

Strengthening standards for payment difficulty assistance

We have published a consultation paper seeking your feedback

The Australian Energy Market Commission (AEMC) has published a consultation paper in response to a rule change request from the Australian Energy Regulator (AER) on 19 December 2025.

The rule change is one of five rule change requests submitted by the AER that together seek changes to the National Energy Retail Rules (NERR) to improve and enhance existing requirements so customers experiencing payment difficulty are engaged early, and effectively supported with assistance that is tailored to their individual circumstances.

The remaining four rule changes are being progressed in the *streamlining payment difficulty protections* rule change package.¹ A draft determination and draft rule for the streamlining payment difficulty protections rule change was published on 18 June 2026 and can be found [here](#).

We are seeking your feedback on the issues identified in the rule change request, including:

- customer experiences varying between retailers when accessing payment difficulty assistance. The AER outlined this is due to differences in how retailers determine who is eligible for payment difficulty and hardship assistance and how they tailor support.
- inappropriate expectations on customers to provide documentary evidence given some retailers require customers to provide documentary evidence of circumstances before providing hardship assistance.
- impacts on the customer's willingness to engage with a retailer or disclose financial challenges noting requirements for customers to provide sensitive evidence, compounded by stigma around 'hardship', can contribute to less engagement from customers and a less forthcoming disclosure environment.
- payment plans failing because they are either not aligned with a customer's capacity to pay at the time they are first established or become unaffordable for some customers due to a change in their circumstances, which is not reflected in the plan.

We also seek feedback on the AER's proposed solutions to these issues, which include:

- Banning retailers from requiring documentary evidence as a precondition to providing payment difficulty assistance to customers experiencing payment difficulty or hardship.
- Strengthening protections to make payment plans more affordable by requiring:
 - retailers to consider any information or representations provided by the customer or a third party acting on behalf of the customer regarding what the customer can afford to pay in determining the customer's capacity to pay a payment plan
 - payment plans to be reviewed and updated in response to any available information about changes in a customer's circumstances, including their capacity to pay, arrears and energy consumption needs.

We will use four assessment criteria to assess the rule change request

- **Outcomes for consumers.** We will consider whether the proposed rule change would:
 - be compatible with or strengthen existing consumer protections, including any interactions
 - take into account consumer insights/behaviour and preferences

¹ The Commission has decided to fast track four of the requests on the basis that the rule changes were developed through extensive consultation by a market body (The AER). The requests have also been consolidated into a single rule change request.

- promote equity, so that customers experiencing payment difficulties receive support and protections needed to access assistance, particularly those who may face barriers to engaging with their retailer.
- **Principles of market efficiency.** We will consider the impact of changes to:
 - current retailer processes to engage with customers in a way that suits their needs
 - current risk allocation between retailers and customers experiencing payment difficulties
 - transparency of information, including information provided by customers, in determining capacity to pay
 - structural barriers enabling consumers to access assistance relating to payment difficulties.
- **Implementation considerations.** We will consider the:
 - cost and complexity for retailers, ensuring sufficient implementation flexibility is provided
 - impact on market bodies and across different groups of consumers.
- **Principles of good regulatory practice.** We will consider principles of good regulatory practice, including:
 - whether the changes would promote simplicity and transparency of information and assistance
 - how this rule would interact with recommendations made under the Review of payment difficulty protections in the National Energy Customer Framework (NECF) sought through Energy and Climate Change Ministerial Council (ECMC), and the streamlining payment difficulty protections rule change package
 - how prescriptive or outcomes-based the rules in the NERR need to be, in order to uphold the long term interests of consumers
 - how the proposed change would align with the Victorian Energy Retail Code of Practice.

The rule change request has been shaped by the AER's review of payment difficulty protections in the NECF

The five rule change requests submitted by the AER on 19 December 2025 include:

- [Strengthening standards for payment difficulty assistance](#) (this rule change)
- [Clarifying disconnection protections](#)
- [Strengthening minimum disconnection protections](#)
- [Improving payment assistance information](#)
- [Simplifying the eligibility framework for payment difficulty protections](#)

These rule change proposals stem from the AER's [Review of payment difficulty protections in the NECF](#). The AER findings report was published on 15 May 2025 and was presented to the ECMC, outlining 13 identified opportunities for reform in December 2025.² We note the ECMC is considering, under the Better Energy Customer Experiences work program, the broader reforms recommended in the AER's final report, including the proposal for a single, consistent definition for customers experiencing payment difficulty.³

Submissions are due by 30 July 2026 with other engagement opportunities to follow

Written submissions to the consultation paper must be lodged with the Commission by 30 July 2026 via the Commission's website www.aemc.gov.au.

For information contact: Media enquiries: media@aemc.gov.au 18 June 2026

² AER, Review of payment difficulty protections in the National Energy Customer Framework, [Findings Report](#), 2025.

³ ECMC, [Meeting Communique](#), 16 December 2025.