



Submission to AEMC Draft determination Strengthening standards for payment difficulty assistance

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The Justice and Equity Centre stands for a society that is fair and free from discrimination and disadvantage. Established in 1982 as the Public Interest Advocacy Centre (PIAC), we use the law and policy advocacy to challenge injustice and inequality. We do this through:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change to deliver social justice.

Energy and Water Justice

Our Energy and Water Justice work improves regulation and policy so all people can access the sustainable, dependable and affordable energy and water they need. We ensure consumer protections improve equity and limit disadvantage and support communities to play a meaningful role in decision-making. We help to accelerate a transition away from fossil fuels that also improves outcomes for people. We work collaboratively with community and consumer groups across the country, and our work receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

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COTA Australia works alongside people living in Australia aged 50 years and over to promote, improve and protect their wellbeing as citizens and consumers.

Financial Counselling Australia

Financial Counsellors' Association of NSW Inc

The Financial Counsellors' Association of NSW Inc (FCAN) is the peak membership body that represents and supports Financial Counsellors in NSW. FCAN represents the financial counselling sector to advocate for suitable regulation and products to protect the financially vulnerable and to prevent people and families from experiencing financial hardship.

Ethnic Communities' Council of NSW

The Ethnic Communities' Council of NSW (ECCNSW) is the statewide peak body for all culturally and linguistically diverse communities in NSW. It undertakes a range of activities and advocacy on behalf of its members that includes maintaining energy advocacy across the National Energy Market (NEM)

The Physical Disability Council of NSW

The Physical Disability Council of New South Wales (PDCN) is the peak advocacy organisation for people with physical disabilities in NSW. We work to build futures with choice for people living with physical disabilities, advocate for disability inclusion across Government and business, and drive systemic reform around accessibility. Our work is helping to build an inclusive NSW where the aspirations of people living with physical disabilities can be realised.

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The St Vincent de Paul Society NSW is a lay catholic organisation whose vision is to create a more just and compassionate society. It provides a range of services designed to respond to urgent and complex need. It's assistance spans cost-of-living and emergency relief, programs for people experiencing or at risk of homelessness (including crisis accommodation), Family and Domestic Violence services, Alcohol and Other Drugs support, and assistance for social housing tenants – assisting over 106,000 in the past financial year.

Uniting Vic Tas

Uniting Vic Tas provides community services support and programs across Victoria and Tasmania. We provide over 650 programs that support people to reach their positive life goals and participate in communities where they feel valued and belong. The Uniting Energy Support Program is one of those programs and delivers energy bill assistance across Victoria, NSW, Qld, Tasmania and South Australia.

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Recommendations

Recommendation 1

That the new rule 73 be amended so that after the words “provide any documentary evidence” the words “or be asked to provide unnecessary personal detail” be added. This should be accompanied by updated AER guidance applying a general principle of minimising requests for personal information.

Recommendation 2

That the AER monitor access to retailer assistance to assess whether the full intent of the rule is being realised. In particular, whether retailers are utilising unnecessarily detailed or personal questions as a pre-condition for access to basic supports.

Recommendation 3

Amend rule 72 so that consumer capacity to pay is the primary consideration when establishing and reviewing a payment plan. Arrears and expected energy consumption over the following 12-month period should be secondary considerations that inform the design and duration of the plan but cannot displace the consumer’s sustainable payment ceiling.

Recommendation 4

That if a consumer cannot afford to pay off debt and / or their ongoing usage – that is, if debt continues to accrue – that this automatically triggers consideration of additional supports such as payment matching, debt waivers and energy efficiency assistance.

Recommendation 5

That mandatory minimum repayment safeguards or guidelines be introduced, such as a repayment-to-disposable income ratio.

Recommendation 6

That further safeguards be explored by the AER to help protect consumers from unaffordable payment plans. These safeguards would need to consider how to practically set limits without imposing unreasonable evidence requirements.

Recommendation 7

Insert into rule 72 that a consumer has an explicit capability to elect an affordable payment arrangement, with retailers only being able to reject this if they can demonstrate that it is unreasonable. This process may involve a reasonable request for supporting information.

Recommendation 8

That retailers be required to implement consumer-centred payment plan processes that are accessible, low-friction and responsive to changing circumstances, and to provide clear

information about consumers' capacity to negotiate and only agree to payment arrangements which are affordable when considering other essential costs.

