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### **RRC0063: Improving the application of concessions to bills, draft rule determination**

AGL Energy (AGL) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC) *Improving the application of concessions to bills*, Draft rule determination, dated 3 July 2025.

AGL commends the AEMC for undertaking robust research and analysis into the current practices relating to concessions in the energy retail industry. The AEMC's findings<sup>1</sup> align with AGL's longstanding view that meaningful and enduring energy concessions reform can only be achieved through a coordinated, strategic response that enables automated data-sharing capabilities between retailers and government departments, and which shifts the onus of providing concessions information away from the customer. This is critical to ensure that eligible households receive the support to which they are entitled.

AGL also welcomes the AEMC's recognition of the significant efforts already undertaken by industry to obtain concession eligibility information and proactively inform customers of their entitlements. We agree with the need to ensure that customers who are *eligible* to receive an energy concession do so – reducing the concession 'gulf'. However, in the absence of a clear market failure, AGL questions whether improved concessions outcomes can be reasonably achieved through further regulatory intervention. Acknowledging that the gulf is now fundamentally a concessions *program design* issue, industry effort and resources would be better directed towards addressing the root cause and supporting the implementation of the centralised, automated concessions framework.

Notwithstanding the above, AGL strongly supports the principle that all consumers who hold a concession card should receive their energy entitlements. In relation to the draft rule, AGL's position is that:

1. While AGL supports the proposition that retailers should provide at least a "minimum level of [concessions] assistance", the prescriptive and wide-reaching interpretation of the draft rule could create a major cost impost on industry that is not commensurate to the customer outcomes that can reasonably be achieved in this space.
2. Consistent with AGL's feedback to the Essential Services Commission, a principles-based approach that allows retailers to request concessions eligibility information where it is considered relevant can achieve the AEMC's intent while preserving retailer discretion in determining when such information should be sought from customers.

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<sup>1</sup> The AEMC found that retailers are incentivised to help customers apply concessions and have already adopted practices to assist consumers to access concessions above and beyond existing requirements. As part of this rule change request, the AEMC did not uncover any evidence of a market failure (AEMC, *Improving the application of concessions to bills*, Draft rule determination, 03 July 2025, p iii).



3. The requirements under the second draft rule to provide jurisdiction-specific information should focus on standard jurisdictional concessions and remove reference to rebates and relief schemes as these are often related to financial difficulty or hardship, and do not necessarily depend on the customer receiving a concession entitlement.

In its Draft Determination, the AEMC recognises that most retailers already have robust processes to collect and apply concessions information. Accordingly, as retailers are already using their best endeavours to obtain this data, AGL anticipates that the proposed rule change will deliver only modest improvements in overall concessions uptake in the National Energy Customer Framework (NECF) states.

### **Draft Rule 1: Capturing the customer's concession eligibility at sign up**

#### *Terminology*

In its Draft Determination, the AEMC refers to and interchangeably uses the terminology “new customer” and “sign up” which suggests that the proposed rule applies only to customers who are seeking the sale and supply of energy from the retailer for the first time (or returning from another retailer). However, AEMC staff have indicated in an industry forum that the scope of the rule is intended to capture not only new customers, but also existing customers of the retailer who are recontracting, product swapping or moving premises.

The inconsistent terminology within the Draft Determination introduces ambiguity and regulatory uncertainty regarding the specific customer scenarios to which the rule applies. AGL encourages the AEMC to adopt terminology that aligns with established industry definitions and to clearly articulate in the Final Determination which “sign up” scenarios and interactions the rule applies to.

#### *Capturing concessions eligibility through digital platforms*

AGL supports the requirement for retailers to provide accessible and easy to use channels for customers to provide or update their concessions eligibility information. However, we consider that the rule should avoid prescribing any specific interaction types (or the sequencing within those interactions) as to when and how this should happen to allow flexibility in how retailers meet this obligation.

