

**RULE**

**Draft rule determination**

**National Energy Retail Amendment  
(Streamlining payment difficulty  
protections) Rule**

**Proponent**

Australian Energy Regulator

## Enquiries

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

E [aemc@aemc.gov.au](mailto:aemc@aemc.gov.au)

T (02) 8296 7800

**Reference: RRC0075**

## About the AEMC

The AEMC reports to the energy ministers. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the energy ministers.

## Acknowledgement of Country

The AEMC acknowledges and shows respect for the Traditional Custodians of the many different lands across Australia on which we live and work. The AEMC office is located on the land of the Gadigal people of the Eora nation. We pay respect to all Elders past and present, and to the enduring connection of Aboriginal and Torres Strait Islander peoples to Country.



## Copyright

This work is copyright. The Copyright Act 1968 (Cth) permits fair dealing for study, research, news reporting, criticism and review. You may reproduce selected passages, tables or diagrams for these purposes provided you acknowledge the source.

## Citation

To cite this document, please use the following:

AEMC, Streamlining payment difficulty protections, Draft rule determination, 18 June 2026

## Summary

- 1 The Commission has made a more preferable draft retail rule (draft rule) in response to four rule change requests submitted by the Australian Energy Regulator (AER) (the proponent) on 19 December 2025. We are seeking feedback on the draft determination and draft rule by **30 July 2026**.
- 2 This draft determination relates to four 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 difficulties are engaged early, and supported effectively with assistance that is tailored to their individual circumstances.
- 3 The four rule change requests being progressed together in this streamlining payment difficulty protections package are:
  - *Clarifying disconnection protections.*
  - *Simplifying the eligibility framework for payment difficulty protections.*
  - *Improving payment assistance information.*
  - *Strengthening minimum disconnection protections.*
- 4 The Commission has decided to fast track these 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. This allows the Commission to consider the AER's proposed changes holistically and through one process. It will also simplify engagement for stakeholders.
- 5 The remaining fifth rule change *Strengthening standards for payment difficulty assistance*, is being progressed through the standard rule making process and can be found [here](#).
- 6 These rule change requests stem from the AER's [Review of payment difficulty protections in the National Energy Customer Framework](#) (the AER Review). The AER final report was published 15 May 2025 and was presented to Energy and Climate Change Ministerial Council (ECMC), outlining the 13 identified opportunities for reform.<sup>1</sup>
- 7 While the draft rule is a more preferable rule, it incorporates many of the elements proposed in the rule change requests that considered the retail rules do not:
  - adequately reflect current retailer practices, creating gaps between regulatory requirements and how processes operate in practice, such as:
    - when disconnection is taken to be arranged
    - the application of the minimum disconnection amount as the main protection for all consumers.
  - ensure flexible, tailored engagement, limiting the effectiveness of communications across different consumers.
- 8 The Commission's draft rule recognises that it is critical consumers are aware of available assistance and the frameworks for delivering this support are clear and streamlined. The changes also highlight findings from the AER Review and Energy and Water Ombudsman NSW that having a clearer framework can better protect customers experiencing challenges from having their circumstances worsened by disconnection.<sup>2</sup>

1 AER, Review of payment difficulty protections in the National Energy Customer Framework, [Findings Report](#), 15 May 2025.

2 Energy and Water Ombudsman NSW, Spotlight on, Systematic issues report - The harms of disconnection, April 2026.

- 9 Recent data from the AER indicates that over 220,000 residential customers have energy debt of 90 days or more.<sup>3</sup> This is accompanied by an assistance gap, with approximately one-third of customers in energy debt not receiving support through a payment plan or hardship program.<sup>4</sup> This suggests there are customers experiencing payment difficulties who are not receiving adequate assistance or may not be aware of the assistance available to support them.
- 10 In summary, the proposed changes seek to:
- clarify when de-energisation (disconnection) is officially requested by a retailer
  - require retailer engagement through at least two channels of communication for customers at risk of disconnection
  - ensure the minimum disconnection amount applies, regardless of whether customers have agreed to repay outstanding debts, to address the inconsistent customer experiences
  - address inconsistent wording between the Retail Law and Retail Rules, to ensure customers receive payment assistance regardless of whether they self-identify or are identified by their retailer
  - require retailers to provide more accessible assistance information on websites and reminder and disconnection warning notices so that customers can access, understand and act on it, addressing the current assistance gap for customers experiencing payment difficulties.
- 11 This draft determination and draft rule contribute to our vision for [a consumer-focused net zero energy system](#), that seeks to inform, empower and protect consumers individually and as a collective. This draft rule seeks to address potential barriers for payment difficulty assistance and improve transparency around processes, assistance and communications to ensure protections are applied as consistently as possible for customers experiencing payment difficulties.
- 12 The Commission also notes the ECMC, through the Department of Climate Change, Energy, the Environment and Water (DCCEEW), is progressing the Better Energy Customer Experiences (BECE) work to understand reforms needed to modernise and ensure the consumer protections framework is fit for purpose for the evolving energy market. The Commission has had regard to these broader reforms and ECMC’s consideration of consumer protections related to payment difficulty as set out in the AER’s final report, in particular, the consideration of a single, consistent definition for customers experiencing payment difficulty.<sup>5</sup>

## The draft rule would improve outcomes for consumers experiencing payment difficulties

- 13 The Commission has considered the issues raised in the rule change request and stakeholder views expressed during the AER Review. We also had regard to our assessment criteria outlined below and in chapter 2.
- 14 This draft determination covers two themes. These are:
- Theme 1: Clarifying and strengthening disconnection protections to better serve customers.
    - clarifying the time when a retailer is taken to have disconnected a customer
    - requiring retailer engagement for those at risk of disconnection through at least two channels of communication
    - application of the minimum disconnection amount to all customers.

3 AER, [Key insights - October to December 2025 retail performance data](#), 2 April 2026, p. 8. Note: this excludes hardship customers.

4 AER, Annual retail markets report 2024-25, 1 December 2025.

5 ECMC, [Meeting Communiqué](#), 16 December 2025.

- Theme 2: Streamlining and improving payment difficulty assistance information for customers.
  - streamlining payment difficulty assistance eligibility categories
  - offering clearer and more accessible information on retailer websites
  - providing assistance information on reminder and disconnection warning notices.

### The draft rule ensures disconnection requirements reflect current retailer practice and the intent of the rules (Theme 1)

- 15 The current rules do not clearly specify when a retailer is taken to have disconnected a customer. The AER proposed clarifying the time that a retailer is taken to have disconnected a customer in the NERR so it is clear when disconnection is confirmed to have occurred.
- 16 The draft rule clarifies that a retailer is taken to have arranged de-energisation (disconnection) of a customer's premises at the time it makes a request for de-energisation to the distributor. The Commission considers this clarity builds upon the principle of disconnection as a last resort and aims to assist the AER in determining whether a retailer has met its last resort obligation, including the minimum disconnection protections set out in the NERR.
- 17 The draft rule also builds upon the principle of disconnection as a last resort by requiring retailers to engage with customers at risk of disconnection through more than one communication channel. This is based on the AER's proposal to require retailers to engage with customers at risk of disconnection using at least two channels. Under the draft rule:
- Retailers would be required to contact customers at risk of disconnection through at least two channels. Where a customer acknowledges receipt of the first communication attempt, the retailer would not be required to follow up with an additional method of contact. The draft rule is not an exhaustive list of potential communication methods, instead the aim is to allow retailers to contact the customer in a way that suits the customer's needs.
  - The reference to facsimile is removed to reflect current methods of communication.
- 18 The Commission considers this would ensure engagement is more thorough at a critical time for those experiencing payment difficulties, whilst also allowing retailers to engage with customers in a more flexible way that meets their needs.
- 19 The last aspect of this theme is ensuring the minimum disconnection amount applies to all customers and not just those who have explicitly agreed to repay their debt, as proposed by the AER in its rule change request.
- 20 The Commission has adopted the AER's proposal and considers this recognises the original intent of the minimum disconnection amount, a baseline payment difficulty protection for all consumers. This approach reflects the need to uphold equitable outcomes for all consumers, whilst ensuring the rules clarify the intent of these protections and align with current practice.
- 21 Further discussion of the Commission's analysis and reasoning is provided in chapter 3.