Recommendation 9

That an obligation for retailers to provide a written explanation as to why it determined that a particular amount was affordable when determining a payment plan be added to rule 72.

Recommendation 10

That an independent review pathway for payment plans be created.

Recommendation 11

That a rule be inserted to require retailers to undertake regular light-touch check-ins to ensure payment plans remain affordable, that are explicitly not about debt collection or suggesting higher payments.

Recommendation 12

That a rule be inserted requiring any material payment to a payment plan be accepted 'in good faith' by a retailer, retaining payment plan assistance and triggering a review of capacity to pay – and further supports – by the retailer.

Recommendation 13

That the AEMC recommend that the AER develop a complementary framework for escalation of assistance beyond payment plans, and identify this issue for priority reform.

1. Introduction

The Justice and Equity Centre (JEC), Council on the Ageing Australia, Ethnic Communities Council of NSW, Financial Counselling Australia, Financial Counsellors' Association of NSW, the Physical Disability Council of NSW, St Vincent de Paul Society NSW and Uniting Vic Tas welcome the opportunity to respond to the Australian Energy Market Commission's (AEMC) draft determination, *Strengthening standards for payment difficulty assistance*. This process is another critical step, progressing reforms to ensure protections in the National Energy Customer Framework (NECF) focus on better consumer outcomes and support for ongoing energy affordability.

The draft rule change strengthens National Energy Retail Rules (NERR) responses to people experiencing payment difficulty, placing more specific obligations on retailers regarding accessing assistance and payment plans. However, the draft leaves further scope to deliver on the intent of the initial proposals, in that it leaves significant discretion with retailers. Without further direction, and more effective monitoring and enforcement wide variation in outcomes for consumers are likely to continue.

Our submissions focuses on opportunities to further tighten provisions in the draft to better deliver the intention to strengthen identified aspects of payment difficulty assistance.

2. Banning documentary evidence to access payment difficulty assistance

2.1 Support for draft new rule 73 and amendments to rule 33

We support a rule explicitly preventing retailers from requiring documentary evidence of hardship or payment difficulty from either consumers or third parties as a precondition to offering or providing assistance. It is important that the over-arching intent of this restriction is more consistently delivered in the final rule.

The Australian Energy Regulator's (AER) retail energy market performance data reveals the overwhelming majority of retailer assistance is relatively limited (eg payment plans). This relatively low impact and low-cost assistance does not warrant a 'high entry bar' that documentary evidence would suggest. This is particularly true where that 'high entry bar' has a material impact on whether those in need of the support actually access it.

We support the proposed new rule 73 applying both to people in (or seeking to be in) formal hardship programs and those experiencing payment difficulties receiving assistance outside hardship programs (ie amendments to rule 33), noting that effective assistance should not be unduly dependent upon retailer capacity to distinguish between 'payment difficulty' and 'payment difficulty due to hardship'.

The proposed change would remove a real or perceived barrier to accessing assistance, recognise that some consumers may struggle to obtain documentation and reduces administrative burden, stigma and delay.

The governing principle should be that entry to hardship programs or other payment support is simple and non-exclusionary. Information about a consumer's circumstances should be sought only after support has been activated, and only where it is reasonably necessary to provide effective assistance tailored to best meet the needs of the consumer in question. For example, a retailer may need proof of home ownership before installing an efficient hot water system. Any request should be confined to information needed to provide that assistance most effectively for the consumer, rather than used to test or prove hardship.

2.2 Protecting consumers from having to disclose personal information

Consistently applying the principle underlying a prevention of documentary evidence requirements, should involve measures to minimise requests for evidence, proof or unnecessary detail generally.

For many people experiencing payment difficulty, discussing their inability to pay is likely to be a difficult and shame inducing experience. Even if they don't have to provide documentary evidence, retailers often ask unnecessary and personal questions about their situation. For example, the JEC shared this quote from our [Powerless](#) research, in our response to the Consultation Paper:

"I had one client who was a kinship carer, so they were raising their grandchildren. The retailer was really probing as to what the issue was, like, 'Why are you in hardship? Can you tell me more about this?' And I said to the retailer that I don't think it's a requirement that the retailer has to know. She's telling them that she's in financial hardship, surely she doesn't have to tell them her situation because, again, don't make it harder for people when they have to expose themselves by outlining a difficult family situation – and to someone they don't know like the retailer."

