



AGL Energy Limited

T 02 9921 2999

F 02 9921 2552

agl.com.au

ABN: 74 115 061 375

Level 24, 200 George St

Sydney NSW 2000

Locked Bag 1837

St Leonards NSW 2065

Australian Energy Market Commission

Level 15, 60 Castlereagh Street

Sydney NSW 2000

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National Energy Retail Rules Amendment 2025 – Application of Concession to Bills

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, move and work. Proudly Australian for more than 185 years, AGL supplies around 4.5 million energy, telecommunications and Netflix customer services¹. AGL is committed to providing our customers simple, fair and accessible essential services as they decarbonise and electrify the way they live, work and move.

AGL strongly advocates for the principle that all consumers eligible for concessions and rebates should receive their energy entitlements. We have put in place robust systems and processes to capture concessions information at various touchpoints in the customer lifecycle to ensure that as many customers as possible are registered and validated to receive concessions on their energy bills. AGL has undertaken periodic mail-out campaigns to all customers targeted at prompting them to update their concessions details. We are continuously looking for opportunities to improve the application of concessions to energy bills and agree that the gap in eligible customers not receiving their entitlements is a missed opportunity and a poor customer outcome. However, we consider that there are limited tangible improvements that can be made to increase the application of concessions through additional energy regulations on retailers. This is because AGL already adheres to proactive approaches and best practice to obtaining relevant concessions information. Instead, AGL argues for the need for a coordinated, strategic response that enables automated data-sharing capabilities between retailers and government departments and avoids reliance on customer effort.

AGL's feedback to this consultation is based on our longstanding history as one of Australia's largest providers of essential services, our extensive experience with jurisdictional concession schemes, and our commitment to supporting customers experiencing vulnerable circumstances. In alignment with the points raised in our submission to the Essential Service's Commission's (ESC) Consumer Energy Reforms Package Discussion Paper, our overarching positions are provided below. Our response to the consultation questions is included in **Appendix A**.

Barriers to Access

In addition to the barriers listed in the paper, many barriers for customers accessing concessions and rebates stem from procedural and regulatory complexities. AGL reminds customers to provide concessions related information at sign up and throughout the customer journey such as at onboarding, when changing energy plans, when enrolling in hardship programs, registering life support equipment, or establishing payment arrangements.

There are some rational explanations as to why certain customers are not receiving concessions that they are eligible for (i.e. what contributes to the 30-40% of unclaimed concessions across

¹ Services to customers number is as at 31 December 2024.



jurisdictions from eligible customers referred to in the consultation paper). For example, two pensioners that are a couple can be living in one household, and naturally only one person would be the account holder. Other types of concession card holders such as those on youth allowance would tend not to be the account holder in a household. However, we do recognise that barriers exist for customers and retailers in supporting customers who are otherwise eligible and are not accessing their full entitlements when signing up, transferring, or somewhere else in the lifecycle. Some barriers that we have observed include:

- Concessions statuses which are not point in time or a once off change (like becoming a pensioner) and instead change frequently
- Regulatory hurdles like explicit informed consent
- Validation complications and the need for customer call backs
- Form-based applications for concessions
- Passive customers

These barriers are discussed in more detail in our response to question 1 in **Appendix A**.

Improving Concessions validation at sign up and transfer

AGL believes that there are more reliable ways to validate or obtain a customer's concessions status that do not:

- (a) place the burden on customers to update or inform retailers, and
- (b) impose transfer-specific obligations solely on retailers.

Improving concession accessibility requires addressing the underlying, prohibitive challenges in the validation and verification process. A more effective approach would be to establish clear and consistent concession validation processes, along with better information-sharing between retailers and government agencies, rather than placing the burden solely on retailer-customer interactions. This aligns with the recommendation in the Australian Energy Regulator (AER) Game Changer report, which suggests “consumers should automatically receive concessions and rebates they are entitled to in order to minimise payment difficulties and potential hardship before they arise”. The report more specifically outlines that “concession and rebate systems should be upgraded to facilitate centralised access to eligibility data for retailers, so they can verify if a consumer is entitled to a concession or rebate and automatically apply it to the consumer’s account. System upgrades should also ensure that consumers are able to switch retailers and retain their concessions, without the need to reapply.”²

For example, a live, centralised database, which serves as the single source of truth – ideally managed by the government departments or agencies that are responsible for determining eligibility for benefits and concessions – would enable retailers to verify eligibility more simply. Similar to checks completed through the Document Verification Service hosted by the Department of Home Affairs, checks could be done in the background and not require inputs or initiation from the customer.