### The draft rule seeks to improve the delivery of assistance to customers experiencing payment difficulties (Theme 2)

- 22 The National Energy Retail Law (NERL) references three categories of customers i.e., residential customers<sup>6</sup> hardship customers<sup>7</sup> and other customers experiencing payment difficulties who self-

<sup>6</sup> Section 2(1) of the NERL.

<sup>7</sup> Section 2(1), 43 and 44(a) of the NERL.

identify or are identified by their retailer.<sup>8</sup>

- 23 The NERR, however, refers to customers experiencing payment difficulties as other customers experiencing payment difficulties who self-identify. The rules regarding payment difficulty are set out in Parts 2, 3, 5 and 6 of the NERR, with guidance to retailers outlined in the AER retail performance and reporting procedures and guidelines.
- 24 The AER proposed adopting the wording in the NERL for the NERR to ensure customers receive assistance regardless of whether they self-identify or are identified by their retailer as experiencing payment difficulties.
- 25 The draft rule adopts the AER's proposal to streamline the payment difficulty assistance eligibility categories. Importantly, under the draft rule, customers would receive the same assistance items under the NERR regardless of whether they self-identify or are identified by their retailer as experiencing payment difficulties.
- 26 The Commission considers this would ensure there is a consistent application of payment difficulty assistance and support the broader definitions of payment difficulty sought by the AER through the ECMC.
- 27 The AER Review found that retailer websites rarely provide assistance information tailored to customers' needs, in a manner that is both easy to access and understand. The review also found that many customers are not aware of available assistance at key points in the disconnection process. The AER proposed to require retailers to publish accessible information about assistance on their website, and provide assistance information on reminder and disconnection warning notices.
- 28 The draft rule builds upon the aim of improving the delivery of assistance to customers experiencing payment difficulties by requiring retailers to provide information about available payment difficulty assistance, a summary of the hardship policy, and information about concessions on their website. This information would need to be easily accessible and easy to understand.
- 29 The Commission considers retailers should provide accessible and easy to understand information about protections and assistance on their websites, as this would support consistent and transparent information about payment assistance options available to consumers.
- 30 We note this approach is also largely consistent with the Final Rule for Improving the applications of concessions to bills<sup>9</sup> and the Draft Rule for Improving life support processes<sup>10</sup> which seek that distributors provide easy and accessible information on life support protections available.
- 31 The draft rule also requires retailers to include information on payment difficulty assistance, access to hardship policies, and available government rebates and concessions on reminder and disconnection warning notices. The Commission considers this would provide information at a crucial time when those facing payment difficulty may need it most while promoting transparency of payment assistance available.
- 32 Further discussion of the Commission's analysis and reasoning is provided in chapter 4.

8 Section 50(1)(b) of the NERL; The AER's Review recommended a single, consistent definition for customers experiencing payment difficulty be introduced. This is being considered by ECMC.

9 AEMC, National Energy Retail Amendment (Improving the application of concessions to bills) Rule 2025 No. 5, 25 September 2025.

10 Draft National Energy Retail Amendment (Improving life support processes) Rule 2026, 5 March 2026.

## We assessed our draft rule against four assessment criteria and the National Energy Retail Objective (NERO)

- 33 The Commission has considered the NERO,<sup>11</sup> the issues raised in the rule change request, and assessed the draft rule against the four assessment criteria outlined below.
- 34 The draft rule would contribute to achieving the NERO by:
- **Improving outcomes for consumers.** The draft rule would strengthen existing protections by improving clarity, accessibility and consistency of payment assistance. It supports more tailored engagement and reduces barriers to assistance, helping customers access support and avoid disconnection.
  - **Upholding principles of market efficiency.** The draft rule would promote more consistent application of obligations and reduce ambiguity in key areas such as disconnection processes and the minimum disconnection threshold. This supports standardised retailer practices, clearer allocation of responsibilities, and more efficient engagement with customers.
  - **Enabling practical and efficient implementation.** The draft rule largely reflects existing retailer practices, limiting implementation complexity and system changes. We expect impacts to be manageable, with flexibility retained in the legal drafting where necessary to support efficient application alongside broader reforms.
  - **Aligning with principles of good regulatory practice.** The draft rule would improve clarity and consistency across the framework by reducing reliance on interpretation and supporting predictable outcomes. It applies prescription where needed while maintaining flexibility, and is designed to align with related reforms and minimise regulatory burden.

## The draft rule would come into effect on 30 March 2027

- 35 This draft determination and draft rule propose a commencement date of 30 March 2027. This applies across all components of the draft rule.
- 36 The Commission considers this timeframe is appropriate, as many of these changes are minor in nature and reflect alignment with current retailer practices. The Commission considers the proposed commencement date allows time for:
- retailers to update internal systems and guidance
  - retailers to update their websites, reminder and disconnection warning notices templates to reflect new information requirements
  - the AER to finalise their Retail guidelines review and any potential updates to related guidelines.

<sup>11</sup> Section 13 of the NERL.

## How to make a submission

### We encourage you to make a submission

Stakeholders can help shape the solution by participating in the rule change process. Engaging with stakeholders helps us understand the potential impacts of our decisions and contributes to well-informed, high quality rule changes.

### How to make a written submission

**Due date:** Written submissions responding to this draft determination and draft rule must be lodged with Commission by 30 July 2026.

**How to make a submission:** Go to the Commission’s website, [www.aemc.gov.au](http://www.aemc.gov.au), find the “lodge a submission” function under the “Contact Us” tab, and select the project reference code RRC0075.<sup>12</sup>

Tips for making submissions on rule change requests are available on our website.<sup>13</sup>

**Publication:** The Commission publishes submissions on its website. However, we will not publish parts of a submission that we agree are confidential, or that we consider inappropriate (for example offensive, defamatory, vexatious or irrelevant content, or content that is likely to infringe intellectual property rights).<sup>14</sup>

### Next steps and opportunities for engagement

There are other opportunities for you to engage with us, such as one-on-one discussions or industry briefing sessions.

**Table 1: Key dates**

Draft determination published	18 June 2026
Close of stakeholder submissions	30 July 2026
Final determination published	10 September 2026

You can also request the Commission to hold a public hearing in relation to this draft rule determination.<sup>15</sup>

**Due date:** Requests for a hearing must be lodged with the Commission by 25 June 2026.

**How to request a hearing:** Go to the Commission’s website, [www.aemc.gov.au](http://www.aemc.gov.au), find the “lodge a submission” function under the “Contact Us” tab, and select the project reference code **RRC0075**. Specify in the comment field that you are requesting a hearing rather than making a submission.<sup>16</sup>

### For more information, you can contact us

Please contact us with questions or feedback at any stage, noting the project code.

Email: [aemc@aemc.gov.au](mailto:aemc@aemc.gov.au)

Telephone: (02) 8296 7800

<sup>12</sup> If you are not able to lodge a submission online, please contact us and we will provide instructions for alternative methods to lodge the submission.