As part of the Essential Services Commission's Energy Consumer Reforms which contemplated a comparable rule change, AGL raised concerns regarding the requirement for automated prompts to collect concessions information during the digital recontracting or product swapping process. A strict reading of the AEMC's draft rule suggests a similar outcome in the NECF. This would require retailers to create new digital functionalities or uplift their existing online capabilities, particularly relating to obtaining concessions information for existing customers through digital channels. Currently, AGL's My Account and App do not prompt existing customers who are product swapping or transferring services to another property to update their concessions information at point of sale.

To clarify, AGL's My Account and App do enable customers to manage and update their concessions information, through a separate landing page or screen at any time. This is not a mandatory step during the product swap/recontracting process itself. Typically, concessions data is linked to the customer's existing profile within AGL's customer management and billing system which leverages already known information such as the customer's concession status. While AGL's frontline staff are trained to collect concession information during these types of interactions in a call centre or webchat setting, integrating this functionality into the digital sign-up process for existing customers will require significant effort and resources to uplift.

Without the full functionality for customers to input their concessions information at this point of sale/recontracting using digital channels, the unnecessary friction could lead to an increase in customers abandoning the process altogether. For example, if during the recontracting or product swapping process the customer selects “Yes, I have a concession card”, they will need to navigate away to another window to update these details, and restart the process again, or alternatively, contact AGL's call centre. This presents



a risk of poorer customer outcomes, lower fulfilment rates and missed opportunities for more customers to access more suitable or affordable products.

### A principles-based approach for the draft rules

In our previous submission to the AEMC, AGL detailed the robust systems and processes in place to capture concessions information at various touchpoints, including new customer sign-up, changing energy plans through the contact centre, enrolling into AGL's payment hardship program, seeking payment difficulty assistance and registering life supporting equipment at the premises.

In addition to the above, AGL takes a number of proactive steps throughout the customer lifecycle to inform and educate on concession eligibility requirements and entitlements. Our bills include multiple references to concessions, including a hyperlink directly to AGL's concessions landing page for further information on eligibility and how to apply. Similarly, AGL includes concession information in our welcome packs and on first bill explainers.

From time-to-time, AGL also undertakes proactive mailout campaigns to drive customer uptake of concessions for targeted cohorts of customers, for example, tailored communications to customers identified as having concessions registered on one fuel but not on the other.

The AEMC should leverage these established industry practices and processes, which it acknowledges are robust and plenty in the industry, to develop and utilise a principles-based approach for this draft rule to support improved customer outcomes. For example:

- **Draft rule 1** (consistent with the ESC's proposed drafting): A retailer must request energy concession eligibility information from a residential customer at all times when a retailer considers it relevant to do so.
- **Draft rule 2:** Retailers should support customer awareness and access to jurisdiction-specific concession information which are relevant to the customer.

The proposed principles will still meet the proponent's original intention of the rule change while allowing for greater flexibility for retailers to determine how and when to meet these obligations. Specifically, there is space for retailers to employ different methods (digital tools, call centre/webchat agent interactions, proactive outreach) as long as the outcome of increased information and improved access to concessions is achieved. Flexibility will allow retailers to identify the best opportunities to drive uptake in concessions which is mutually beneficial for both consumers and retailers alike.

### Draft Rule 2: Requirement to provide jurisdiction-specific on rebates and concessions at sign-up

It is not sufficiently clear from the Draft Determination whether the requirements under draft rule 1 (checking concessions eligibility) and draft rule 2 (provision of jurisdiction-specific information) are mutually exclusive or, alternatively, how the AEMC reasonably expects that they may interact with each other, particularly in terms of sequencing and regulatory priority: Specifically, whether or not (and how) should the retailer provide jurisdiction specific information in each of the below scenario:

- **Scenario 1 – the customer confirms that they are an eligible concession card holder:** In practice, once a customer confirms the existence of an eligible concession card which is registered and validated by the retailer, the applicable entitlements will appear on the customer's next bill. Whether or not the retailer provides further jurisdiction-specific concession information at the point of sign up does not affect the end outcome.
- **Scenario 2 – the customer does not hold a concession card:** There will be no applicable or relevant jurisdiction-specific information for customers who advise that they do not hold a concession card



with the exception of hardship-related relief schemes and rebates (if the customer has already accrued debt) such as the QLD Home Energy Emergency Assistance Scheme (HEEAS), the NSW, Energy Accounts Payment Assistance (EAPA)). To satisfy the draft rule, retailers would be required to have an upfront hardship-related conversation with the customer, which is separate to confirming the eligibility or existence of a concession card, as these types of grants do not necessarily require that a customer hold a concession card. (See *'Information on rebates and relief grants'*, below).

In this scenario, we anticipate potential customer frustration or disengagement, especially during contact centre interactions where customers are seeking to connect energy services or change products when they are already presented with lengthy explicit, informed consent scripting that is often not relevant or useful to them at the time.

- *Scenario 3 – the customer is not sure if they are eligible for a concession or rebate:* AGL agrees that this customer cohort could benefit from some additional information to prompt them to identify whether or not they are a concession card holder. However, given that these customers are in the minority, AGL questions whether advising them of *all* applicable jurisdiction-specific concessions at the point of sign-up or product swap will provide any significant additional benefits compared to existing industry practices.

It would be sufficient in this instance to list the most common concession cards available in the customer's jurisdiction such as the Healthcare and Pensioner's Card (AGL's digital sign-up process for new customers includes photos of these cards as a reference to assist customers). These are the concessions customers most readily recognise and identify. Providing them with these examples could assist customers to quickly understand their eligibility whereas customers are less likely to be familiar with specific concession types such as the Low-Income Household Rebate.

In all three scenarios, AGL considers that jurisdiction-specific concessions information should be provided to the customer in writing within a practicable timeframe to allow the customer time to review, absorb and consider their circumstances and eligibility. For example, this could be through a welcome pack received after move-in/recontracting or through standalone communications. While AGL believes that it should be incumbent on Services Australia to provide tailored information to concession recipients at the time they become eligible, in absence of this cross-industry collaboration, retailers can step up to fill this gap.

#### *Information on rebates and relief schemes*

If the AEMC's objective is to improve overall *concessions* uptake and reduce the gulf, then the final rule should focus specifically on standard jurisdictional concessions which are determined by the receipt of an eligible concession card and to limit correlation to hardship grants and rebates unless they form part of a conversation around payment assistance. Rebates and relief schemes are often mutually exclusive to the customer's receipt of a standard concession and should be treated as such unless for the purposes of this rule change.

With respect to providing jurisdiction specific information on rebates and government relief schemes, retailers should be mindful when discussing certain jurisdictional relief programs as retailers may not be directly involved in the customers' eligibility assessment. Under the QLD HEEAS and NSW EAPA schemes, before offering this type of assistance, retailers must first ensure that the customer meets principle eligible criteria for the grants which cannot be ascertained unless it is during a conversation pertaining to payment assistance.

For example, the NSW Social Programs for Energy Code V8.2 requires that:



42.2 A seller must not make a representation to a customer about their eligibility for the Energy Accounts Payment Assistance scheme or any payment they may receive under that program.

43.3 A seller must not refer a customer to an EAPA provider unless the seller has exhausted all reasonable options for providing additional assistance to the customer.

AGL considers that discussions relating to rebates and relief grants are best had during payment assistance interactions between the customer and their retailer when customers are more likely to be receptive to and engaged with this type of information. When customers are moving premises or recontracting, the interaction is typically driven by other motivations such as seeking a better offer or connecting services to a new premises. As such, providing detailed jurisdiction-specific information at that point may have limited value (unless the customer specifically requests it), particularly where the customer has already confirmed their concession status or is not eligible for a concession card. For this reason, AGL recommends that the AEMC remove reference to rebates and government relief schemes from the draft rule.