Financial Counsellor¹

It is our understanding that this type of interaction will not be prohibited if the draft rule were to be implemented as it is. However, the proposed new rule 73 could be amended so that after the words "provide any documentary evidence" the words "or be asked to provide unnecessary personal detail" could be added to address this. We note that this would still involve significant retailer discretion and so recommend that AER guidance be given to provide examples of acceptable and unacceptable questions. Regardless, the AER should update retail guidelines to apply a general principal minimising requests for personal information.

Recommendation 1

That the new rule 73 be amended so that after the words "provide any documentary evidence" the words "or be asked to provide unnecessary personal detail" be added. This should be accompanied by updated AER guidance applying a general principle of minimising requests for personal information.

¹ Page 54.

Regardless of the final form, we recommend the AER monitor implementation of this rule (for example through monitoring and audits of payment difficulty and hardship-related calls) to monitor the degree to which the full intent of the rule is being delivered. A focus should be whether requests for evidence are simply being replaced by unnecessarily detailed and personal questions being used as a pre-condition for allowing access to basic supports.

Recommendation 2

That the AER monitor access to retailer assistance to assess whether the full intent of the rule is being realised. In particular, whether retailers are utilising unnecessarily detailed or personal questions as a pre-condition for access to basic supports.

3. Making payment plans more affordable

3.1 Qualified support for draft amendments to rule 72

We support the intent of draft amendments to rule 72 making payment plans more consistently affordable and responsive to changes in consumer circumstances. In particular, we support that retailers:

- Reasonably consider that a payment plan is affordable for the consumer (draft rules 72(1)(a) and 72(3)(c));
- Consider relevant information provided by the consumer or a third party acting on their behalf, regarding capacity to pay (draft rule 72(4)(a));
- Review a plan based on changes to the consumer's circumstances, the consumer requests it, or the retailer considers it should be reviewed (draft rule 72(2));
- Update a payment plan only where the retailer considers an update appropriate after a review, the consumer has given explicit informed consent and the retailer reasonably considers that the payment plan is affordable (draft rule 72(3)).
- That consumers are made aware of the circumstances under which a payment plan will be reviewed and how they can request a review (draft rules 72(5)(e) and (f))

Together, these improvements will go some way to improving the affordability of payment plans.

However, we have ongoing concerns regarding draft rule 72 and provide recommendations regarding how outcomes for consumers can be improved in line with the intent of the initial rule change proposal.

3.1.1 The importance of payment plans

When properly structured and managed, payment plans have the potential to enable households to maintain their connection while managing and mitigating further debt accrual and/or repay their debt in a gradual, flexible and sustainable way, helping them to maintain their other essential expenses.

Payment plans of any kind are the most common form of retailer assistance for consumers experiencing payment difficulty or participating in hardship programs. Yet the AER's retail energy

market performance data shows that significantly more people exit hardship programs due to non-compliance than successfully complete them. For example, in Q3 2025-26 three times as many people exited hardship programs due to non-compliance than successfully completed them.² We contend this indicates a serious systemic problem with the affordability of payment plans. Given the flow-on impacts that come with payment plan failure, this is a critical area of risk for consumers. Instead of being a sustainable way to maintain an essential service, and pathway to affordability, many payment plans set people up to fail. The final rule should seek to respond to that systemic risk in a way commensurate with the substantial risk of harm to consumers involved.

3.1.2 “Reasonably consider” must be strengthened with safeguards

Whilst stronger retailer requirements to “reasonably consider” that a payment plan is affordable, the language in draft rule 72 still leaves significant – arguably excessive - discretion with retailers to determine what is affordable, whether circumstances warrant review and whether an updated plan is appropriate. We are concerned this unnecessarily undermines scope for the proposed changes to fully deliver on their intent.

The final decision regarding payment plans remains with the retailer, not the consumer, their advocate or an independent party. This is problematic because the consumer (or their advocate) does not have an explicit right or defined capability to:

- propose their own repayment amount and have it accepted,
- require the retailer to justify their rejection of that amount, or
- access independent assessment before a retailer’s decision takes effect.

The retailer remains the ultimate decision-maker, even though they have the least understanding of the consumer’s capacity to pay or at what cost making the payments will come with. Importantly, there is insufficient direction as to how retailers should exercise their discretion in ‘reasonably’ considering what is affordable.

We are also concerned that retailer discretion can enable unreasonable differentiation where consumers better able to advocate for themselves – or who have circumstances that elicit more sympathy – get better outcomes than those who can’t or don’t.

