

Energy Bill Relief Fund Extension – New South Wales

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth New South Wales (NSW)
Duration	This Schedule is established on the date agreed below and will expire on 30 June 2026, or when the final payment adjustments are made (if applicable), whichever occurs later.
Purpose	<p>This Schedule outlines the delivery requirements of energy bill assistance (bill relief) to all households and eligible small businesses in NSW from the Commonwealth's Energy Bill Relief Fund (the Fund) relating to the period 1 July 2024 to 30 June 2025.</p> <p>Payments may be made in arrears relating to this period where appropriate and consistent with the agreement, including to rectify administrative errors.</p> <p>Bill relief will be provided to all eligible NSW households and eligible small business customers, as defined by NSW's application of the National Energy Retail Law.</p> <p>Eligibility criteria for bill relief are detailed in Appendix A.</p>
Governance	<p>NSW is responsible for the delivery of the program as agreed in this Schedule. To deliver this bill relief extension, NSW can use existing processes or infrastructure, or establish new processes. NSW will implement appropriate processes where necessary to ensure the integrity of payments from the Fund.</p> <p>NSW can deliver the program through NSW Government agencies, including (but not limited to), the NSW Department of Climate Change, Energy, the Environment and Water (NSW DCCEEW) and NSW Department of Customer Service/Service NSW (SNSW).</p> <p>NSW will deliver bill relief to household customers through their energy retailer wherever practicable, in accordance with this Schedule.</p> <p>NSW will deliver bill relief to business customers through their energy retailer wherever practicable, in accordance with this Schedule.</p> <p>For household customers, this will require participating electricity sellers to check eligibility of their customers and NSW DCCEEW to confirm eligibility for other customers (generally being exempt customers in embedded networks) as outlined in Appendix A.</p>

	<p>NSW can elect to pay bill relief recipients through a voucher or cash process where customers cannot be paid on their energy account by their electricity seller.</p> <p>For small businesses, eligibility will be administered using NSW's definition of small businesses under the National Energy Retail Law and as outlined in Appendix A.</p> <p>All Parties acknowledge the complexities and risks inherent in the delivery of energy bill relief. The Commonwealth is accountable for the program design and policy parameters and additional financial risks that may arise.</p> <p>NSW will ensure that there are appropriate risk and governance frameworks in place for the implementation of the extension, noting that there are policy and implementation risks outside of its control.</p> <p>The Commonwealth will work with NSW to identify risks and manage and appropriately mitigate risks where possible.</p> <p>Officials in the Commonwealth and NSW will work together and agree any additional implementation details for the program in line with this agreement.</p>
Reporting arrangements	<p>NSW will collate payment claims and provide a statement of assurance to the Commonwealth each month. The Commonwealth will settle the claims in the month after receipt. Where a claim has been corrected, any refunded or additional amounts will be reflected in the following month's claim. Specific requirements are detailed in Appendix B.</p> <p>NSW will provide additional information, where possible, if requested by the Commonwealth for the purposes of approving the statements of assurance and for the Commonwealth's assurance activities where relevant.</p>
Estimated financial contributions	<p>Through the Fund, the Commonwealth will contribute an estimate of \$3.5 billion in aggregate to all states for bill relief.</p> <p>Noting this is a demand-driven program, the final allocations to all states will depend on the actual number of bill relief payments made. The Commonwealth's contributions for bill relief in NSW are set out in Table 2.</p> <p>The Commonwealth will pay NSW in arrears based on statements of assurance confirming reports are an accurate representation of bill relief provided by NSW. Any payment corrections and adjustments can either be made as a credit/discount on subsequent claims, or as an invoice from the Commonwealth to NSW, within the period of this Schedule.</p>
Additional terms	<p>Any changes to the key parameters outlined in Appendix A will need to be agreed by the NSW and Commonwealth Treasurers.</p> <p>Any changes to data reporting requirements outlined in Appendix B will need to be agreed by relevant NSW and Commonwealth officials.</p>

Payments made outside the agreed scheme parameters will not be funded by the Commonwealth.

NSW will have reasonable rules in place to minimise the number of customers that do not receive the appropriate payment(s) in line with this Schedule.

Where NSW identifies and recoups payments made to ineligible entities, NSW will repay the Commonwealth's financial contributions through the agreed assurance process.

All program credits that are applied to a customer's account are payable to the customer, unless it is determined that the customer was paid in error.

Rebates will not be refundable for active accounts. Where rebates from the Fund remain as unused credit upon the closure of an account, the remaining credit should be refunded to the customer in line with existing concessions and in accordance with retailer credit policies. Accounts in credit should be managed in line with retailer credit policies where appropriate.

Repayments may be managed by either the Commonwealth amending a future payment to NSW under this Schedule by the relevant amount, or by the Commonwealth invoicing NSW for the relevant amount.

NSW will require retailers to check that eligible customers have an active residential or small business electricity account on the defined census dates. NSW will require retailers to report on the number of customers receiving rebates and provide breakdowns of the type of customers split between residential, embedded network (or other non-quarterly payments) and small business customers, in line with the requirements in Appendix A and Appendix B.

Any retailer requests for funding to support program administration and rollout are matters for the Commonwealth to resolve. NSW will not be required to co-fund administration costs requested from retailers.