The paper acknowledges that changes to government concession and rebate systems fall outside the scope of the NERR and this rule change process. However, these changes are directly relevant to the concerns and objectives that this rule change seeks to address. In the absence of a strategic response to concessions reform, AGL is concerned that short-term or piecemeal measures will not adequately address the underlying problem statement.

² AER Game Changer Report, November 2023 p 11



Compliance and enforcement

AGL believes that the current compliance and penalty framework for Tier 1 and Tier 2 offences is appropriate and sufficient. We do not support additional penalties for retailers in cases where concessions information is not provided at sign-up, although this is a measure we already undertake. This is because while penalties are a tool for enforcement, they do not address the existing barriers preventing eligible customers from receiving concessions. As outlined in our response to Question 1, the many challenges lie not in the failure of retailers providing information but in procedural and regulatory obstacles.

Assessment Criteria & Implementation Timelines

AGL generally supports the assessment criteria outlined in the discussion paper. Within the 'Implementation Considerations' criteria, we would also like to advocate for a harmonised approach to implementation timelines across jurisdictions for respective rule changes. Aligning implementation schedules across jurisdictions would allow retailers to introduce changes efficiently in a single, coordinated process, rather than having to adjust at different times for different reforms. Given the ongoing regulatory changes in the concessions space, a more synchronised approach would help reduce complexity and implementation costs.

If the AEMC progresses with a regulatory solution that requires substantial changes to existing system and process, it is critical to allow for appropriate implementation. AGL recommends a period of 18 – 24 months noting the complexity of the changes and the volume of IT systems infrastructure that will need to be built, designed, tested and deployed.

Thank you for the opportunity to comment. We would be very happy to meet with the AEMC to discuss any of our comments. If you have any queries about our submission please contact Manager, Policy and Market Regulation, Jenny Kim at JKim2@agl.com.au.

Yours sincerely,

Liam Jones

Senior Manager, Policy and Market Regulation



Appendix A: AGL response to consultation questions

Barriers to access

Q1. What are the key barriers to consumers not receiving concessions or rebates at the point of sign up?

There are some rational explanations as to why certain customers are not receiving concessions that they are eligible for (i.e. what contributes to the 30-40% of unclaimed concessions from eligible customers referred to in the consultation paper). For example, two pensioners that are a couple can be living in one household, and naturally only one person would be the account holder. Other types of concession card holders such as those on youth allowance would tend not to be the account holder in a household.

However, we do recognise that barriers exist for customers and retailers in supporting customers who are otherwise eligible and are not accessing their full entitlements when signing up, transferring, or somewhere else in the lifecycle. In addition to the barriers outlined in the paper, some barriers that we have observed include:

- **Concessions statuses which are not point in time or a once off change (like becoming a pensioner) and instead change frequently** – Frequent changes in concession statuses, such as those related to healthcare rebates, require customers to re-engage with retailers to maintain their benefits. This can be particularly challenging for customers who may not be aware of these changes or who find the re-engagement process burdensome.
- **Regulatory hurdles like Explicit Informed Consent (EIC)** – Rule 64 of the National Energy Retail Rules (NERR) outlines the required information that an energy retailer must provide to a small customer before they enter a market retail contract. This includes details on a suite of information relating to applicable prices, billing and payment arrangements (among other information), as well as information on concessions or rebates. Gaining customer consent is a major barrier, as energy retailers cannot apply concessions without it. Further, if a retailer identifies missing concession details on either fuel (e.g. if the concession is only registered and validated on the electricity account but not gas), retailers cannot unilaterally apply the customer's concession details to the missing fuel without the customer's EIC.
- **Lack of harmonised and consistent processes** – AGL notes that there are varying processes to validate concessions status across NECF jurisdictions. For example, in South Australia, where statistics showed a significant portion of eligible customers not accessing concessions – these customers are required to engage directly with the department to validate their eligibility rather than retailers. We have observed this to be a significant barrier for customers. This also supports the view that reliance on customer action is more of a barrier than retailer processes or the regulatory framework. Furthermore, in South Australia, it is only the account holder who can apply for concessions, and retailers must also wait for the first bill prior to applying concessions. This cannot be done at sign up.
- **Validation complications and call backs** – When customers move residences and have not updated their address with the relevant government department, validation for the concession will fail from the retailer's end, resulting in customers needing to call retailers back once they have updated their address with the government department. Some customers call back, and some do not. Generally, when there is an additional step requiring customers to call back, there is understandably a decline in engagement. This also occurs when customers need to call retailers back with the rest of their information if they did not have it on hand during their initial call.