<sup>13</sup> See: <https://www.aemc.gov.au/our-work/changing-energy-rules-unique-process/making-rule-change-request/our-work-3>

<sup>14</sup> Further information about publication of submissions and our privacy policy can be found here: <https://www.aemc.gov.au/contact-us/lodge-submission>

<sup>15</sup> Section 258(2) of the NERL.

<sup>16</sup> If you are not able to lodge a request online, please contact us and we will provide instructions for alternative methods to lodge the request.

## Contents

<b>1</b>	<b>The Commission has made a draft determination</b>	<b>1</b>
1.1	Our draft rule would improve assistance for customers experiencing payment difficulties	2
1.2	Current protections for payment difficulty and hardship customers	2
1.3	The draft rule has been shaped by the AER's review of payment difficulty protections in the NECF	3
1.4	Broader reforms that intersect with this rule change	4
<b>2</b>	<b>The rule would contribute to the energy objectives</b>	<b>5</b>
2.1	The Commission must act in the long-term interests of energy consumers	5
2.2	We must also take these factors into account	5
2.3	How we have applied the legal framework to our decision	6
<b>3</b>	<b>Clarifying and strengthening disconnection protections to better serve customers (Theme 1)</b>	<b>9</b>
3.1	Clarifying the time when a retailer is taken as disconnecting a customer's premises	9
3.2	Requiring retailer engagement through at least two channels for customers at risk of disconnection	11
3.3	Applying the minimum disconnection amount to all customers	12
<b>4</b>	<b>Streamlining and improving payment difficulty assistance information for customers (Theme 2)</b>	<b>14</b>
4.1	Streamlining payment difficulty assistance eligibility categories	14
4.2	Offering clearer and more accessible information	15
<b>Appendices</b>		
<b>A</b>	<b>Rule making process</b>	<b>18</b>
A.1	The process to date	18
<b>B</b>	<b>Legal requirements to make a rule</b>	<b>19</b>
B.1	Draft rule determination and draft rule	19
B.2	Power to make the rule	19
B.3	Commission's considerations	19
B.4	Civil penalty provisions and conduct provisions	19
<b>Abbreviations and defined terms</b>		<b>21</b>
<b>Tables</b>		
Table B.1:	Civil penalty provision recommendation	20

# 1 The Commission has made a draft determination

This draft determination is to make a more preferable draft retail rule (draft rule) for the Streamlining payment difficulty rule change request. It covers four rule change requests submitted by the Australian Energy Regulator (AER) on 19 December 2025.

Five rule change requests were submitted by the AER following its [Review of payment difficulty protections in the National Energy Customer Framework](#) (the AER Review), which identified a range of issues affecting how customers experiencing payment difficulties are identified, supported and protected under the current framework.

The five requests are:

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

Together, these rule changes seek to address customer access to assistance, payment plan settings, information about assistance and disconnection protections through amendments to the National Energy Retail Rules (NERR).

The four rule change requests covered by this determination are:

- Clarifying disconnection protections. The current rules do not clearly specify when a retailer is taken to have disconnected a customer, resulting in uncertainty around when a retailer has fulfilled their obligations, specifically the principle of disconnection as a last resort. Retailers also do not always engage with customers at risk of disconnection through multiple communication channels, limiting effective engagement and support.
- Strengthening minimum disconnection protections. Minimum disconnection protections do not apply to all customers, resulting in different levels of protection and potential barriers to engagement.
- Simplifying the eligibility framework for payment difficulty protections. The eligibility framework for payment difficulty assistance is complex and applied unevenly.
- Improving payment assistance information. Customers may not receive clear and accessible information about available payment assistance. Accessible information about payment assistance is also not required to be provided on reminder and disconnection warning notices, limiting opportunities to engage customers before disconnection.

The Commission is considering the four change requests above in a fast track process. The [Strengthening standards for payment difficulty assistance rule change request](#) is being considered under the AEMC's standard rule-making process, with a consultation paper published on [18 June 2026](#).

This draft determination and the draft rule contribute to our vision for [a consumer-focused net zero energy system](#), specifically our consumer priority that seeks to inform, empower and protect consumers individually and as a collective. The draft rule seeks to improve the accessibility of assistance information while maintaining low barriers for customers facing payment difficulty to access support and ensuring the eligibility framework is streamlined and reflects current practice. See chapter two for an outline of our assessment considerations for this rule change.

The expected timeline for implementation is around six months from the final rule if made, with a commencement date of 30 March 2027, as set out in the draft rule.

We are seeking feedback on this draft determination and draft rule by 30 July 2026. There are a variety of ways to provide feedback, including by providing a formal submission. For more detailed information on:

- our assessment framework and how the Commission considers the draft rule would contribute to achieving the NERO, refer to chapter 2
- how our draft rule would work and how it seeks to improve outcomes for consumers, refer to chapter 3 and chapter 4
- the rule-making process, legal requirements to make a rule and abbreviations refer to appendix A and appendix B.

## 1.1 Our draft rule would improve assistance for customers experiencing payment difficulties

This draft determination covers two themes. These are:

- Theme 1: Clarifying and strengthening disconnection protections to better serve customers. The draft rule seeks to:
  - clarify the time when a retailer is taken to have disconnected a customer
  - require retailer engagement through at least two channels of communication for customers at risk of disconnection
  - apply the minimum disconnection amount to all customers.
- Theme 2: Streamlining and improving payment difficulty assistance information for customers. The draft rule seeks to:
  - streamline payment difficulty assistance eligibility categories
  - offer clearer and more accessible information on retailer websites
  - provide assistance information on reminder and disconnection warning notices.

The Commission considers that the proposed changes in this determination would strengthen and clarify existing disconnection protections, ensuring the rules sufficiently capture their intent and uphold the principle of disconnection as a last resort. Further, the changes improve the clarity, accessibility and consistency of payment difficulty assistance information, supporting earlier and more effective engagement with customers experiencing payment difficulties.

Chapters three and four outline the Commission's decision and proposed draft rule covering each of the above.

## 1.2 Current protections for payment difficulty and hardship customers

Under the National Energy Customer Framework (NECF), there are a range of provisions that aim to protect and assist consumers when they are experiencing payment difficulties with their energy bills or in financial difficulty due to hardship.<sup>17</sup>

Under the NERR and NERL, payment difficulty and hardship are referred to as follows:

<sup>17</sup> These provisions are in the NERL, the NERR, the National Energy Retail Regulations, the AER's Customer Hardship Policy Guideline (2019) and the AER's Sustainable Payment Plans Framework (2016). Note that these instruments do not apply in all jurisdictions. The NECF applies in the Australian Capital Territory, New South Wales, South Australia, Queensland and Tasmania.

- Payment difficulty - other customers experiencing payment difficulties.<sup>18</sup>
- Hardship - a residential customer of a retailer who is identified as a customer experiencing financial payment difficulties due to hardship, in accordance with the retailer's customer hardship policy.<sup>19</sup>

For customers experiencing payment difficulties, the rules rely more heavily on retailer engagement and general payment support arrangements. The current framework provides stronger and more specific protections for hardship customers than for other customers experiencing payment difficulties. This distinction is relevant to the current proposals because the AER considers that some customers may face barriers to assistance even before they enter a formal hardship program. The AER Review recommended a single, consistent definition for customers experiencing payment difficulty be introduced. This is to make it easier to know who should be receiving assistance. This proposal is currently under consideration by ECOMC as it requires changes to the NERL.

Victoria has its own payment difficulty framework and consumers in Victoria are protected under the Victorian Energy Retail Code of Practice. We are liaising with the Essential Services Commission of Victoria (ESC VIC) as part of this rule change and aiming to align with the Victorian retail code where possible.