Whilst this rule change will improve outcomes for some consumers, it is very likely there will still be wide variation in the effectiveness and appropriateness of the assistance given by retailers. Eliminating variation and inconsistency - that the AER identified happens *between* retailers, and the JEC and other consumer advocates have identified also happens *within* retailers – being the central intent of the initial rule change proposal.

The draft does not provide guidance or a methodology regarding how affordability should reasonably be considered and determined from a consumer’s perspective. For instance - the draft does not specify minimum income protections or safeguards against payment plans that

² AER, *Retail energy market performance update for January to March 2026, Quarter 3, 2025–26, Schedule 4, Hardship program exiting.*

prioritise debt reduction over consideration of basic living costs. Consumers are likely to continue to face pressure to agree to repayments they cannot sustainably maintain.

Overall, the tension remains that retailers understandably want their debt repaid (or their potential debt paid) and without other directions or limits, will subordinate all other considerations to this. The consumer is not in a position to manage this tension themselves, and must manage other ongoing living expenses and is also likely to be repaying other debts. Below we provide recommendations to address this.

3.1.3 Capacity to pay must be the primary consideration

The AEMC's draft determination recognises that capacity to pay, arrears and expected consumption are intersecting considerations. However, treating them as co-equal does not resolve the central problem identified by the AER: Payment plans fail when required payments exceed what a household can sustainably pay. Capacity to pay is therefore not simply one input among several. It is the primary limiting condition that determines whether any plan can be affordable in practice.

Arrears and expected consumption affect the focus of an arrangement – for instance, avoiding further debt accumulation or paying down existing debt – as well as its size and duration. But they cannot increase the amount a household has available after meeting other essential living costs. If those factors are permitted to override capacity to pay, the rule can produce a plan that is arithmetically capable of reducing debt but practically incapable of being maintained without dangerously exacerbating issues for the consumer, and increasing the risk of failure and other long-term consequences. The predictable – and well demonstrated - consequences are skipped food, housing, health or other essential expenditure; harmful under-consumption of energy; renewed default; and increased disconnection risk. Those outcomes are inconsistent with the purpose of payment difficulty assistance and with the objective of the rule change of aligning plans with consumers' circumstances and needs.

Making capacity to pay the primary consideration would not require retailers to disregard debt or future usage. It would simply establish a clear sequencing principle - based on the potential for consumer harm - where the sustainable payment ceiling is determined, then a plan is designed within that ceiling, taking account of arrears and expected consumption. This is more administrable and enforceable than an undifferentiated list of factors and gives a practically implementable requirement to anchor the draft rule's affordability obligation. It also directly responds to the concern to preserve flexibility. That is, retailers would retain discretion over duration, payment frequency and complementary assistance, but not discretion to set a payment above the consumer's sustainable ceiling unless the consumer explicitly proposed it themselves.

Continued debt accrual is a serious issue with scope to inflict consumer harm, but this potential harm is secondary to and less than the immediate harms arising from unaffordability. In any case, increasing required payments above capacity does not resolve debt accrual. Instead, it converts an energy affordability problem into a failed arrangement and heightens the risk of disconnection, or it drives harmful under-consumption, deprivation of other essentials and the accrual of debts elsewhere. Where a consumer can't afford ongoing usage, the appropriate regulatory response is escalation to additional assistance, including debt relief, payment

matching and energy-efficiency support, not a higher payment amount that the consumer cannot sustain.

Without addressing this, this rule change will not be effective in materially improving the general affordability and sustainability of payment plans. The consequences of this will be that people continue to unsuccessfully exit out of payment plans and hardship programs, accumulate debt and remain at higher risk of disconnection.

To make payment plans an effective mechanism for maintaining connection to an essential service, we recommend altering draft rule 72(4) to:

In determining what is affordable for a hardship customer, the retailer must have primary regard to the customer's capacity to pay, including any relevant information provided by the customer or a third party acting on behalf of the customer regarding what the customer can afford to pay when considering their other essential expenses; and also give consideration to:

(a) any arrears owing by the customer; and

(b) the customer's expected energy consumption needs over the following 12 month period.

Recommendation 3

Amend rule 72 so that consumer capacity to pay is the primary consideration when establishing and reviewing a payment plan. Arrears and expected energy consumption over the following 12-month period should be secondary considerations that inform the design and duration of the plan but cannot displace the consumer's sustainable payment ceiling.

