29 July 2026

Ms Anna Collyer
Chair
Australian Energy Market Commission
Via online portal
Project reference code: RRC0075

Dear Ms Collyer,

Draft Rule Determination on Streamlining Payment Difficulty Protections

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide a submission to the Australian Energy Market Commission (AEMC) on its draft rule determination on streamlining payment difficulty protections.

This submission is provided by Energy Queensland on behalf of its related entity, the retailer Ergon Energy Queensland Pty Ltd (EEQ).

EEQ notes the changes proposed by the AEMC broadly align with its current practices, particularly in relation to disconnection thresholds, customer engagement processes, and the provision of assistance information to customers experiencing payment difficulty. Notwithstanding, EEQ has the following concerns regarding elements of the draft rule determination.

Aligning Obligations with Retailer Practices

Retailers have independently implemented a range of enhanced customer support measures based on customised assessments of customer needs, operational requirements, and commercial considerations. While some retailers have elected to adopt practices beyond the minimum regulatory standard, EEQ does not consider this, in itself, to be sufficient justification for increasing the baseline obligations applicable to all retailers through the National Energy Retail Rules (NERR). The customer protection framework established by the NERR is intended to provide a safety net of minimum standards while preserving flexibility for retailers to tailor and innovate their customer support approaches. This flexibility enables retailers to respond to the diverse needs of their customer base and trial initiatives that may deliver better outcomes. EEQ considers that any proposal to increase minimum regulatory obligations should be supported by clear evidence that the current framework is inadequate and that the proposed requirements will deliver demonstrably better customer outcomes. The draft determination does not clearly establish either of these matters.

Disconnection for Non-Payment as a Last Resort

EEQ supports the principle that disconnection for non-payment should occur only as a last resort. We do not support the suggestion that retailers rely on the threat of disconnection as a debt collection tool before all alternatives have been exhausted. For electricity retailers, the provision of electricity is their primary and often only service, with disconnection the final tool available when customers have not paid for services received. Retailers invest significant resources in helping customers remain connected, including payment assistance, hardship support and tailored engagement. These measures are resource-intensive, with associated costs ultimately borne by the wider customer base.

Importantly, the NERR already includes extensive protections to prevent disconnection. Under rule 111, retailers must issue a reminder notice, provide a disconnection warning notice and use their best endeavours to contact the customer before arranging disconnection. Beyond these requirements, EEQ engages customers through multiple channels, including phone, SMS, email and post, and issues an additional scheduled disconnection notice. Where a customer does not engage, the process typically takes at least five to six weeks before disconnection can occur. Where a customer does engage, collection activity is paused and additional time is provided to establish payment arrangements or access hardship and payment assistance programs.

Accordingly, we disagree with the premise that customers may be disconnected without adequate warning. The current regulatory framework establishes a detailed and structured process, including the issuance of multiple notices, ongoing efforts to engage with customers, and a range of mechanisms designed to provide customers with opportunities to avoid disconnection. In addition, vulnerable customers who engage with their retailer can access support services including interpreters, financial counsellors and community organisations. As a result, EEQ is concerned the draft rule determination places disproportionate weight on some stakeholders' views compared to the comprehensive protections already embedded in the NERR.

Improving the Quality of Retailer Engagement

EEQ supports the objective of improving retailer engagement with customers experiencing payment difficulties. However, it is unclear how increasing the quantity of contact attempts immediately before disconnection will improve engagement outcomes. Rule 111 of the NERR requires retailers to follow a structured and reasonable efforts to engage with customers over an extended period before disconnection can occur. In practice, retailers typically go beyond these obligations, using multiple communication channels and repeated contact attempts over a number of days to support customer engagement and provide opportunities to avoid disconnection.

The proposal to require best endeavours contact through two channels does not adequately recognise that customers will generally have already received multiple mandatory and non-mandatory communications relating to their overdue account. By the time a customer reaches the final stage of the disconnection process, retailers will have undertaken extensive engagement efforts using a range of communication methods. For customers who have not responded to these earlier attempts, it is unclear that an additional mandatory contact channel at the late stage would result in materially improved customer outcomes.

Furthermore, effective engagement requires participation from both retailers and customers. While some customers experiencing vulnerability or financial hardship may face genuine barriers to engagement, the current framework provides multiple opportunities and extensive notice requirements to avoid disconnection. In other circumstances, EEQ is concerned the proposal may reduce incentives for timely

Energy Queensland Limited ABN 96 612 535 583
Head Office Level 6, 420 Flinders Street, Townsville QLD 4810 PO Box 1090, Townsville QLD 4810 www.energyq.com.au

engagement by customers, by creating an expectation that further contact attempts will continue before disconnection proceeds.

In addition, retailers can only engage effectively where they have accurate customer contact details. Given the post-consumption payment model and limited avenues available to contact customers, maintaining current contact information is critical. Accordingly, if improving customer engagement is a key policy objective, consideration should be given to strengthening customer obligations to keep their contact details accurate and up to date.

More broadly, EEQ questions whether imposing additional requirements immediately before disconnection is the most effective regulatory response. The proposed measures appear directed towards delaying disconnection rather than addressing the underlying drivers of customer disengagement or payment difficulty, while increasing the risk of further debt accumulation during an extended credit period. Given the costs associated with enhanced customer protections are ultimately borne by all customers, EEQ considers that any additional regulatory obligations should be supported by clear evidence demonstrating their effectiveness and proportionality. Based on the draft determination, it is not evident the proposed measures would deliver a material reduction in disconnections or improve customer engagement outcomes.

Fast-Tracking of the Rule Change Proposal

EEQ acknowledges the AEMC's decision to fast-track this rule change proposal directly to the draft determination stage. However, given the significance of the proposed reforms and their implications for retailers, EEQ considers that a more detailed assessment of the evidence base, the likely effectiveness of the proposed measures, and any potential unintended consequences would have been beneficial. While the draft determination draws on the findings of the Australian Energy Regulator's review of payment difficulty protections, EEQ considers there is an opportunity for a more comprehensive assessment of the underlying causes of customer disengagement and payment difficulties, the proportionality of the proposed response and the extent to which the proposed measures are likely to promote the National Energy Retail Objective (NERO).

EEQ remains concerned that the proposed measures will further delay debt recovery processes, may contribute to the accumulation and increase of customer debt, and impose additional operational costs through expanded engagement requirements, while not delivering outcomes that justify the associated costs or advance the NERO.

Should the AEMC wish to discuss this please contact either myself, or Andrew Bozin at [redacted] or on [redacted].

Yours sincerely

[redacted]

Alena Chrismas
Manager Regulatory Affairs

Telephone: [redacted]
Email: [redacted]

Energy Queensland Limited ABN 96 612 535 583
Head Office Level 6, 420 Flinders Street, Townsville QLD 4810 PO Box 1090, Townsville QLD 4810 www.energyq.com.au