### Implementation timeframe

If the AEMC intends for all "sign-up" interactions, including for existing and new customers across both traditional and digital channels to be captured under the draft rule, then the proposed 1 July 2026 commencement date will not provide sufficient time for industry to design, build, and implement the necessary system changes.

As detailed above, AGL's digital functions for managing and updating concessions are distinct from the digital recontracting capabilities for existing customers using My Account or the AGL App. Currently, these channels do not prompt customers to re-enter concession information at the point of recontracting or moving premises for existing customers. Enabling this functionality would require significant modifications to AGL's digital platforms and underlying IT infrastructure, at considerable cost which is ultimately borne by consumers. AGL remains concerned that the scale of effort and investment required to operationalise this part of the draft rule would not be proportionate to the likely customer benefit.

AGL recommends that if the AEMC progresses the rule in its current form that it allows retailers until 1 January 2027 to build this solution.

### The AEMC's recommendations on further concessions framework reforms

AGL makes the following observations with respect to a number of the AEMC's draft recommendations for concessions reform:

- **Draft recommendation 1 – DCCEE should facilitate next steps across governments to automate concessions:** The AEMC's primary recommendation presents the most effective and targeted means of achieving meaningful improvements in concessions uptake. In contrast, other proposed measures, while well-intentioned, are likely to deliver limited to no improvement in concessions uptake, and do not resolve the underlying barriers that prevent eligible customers from accessing their entitlements. AGL strongly encourages the AEMC to keep the momentum and continue to collaborate with the Commonwealth Department of Climate Change Energy, the Environment and Water as well as state concession authorities on a practical solution for automated concessions reforms.
- **Draft recommendation 2 – Jurisdictions should harmonise concessions:** The effort, resources and cross-jurisdictional cooperation required to give effect to this recommendation are better directed towards establishing an automated, centralised concessions framework, even if each state's concessions requirements remain fragmented.



- **Draft recommendation 3 – Updated AER Guidance & Informing customers that concessions don't automatically transfer:** If customers already do not engage with existing sections on concessions and rebates in their bill, both, either before or after the implementation of the Better Bills Guideline, AGL is not confident that the proposed information will serve any meaningful purpose.

AGL previously included concessions information on the front page of its bills prior to the billing guideline reforms but saw no measurable improvements or difference in uptake. Simply repositioning this information or duplicating it in a new section is unlikely to address the underlying behavioural and system-level barriers. Instead, more targeted and context-specific communications such as during payment difficulty conversations or directly advising the customer at the time of signing up or moving out are more likely to have greater impact.

- **Draft recommendation 8 – Resolving household eligibility challenges:** AGL supports the intent of the AEMC's draft recommendation that eligible concession card holders should have their concession entitlements applied even if they are not the primary account holder. However, noting the limitations relating to retailers' IT systems and infrastructure, the complexities associated with joint financial responsibility under contract law, and the concerns of regarding privacy and customer safety, there is currently no industry-side solution that is pragmatic and straightforward.

AGL does not believe this can be overcome through industry guidance issued to the AER because it would need to address the complex and unique infrastructure underpinning each retailer's customer management system, as well as issues relating to contract law and financial responsibility of each party.

There may be a role to play for jurisdictional concessions authorities that could validate the non-account holder's information and credit the retailer their concession entitlement to be applied onto the household bill. This is similar to the process for the application of NSW's Family Energy Rebate.

An alternative solution but one which would require a fundamental redesign of the concession eligibility requirements, could be to decouple the concession from the individual and attach it to the site or NMI such that concession eligibility is agnostic of the customer but validated at a site, address or connection level. This could take the form of reduced daily supply charges or an NMI-level discount.

If you would like to discuss any aspect of AGL's submission, please contact Valeriya Kalpakidis at [vkalpakidis@agl.com.au](mailto:vkalpakidis@agl.com.au).

Yours sincerely,

A handwritten signature in black ink that reads 'Liam Jones'.

Liam Jones

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