Recommendation 4

That if a consumer cannot afford to pay off debt and / or their ongoing usage – that is, if debt continues to accrue – that this automatically triggers consideration of additional supports such as payment matching, debt waivers and energy efficiency assistance.

3.1.4 Introduce mandatory repayment safeguards

The draft rule does not establish a minimum safeguard against repayment expectations that consume an excessive share of household resources. A repayment-to-disposable income ceiling – similar to that which operates in social and community housing - could provide a useful backstop guideline for determining affordability.

As a next step, we recommend the AER develop a quantitative safeguard through consumer testing and analysis of household expenditure data, alongside the primary capacity-to-pay duty.

Recommendation 5

That mandatory minimum repayment safeguards or guidelines be introduced, such as a repayment-to-disposable income ratio.

Recommendation 6

That further safeguards be explored by the AER to help protect consumers from unaffordable payment plans. These safeguards would need to consider how to practically set limits without imposing unreasonable evidence requirements.

3.1.5 Establish a consumer capability to nominate repayment amounts

Under the draft rule, retailers must consider information provided by their consumers (and the consumer's advocate) but ultimately retailers decide what repayment amount is acceptable. Consistent with the AER's findings, the JEC's [Powerless](#) research indicates that people may agree to unaffordable plans while under stress, in response to disconnection pressure, or because they do not know they can (at least try to) negotiate and do not feel able to challenge their retailer. This does not enable a meaningful agreement to an affordable arrangement, because it is subject to an inherent power imbalance. The rules can go some way to mitigating this by placing a positive responsibility on retailers to establish affordability and by giving consumers practical decision-making and review capabilities.

Where a consumer asserts what they can sustainably afford, the retailer should be required to accept this amount, or reject it only if they can demonstrate why it is unreasonable. In any case, this process may involve a reasonable request for supporting information.

Such an approach would help rebalance negotiations and recognise that consumers – and their representatives - generally have the best understanding of their household finances when freed of any unreasonable external pressure or duress.

Recommendation 7

Insert into rule 72 that a consumer has an explicit capability to elect an affordable payment arrangement, with retailers only being able to reject this if they can demonstrate that it is unreasonable. This process may involve a reasonable request for supporting information.

3.1.6 Explicit informed consent to set up payment plans

We welcome requirements for consumers to provide explicit informed consent (EIC) ahead of changes being made to their payment plan. The same protection should apply when a payment plan is first established, and the AER should consider changes to guidance to ensure EIC is freely given and does not involve any 'duress'.

Establishing a payment plan can be an uncomfortable, and sometimes shame-inducing, process that requires consumers to disclose personal financial difficulties. In addition, many retailers require consumers to explain or justify why they are unable to pay their bill.

To encourage consumers to manage energy payment difficulties within the protections of the energy framework (for example, rather than turning to credit products), retailers need to make the process of setting up payment plans more accessible and more supportive. Consumers should be able to engage with these arrangements without feeling judged or having to overcome unnecessary barriers.

We recommend retailers be required to clearly inform consumers they should only agree to a payment plan if it is affordable for them, with information that affordability includes consideration of their capacity to pay other essential costs of housing and health, such as rent/mortgage, essential food and medicine – as well as any energy related payments. They should also be informed of their capacity to propose an alternative arrangement which may be more affordable.

This would help address the ongoing power imbalance between retailers and consumers.

Recommendation 8

That retailers be required to implement consumer-centred payment plan processes that are accessible, low-friction and responsive to changing circumstances, and to provide clear information about consumers' capacity to negotiate and only agree to payment arrangements which are affordable when considering other essential costs.

3.1.7 Require written reasons for affordability decisions

The draft rule does not require a retailer to explain why it determined that a particular amount was affordable. A concise written statement of reasons would make the affordability obligation reviewable rather than merely procedural. It should identify the information relied on, explain how the consumer's stated capacity to pay was treated, and record why any consumer-proposed amount or alternative assistance was not accepted. This would improve transparency, support effective internal and energy ombuds review, and give the AER usable evidence of whether the rule is producing consistent outcomes.

Recommendation 9

That an obligation for retailers to provide a written explanation as to why it determined that a particular amount was affordable when determining a payment plan be added to rule 72.

