

30 April 2025

Mr Andrew Lewis
Chief Executive Officer (Acting)
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Submitted online via the AEMC's submissions portal.

Dear Mr Lewis,

RRC0060 – Assisting Hardship Customers Draft Determination

Thank you for the opportunity to comment on the Assisting Hardship Customers Draft Determination from the Australian Energy Market Commission (AEMC).

The comments contained in this submission reflect the views of the Energy & Water Ombudsman NSW (EWON), Energy & Water Ombudsman Queensland (EWOQ) and Energy & Water Ombudsman South Australia (EWOSA). We are the industry-based external dispute resolution schemes for the energy and water industries in New South Wales, Queensland and South Australia.

We continue to believe that the term “hardship” has negative connotations and using it may result in some customers not engaging with their retailers at a time when they need to engage. Thus, while we acknowledge that the energy sector, through regulation and practice, continues to use the phrase “hardship program”, we are going to use the terms “affordability program” and “affordability policy” in this and other submissions where we consider it appropriate.

We have collectively reviewed the Draft Determination and generally support the three key proposed changes under the draft rule:

- a new principle that requires retailers to ensure that customers on their affordability program pay no more than the deemed better offer, through either providing a financial benefit to the customer when they are not on the deemed better offer or obtaining explicit informed consent from the customer to be moved onto the deemed better offer
- a requirement that retailers explicitly state in their affordability policy that they will check and offer the deemed better offer, both upfront upon a customer entering an affordability program and at least once every 100 days or in line with an agreed billing cycle with the customer
- the addition of new affordability program indicators to be reported to the Australian Energy Regulator (AER) by retailers, regarding how many customers in their affordability program are on the deemed better offer and the reasons why if they are not, as well as the number and proportion of those customers that are above or below the standing offer.

We agree with the AEMC that a principle and outcomes based approach to ensuring that customers who are on their retailer's affordability program pay no more than the deemed better offer and leaving how this is applied to the retailer, provides flexibility and is likely to minimise the costs of this new requirement. We also support the intention that these customers do not incur more debt or expenses than is necessary. We also believe it is appropriate that compliance with the principle be subject to a civil penalty.

We still consider that a retailer offering a credit, discount or some other financial benefit on a customer's bill, to ensure that the customer has a bill that is equivalent to the deemed better offer, creates a number of potential issues, such as:

- higher complaints to energy ombudsman, when a customer disputes the amount of the financial benefit
- the customer losing the financial benefit when they exit an affordability program, the potential for bill shock and the possibility of encountering affordability issues again.

Nevertheless, the Draft Determination is a significant improvement on the rule change request.

With regards to the proposed indicators that retailers may be expected to report about customers on their affordability program, we believe the AER should specify the main reasons why a customer may not be on a deemed better offer. This may include that the retailer has provided their customers with financial benefits instead and is thus complying with the new obligation. This would be useful to know. We also believe that these indicators should be reported by the AER on a quarterly basis, rather than annual, to give stakeholders information and potential insights in a more timely fashion.

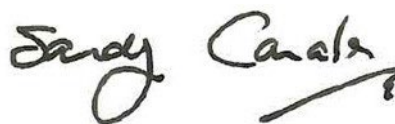
We are concerned that the proposed commencement date of 30 December 2026 in the Draft Determination leaves customers experiencing affordability issues and who are on their retailer's affordability program without this important customer protection for too long.

If you require any further information regarding our submission, please contact Dr Rory Campbell, Manager Policy and Systemic Issues (EWON) on 02 8218 5266, Mr Jeremy Inglis, Manager Policy and Research (EWOQ) on 07 3212 0630 or Mr Antony Clarke, Policy and Governance Manager (EWOSA) on 08 8216 1861.

Yours sincerely



Janine Young
Energy and Water Ombudsman
New South Wales



Sandy Canale
Energy & Water Ombudsman
South Australia



Jane Pires
Energy and Water Ombudsman
Queensland