

21 October 2026

Mr Geoffrey Rutledge
Chief Executive Officer
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Online via: www.aemc.gov.au

Dear Geoffrey,

RRC0074 - AEMC Strengthening standard for payment difficulty assistance

Thank you for the opportunity to comment on the draft rule.

The comments contained in this submission reflect the views of the Energy and Water Ombudsman Queensland (EWOQ), Energy & Water Ombudsman South Australia (EWOSA) and Energy & Water Ombudsman NSW (EWON). We are the industry-based external dispute resolution schemes for the energy and water industries in Queensland, South Australia and New South Wales.

We have collectively reviewed the draft rule and broadly support the proposed changes. We consider both proposals represent practical reforms that strengthen the effectiveness of payment difficulty protections. Together, the removal of documentary evidence requirements and the stronger focus on customer affordability will help ensure assistance is accessed earlier, delivered more consistently and tailored to individual customer circumstances.

We take this opportunity to emphasise some key issues as detailed in our response below.

If you require any further information regarding our submission, please contact Mr Jeremy Inglis, Manager Policy and Research (EWOQ) on 07 3212 0630.

Yours sincerely



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The proposed reforms appropriately shift the framework towards earlier intervention, improved affordability and greater customer agency.

Scope of the current rule change

We note the Commission's decision not to progress several stakeholder proposals through this rule change process, including proposals relating to:

- strengthening the requirement that disconnection be used only as a last resort;
- removing or reforming the "two-strike" rule, whereby customers may be excluded from payment plans after failing to adhere to two previous arrangements;
- facilitating the transfer of payment difficulty assistance and debt information when customers transfer retailers;
- removing requirements for upfront payments prior to reconnection; and
- removing or limiting reconnection fees.

We acknowledge the Commission's view that these issues are more appropriately considered through the broader suite of ongoing consumer reforms currently under consideration by the Energy and Climate Ministerial Council, including the Better Energy Customer Experiences reform program, proposed reforms to the National Energy Retail Law, enhancing consumer protections in the National Energy Customer Framework and associated Australian Energy Regulator retail guideline development.

While we recognise the practical need to define the scope of individual rule changes, we consider there remains a risk that a piecemeal approach to reform may delay and dilute improvements for consumers experiencing payment difficulty.

The issues identified as being out of scope are not discrete matters. For example, the effectiveness of an affordable payment plan cannot be considered separately from the consequences of default, the availability of reconnection pathways or the broader protections that apply when debt accumulates.

Customers rarely experience these issues in isolation. Disputes involving unaffordable payment plans frequently intersect with disconnection risk, failed payment arrangements, reconnection barriers, retailer transfers and escalating debt. We encourage the Commission and energy market bodies to maintain a clear and coordinated pathway for broader payment difficulty reform.

Proposal 1: Banning retailers from requiring documentary evidence from customers as a precondition to providing payment difficulty or affordability assistance.

We support the draft rule to prohibit retailers from requiring documentary evidence as a precondition for providing payment difficulty or affordability assistance.

We note the Streamlining payment difficulty protections rule change package has addressed the inconsistent wording between the Retail Law and Retail Rules, to ensure customers receive the same protections regardless of whether they self-identify or are identified by their retailer.

The proposed amendment appropriately recognises that customers experiencing financial stress often face practical barriers to producing supporting documentation. Requiring evidence such as bank statements, medical certificates or income records can delay access to assistance, create unnecessary administrative burden and discourage customers from engaging with their retailer at an early stage. The proposal is consistent with the objective of encouraging early intervention and ensuring customers receive support before debt escalates or disconnection becomes a risk.

We consider that removing documentary evidence will improve customer experience and trust. We also acknowledge retailers retain the ability to seek further information where it is necessary to tailor assistance to a customer's circumstances broader than payment difficulty, provided this information is voluntary and not used as a condition of access to support.

We also note the draft rule also seeks to align with any broader reforms being considered by ECMC following the AER's final report on the payment difficulty review to focus on a single, consistent definition for customers experiencing payment difficulty.

Proposal 2: Strengthening protections to make payment plans more affordable

We strongly support the Commission's proposed reforms to strengthen capacity-to-pay obligations and improve the affordability and sustainability of payment plans for customers experiencing payment difficulty. We consider these measures will contribute to more customer-centred and effective payment difficulty assistance arrangements and support better long-term outcomes for consumers.

We strongly support the following elements of the draft rule:

Explicit informed consent before changes to a payment plan

We strongly support the Commission's decision to require a retailer to obtain a customer's explicit informed consent before making changes to an existing payment plan. Requiring explicit informed consent is an important safeguard that promotes transparency, customer understanding and meaningful participation in decisions that affect their financial commitments.

This requirement will help ensure customers are not inadvertently placed on unaffordable repayment arrangements and reinforces the principle that payment plans should be reviewed and developed in partnership with customers, rather than imposed upon them.

Measures that improve affordability, transparency and customer understanding are likely to reduce unnecessary dispute escalation and payment difficulties.

Requirement to offer a payment plan that is reasonably affordable

We strongly support the explicit requirement for a retailer to offer a payment plan that it reasonably considers is affordable for the customer.

This amendment appropriately shifts the focus of payment plans from debt recovery to ensuring repayment arrangements are affordable, sustainable and capable of supporting customers to remain engaged with their energy retailer. Payment plans that do not reflect a customer's financial circumstances are unlikely to succeed and can contribute to escalating debt, repeated payment failures and increased risk of disconnection.

Improved information provision regarding payment plan reviews

We particularly support the Commission's focus on ongoing review of payment plans. Ombudsman complaint experience demonstrates that affordability is not a static concept. Customers' circumstances can change rapidly; therefore a payment difficulty framework should be capable of responding dynamically to changing circumstances rather than relying on a one-off assessment of affordability.

We also support expanding the information that retailers must provide when offering a payment plan to include:

- the circumstances under which the payment plan may be reviewed; and
- information about how a customer can request a review of their payment plan.

Providing this information upfront will improve transparency and help customers better understand their rights and options if their circumstances change. Greater clarity regarding review processes will also support more proactive engagement between retailers and customers and may prevent customers from disengaging when they begin to experience difficulties meeting agreed payment plans. In our view, this measure will strengthen customer confidence in payment difficulty frameworks and promote arrangements that remain appropriate over time.

Third party representation

We strongly support requiring retailers to consider information provided by authorised third parties acting on a customer's behalf. Many customers experiencing vulnerability rely on financial counsellors, community workers, family members, interpreters, advocates, or other support persons to engage with essential service providers. Recognising this information will help reduce barriers to assistance and promote more equitable access to payment difficulty support for customers who may otherwise struggle to represent their circumstances effectively.