### 1.3 The draft rule has been shaped by the AER's review of payment difficulty protections in the NECF

The AER published its [Review of payment difficulty protections in the National Energy Customer Framework](#) on 15 May 2025.<sup>20</sup>

The AER's Review considered whether there is a case for change to strengthen protections for customers experiencing payment difficulties to ensure that they are proactively identified, engaged early and supported appropriately with assistance that is tailored to their individual circumstances.

The review identified 13 opportunities for improving the current framework, specifically to improve how customers experiencing payment difficulties are identified, engaged and supported. These opportunities were centred around the following key aims, making:

- it easier to know who should be receiving assistance and for customers to know what assistance is available
- it easier for customers to access assistance and more effective
- sure disconnection is only used as a last resort and reducing the harm it causes.<sup>21</sup>

The AER's Review identified opportunities related to:

- The definition of payment difficulty and strengthening the principle for disconnection, outlining some of these changes proposed will require legislative reform.
- Strengthening protections on retailer assistance and information provision, outlining some of these changes proposed would require changes to the NERL.
- Alternatives to disconnection, which would require further analysis and consultation to address them.

18 NERL section 50(1)(b), NERL rules 33(1)(b) and 111(2).

19 NERL sections 2(1) and 43.

20 AER, Review of Payment difficulty protections in the National Energy Customer Framework, Final report, 15 May 2025.

21 AER, Review of Payment difficulty protections in the National Energy Customer Framework, Final report, 15 May 2025, p. 1.

The AER stated that together these changes, if implemented, would:

- improve protections and outcomes for customers experiencing payment difficulty
- make customer experiences more consistent and support greater awareness
- simplify regulatory compliance for retailers by having a simpler eligibility framework, clearer minimum standards and greater consistency across jurisdictions
- reduce debt burden by better ensuring retailers engage with customers experiencing payment difficulty proactively and effectively.

The AER's Review found that there is a persistent assistance gap that means some customers are missing out on help, retailer practices and their hardship policies vary, which can lead to different customer experiences depending on the retailer.<sup>22</sup> In addition, the AER identified concerns that some customers may face barriers to assistance, with many experiencing inconsistent engagement during the disconnection process. For many consumers, this may place the onus of receiving support solely on them, potentially delaying or discouraging access to help. For retailers, it raises questions about the consistency of practice and the operational design of assistance processes.<sup>23</sup>

The rule changes considered in this determination most closely align with recommendations 1, 2, 9, 10 and 11 of the review, which identified opportunities to:

- introduce a single, consistent definition for customers experiencing payment difficulty
- require retailers to provide generally available information about assistance that is easy for all customers to access, understand and act on
- strengthen minimum disconnection protections, including increasing the minimum disconnection amount
- strengthen requirements for communication in the disconnection process
- strengthen the principle that disconnection is a last resort option, including introducing financial penalties for retailers who fail to uphold the principle.

## 1.4 Broader reforms that intersect with this rule change

The Commission also notes the ECMC, through the Department of Climate Change, Energy, the Environment and Water (DCCEEW), is progressing the Better Energy Customer Experiences (BECE) work to understand reforms needed to modernise and ensure the consumer protections framework is fit for purpose for the evolving energy market.

The key focus of the review is the NECF, given it is the primary national regulatory framework providing energy-specific protections to consumers. However, consideration will also be given to other related legislation, frameworks and policy settings, including the Australian Consumer Law, state and territory-based legislation, and the New Energy Tech Consumer Code.

The AER is also considering related changes proposed in these rule changes as part of its Retail guidelines review. We are engaging with the AER to ensure alignment and minimise duplication arising from an additional review of relevant guidelines to these requests. The AER expects to publish a final version of the combined guidelines in September 2026.

The Commission has had regard to these broader reforms for this draft determination and ECMC's consideration of the broader payment difficulty reforms set out in the AER's final report.<sup>24</sup>

<sup>22</sup> AER, Review of Payment difficulty protections in the National Energy Customer Framework, Final report, 15 May 2025, pp. 6-9.

<sup>23</sup> AER, Review of Payment difficulty protections in the National Energy Customer Framework, Final report, 15 May 2025, p. 8.

<sup>24</sup> ECMC, [Meeting Communiqué](#), 16 December 2025.

## 2 The rule would contribute to the energy objectives

### 2.1 The Commission must act in the long-term interests of energy consumers

The Commission can only make a rule if it is satisfied that the rule will or is likely to contribute to the achievement of the relevant energy objectives.<sup>25</sup>

For this rule change, the relevant energy objective is the NERO:

The NERO is:<sup>26</sup>

to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to—

- (a) price, quality, safety, reliability and security of supply of energy; and
- (b) the achievement of targets set by a participating jurisdiction—
  - (i) for reducing Australia’s greenhouse gas emissions; or
  - (ii) that are likely to contribute to reducing Australia’s greenhouse gas emissions.

The [targets statement](#), available on the AEMC website, lists the emissions reduction targets to be considered, as a minimum, in having regard to the NERO.<sup>27</sup>

### 2.2 We must also take these factors into account

#### 2.2.1 We have considered whether to make a more preferable rule

The Commission may make a rule that is different, including materially different, to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule is likely to better contribute to the achievement of the NERO.<sup>28</sup>

For this rule change, the Commission made a more preferable draft rule. The reasons are set out in section 2.3 below.

#### 2.2.2 We have considered the consumer protections test for this rule change

In addition to applying the NERO, the Commission must, where relevant, satisfy itself that the rule is “compatible with the development and application of consumer protections for small customers, including (but not limited to) protections relating to hardship customers” (the consumer protections test).<sup>29</sup> Where the consumer protections test is relevant in making a rule, the Commission must be satisfied that both the NERO test and the consumer protections test have been met.<sup>30</sup> If the Commission is satisfied that one test, but not the other, has been met, the rule cannot be made (noting that there may be some overlap in the application of the two tests).

The Commission is also satisfied that the draft more preferable rule meets the consumer protection test, as per the reasons set out in section 2.3.

<sup>25</sup> Section 236(1) of the NERL.

<sup>26</sup> Section 13 of the NERL.

<sup>27</sup> Section 224A(5) of the NERL.

<sup>28</sup> Section 244 of the NERL.

<sup>29</sup> Section 236(2)(b) of the NERL.

<sup>30</sup> That is, the legal tests set out on sections 236(1) and (2)(b) of the NERL.

## 2.3 How we have applied the legal framework to our decision

The Commission has:

- considered the NERO
- considered the issues raised in the rule change request, and
- assessed the draft rule against the four assessment criteria outlined below.

We identified the following criteria to assess whether the proposed rule change, no change to the rules (business-as-usual), or other viable, rule-based options are likely to better contribute to achieving the NERO. The Commission also considered equity and the impacts on and barriers to participation for consumers as part of our assessment criteria.

