

## Our Submission

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**Topic:** Submission to the Australian Energy Market Commission (AEMC) Rule Change Process:  
Improving the Application of Concessions to Bills

**To:** Senior Advisor, Jessica Curtis - Australian Energy Market Commission (AEMC)

**Date:** 31 March 2025

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### Introduction to energy concessions campaign feedback

The Energy Charter welcomes the opportunity to submit feedback in response to the **AEMC Consultation Paper on Improving the Application of Concessions to Bills**. We believe that improving the application and awareness of energy concessions is essential to ensuring customers who experience vulnerability including financial/energy hardship receive the financial support they need.

Our submission incorporates the insights from our **Concessions Awareness and Engagement Campaign** "*Keep the money. It's yours.*" which highlights several barriers and challenges in promoting and applying energy concessions for customers. Our submission also aligns with the objectives of the Rule Change Process as outlined in the [Consultation Paper](#).<sup>1</sup>

## 1. Background

### Overview of The Energy Charter

[The Energy Charter](#) is a CEO-led coalition of energy organisations united by a shared passion and purpose: delivering for customers and empowering communities in the energy transition by ensuring energy is delivered in a way that is fair, affordable, and accessible for all Australians. We focus on improving the experience for customers and communities, including those eligible for energy concessions.

We have 30+ Signatories across all parts of the energy supply chain and in every State and Territory nationally.

Through our **Concessions Awareness and Engagement Campaign**, *Keep the money. It's yours.* we have worked to raise awareness and encourage the uptake of energy bill concessions (referred to as our Campaign). However, we have encountered several challenges in effectively promoting these programs, especially considering the rising costs of living. The findings from our Campaign, along with key insights from the **AEMC Consultation Paper**, form the basis for the insights we are sharing in this submission.

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<sup>1</sup> AEMC, Improving the application of concessions to bills, Consultation paper, 6 February 2025.



## Key Insights from the Consultation Paper

The AEMC Consultation Paper outlines several key objectives in improving the application and delivery of energy concessions:

1. **Improving Access and Equity:** Ensuring that all eligible customers, particularly vulnerable ones, can easily access and apply for energy concessions.
2. **Simplification of Processes:** Streamlining the application process to reduce barriers for customers in applying for energy concessions.
3. **Proactive Engagement:** Ensuring that customers are made aware of the concessions available to them, particularly those in vulnerable situations who may not know they are eligible.

Our experiences and insights, as well as research findings, provide further clarity on the key barriers and opportunities related to these objectives.

## 2. Key considerations

### Barriers to Promoting and Accessing Energy Concessions

#### A. Concerns About Messaging

As outlined in the Consultation Paper, there is a need to improve the messaging around energy concessions to make it more accessible and less burdensome for customers. However, some energy businesses from across the supply chain have expressed concerns about promoting energy concessions in the context of rising energy prices.

- **Energy price increases:** Some energy businesses have faced challenges in reconciling messaging about energy concessions with rising prices. Given the broader context of high electricity and gas prices, some of the businesses we worked with on our Campaign expressed their concerns that promoting energy concessions might be seen as an attempt to shift the responsibility for mitigating energy costs onto the customer. As noted in the Consultation Paper, retailers have raised concerns that the current process places too much responsibility on customers, requiring them to apply for concessions themselves. This is compounded by the fact that many customers experiencing vulnerability are unaware of their eligibility or feel discouraged by a complex application process, this is evidenced by independent research<sup>2</sup> undertaken as part of our Campaign showing:
  - 22 percent of those who are eligible did not contact their retailer because they wanted to avoid long hold times
  - 10.8 percent didn't know how to contact their retailer, as they had previously received assistance from a support worker

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<sup>2</sup> Insights into Energy Concession Awareness and Energy-Related Behaviours among Concession Card Holders in Australia, Ferdi Botha and Kushneel Prakash, Melbourne Institute: Applied Economic & Social Research, University of Melbourne, June 2024.



- Other reasons included owing money from previous bills (2.9 percent), difficulties with language, speech or hearing (2.4 percent) and being unable to afford the cost of the call or internet (2.2 percent).
- **Perception of pricing mitigations:** During our Campaign's development and promotion, energy businesses expressed concerns that encouraging customers to apply for financial relief through an energy concession, could be perceived as pushing pricing mitigations onto customers rather than addressing the root causes of rising prices. This perception could affect both customer satisfaction and public trust in energy retailers and the supply chain, which was noted has reputational implications for energy businesses that could negatively affect trust and ongoing customer relationships.