3.1.8 Create an independent review pathway

Retailers effectively review their own affordability decisions. A practical review pathway should require prompt internal review by a suitably senior officer, followed by expedited access to the relevant energy ombuds scheme. Adverse action, including cancellation of assistance or steps towards disconnection, should be paused while a genuine affordability dispute is under review. This would make the obligation enforceable at the point when protection is most needed, rather than only after a plan has failed.

Recommendation 10

That an independent review pathway for payment plans be created.

3.1.9 Light-touch mandatory check-in

We support the draft rule making it explicit that retailers must review payment plans. This recognises that people's circumstances change, and provides a mechanism for plans to become more manageable if a consumer's circumstances worsen. It also adds to consumers capacity to seek a review.

The rules do not specify a timeframe or require periodic proactive reviews. This can be beneficial for consumers, lowering the administrative burden where the payment plan is affordable and working for the consumer and their circumstances. However, it could also leave people suffering in silence and could leave significant numbers of people exiting out of hardship programs 'unsuccessfully', as is the current situation.

Under the draft rule, reviews would occur when retailers become aware of changed circumstances. However, retailers have no incentive to proactively reduce repayment amounts, even when this is demonstrably in the consumers best interests.

To address this, we recommend that retailers be required to undertake proactive hardship reviews. This could take the form of a light-touch check-in such as the forthcoming retailer requirement for households registered for life support (ie rule 124C of the [National Energy Retail Amendment \(Improving life support processes\) Rule 2026 No. 2](#)).

For example, this could be a simple communication from the retailer every month that lets the consumer know they can contact them if their payment plan is no longer affordable or whether they have more capacity to repay debt. Check-ins could also occur where there are large changes in usage (increases or decreases) or where partial payments are made (rather than a demand for payment be sent). It is also an opportunity to check in on ongoing capacity to pay where there have been disclosures such as major illness or impact from natural disasters.

Requiring a regular light-touch communication where debt collection, or the suggestion of it, is expressly prohibited can help lead to changes to payment plans where consumers are reluctant to, or have not considered it as an option.

Recommendation 11

That a rule be inserted to require retailers to undertake regular light-touch check-ins to ensure payment plans remain affordable, that are explicitly not about debt collection or suggesting higher payments.

3.2 Protection from disconnection

We remain concerned that this rule change process still leaves in place the 'two strikes' rule. That is, rule 33(2) of the NERR, which enables retailers to refuse to provide a further payment plan if a consumer has not adhered to two previous arrangements. While in its draft determination the AEMC expressed that this is outside scope of this rule change process, this rule change process can work better to protect consumers from this rule by putting in place transparent options to understand and challenge repayment options proposed by retailers, as outlined above.

In addition, this rule change could further strengthen disconnection protections by requiring retailers to accept any material good faith payment to a payment plan – even if it is less than the 'agreed' amount but more than a 'token amount', such as \$10 - without cancelling the associated support and leaving the household vulnerable to disconnection. A consumer identified as experiencing hardship who is subsequently unable to comply with two payment plans is demonstrating ongoing hardship and payment difficulty and should remain protected from disconnection.

Underpayment should trigger a check-in, not risk of disconnection. This would contribute to ensuring people experiencing payment difficulty stay in an effective supportive relationship with their retailer.

Recommendation 12

That a rule be inserted requiring any material payment to a payment plan be accepted 'in good faith' by a retailer, retaining payment plan assistance and triggering a review of capacity to pay – and further supports – by the retailer.

3.3 Stronger debt relief obligations

Supports in the NECF must not be based on default assumptions that short term or temporary events cause payment difficulty or hardship. They must recognise that for some people it is a long term situation, and that sustainably affording the energy they need is unlikely to be possible. Not all debts are realistically recoverable, and perpetual (re)payment plans can exacerbate and entrench poverty.

Although broader debt-relief obligations may fall outside scope of this rule change, the final determination should acknowledge the regulatory gap and make recommendations regarding how it may be addressed. Without minimum expectations, debt waivers, payment matching and energy-efficiency assistance will remain discretionary and uncommon, even where a payment plan can't plausibly restore affordability. The AEMC should recommend that the AER develop a complementary framework for escalation beyond payment plans and identify this issue for priority reform.

Recommendation 13

That the AEMC recommend that the AER develop a complementary framework for escalation of assistance beyond payment plans, and identify this issue for priority reform.

4. Further engagement

We welcome the opportunity to meet with the AEMC and other stakeholders to discuss these issues in more depth. Please contact Thea Bray at tbray@jec.org.au regarding any further inquiries.