

Energy Bill Relief Fund – Victoria

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth Victoria
Duration	This Schedule is expected to expire on 30 June 2025, or when the final payment adjustments are made (if applicable), whichever is later.
Purpose	<p>This Schedule will support the delivery of targeted energy bill assistance (the bill relief) in Victoria from the Energy Bill Relief Fund (the Fund). The bill relief will be jointly funded between the Commonwealth and Victoria.</p> <p>The bill relief will be targeted to households receiving income support, pensioners and Commonwealth Seniors Health Card holders, Family Tax Benefit A and B recipients, households eligible for Victoria’s existing electricity rebate scheme, and to small business customers of electricity retailers, as defined by Victoria’s energy law.</p> <p>Further details of the eligibility criteria for the bill relief are detailed at Appendix A.</p>
Governance	<p>Victoria will take all reasonable steps to implement appropriate processes to ensure the integrity of payments from the Fund. This may include requiring retailers to verify the number of payments made to eligible customers, where necessary. For household customers this will require participating electricity retailers to use Commonwealth (Services Australia) facilities to confirm eligibility (consistent with current household concession arrangements). For small businesses, eligibility will be administered in a manner consistent with Victoria’s definition of small businesses under its energy law.</p> <p>The Commonwealth will implement appropriate processes to ensure the integrity of Commonwealth facilities used in delivering the bill relief and support retailer verification of eligibility for Commonwealth support.</p>
Reporting arrangements	Victoria will provide the Commonwealth with statements of assurance in relation to the bill relief that satisfies the requirements outlined in the Schedule. The reporting requirements are set out in Appendix B.

<p>Estimated financial contributions</p>	<p>Through the Fund, the Commonwealth will contribute an estimate of \$1.5 billion in aggregate to all states for the bill relief.</p> <p>Given this is a demand-driven program, the final resulting allocations to all states will depend on actual take-up in each jurisdiction over the period of the program. The Commonwealth's expected contributions for the bill relief in Victoria are set out in Table 2.</p> <p>The Commonwealth will pay Victoria in arrears based on statement of assurance confirming reports are an accurate representation of monies disbursed by retailers.</p>
<p>Additional terms</p>	<p>Any changes to the key parameters outlined in Appendix A will need to be agreed by the Victorian and Commonwealth Treasurers.</p> <p>Any changes to data reporting requirements outlined in Appendix B will need to be agreed by relevant Victorian and Commonwealth officials.</p> <p>Payments made outside the agreed scheme parameters will not be co-funded by the Commonwealth.</p> <p>Where Victoria recoups payments made to ineligible entities, Victoria will repay the Commonwealth's financial contributions.</p> <p>Repayments may be managed by either the Commonwealth amending a future payment to Victoria under this Schedule by the relevant amount, or by the Commonwealth invoicing Victoria for the relevant amount.</p> <p>The Commonwealth will support engagement with retailers to ensure retailers can interact effectively with Commonwealth facilities to deliver the bill relief. Any retailer requests for funding to support program administration and rollout are matters for the Commonwealth to resolve and, if necessary, fund. Victoria will not be required to co-fund administration costs requested from retailers.</p> <p>To ensure clear information to beneficiaries on eligibility and entitlements, the Parties will coordinate communications related to the Fund.</p>

Table 2: Victoria – Performance requirements, reporting and payment summary

1. The Commonwealth will reimburse Victoria for the bill relief provided to eligible households and small businesses (excluding the Power Savings Bonus (the PSB)) as detailed in this schedule. Costs are estimated at \$376.2 million to the Commonwealth for 2023-24.
2. Any eligible costs that exceed this estimated total cost (e.g. due to take up being higher than forecast) will be paid by the Commonwealth.
3. Eligibility criteria are detailed in Appendix A.
4. Subject to feasibility determined during retailer engagement, eligibility for the bill relief to households will be checked by retailers in a manner consistent with how eligibility is checked for Victoria's existing energy concessions.
5. Eligibility for the bill relief to small businesses will be administered by retailers using Victoria's definition of small businesses under Victorian energy law.
6. Payment to Victoria will be made as soon as practicable following the provision of a statement of assurance in relation to the bill relief that satisfies the requirements outlined in this schedule.
 - a. The reporting requirements for the statement of assurance are detailed in Appendix B.
 - b. A statement of assurance should be provided to the Commonwealth within two months, or as soon as practicable, after the end of the payment cycle, subject to negotiations with retailers on payment timing to recipients.
7. Victoria will deliver the PSB.
8. A line item will be included on energy bills regarding the Fund, with details to be determined in discussion with the Commonwealth and retailers that acknowledges the shared contributions made by both the Commonwealth and Victoria.
9. The Commonwealth and Victoria will take necessary steps to ensure that electricity retailers include a statement on the front page of all bills where the rebate has been applied. *"Your electricity bill has been reduced by your eligibility for a \$X rebate funded by the Commonwealth and Victoria under the Energy Price Relief Plan"*
10. The Commonwealth commits to informing relevant households not already eligible for Victoria's existing household concessions of their expected eligibility for the program, to enable efficient administration of the program for recipients and retailers.