## B. Challenges for Community Service Organisations

Our Campaign also revealed challenges faced by community service organisations when it came to promoting energy concessions.

- **Energy costs relative to other priorities:** Community service organisations report that while energy is a critical cost for households, it is often not seen as a higher priority compared to other cost-of-living concerns. These include housing costs (rent/mortgages), food insecurity, and fuel/transportation costs. As noted in the Melbourne Institute's 'Taking the Pulse of the Nation' report (June 2024),<sup>3</sup> housing affordability and basic living costs are ranked as more immediate priorities by a significant portion of low-income households. Consequently, energy concessions are often viewed as one of many options that individuals experiencing vulnerability can access, but not necessarily the most urgent.
- **Competing financial stressors:** Many community organisations, already under-resourced and are facing growing needs due to cost-of-living pressures experienced in communities, prioritised immediate financial support for housing and food costs. Energy concessions may not be promoted with the same urgency, leading to less outreach and engagement with marginalised communities who may benefit most from these supports.
- **Fragmented and complex systems:** The Consultation Paper also highlights concerns about the complexity of the current concession system. Community organisations face challenges in explaining the nuances of eligibility criteria and application processes, especially when these processes vary between states, territories, and retailers. The resulting fragmentation makes it difficult for these organisations to provide clear, actionable guidance to those who need it. This is also why one (of six) call to actions in our Campaign is to contact the National Debt Hotline. While this remains a helpful solution for many, for community services who provide direct support to clients, they are unlikely to ask their clients to contact another service like National Debt Hotline for help, when their service model is to case manage supports holistically for their clients.

## Negative Impacts on Customers and Broader Implications

The overall lack of promotion and awareness of energy concessions has negative consequences for consumers experiencing vulnerability. The Melbourne Institute research found that 56 percent of

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<sup>3</sup> See previous.



households are struggling with financial stress, and many are unable to meet regular expenses, including energy bills. However, only 27 percent of eligible respondents reported accessing available energy assistance, largely due to lack of awareness or the complexity of the application process.

In this context, customers experiencing vulnerability who are unaware of their entitlements or discouraged by complex processes are missing out on critical support. As the Consultation Paper notes, a failure to improve access to and promotion of concessions leads to inequitable outcomes for those who are most in need.

### **Opportunities identified from insights**

Based on the insights gathered, several key opportunities for improving the accessibility and effectiveness of energy concessions have been identified throughout both the co-development process of the Campaign and Research. These opportunities align with the recommendations for improvement outlined in the Rule Change Consultation Paper, namely:

1. **Simplifying and standardising application processes** - The need for streamlined and standardised processes presents an opportunity to remove barriers for marginalised consumers. Integrating energy concessions into a broader support system through automatic applications can help ensure eligible customers receive assistance without unnecessary complexity.
2. **Proactive outreach and customer engagement** - There is an opportunity for energy businesses and community organisations to proactively engage with marginalised customers. Direct outreach with clear, accessible information on available concessions, supported by digital platforms and customer service, can guide customers through the application process and increase participation.
3. **Integrating energy concessions into broader cost-of-living supports** - Energy concessions can be positioned as part of a larger cost-of-living support framework. This offers an opportunity for greater collaboration between retailers, community organisations, and government bodies to provide a more comprehensive support system for Australians experiencing vulnerability, especially financial/energy hardship.
4. **Increasing support for community organisations** - Providing community service organisations with better resources and training to navigate the energy concession system can improve access for those in need. Toolkits, digital platforms, and training programs can empower these organizations to better support their clients.
5. **Regular monitoring and reporting** - The opportunity to track and monitor the accessibility of energy concessions through regular reporting allows for continuous improvement. This data can help identify barriers to access, measure success, and ensure all eligible customers are receiving the support they need.

### **3. Summary**

The Energy Charter supports the AEMC Rule Change consultation as a proposal to a comprehensive approach to improving the application and delivery of energy concessions. By simplifying processes, improving outreach and integrating energy concessions into broader cost-of-living support, Australians experiencing vulnerability can receive the support they need. We appreciate the opportunity to contribute to this important work and look forward to collaborating with the AEMC and other stakeholders to implement improvements to the energy concession system.



## 4. Contact

If you require any further information, please contact:

Bec Jolly (she/her)

Director, Energy Equity - The Energy Charter

E: [bec.jolly@theenergycharter.com.au](mailto:bec.jolly@theenergycharter.com.au)

M: 0434 182 857