Ms Anna Collyer
Chair
Australian Energy Market Commission
60 Castlereagh St
Sydney New South Wales 2000

30 July 2026

Dear Ms Collyer

Consultation Paper – Strengthening standards for payment difficulty assistance

ActewAGL welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) consultation paper and draft rule on Strengthening standards for payment difficulty assistance (RRC0074), published on 18 June 2026. ActewAGL is an energy retailer servicing the Canberra region and surrounding areas of south-east New South Wales, including Queanbeyan, Goulburn, the Snowy Mountains, Nowra and the South Coast.

ActewAGL supports reforms that reduce barriers to assistance and help ensure payment plans reflect customers' individual circumstances and capacity to pay. The framework should also support sustainable payment arrangements, provide clear and proportionate review requirements, and recognise that effective assistance depends on customer engagement.

1. Banning documentary evidence to access payment difficulty assistance

ActewAGL supports the Australian Energy Regulator's (AER) proposal to remove documentary evidence requirements as a precondition to accessing payment difficulty or hardship assistance. This reflects ActewAGL's existing practice of taking customers at their word about their circumstances when they seek assistance and is consistent with the existing prohibition on requiring documentary evidence to access family violence protections.

ActewAGL agrees with the AEMC that any prohibition should be limited to documentary evidence sought for the purpose of establishing that a customer is experiencing payment difficulty or hardship.[1] The prohibition should not prevent retailers from requesting information that is reasonably necessary to provide a specific assistance measure, establish eligibility for that measure or comply with another legal, regulatory or program requirement.

ActewAGL recommends that the AEMC clearly distinguish between:

[1] AEMC, Strengthening standards for payment difficulty assistance, Consultation paper, 18 June 2026, p. 7.

- documentary evidence sought to establish that a customer is experiencing payment difficulty or hardship, which should not be required as a condition of accessing assistance and
- information reasonably necessary to determine eligibility for a specific assistance measure, or to meet another legal or program requirement, which retailers should still be able to request.

ActewAGL also notes the interaction between this proposal and the eligibility amendments being progressed through the *Streamlining payment difficulty protections* rule change (RRC0075), on which ActewAGL has made a separate submission. RRC0075 would broaden the circumstances in which a customer receives payment difficulty assistance, while this rule change outcome would regulate the information that may be required when the customer accesses that assistance.

The AEMC should ensure the two reforms use consistent concepts and terminology and provide retailers with a clear and workable framework for identifying customers who experience payment difficulty and providing assistance.

2. Considering customer and third-party information on capacity to pay

ActewAGL supports requiring retailers to consider information or representations provided by a customer, or by an appropriately authorised third party acting on the customer's behalf, when assessing capacity to pay and establishing a payment plan.

Consistent with the AEMC's consultation paper, the retailers should give this information genuine consideration while balancing it with other relevant factors, including outstanding debt, payment history and previous payment arrangements, expected electricity consumption and the long-term sustainability of the proposed arrangement.[2] The customer's or third party's proposed payment amount should inform, but not determine, the retailer's assessment of capacity to pay.

There is a risk that a below usage payment arrangement, while affordable in the short term, may cause a customer's debt to increase because their payments do not cover ongoing consumption. Such an arrangement may be appropriate as a temporary measure but maintaining it indefinitely could worsen the customer's financial position and leave no realistic pathway to stabilise or reduce their debt.

Where a customer cannot initially afford an amount that covers ongoing consumption, the retailer may establish a temporary below usage arrangement that reflects the customer's capacity to pay. This may give the customer time to reduce or shift their energy consumption, access available concessions or other assistance, and explore other ways to manage their account. The arrangement should be reviewed within a reasonable period and, where the

[2] AEMC, Strengthening standards for payment difficulty assistance, Consultation paper, 18 June 2026, pp. 10–11.

customer has the capacity to do so, support a transition towards paying for ongoing consumption and managing existing debt.

The effectiveness of such an arrangement depends on ongoing engagement between the customer and the retailer. The customer should provide relevant information and participate in reviews so that the retailer can assess whether the arrangement remains appropriate and provide appropriate assistance.

ActewAGL remains committed to supporting customers experiencing payment difficulty. However, retailers continue to incur network and other supply costs where customer payments do not cover ongoing consumption. The AEMC should therefore consider the financial sustainability of the proposed obligations alongside customer affordability and sustainable debt management.

This is particularly relevant for designated retailers such as ActewAGL, which must offer supply to small customers in their designated areas and therefore have limited ability to manage credit risk by declining to supply customers based on their creditworthiness. Retailers may also be required to accept customers transferred under Retailer of Last Resort arrangements following another retailer's failure. These obligations limit retailers' ability to manage credit risk at the point of supply and reinforce the importance of payment arrangements that balance customer affordability with longer-term sustainability.

3. Reviewing payment plans when circumstances change

ActewAGL agrees that payment plans should respond to meaningful changes in a customer's circumstances. However, the proposed reference to "any available information" should not create an ongoing obligation for retailers to continuously monitor and reassess every payment plan.

ActewAGL recommends clear and proportionate triggers for reviewing payment plans. These could include:

- the customer or their authorised representative advising the retailer of changed circumstances,
- a pattern of missed payments indicating that the plan may no longer be affordable, or
- an arrangement not covering the customer's ongoing consumption, creating a risk that their debt will continue to increase.

Depending on the customer's circumstances, a review may result in payments being adjusted upwards or downwards, or in no change where the existing arrangement remains appropriate. ActewAGL's hardship policy allows accounts and payment arrangements to be reviewed to ensure they remain suitable. Where the customer continues to make the agreed payments, remains engaged and the arrangement remains appropriate, there may be no reason to change it.

Hardship and payment difficulty assistance also rely on ongoing engagement between the retailer and the customer. ActewAGL's operational experience indicates that customer disengagement is a significant reason customers leave hardship programs. A retailer may identify that a payment plan is no longer appropriate and make reasonable attempts to contact the customer but may be unable to meaningfully reassess capacity to pay or agree a revised plan without the customer's engagement. In these circumstances, it may be appropriate to remove an arrangement that is protecting the customer from collection activity while allowing their debt to continue increasing. A proportionate collection activity may encourage the customer to re-engage with the retailer so that a more appropriate and sustainable pathway for managing their debt can be agreed.

Should you have any questions in relation to this submission, please contact Kate Goatley, A/g Group Manager Pricing, Analytics and Regulatory, on (02) 6248 3015 or at Kate.Goatley@actewagl.com.au

Yours sincerely

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