Payment arrangements

Annual electricity concession

1. Eligible households will receive a total bill credit through their retailers of \$250 for 2023-24, contributed by the Commonwealth.
2. Credits totalling \$250 will be applied to the bills of those eligible households at set dates in instalments over 2023-24, or as soon as practicable thereafter, as appropriate with the existing billing cycle. Payment timing will be agreed in a manner that minimises the administrative impost to retailers and Victoria.
3. In the case of embedded networks, a grant payment of \$250 will be made to eligible customers as a one-off payment through a Victorian Government portal for 2023-24, contributed by the Commonwealth. Payment timing will be agreed in a manner that minimises the administrative impost to Victoria.

Power Saving Bonus

4. On 26 February 2023, the Victorian Premier announced an additional round of the PSB program

commencing on 24 March 2023. This will account for Victoria's additionality.

5. Victoria will make a \$250 direct payment to households that apply through the Victorian Energy Compare website, at a budgeted cost of \$400 million.

Small Business Rebate

6. Victoria will establish a Small Business Rebate scheme on behalf of the Commonwealth.
7. Eligible small businesses will receive a total bill credit of \$325 for 2023-24, contributed by the Commonwealth.
8. Credits totalling \$325 will be applied to the bills of those eligible small businesses at set dates in instalment(s) over 2023-24, as appropriate with existing billing cycle. Payment timing will be agreed in a manner that minimises the administrative impost to retailers and Victoria.

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the
Commonwealth of Australia by



The Honourable Dr Jim Chalmers MP
Treasurer

2 May 2023

Signed for and on behalf of the
State of Victoria by



The Honourable Tim Pallas MP
Treasurer

8 May 2023

Appendix A: Key scheme parameters

1. This appendix to the *Energy Bill Relief Fund – Victoria Schedule* (the Schedule) supports the delivery of the Fund, announced on 9 December 2022 at National Cabinet. This package will support households and businesses and help shield them from the worst impacts of rising global energy prices.
2. The Commonwealth will reimburse Victoria for the bill relief provided to eligible households and small businesses (excluding the PSB).
3. Commonwealth payments to Victoria will be made in accordance with the requirements outlined in the Schedule.
4. In agreeing to this appendix, Victoria agrees to implement this package in accordance with the eligibility criteria detailed below.

Commonwealth funding

5. The Commonwealth's funding contributions are outlined in Table 2 of the Schedule.
6. Eligibility for both households and small businesses will be determined based on their eligibility for the program at set date(s) to be agreed by both parties following engagement with retailers.
7. The delivery of the bill relief through the Fund is not intended to and will not affect any state or territory's GST allocation.

Household eligibility criteria

8. Eligible households are recipients/holders of:
 - a. Pensioner Concession Card (including those issued by DVA);
 - b. Health Care Card (including Low Income Health Care Card);
 - c. DVA Gold Cards;
 - d. Commonwealth Seniors Health Card (including those issued by DVA);
 - e. Family Tax Benefit (FTB) A and B;
 - f. Carer Allowance; and
 - g. Victoria's Annual Electricity Concession scheme (which may include recipients above):
 - Pensioner Concession Card
 - Health Care Card
 - Veterans' Affairs Gold Card; or
 - h. As otherwise agreed between the parties, including any changes to Victoria's Annual Electricity Concession scheme after the Schedule commences.

Small Business eligibility criteria

9. The bill relief will be targeted to small business customers of electricity retailers by using the definition of electricity 'small customer' as applied in each state under the National Energy Retail Law. In Victoria, this definition is an annual electricity consumption of 40 MWh.
10. Subject to feasibility determined during retailer engagement, Victoria and retailers to take reasonable steps to prevent providing relief to non-eligible entities such as government agencies and branches of larger businesses.

Appendix B: Data reporting requirements

Statement of assurance

1. Victoria will report to the Commonwealth on the take-up of the bill relief (excluding the PSB) via statements of assurance confirming retailers have checked all recipients met the relief eligibility criteria outlined in Appendix A. This check will be done in a manner consistent with how eligibility is checked for Victoria's existing energy concessions and with Victoria's definition of small businesses under its energy law.
2. A statement of assurance will be provided to the Commonwealth at a schedule agreed by both parties following engagement with retailers.
3. Subject to feasibility, it is anticipated that the statement of assurance will include summary statistics on the take-up of the bill relief for the period, including:
 - a. total value of the bill relief provided split between households and small businesses;
 - b. total number of entities that received the bill relief split between households and small businesses; and
 - c. details of any bill relief provided to households or small businesses subsequently found to have been ineligible for support and funding recovered.