The AEMC has developed guidance to ensure issues of equity are consistently and transparently addressed in a structured way when we are making rule changes and delivering recommendations - that is, putting a consistent focus on accounting for the diversity of consumer needs, experiences and preferences; removing structural barriers to participation; and avoiding creating or exacerbating vulnerability.<sup>31</sup>

- **Outcomes for consumers.** We considered whether the proposed rule change would:
  - be compatible with or strengthen existing consumer protections, including any interactions
  - better uphold consumer needs and preferences, through more tailored accessible engagement and information
  - 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 considered 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 and information-sharing around retailer website, reminder and disconnection warning notice requirements
  - structural barriers enabling all consumers to access assistance relating to payment difficulty.
- **Implementation considerations.** We considered the:
  - cost and complexity for retailers to implement changes to websites, reminder and disconnection warning notices, ensuring sufficient implementation flexibility is provided
  - interaction with existing processes, including the AER Retail guideline review currently underway, BECE reforms and broader changes being sought through the ECMC
  - impact on market bodies or jurisdictions and across different groups of consumers.
- **Principles of good regulatory practice.** We considered 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 AER's Review of payment difficulty protections in the NECF being sought through the ECMC and through the standard rule change

31 See AEMC guidance on "[How the national energy objectives shape our decisions](#)".

- how prescriptive or outcomes-based the rules in the NERR need to be, in order to uphold the long term interests of consumers.

These assessment criteria reflect the key potential impacts – costs and benefits – of the rule change request, for impacts within the scope of the NERO. The Commission has evaluated the impacts of the various policy options against the assessment criteria, taking into account stakeholder submissions to the AER Review.

### 2.3.1 The draft rule would support consumer outcomes by making payment assistance more consistent and easily accessible

The draft rule is likely to support outcomes for consumers by:

- **Strengthening existing consumer protections and improving consistency.** The draft rule clarifies and strengthens existing protections by improving how information is provided and ensuring customers are better able to access assistance, including addressing gaps and inconsistencies in current arrangements.
- **Better supporting consumer needs and preferences.** The draft rule promotes more tailored and accessible communication, including improving website information and notices so customers can more easily understand their options. The draft rule also allows retailers to engage with customers in a way that suits their circumstances.
- **Promoting equity and reducing barriers to assistance.** The draft rule seeks to ensure customers experiencing payment difficulties, particularly those facing vulnerability or barriers to engagement, are able to access and navigate assistance, reducing the risk of disengagement from available protections. By applying protections more consistently, including the universal application of minimum disconnection amounts, the draft rule supports customers experiencing payment difficulty to access assistance and avoid unintended exclusion from assistance.

### 2.3.2 The draft rule would promote market efficiency by improving consistency and reducing ambiguity in retailer obligations

The draft rule is likely to promote market efficiency by:

- **Improving consistency in how obligations are applied.** The draft rule clarifies key aspects of the framework, including how de-energisation provisions should operate, aligning wording between the NERR and NERL, and applying minimum disconnection thresholds consistently. These changes reduce ambiguity in the rules and support more standardised processes across retailers, by bringing the rules in line with most retailers current practice.
- **Clarifying the allocation of risks and responsibilities.** By clarifying obligations, including those around de-energisation and the application of disconnection thresholds, the draft rule reduces ambiguity in how risks are shared between retailers and customers.
- **Enhancing transparency of information and communication.** The draft rule improves the clarity and consistency of information provided to customers, including across websites, reminder and disconnection warning notices, supporting more efficient and thorough engagement.
- **Reducing structural barriers to accessing assistance.** By aligning current retailer practice with the NERR, the draft rule supports more timely engagement between retailers and customers and may reduce costs associated with disengagement and escalation through disconnection.

### 2.3.3 The draft rule builds on current practice and complements broader reforms

The draft rule would complement existing protections and broader reforms by:

- **Limiting implementation complexity by building on current practice.** To the extent the draft rule reflects practices already adopted by most compliant retailers, implementation is expected to be straightforward and require fewer fundamental changes to systems and processes.
- **Using prescription where needed.** The primary implementation impacts relate to website updates, reminder and disconnection warning notices, with flexibility provided to support efficient implementation.
- **Aligning with existing and upcoming reforms.** The draft rule is designed to operate alongside the AER Retail guideline review and broader changes being progressed through the ECMC, reducing duplication and supporting a more coherent framework.
- **Considering impacts across stakeholders and consumer groups.** The Commission has considered impacts on market bodies, jurisdictions and different consumers, focusing on how changes would affect customers experiencing payment difficulties.

### 2.3.4 The draft rule would support good regulatory practice by improving clarity, consistency and proportional regulation

The draft rule supports principles of good regulatory practice by:

- **Promoting clarity and consistency across the framework.** Aligning the wording of the NERR with the NERL and clarifying key obligations, including around de-energisation and the minimum disconnection threshold, supports a more coherent regulatory framework.
- **Reducing ambiguity and reliance on interpretation.** By clarifying expectations that are already reflected in compliant retailer practices, the draft rule reduces uncertainty and supports more predictable regulatory outcomes.
- **Applying an appropriate level of prescription.** The draft rule introduces prescription where needed to ensure consistent application of protections, while maintaining flexibility where outcomes-based approaches better support efficient delivery (i.e information requirements for retailer websites, reminder and disconnection warning notices).
- **Supporting interaction with broader reforms.** The draft rule is designed to complement the related standard rule change request (*Strengthening standards for payment difficulty assistance*), broader changes sought through the ECMC, and further alignment with Victoria where possible, supporting a more integrated regulatory approach.
- **Minimising costs over time.** By clarifying obligations and aligning with existing practices, the draft rule is intended to reduce complexity, avoid unnecessary system changes, and support more efficient compliance.

### 3 Clarifying and strengthening disconnection protections to better serve customers (Theme 1)

This chapter sets out the Commission’s draft rule and reasoning covering Theme 1 covering changes to:

- clarifying the time when it is taken that a retailer disconnects a customer
- requiring retailer engagement through at least two channels of communication for customers at risk of disconnection
- applying the minimum disconnection amount to all customers.

In summary, the Commission has made a draft rule that:

- clarifies the time when a retailer disconnects a customer:
  - The draft rule would clarify that a retailer is taken to have arranged de-energisation or re-energisation (reconnection) of a customer’s premises when they submit the request to do so to the distributor. The AER would then use this timing to assess whether a retailer has met their obligations, specifically disconnection as a last resort obligations.<sup>32</sup>
- requires retailer engagement through at least two channels of communication for customers at risk of disconnection:
  - Retailers would be required to contact customers at risk of disconnection through at least two channels. Where a customer acknowledges receipt of the first communication attempt, the retailer would not be required to follow up with an additional method of contact. The draft rule is not an exhaustive list of potential communication methods, instead the aim is to allow retailers to contact the customer in a way that suits the customer’s needs.<sup>33</sup>
  - Removes the reference to facsimile to ensure the rules reflect current methods of communication.<sup>34</sup>
- applies the minimum disconnection amount to all customers:
  - The draft rule would ensure that the minimum disconnection amount applies to all customers, rather than solely those who agree to repay their debt.<sup>35</sup>

These changes aim to strengthen and clarify existing disconnection protections, ensuring the rules sufficiently capture their intent and uphold the principle of disconnection as a last resort.

#### 3.1 Clarifying the time when a retailer is taken as disconnecting a customer’s premises

There are specific requirements in the NERR for when a retailer can and cannot arrange for a customer to be disconnected, including customers experiencing payment difficulties and/or hardship.<sup>36</sup> These requirements are classified as a tier 1 civil penalty provision.

Despite the NERR stepping out in detail the instances when retailers can and cannot arrange for a customer to be disconnected, it does not clarify the time a retailer is considered to have arranged disconnection of a customer experiencing payment difficulty.

<sup>32</sup> Draft rule, rule 107(6).

<sup>33</sup> Draft rule, rule 111(1)(e), (3), (3A).

<sup>34</sup> *ibid.*

<sup>35</sup> Draft rule, rule 116(1)(g).

<sup>36</sup> NERR, Part 6.

