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Australian Energy Regulator
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23 June 2025

Dear Consumer Policy Division,

RE: Consultation on a new minimum disconnection amount for the National Energy Customer Framework

The ACT Council of Social Service (ACTCOSS) is the peak body for not-for-profit community organisations in the Australian Capital Territory (ACT). Our membership includes organisations serving or advocating on behalf of people on lower incomes and those experiencing multiple forms of disadvantage. We work in partnership with these organisations and individuals towards a future in which all forms of poverty and disadvantage are eliminated. Our vision is for an inclusive ACT in which no one lives in poverty.

ACTCOSS recognises and welcomes the AER's efforts to strengthen consumer protections for those experiencing payment difficulty. Access to energy is a basic necessity that directly impacts people's ability to realise fundament human rights such as the right to life, education, employment, and health. ACTCOSS firmly believes disconnection should never be a response to mere payment difficulty. Rule changes are required to make this principle a reality for all households, especially those experiencing long term or chronic energy hardship. For people on permanently low incomes, such as those with a disability, those with ongoing care responsibilities, financial vulnerability is not temporary but enduring. For these households, payment difficulty is not a short-term issue that can be resolved by delaying disconnection through a disconnection threshold. More comprehensive and tailored protections must be developed by those responsible to ensure equitable access to essential energy services over the long term.

A minimum disconnection amount of $500 is unlikely to reduce the risk of disconnection for households experiencing payment difficulty in practice. For many households, the factors driving transient payment difficulty, such as loss of employment and domestic violence, are not issues that will resolve themselves within a single billing cycle. To ensure disconnection is truly a measure of last resort, the threshold should be set at a level that allows time for households to stabilise and recover rather than being triggered by one overdue bill. This is a reality retailers already appear to have recognised in practice, with many setting their own internal disconnection thresholds at levels significantly higher than $500. This approach allows customers some buffer to recover from temporary setbacks and is more consistent with the intent to protect vulnerable consumers from the harms of disconnection and disconnection threats, which can have the counterproductive effects on a household's ability to recover from the circumstance that led to their payment difficulties.

There are important implications for the minimum disconnection amount arising from the growing number of households electrifying and moving away from gas. As households transition to electricity for high consumption needs, particularly heating their total electricity usage, and therefore their electricity bills, are likely to increase. What was previously spread across two separate bills (electricity and gas) will now be consolidated into a single, often larger, electricity bill. This shift means that households may accumulate higher electricity debts more quickly, increasing their risk of disconnection if the threshold remains too low. The proposed minimum disconnection amount should therefore be reviewed in light of the transition to ensure it remains fit for purpose in an increasingly all electric future.

We thank the AER for considering this submission and welcome further opportunities to engage on this important matter.

Yours sincerely,

[redacted]

Dr Devin Bowles
Chief Executive Officer
ACT Council of Social Service
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