- **Form-based applications for concessions** – Some government agencies require that form-based applications be received and approved by them, requiring customers to contact the agency themselves. For example, the Victorian Government DFFH Medical Cooling Concession requires customers to engage the government department to complete their application which also needs input from a medical professional. This cumbersome and manual process results in some customers not following through, and consequently them not receiving their entitlements.
- **Passive customers** – there are instances of customers who stay with their retailers for a long time and then hit pension age and might not be aware of their entitlements so do not inform their retailer.
- **Family and Domestic Violence (FDV) customers have additional protections which limit the ways in which retailers can engage them** – retailers must prioritise the safety of FDV victims by protecting their personal information. This involves avoiding any communication that may inadvertently reveal a victim's location or may compromise other protections. In pursuit of protecting the security of FDV customers, we have nevertheless observed that this cohort often gets excluded from outreach campaigns designed to drive upliftment in government grants, for eligible customers.

If retailers do not ask consumers about their eligibility for concessions or rebates, does it create a barrier to access, and if so, how?

Retailers not asking consumers about their eligibility for concessions or rebates, does of course reduce the likelihood of customers gaining access to eligible concessions and rebates, however, we do not believe that this is creating the main barrier for customers.

This is because customers already *are* informed frequently during the customer journey. As noted in our submission to the ESC's Consumer Reforms Package submission, AGL has multiple touchpoints to ask or remind customers about adding their concession information, such as at onboarding, changing energy plans, enrolling in hardship programs, registering life support equipment, and establishing payment arrangements.

Furthermore, in order for the retailer to ask a customer about their concession eligibility, it requires the customer to have engaged with the retailer in the first instance, which in and of itself is a likely barrier.

Do you have any comments on the identified barriers, or additional issues the Commission should be aware of?

No further comments, our points have been raised in responses to earlier questions.

When a customer transfers retailer

Q2. What happens to consumer access to concessions or rebates when they transfer retailers?

When a customer transfers from one retailer to AGL, we will ask for the customer's address and obtain the National Metering Identifier (NMI) during the discovery process. The channel by which the customer joined AGL will determine the way concession information is captured. As part of the guided flow for over the phone transfers, the agent will also ask the customer if they have any concessions that we should be aware of. This step is mandatory for the agent, ensuring that it is not missed. For transfers via digital channels, there are prompts to capture the customer's



concessions details. In both scenarios, continued consumer access to concessions is dependent on the right information being obtained from the customer.

Can stakeholders provide information on how many consumers who are receiving concessions or rebates do not inform a new retailer of their eligibility upon transferring, and what might drive this?

We cannot provide specific information on how many consumers fail to inform us of their eligibility for concessions or rebates upon transferring to us as the new retailer. This gap is sought to be mitigated through our process of asking all new customers about their concession status during the transfer process.

However, due to limitations in current data sharing arrangements between retailers, the new retailer does not have access to information about the concessions the customer previously received. Therefore, it is not possible to identify the loss of concessions when customers transfer.

Additionally, it is difficult to differentiate between a customer who transferred retailers and did not inform their new retailer of their concession status in the first instance versus a customer who subsequently becomes eligible for a concession.

Communication

Q3. How could retailers best ask or inform consumers about their eligibility for concessions or rebates at sign up?

Retailers are already adequately incentivised to accurately capture customer concession details and to apply the customer's entitlements to their bill. Retailers will generally take the steps necessary to ensure that this information is captured and validated, as this avoids the likelihood of bad debt accumulating.

Accordingly, the volume of concession information already available to customers is vast. There are multiple instances in the AGL customer journey where we ask or remind customers about adding their concession information, including:

- At onboarding/sign-up or moving address
- When changing energy plans
- Upon enrolling into AGL's payment hardship program.
- When registering life support equipment; and
- Establishing a payment arrangement (Tailored Assistance 1).

