provide an estimate of the costs of adding a field or several fields to MSATS, however it would require development, industry testing and a significant implementation timeframe. It would also require frequent updating where customer eligibility or status changed, creating a new transaction process.

Question 6: What are your views on compliance?

Would civil penalties be appropriate for a breach of any of the proposed rules, and if so, which civil penalty tier(s) would be appropriate?

We do not consider a change to the rules is required to improve customer access to concessions and rebates. A prescriptive approach is unlikely to address the problem of access, and the application and form of any rule is uncertain as the proposal does not specify in detail what retailers are obliged to do.

Question 7: Could consumer access to concessions and rebates be improved in a different or more efficient way?

Are there alternative approaches outside of the energy rules, such as industry or jurisdictional initiatives or other regulatory tools, that would more successfully address the issue set out in the rule change request?

We believe alternative approaches should be the focus of the Commission in considering the proposed rule change. As discussed above, a more effective way of maximising customer access to concessions and rebates would involve:

- retailers engaging in best practice;
- addressing information asymmetry and efficiency of exchanging and matching data between Government agencies and energy retailers; and
- wholistic public education campaigns.

Question 8: Assessment framework Do you agree with the proposed assessment criteria? Are there additional criteria that the Commission should consider or criteria included here that are not relevant?

Alinta Energy supports the proposed assessment criteria but believes it cannot be meaningfully applied without greater clarity on the proposed rule change, including any system and implementation costs. A more effective approach would be to explore alternative ways to improve access for eligible customers to the benefits of concessions and rebates.