The AER outlined in its rule change request that, based on its Review of payment difficulty protections in the NECF, clarification is required regarding the time when a retailer is taken to have arranged disconnection.<sup>37</sup> It also suggested this gap makes it difficult to determine whether a retailer has met its obligations during the disconnection process.<sup>38</sup>

The AER proposed a clarification to the NERR that proposed the time a retailer is taken to have arranged de-energisation (disconnection) or re-energisation (reconnection) of a consumer's premises includes a retailer requesting a distributor to de-energise or re-energise the premises.<sup>39</sup>

The AER notes this would assist it in determining whether a retailer has met its last resort obligation, including the minimum disconnection protections set out in the NERR. It also noted the change would support the law changes sought through the ECMC, which seek to introduce financial penalties for retailers who fail to uphold the principle of disconnection as a last resort for customers experiencing payment difficulty and hardship.<sup>40</sup>

### 3.1.1 Clarifying the time a retailer is taken to have arranged disconnection would support the principle of disconnection as a last resort

The draft rule is largely consistent with the proponent's proposal, subject to minor drafting changes.<sup>41</sup> These changes do not alter the policy intent of the proposed rule, but rather aim to improve clarity and better reflect retailer practices.

We consider clarity around when a retailer is taken to have arranged disconnection of a customer in the NERR is important, such that there is no ambiguity for retailers and for consumers around the disconnection process. This is particularly important given the principle of disconnection as a last resort.

The Commission considers the change to the NERR would:

- improve clarity for retailers around their obligations and processes for disconnections (i.e., when disconnection can occur)
- assist the AER in determining whether a retailer has met their obligations
- have limited operational and cost impacts on retailers, given it largely aligns with current practice.

We note that current practice is not to disconnect a customer until after a service order (business-to-business transaction)<sup>42</sup> is raised with either a Metering Coordinator<sup>43</sup> or distributor, and generally only post a follow-up letter advising of the disconnection set to occur on a specified date. However, there are jurisdictional differences in the participant service orders are typically communicated to.<sup>44</sup> In NSW, for instance, remote disconnection or reconnection (re-energisation) of a residential customer for non-payment can only be carried out by a metering provider (metering coordinator in the instance of embedded networks), upon request from the retailer<sup>45</sup>

The draft rule provides for when retailers contact distributors for disconnection. Under the existing retail rules, reference is made to the de-energisation or re-energisation of a customer's premises,

37 AER, Clarifying disconnection protections, rule change request, p. 1.

38 *ibid.*

39 AER, Clarifying disconnection protections, rule change request, p. 2.

40 AER, Clarifying disconnection protections, rule change request, p. 1.

41 Draft rule, rule 107(6).

42 Business-to-business transaction (B2B transaction) is a digital communication between participants for workflows.

43 Metering coordinator is a term not currently used in the specific rules this proposal relates to.

44 See AEMO, [B2B guide](#), 2 April 2025.

45 Electricity Supply (General) Regulation 2014 - Division 3.

which includes arranging for the premises to be de-energised or re-energised remotely.<sup>46</sup> The Commission considers this reference sufficiently captures remote de-energisation, and where other parties may be involved in the process (i.e., Metering Coordinators). The Commission is interested in stakeholders' views, however, on whether the proposed drafting sufficiently captures scenarios for remote de-energisation.

## 3.2 Requiring retailer engagement through at least two channels for customers at risk of disconnection

The specific payment difficulty provisions in the NERR currently require retailers to engage with customers at risk of disconnection using one of the listed methods in the NERR.<sup>47</sup> However, research from the Justice and Equity Centre found that 47 per cent of customers who had been disconnected did not have any contact with their retailer prior to the disconnection.<sup>48</sup>

As part of its Review, the AER found that retailer practices to contact a customer (including leading up to disconnection) are very inconsistent, and the current rules do not clearly require a multiple-channel approach that would better suit the customer's needs and preferences.<sup>49</sup> It suggests the disconnection process could be improved through a flexible, tailored approach that does not rely on a single touchpoint engagement channel.<sup>50</sup>

The AER proposed requiring retailers to use at least two communication channels to engage with customers at risk of disconnection for non-payment and removing the reference to facsimile.<sup>51</sup> The AER considered these changes would:

- support customers experiencing payment difficulties and hardship with assistance tailored to their individual circumstances
- strengthen requirements for communication in the disconnection process
- help reduce long-term customer debt more effectively than disconnection.<sup>52</sup>

### 3.2.1 Requiring additional communication channels to best suit customer needs

The draft rule is largely consistent with the proponent's proposal, with some drafting clarifications.<sup>53</sup> We consider the clarifications to the draft rule better align with consumer needs, preferences and retailers' current practices than the proposed drafting in the rule change request.

The Commission considers the NERR should require retailers to engage with customers in ways that meet consumer preferences and require more than one channel of engagement where possible. The draft rule would allow retailers to contact customers at risk of disconnection in a way that meets their preferences, provided this has been communicated to the retailer, rather than being limited by the current options.<sup>54</sup>

Under the AER's proposed rule, retailers would be required to contact customers using two of the outlined methods, even in the instance that the first contact is acknowledged.<sup>55</sup> The draft rule

46 NERR, rule 107(5).

47 NERR, rule 111(1)(e) and (3).

48 Justice and Equity Centre, *Powerless: Debt and disconnection*, Overview report, 24 June 2024, p. 62.

49 AER, *Clarifying disconnection protections*, rule change request, p. 3.

50 *ibid.*

51 AER, *Clarifying disconnection protections*, rule change request, p. 2.

52 AER, *Clarifying disconnection protections*, rule change request, p. 4.

53 Draft rule, rule 111(3A).

54 Draft rule, rule 111(3A).

55 AER, *Clarifying disconnection protections*, rule change request, p. 2.

instead sets out that if the customer acknowledges receipt of the first contact attempt the retailer is not expected to contact them via a second method.<sup>56</sup> The draft rule also clarifies that contact via telephone or electronic means occurs if the customer answers the telephone or acknowledges receipt of a message by telephone or electronic means.<sup>57</sup> The Commission considers that retailers are responsible for maintaining a record of customer acknowledgement, in whatever form it is provided. This change aims to ensure thorough engagement takes place, while not placing onerous communication requirements on retailers. We consider this proposed change would:

- provide clarity around retailer flexibility/obligations for compliance
- potentially prevent disconnections of customers in payment difficulty due to improved retailer engagement options
- move closer to alignment with the Victorian Energy Retail Code of Practice.

In developing the draft rule, the Commission has considered its interaction with rule 76H of the family violence provisions. The Commission considers that rule 76H would supersede the requirement in the draft rule for retailers to use at least two communication methods.<sup>58</sup> Accordingly, where a customer is affected by family violence, retailers would not be required to comply with these requirements.

The Commission seeks stakeholder views on whether this interaction is sufficiently clear, including whether rule 76H would operate as intended to override the draft rule requirements where a customer is affected by family violence.

### 3.3 Applying the minimum disconnection amount to all customers

Currently, the NERR prohibits disconnection for non-payment of a bill where a customer has accumulated debt below the minimum disconnection amount<sup>59</sup> and has explicitly agreed to repay their debt.<sup>60</sup>

Therefore, customers who have not agreed to repay their debt are not afforded the same protections even where their debt is below the minimum disconnection amount.

Recent data indicates that in 2024-25 there were 1,671 residential disconnections for debts below \$500.<sup>61</sup> In addition, one third of residential electricity customers with an outstanding debt were not enrolled in a payment plan or hardship program.<sup>62</sup>

The AER considers that for debts below the minimum disconnection amount, the cost of disconnection and re-connection exceeds the value of the debt accumulated, making it an important safeguard mechanism. As the minimum disconnection amount is the primary safeguard for customers who are not otherwise identified as experiencing payment difficulty, the AER considers that it should apply universally.