Further, AGL's energy bills include multiple references to concessions, including a hyperlink directly to AGL's concessions landing page for further information on eligibility and how to apply. Energy retailers are also required to contact and notify customers who ordinarily receive a concession entitlement but who have recently failed validation to ensure they have an opportunity to correct any potential issues affecting their eligibility.

With respect to retailers undertaking proactive campaigns as proposed by the Commission, AGL has run various proactive mail-out campaigns reminding customers to add their concession details. In AGL's experience, this type of broad reaching communication to customers at large has a low uptake and is not effective in engaging the desired customer cohort, whilst carrying significant costs especially for customers who do not have e-billing.



We believe that we are carrying out best practices in terms of customer communication directed at new and current customers.

How would a principles-based vs prescriptive rule impact both consumers and retailers? What would the implementation costs and process be for any such change?

Principles-based rules can be beneficial in theory, as they provide flexibility and adaptability from retailers to administer solutions. However, the Commission should recognise that there are already significant regulatory barriers in place for retailers and customers. In this case, implementing a customer outcomes-based approach may be unduly burdensome for retailers, as it requires them to navigate these existing barriers whilst also striving to meet broad, outcome-focused goals. Given these challenges, an additional regulatory intervention may not be the most effective tool to improve outcomes. Instead, it may be more practical to focus on streamlining existing regulations and enhancing data sharing and communication between stakeholders to achieve better results.

Q4. What should occur during a transfer? How would a transfer-specific obligation interact with an obligation for a retailer to ask a customer about their eligibility at sign-up?

AGL believes that there are more reliable ways validate or obtain a customer's concessions status and eligibility without:

- (a) placing the burden on customers to update or inform retailers, and
- (b) imposing transfer-specific obligations solely on retailers.

As noted in our submission to the ESC's consultation, a longer-term approach that will significantly reduce the number of customers still not claiming an energy concession, would require Services Australia to either:

- a. Proactively 'push' updates to energy retailers when a consumer's concession eligibility information changes through some form of energy market transaction or data sharing arrangement; or
- b. explore the feasibility of collecting NMI and MIRN information from concession card holders and store this information in a central database of all eligible concession card holders. Energy retailers could cross check their own NMI/MIRN databases to identify customers who have a card but have not notified their retailer. This would also decrease the number of instances of rejected eligibility and concessions validation outcomes, for example, caused by minor name differences between customer details provided to Services Australia and those provided to AGL.

More broadly, as mentioned the opening statement, we support a 'single source of truth' database hosted by the relevant government department(s) or agencies that are responsible for managing and determining eligibility for their government benefits and concessions, and for retailers to verify against these sources of truth.

What are your views on the options for a transfer-related obligation, such as adding a field to the current NMI transfer process, a requirement similar to that in NSW, or any other recommendations? What would the implementation costs and processes be for these options?

AGL does not support the linkage of concessions obligations with the NMI transfer process. AGL notes that NMIs are associated with sites/premises and not customers. As such, attaching concession information to the NMI has the risk of conflating customers. For example, Customer A might have been a concession customer at a given address and their concession status gets attributed to the NMI at that site and then Customer B subsequently moves in. This could prompt



confusion and privacy concerns for the incoming retailer who speaks to Customer B, but has a concession 'alert' for Customer A. In any event, it is not necessary as retailers should be informing customers of concessions on sign-up or as with AGL, proactively capturing this information through acquisition processes. This change would require amendments to MSATS resulting in significant implementation costs for no clear benefit.

As outlined in our response to the previous question, AGL's preference is for a centralised database managed by Services Australia and jurisdictional government departments to serve as a single source of truth for concession eligibility. A live, state and Commonwealth-based concession status database would enable retailers to seamlessly verify a customer's concession status in the background, reducing the administrative burden on customers and retailers. This model would allow retailers to confirm eligibility directly with government agencies rather than requiring customers to manually transfer their concession details between retailers.

Q5. How could retailers inform or ask current customers about their eligibility for concessions or rebates?

AGL refers to and repeats the information contained within its response to Q3 above.

Do stakeholders have any additional information on the success of similar obligations or programs? What would the implementation costs and processes be for one-time requirement as proposed?

