29 July 2026

In response to *AEMC, Strengthening standards for payment difficulty assistance, Consultation paper, 18 June 2026*

Prepared by Dr Lee White and Fred Marsh, at the University of Sydney

Dr Lee V. White, University of Sydney - School of Social and Political Sciences, lee.v.white@sydney.edu.au and https://profiles.sydney.edu.au/lee.v.white

Fred Marsh, University of Sydney - School of Social and Political Sciences

We are researchers at the University of Sydney currently investigating the administrative burdens of seeking relief from energy hardship in New South Wales. Our submission comments are informed by this ongoing work.

Question 1: Banning retailers from requiring documentary evidence to access payment difficulty assistance

We support the AER's recommendation to ban retailers from requiring proof of circumstances to access payment difficulty assistance, because removing this requirement would reduce administrative burdens. That is, it would reduce barriers that customers face in seeking support. Administrative burdens can lead to lower rates of program uptake, in this case to fewer people accessing support for payment difficulty when needed [1]. Requiring customers to provide documentary evidence to access support can represent a learning cost (finding out what is needed to be eligible), a compliance cost (collecting the necessary documents and providing them in required format), and a psychological cost (embarrassment at being asked to prove difficulties), all of which are forms of administrative burden [2]. Higher burdens often land most heavily on those navigating multiple challenges, for example, needing both health support and energy support [3]. Fewer points requiring documentation provision would simplify hardship access processes, and could increase customer feelings of being respected, both of which are important ways of reducing administrative burdens [4].

---

[1] Saurabh Bhargava and Dayanand Manoli, 'Psychological Frictions and the Incomplete Take-Up of Social Benefits: Evidence from an IRS Field Experiment', *American Economic Review*, 105.11 (2015), pp. 3489–529, doi:10.1257/aer.20121493.

[2] Aske Halling and Martin Baekgaard, 'Administrative Burden in Citizen–State Interactions: A Systematic Literature Review', *Journal of Public Administration Research and Theory*, 34.2 (2024), pp. 180–95.

[3] Lucie Martin, Liam Delaney, and Orla Doyle, 'Everyday Administrative Burdens and Inequality', *Public Administration Review*, 84.4 (2024), pp. 660–73, doi:10.1111/puar.13709.

[4] Avishai Benish and others, 'Types of Administrative Burden Reduction Strategies: Who, What, and How', *Journal of Public Administration Research and Theory*, 34.3 (2024), pp. 349–58, doi:10.1093/jopart/muad028.

If some documentation requirements remain, then it is important to consider how administrative burdens associated with these could be reduced. Clear communication about documentation requirements (e.g., clear information on websites about the type of documentation needed to access different types of support) and simplified mechanisms to meet these requirements (e.g., allowing multiple ways of providing these according to customer preference, or allowing comparable document types rather than one single document type) could both reduce administrative burdens associated with any remaining document provision requirements [5].

Question 2: Requiring retailers to consider information or representations by customers (or third-party) and changes of circumstances in determining capacity to pay/developing payment plans

We also support the AER's recommendation to strengthen protections to make payment plans more affordable. Allowing information provision by multiple means, including email alongside phone, could reduce some types of administrative burdens. For example, phone calls may need to be made during business hours and have long wait times, whereas email communication can be done asynchronously. If newer technologies such as chatbots are in use, then the security of customer information should be a key consideration in deployment of technology. If features such as chatbots cannot support information provision, there should be a clear mechanism to reach an email address to seek support in recognised ways.

Third party organisations working to support customers facing energy hardship have working relationships with these customers. Both direct customer and third-party representations of ability to pay should be trusted. Third-party support can also help to reduce the administrative burdens borne by customers themselves, such as by reducing psychological costs of such as fear of stigma [6].

Preliminary insights from our ongoing research suggest other areas to consider when improving payment plan affordability. First, customers may not know that they have the right to ask for an affordable plan. This right should be clarified in information provision. Second, frequent review of ability to pay risks increasing administrative burden due to need to re-engage repeatedly, potentially incurring more compliance costs (e.g., providing statements about payment ability) and more psychological costs (e.g., stress of frequent phone calls/emails about bill payment). People who need multiple types of support, such as health, housing, and energy, are likely to have multiple types of check-

[5] Benish and others, 'Types of Administrative Burden Reduction Strategies'.

[6] Stefanie DeLuca, Lawrence F. Katz, and Sarah C. Oppenheimer, '"When Someone Cares About You, It's Priceless": Reducing Administrative Burdens and Boosting Housing Search Confidence to Increase Opportunity Moves for Voucher Holders', *RSF: The Russell Sage Foundation Journal of the Social Sciences*, 9.5 (2023), pp. 179–211, doi:10.7758/RSF.2023.9.5.08.

ins that cumulatively increase their administrative burdens. Design of payment plan reviews should consider ways to minimise the steps required by hardship customers as a way to keep administrative burdens low[7]. One way to reduce burdens is to ‘shift’ them, so that larger portions of support become automated or become the responsibility of the retailer to offer (as opposed to the responsibility of the customer to request) [8]. In the case of payment plan reviews, this could mean centring communications around optional additional support for customers to take up, rather than centring communications around required check-ins that must be undertaken for existing support to continue.

[7] Benish and others, ‘Types of Administrative Burden Reduction Strategies’.
[8] Benish and others, ‘Types of Administrative Burden Reduction Strategies’.