The Commission has adopted the proposed change in the rule change request and the proposed drafting.<sup>63</sup> The Commission considers the minimum disconnection amount should apply to all customers, rather than being limited to those who agree to repay their debt.

56 Draft rule, rule 111(3A).

57 Draft rule, rule 111(3A).

58 Draft rule, rule 111(3A).

59 The amount will increase from \$300 to \$500 effective from 1 July 2026, following the AER's minimum disconnection amount review 2025.

60 NERR, rule 116(1)(g).

61 AER, Annual retail markets report 2024–25, 1 December 2025, pp. 108–111.

62 AER, Annual retail markets report 2024-25, 1 December 2025.

63 Draft rule, rule 116(1)(g).

Disconnections in the last quarter affected around 0.09 per cent of residential electricity customers and 0.06 per cent of residential gas customers across the National Electricity Market.<sup>64</sup> The Commission considers that, regardless of their prevalence, the impacts and costs of disconnection can be significant and disproportionate to relatively small levels of debt under a universal \$500 minimum disconnection amount.

---

64 AER, Key insights – October to December 2025 retail performance data, 2 April 2026.

## 4 Streamlining and improving payment difficulty assistance information for customers (Theme 2)

This chapter sets out the Commission’s draft rule and reasoning covering Theme 2 and changes to:

- streamlining payment difficulty assistance eligibility categories
- offering clearer and more accessible information on retailer websites
- providing assistance information on reminder and disconnection warning notices.

In summary, the Commission has made a draft rule that:

- Streamlines payment difficulty assistance eligibility categories
  - The draft rule would ensure that customers who self identify and those who are identified by their retailer as experiencing payment difficulty are offered the same assistance protections. This would align payment difficulty eligibility categories under the NERR with those currently under the NERL.<sup>65</sup>
- Requires retailers to offer clearer, more accessible information on their websites
  - Retailers would be required to provide information about available payment difficulty assistance, a summary of the hardship policy and information about concessions on their website. This information would need to be easily accessible and easy to understand.<sup>66</sup>
- Provides assistance information on reminder and disconnection warning notices
  - Retailers would be required to include information on payment difficulty assistance, access to hardship policies, and available government rebates and concessions on reminder and disconnection warning notices.<sup>67</sup>

Together these changes improve the clarity, accessibility and consistency of payment difficulty assistance information, supporting earlier and more effective engagement with customers experiencing payment difficulties.

### 4.1 Streamlining payment difficulty assistance eligibility categories

The AER considers customers experiencing payment difficulty continue to face an assistance gap, in part due to the complexity of the current eligibility framework. The AER found that in 2024–25, one out of every three customers in energy debt were not receiving retailer assistance in the form of a payment plan or hardship program.<sup>68</sup>

Currently, the eligibility framework in the NERR is not aligned with the eligibility framework in the NERL. The NERL eligibility categories apply to customers experiencing payment difficulty who self-identify or are identified by their retailer. In contrast, the NERR category only captures customers experiencing payment difficulty who self-identify. As a result, customers who are identified by their retailer as experiencing payment difficulty are not necessarily afforded the same protections as those who self-identify. This lack of alignment creates multiple different eligibility categories, with differing assistance obligations for retailers.

65 Draft rule, rule 33(1)(b) and 111(2).

66 Draft rule, rule 56(1)(d) and (e), 56(5).

67 Draft rule, rule 109(2)(e), 110(h). This aims to build on the AEMC’s Concessions rule change published 25 September 2025 that requires retailers to provide relevant jurisdiction-specific information on concessions, rebates and relief schemes.

68 AER, annual retail markets report 2024-25, 1 December 2025, p. 103.

The AER proposed in the rule change request to align the NERR with the NERL by extending eligibility to customers identified by their retailer as having repeated payment difficulties or requiring payment assistance.<sup>69</sup> This change would ensure customers receive appropriate support regardless of how they are identified.

The Commission has adopted this aspect of the proposed drafting.<sup>70</sup> The Commission considers that aligning the NERR with the NERL will ensure that all customers experiencing payment difficulty, whether they self-identify or are identified by their retailer, are entitled to the same assistance and protections.

The Commission further considers that this change will support the consistent application of payment difficulty assistance across the eligibility categories and clarify retailer obligations between the NERL and NERR.

The Commission considered whether the draft rule should accommodate the identification of customers who identify payment difficulty through emerging engagement channels. The Commission notes that, although not explicit in the draft rule (as it aligns directly with the NERL), it expects retailers to reasonably consider customer circumstances when customers use new digital/automated communication channels (e.g., chatbots on retailer platforms).

The Commission notes the change is not expected to substantially affect or alter current retailer reporting metrics, and would align with the single definition of customers experiencing payment difficulty sought by the AER through the ECMC.<sup>71</sup> The change would also align the NERR more closely with the Victorian Framework, with assistance items under the Energy Retail Code of Practice being offered to all customers, regardless of how the belief of payment difficulty arises.

## 4.2 Offering clearer and more accessible information

Rule 56(1) of the NERR does not require retailers to publish information about available payment difficulty assistance, including a summary of their hardship policy or information about concessions, on their website. The NERR also does not require retailers to include information on how to access assistance on reminder and disconnection warning notices.

The AER's Review of payment difficulty protections in the NECF found that retailer websites often do not provide assistance information tailored to customers' needs, and in some cases provide limited information outside of hardship policies. The review also found that many customers are not aware of available assistance at key points in the disconnection process. This contributes to an assistance gap for customers experiencing payment difficulties.<sup>72</sup>

To address this issue, the AER proposed two complementary changes, requiring retailers to:

- publish accessible information about assistance on their website
- provide assistance information on reminder and disconnection warning notices.

### 4.2.1 Offering clearer and more accessible information on retailer websites

The AER proposed to require retailers to publish information about assistance that is easy for customers to access, understand and act upon on their website. This includes a summary of the

69 We note the AER as part of its Review, recommended a single, consistent definition for customers experiencing payment difficulty be introduced. This is being considered by ECMC.

70 Draft rule, rules 33(1)(b) and 111(2).

71 AER, Simplifying the eligibility framework, rule change request, p. 1.

72 AER, Improving payment assistance information, rule change request, p. 1.

retailer's hardship policy and information about concessions in a way that is easy for customers to understand and act on.

The Commission considers that improving the accessibility and clarity of assistance information would support more consistent and transparent communication of payment assistance options. This would make it easier for customers to understand what support is available and how to access it.

This approach is also largely consistent with the broader direction of recent reforms, including the AEMC's Assisting Hardship Customers rule,<sup>73</sup> Final Rule for Improving the applications of concessions to bills<sup>74</sup> and our recent Improving life support processes draft rule.<sup>75</sup>

The draft determination is to make a draft rule largely consistent with the AER's proposal, subject to minor drafting changes. The Commission considers that the draft rule would more effectively enable practical and efficient implementation than the drafting proposed in the rule change request, as it largely reflects most retailers' existing practices, limiting implementation complexity.

The draft rule would require retailers to publish a summary of information about available assistance customers experiencing payment difficulties are entitled to, including the retailer's hardship policy and relevant government support schemes.<sup>76</sup>

The Commission has adopted an outcomes-based approach to the drafting, specifically around the AER's proposed wording of the information being easy for *all* to access, understand and act on. This approach is intended to provide retailers with flexibility in implementation, while minimising implementation costs. In developing the draft rule, the Commission has also had regard to potential barriers to access, including technological barriers and the costs associated with translating information.

