

Energy Bill Relief Fund – South Australia

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth South Australia
Duration	This Schedule is expected to expire on 30 June 2025, or until the final payment adjustments were made (if applicable), whichever is later.
Purpose	<p>This Schedule will support the delivery of targeted energy bill assistance (the bill relief) in South Australia from the Energy Bill Relief Fund (the Fund).</p> <p>The bill relief will be jointly funded between the Commonwealth and South Australia.</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 South Australia's existing electricity rebate scheme, and to small business customers of electricity retailers, as defined by South Australia's application of the National Energy Retail Law.</p> <p>Further details of the eligibility criteria for the bill relief are detailed at Appendix A.</p>
Governance	<p>South Australia will implement appropriate processes to ensure the integrity of payments under the Fund. For household customers this may require participating electricity retailers to use Commonwealth (Services Australia) facilities to confirm eligibility or use data verified by a relevant government department. For small businesses, eligibility will be administered in a manner consistent with South Australia's definition of small businesses under the National Energy Retail Law.</p> <p>The Commonwealth will implement appropriate processes to ensure the integrity of Commonwealth facilities used in delivering the bill relief.</p>
Reporting arrangements	South Australia 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 allocations to all states will depend on actual take-up in each jurisdiction over the period of the program. The Commonwealth's estimated contributions for the bill relief in South Australia are set out in Table 2.</p>
<p>Additional terms</p>	<p>Any changes to the key parameters outlined in Appendix A will need to be agreed by South Australian and Commonwealth Treasurers.</p> <p>Any changes to data reporting requirements outlined in Appendix B will need to be agreed by the relevant South Australian and Commonwealth officials.</p> <p>Payments made outside the agreed scheme parameters will not be co-funded by the Commonwealth.</p> <p>Where South Australia recoups payments made to ineligible entities, South Australia will repay the Commonwealth's financial contributions.</p> <p>Repayments may be managed by either the Commonwealth amending a future payment to South Australia under this Schedule by the relevant amount, or by the Commonwealth invoicing South Australia 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. South Australia will not be required to co-fund administration costs requested from retailers.</p>

Table 2: South Australia – Performance requirements, reporting and payment summary

1. The Commonwealth will reimburse South Australia 50 per cent of all bill relief provided to eligible households and small businesses under this schedule. Costs are estimated at \$127.2 million to the Commonwealth and \$127.2 million to South Australia 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 shared equally between the Commonwealth and South Australia.
3. Eligibility criteria are detailed in Appendix A.
4. Eligibility for bill relief to households will be checked by retailers in a manner consistent with how eligibility is checked for South Australia's existing concessions or through Commonwealth (Services Australia) facilities.
5. Eligibility for bill relief to small businesses will be administered by retailers using South Australia's definition of small businesses under the National Energy Retail Law.
6. Payment to South Australia 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 the 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 each quarter.
7. A line item will be included on energy bills regarding the energy bill relief, with details to be determined in discussion with the Commonwealth and retailers that acknowledges the shared contributions made by both the Commonwealth and South Australia.
8. The Commonwealth commits to informing relevant households not eligible for South Australia's existing household concession of their expected eligibility for the program, to enable efficient administration of the program for recipients and retailers.

Payment arrangements

SA energy concession

1. Eligible households will receive a total bill credit through their retailers of \$500 for 2023-24 (shared equally between the Commonwealth and South Australia). Credits will be prorated across relevant payment periods as appropriate with existing billing cycles (eg \$125 per quarter), or as soon as practicable thereafter.
2. In the case of embedded networks, a grant payment of \$500 will be made to eligible customers as a one-off payment for 2023-24.

Small Business Rebate

3. South Australia will establish a Small Business rebate.
4. Eligible small businesses will receive a total bill credit of \$650 for 2023-24 (shared equally between the Commonwealth and South Australia).
5. Credits will be prorated across relevant payment periods as appropriate with existing billing cycles, or as soon as practicable thereafter.

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 South Australia by



The Honourable Stephen Mullighan MP
Treasurer

5 May 2023

Appendix A: Key scheme parameters

1. This appendix to *Energy Bill Relief Fund – South Australia Schedule* (the Schedule) supports the delivery of the Fund, announced on 9 December at National Cabinet. This package will support households and small businesses and help shield them from the worst impacts of rising global energy prices.
2. The Commonwealth will reimburse South Australia 50 per cent of all bill relief provided to eligible households and small businesses.
3. Payment to South Australia will be made in accordance with the requirements outlined in the Schedule.
4. In agreeing to this appendix, South Australia 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 as at any date between 1 July 2023 and 30 June 2024 and will receive all preceding quarter's payments and future quarter payments as long as they maintain eligibility.
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. South Australia's Energy Bill Concessions scheme (which may include recipients above):
 - Pensioner Concession Card
 - Certain DVA Gold Cards (Totally and Permanently Incapacitated; Extreme Disablement Adjustment; War Widow; issued to a person with 80 or more overall impairment points under the *Military Rehabilitation and Compensation Act 2004*)
 - Low Income Health Card
 - Commonwealth Seniors Health Card
 - Asylum seekers
 - Recipients of JobSeeker Payment, Widow Allowance, Youth Allowance, Partner Allowance, Parenting Payment, Special Benefit, Community Development Program, New Enterprise Incentive Scheme, ABSTUDY, Austudy, Farm Household Allowance, War widow pension under legislation of the United Kingdom or New Zealand; or
 - h. As otherwise agreed between the parties, including any changes to South Australia's existing Energy Bill Concessions scheme after the Schedule commences.

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 South Australia, this definition is an annual electricity consumption of 160 MWh.

Appendix B: Data reporting requirements

Statement of assurance

1. South Australia will report to the Commonwealth on the take-up of the bill relief via statements of assurance confirming retailers, or South Australia where applicable, have checked recipients met the relief's eligibility criteria outlined in Appendix A based on information available at that time.
2. A statement of assurance will be provided to the Commonwealth within two months, or as soon as practicable, after each quarter.
3. The statement of assurance will include summary statistics on the take-up of the relief for the quarter, including:
 - a. total value of 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.