AGL reiterates its response to Question 3 above. We have undertaken these types of campaigns in the past with limited success. It is often difficult to identify the types of customers who might be eligible for a concession and as such, campaigns require a broad brush approach to reach many customers in hopes to capture the eligible customers. Not only this, once-off proactive campaigns are not highly effective for customers in the process of changing retailers, and also fails to account for the dynamic and changing statuses of customer eligibility for concessions as noted above.

In a general sense, the types of costs that retailers need to accommodate for are the costs of developing new collateral, mail house printing costs, postage, email costs, plus costs of servicing any return phone calls.

Compliance and penalties

Q6. What are your views on compliance? Would civil penalties be appropriate for a breach of any of the proposed rules, and if so, which civil penalty tier(s) would be appropriate?

AGL believes that the current compliance and penalty framework for Tier 1 and Tier 2 offences is appropriate and sufficient. We do not support additional penalties for retailers in cases where concessions information is not captured at sign-up, although this is something we already do.

While penalties are a tool for enforcement, they do not address the existing barriers preventing eligible customers from receiving concessions. As outlined in our response to Question 1, the many challenges lie not in the failure of retailers providing information but in procedural and regulatory obstacles. Some of these include:

- changes in concession status requiring ongoing customer re-engagement
- regulatory hurdles like explicit informed consent, which prevents automatic application of concessions



- validation complications and customer follow-ups, which lead to drop-offs in concession uptake
- government-mandated form-based applications, which place additional burdens on customer

Given that retailers already engage in a wide array of information provision as part of standard processes, increasing compliance penalties would not resolve these underlying barriers.

Alternative solutions

Q7. Could consumer access to concessions and rebates be improved in a different or more efficient way? Are there alternative approaches outside of the energy rules, such as industry or jurisdictional initiatives or other regulatory tools, that would more successfully address the issue set out in the rule change request?

Please refer to AGL's introductory remarks as well as our response to question 4.

AGL continues to advocate for strategic concession reform that incorporates:

- Harmonised and/or coordinated programs across state and federal jurisdictions;
- Automated or low-friction application processes;
- Consistent, simplified eligibility that is determined automatically through data-sharing;
- Ongoing data-sharing with the retailer to maintain eligibility;
- The ability to ensure that concessions travel with the customer;
- Analysis to determine the most appropriate and equitable methodology to support consumers (fixed, variable or hybrid value concessions);
- Rationalising or simplifying the number of concessions;
- Striking the balance between informed consent and removing friction/barriers to engagement; and
- Moving to a 'push' model where Services Australia proactively shares information to retailers.

As noted in our submission to the ESC's consultation, AGL highlighted the mismatch between the number of eligible Victorian customers not receiving a concession on their electricity bill (7%) versus the number of customers who are not receiving a concession on their gas bill (12%). This number should, in theory, be aligned as customers who have gas and electricity at their property are eligible receive concession entitlements for both. Currently, if a retailer identifies missing concession details on either fuel (e.g. is the concession is only registered and validated on the electricity account but not gas), retailers cannot unilaterally apply the customer's concession details to the missing fuel without the customer's Explicit Informed Consent (EIC). This can significantly slow down the process for customers to receive their entitlements, especially when the customer is disengaged from their energy retailer or is experiencing vulnerable circumstances. The Commission should explore opportunities with Services Australia to exempt retailers from the requirement to capture the customer's EIC to apply concession details to the missing fuel.

Assessment framework

Q8. Do you agree with the proposed assessment criteria? Are there additional criteria that the Commission should consider, or criteria included here that are not relevant?

AGL supports the assessment criteria included in the discussion paper relating to:

- Outcomes for consumers
- Principles of market efficiency
- Implementation considerations
- Principles of good regulatory practice



Within the 'implementation considerations' criteria, we would like to strongly advocate for considerations around the rate of regulatory change already occurring within the concessions space. For example, the consultation paper notes that the final determination for this rule may be published on 7 August 2025, which coincides with the NSW Rebate Reform rule change which is planned to be published in July. From an operational perspective, being able to implement both changes at the same time would be beneficial for retailers as it would reduce the amount of technical disruption.

As part of good regulatory practice, we emphasise the benefit of applying rules consistently and harmoniously across jurisdictions. A standardised approach would also help retailers more effectively apply concessions, reducing compliance costs and minimising confusion for both customers and retailers that arises from fragmented and inconsistent processes.