The draft rule explicitly references the assistance that customers experiencing payment difficulty are entitled to. The Commission considers this provides clarity that the required summary of information should include not only a summary of the hardship policy, but also any additional assistance available to customers experiencing payment difficulties.<sup>77</sup>

The Commission recognises that customers may be entitled to government funded energy charge rebate, concession or relief schemes, without experiencing payment difficulty. The draft rule, therefore, references these separately to ensure the rules accurately reflect the different types of assistance available to different groups of customers.<sup>78</sup>

The Commission does not intend for retailers to meet this requirement by providing lengthy or difficult to navigate documents. The expectation is that key information on available assistance is presented in plain language and is readily accessible for customers.

Rule 113 of the NERR, which is not proposed to be amended, currently includes the same wording as Rule 56. The Commission is interested in stakeholder views on whether the proposed draft amendments to Rule 56 should also be reflected in Rule 113 (De-energisation for denying access to the meter).

73 AEMC, National Energy Retail Amendment (Assisting Hardship Customers) Rule 2025 No 2, 19 June 2025.

74 AEMC, National Energy Retail Amendment (Improving the application of concessions to bills) Rule 2025 No. 5, 25 September 2025.

75 Draft National Energy Retail Amendment (Improving life support processes) Rule 2026, 5 March 2026.

76 Draft rule, rule 56(1)(d) and (e), 56(5).

77 Draft rule, rule 56(1)(d) and (e), 56(5).

78 Draft rule, rule 56(1)(d) and (e), 56(5).

#### 4.2.2 Providing assistance information on reminder and disconnection warning notices

In addition to the above obligation, the AER proposed to require retailers to include information about assistance and how to access it on reminder and disconnection warning notices. For example, a link where customers can access the retailer's hardship policy and government rebates and concessions.

The draft determination is to make a draft rule largely consistent with the AER's proposal in the rule change request, with minor drafting clarifications.<sup>79</sup>

The draft rule would require retailers to include a summary of available assistance customers are entitled to and how to access it in reminder and disconnection warning notices. This includes the retailer's hardship policy and the relevant government-funded support schemes available in the customer's jurisdiction.<sup>80</sup>

As per above, the draft rule explicitly references the assistance that customers experiencing payment difficulty are entitled to and references government funded energy charge rebate, concession or relief schemes separately.<sup>81</sup>

The Commission considers that this change would complement the draft rule to require more accessible information about assistance on retailer websites, ensuring customers are provided with relevant assistance information at key points in the disconnection process. Providing this information at these critical stages would improve awareness of available support and how to access it.

Consistent with the approach adopted above, the draft rule seeks to align with our previous consumer package of rule changes and to allow retailers to make necessary changes in a way that fits within their relevant communication templates, whilst minimising implementation costs.

The expectation is that key information on available assistance is provided in a summary form, using plain language and is readily accessible.

<sup>79</sup> The draft rule also includes a minor change to correct references to the locally defined term 'reminder notice period'. Draft rule, rule 109(2)(b) and (c).

<sup>80</sup> Draft rule, rule 109(2)(e), 110(h).

<sup>81</sup> Draft rule, rule 109(2)(e), 110(h).

## A Rule making process

A fast track rule change request includes the following stages:

- a proponent submits a rule change request
- the Commission initiates the rule change process by publishing a draft determination and draft rule (if relevant) and seeking stakeholder feedback
- stakeholders lodge submissions on the draft determination and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a final determination and final rule (if relevant).

You can find more information on the rule change process on our website.<sup>82</sup>

### A.1 The process to date

On 21 May 2026, the Commission published a notice advising of its intention to initiate the rule making process in respect of the rule change request.<sup>83</sup> The Commission decided to fast-track this rule change request. This is because it concluded that the consultation carried out by the AER was adequate for the nature and content of the request.<sup>84</sup>

Accordingly, the Commission did not publish a consultation paper upon initiation of the rule change process and there has been no formal consultation carried out in this rule change process to date.

---

82 See our website for more information on the rule change process: <https://www.aemc.gov.au/our-work/changing-energy-rules>

83 This notice was published under section 251 of the NERL.

84 The decision to fast-track the rule change request was made under section 253(1)(a) of the NERL.

## B Legal requirements to make a rule

This appendix sets out the relevant legal requirements under the NERL for the Commission to make a draft rule determination.

### B.1 Draft rule determination and draft rule

In accordance with section 256 of the NERL, the Commission has made this draft rule determination for a more preferable draft rule in relation to the rule proposed by the AER.

The Commission's reasons for making this draft rule determination are set out in chapter three and four.

A copy of the more preferable draft rule is attached to and published with this draft determination. Its key features are described in chapter three and four.

### B.2 Power to make the rule

The Commission is satisfied that the more preferable draft rule falls within the subject matter about which the Commission may make rules.

The more preferable draft rule falls within:

- section 237(1)(a)(i) of the NERL as it relates to the provision of energy services to customers, including customer retail services and customer connection services
- section 237(1)(a)(ii) of the NERL as it relates to the activities of persons involved in the sale and supply of energy to customers.

### B.3 Commission's considerations

In assessing the rule change request the Commission considered:

- its powers under the NERL to make the draft rule
- the rule change requests
- stakeholder input to the AER's Review of payment difficulty protections in the National Energy Customer Framework
- the Commission's analysis as to the ways in which the draft rule will or is likely to contribute to the achievement of the NERO
- the extent to which the rule is compatible with the development and application of consumer protections for small customers.

There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.<sup>85</sup>

### B.4 Civil penalty provisions and conduct provisions

The Commission cannot create new civil penalty provisions or conduct provisions. However, it may recommend to the energy ministers that new or existing provisions of the NERL be classified as civil penalty provisions or conduct provisions.

<sup>85</sup> Under s. 225 of the NERL the AEMC must have regard to any relevant MCE statement of policy principles in making a rule. The MCE is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for energy. On 1 July 2011, the MCE was amalgamated with the Ministerial Council on Mineral and Petroleum Resources. In December 2013, it became known as the Council of Australian Government (COAG) Energy Council. In May 2020, the Energy National Cabinet Reform Committee and the Energy Ministers' Meeting were established to replace the former COAG Energy Council.

Where the draft rule amends provisions that are currently classified as civil penalty provisions, the Commission does not propose to recommend to the energy ministers any changes to the classification of those provisions.

**Table B.1: Civil penalty provision recommendation**

Rule	Description of rule	Current classification	Reason to retain classification
56	<p>Rule 56 sets out general requirements on retailers to provide information to small customers. The draft rule would require:</p> <ul style="list-style-type: none"> <li>• retailers to provide further information about the assistance that customers experiencing payment difficulties are entitled to, including the retailer’s hardship policy and all relevant government funded energy charge rebate, concession or relief schemes</li> <li>• all information to be provided by a retailer under rule 56(1) to be easily accessible on the retailer’s website and expressed in plain language.</li> </ul>	Tier 2	As the draft rule would extend the obligation on retailers to provide information to small customers, no change to the civil penalty tiering is recommended.

## Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
BECE	Better Energy Customer Experiences
Commission	See AEMC
DCCEEW	Department of Climate Change, Energy, the Environment and Water
ECMC	Energy and Climate Change Ministerial Council
ESC VIC	Essential Services Commission of Victoria
MCE	Ministerial Council on Energy
NECF	National Energy Customer Framework
NERL	National Energy Retail Law
NERO	National Energy Retail Objective
NERR	National Energy Retail Rules
Proponent	The individual / organisation who submitted the rule change request to the Commission
The AER Review	The AER Review of payment difficulty protections in the National Energy Customer Framework