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

1. The Commonwealth will reimburse NSW for bill relief provided to all households and eligible small businesses as part of the extension as detailed in this schedule, at a rate of up to \$300 per household and \$325 per eligible small business. Costs are estimated at \$1,117.1 million to the Commonwealth for bill relief provided in respect of 2024-25, noting that some payments may not be made until 2025-26.
2. Any costs for bill relief that exceed the above estimated total cost (e.g. due to take-up being higher than forecast) will be borne by the Commonwealth subject to appropriate data and fraud controls.
3. NSW will, deliver the program in-line with the Schedule and eligibility criteria set out in Appendix A. Wherever practicable, NSW will deliver the program on a customer's energy account in partnership with a customer's retailer.

4. Eligibility for bill relief to household retail customers will be administered by retailers.
5. Eligibility for bill relief to households in embedded networks will be administered by energy sellers or NSW DCCEEW or Service NSW.
6. Eligibility for bill relief to small businesses will be administered by retailers and NSW DCCEEW or Service NSW, consistent with NSW legislation and using NSW's definition of small businesses under the National Energy Retail Law.
7. NSW will require retailers/sellers to implement reasonable fraud mitigation as part of its requirements under this agreement to control implementation risks.
8. Payment to NSW will be made as soon as practicable following the provision of a statement of assurance each month according to the requirements of this Schedule. Claims not received by NSW prior to preparation of this statement of assurance will be deferred into the next statement period.
 - a. The reporting requirements for the statement of assurance are detailed in Appendix B.
9. A line item will be included on energy bills regarding the Fund, with details to be determined in discussions with the Commonwealth, NSW and retailers that acknowledges the contributions made by the Commonwealth.

Payment arrangements

NSW Energy Bill Relief Fund - Households

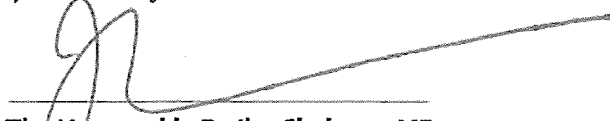
1. Credits of \$75 will be applied to the bills of those eligible households in each quarter of the 2024-25 financial year, or as soon as practicable thereafter.
2. In the case where this is not practicable (e.g. some households in embedded networks), a payment of up to \$300 will be made to eligible customers in 2024-25.

NSW Energy Bill Relief Fund - Small Business Payment

3. Credits of \$81.25 will be applied to the bills of those eligible small businesses in each quarter for 2024-25, or as soon as practicable thereafter.
4. In the case where this is not practicable (e.g. some small businesses in embedded networks) a payment of up to \$325 will be made to eligible customers in 2024-25.

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

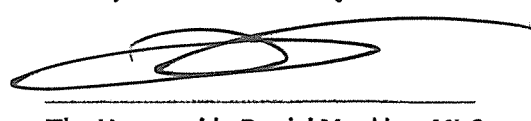
Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Dr Jim Chalmers MP
Treasurer

[Day] [Month] [Year]

Signed for and on behalf of the
State of New South Wales by



The Honourable Daniel Mookhey MLC
Treasurer

[Day] [Month] [Year]

618124.

30 JUL 2024

Appendix A: Key scheme parameters

1. This appendix to the *Energy Bill Relief Fund Extension – New South Wales Schedule* (the Schedule) supports the delivery of an extension to the Fund. The extension was announced in the Commonwealth's 2024-25 Budget. This package will support households and small businesses and help shield them from ongoing cost of living pressures.
2. The Commonwealth will reimburse NSW for bill relief payments, which are to be provided to all households and eligible small businesses as set out herein.
3. Payments to NSW will be made in accordance with the requirements outlined in this Schedule.
4. In agreeing to this appendix, NSW agrees to implement this package in accordance with the eligibility criteria detailed below.
5. The Commonwealth's funding contributions are outlined in Table 2 of the Schedule.
6. The delivery of bill relief through the Fund is not intended to and will not affect any state or territory's GST allocation.

Eligibility

Census Dates

7. The census dates for each quarter are:
 - a. Quarter 1: 31 July 2024
 - b. Quarter 2: 1 October 2024
 - c. Quarter 3: 1 January 2025
 - d. Quarter 4: 1 April 2025
8. Payments are to be made on, or as soon as practicable after, these census dates. A customer is to be paid with respect to their account status on this date.

Household eligibility criteria

9. A household is eligible if it meets all of the following requirements:
 - a. is being actively supplied electricity on a named or deemed occupier energy account.
 - b. is connected by a discrete meter to
 - i. the National Electricity Market; or
 - ii. a private network.
 - c. is recognised as a residential energy customer of NSW (Note: this may include customers outside of NSW boundaries who are supplied by NSW distribution networks).
 - d. is able to demonstrate a legitimate energy cost incurred through an appropriate meter and exempt or authorised selling relationship (if requested).
10. Households may be determined to be eligible as otherwise agreed in writing between the parties, including any changes after the Schedule commences.
11. Rebates will be provided to households on an account basis, where possible.

Small business eligibility criteria

12. A small business is eligible if it meets all of the following requirements:
 - a. is being actively supplied electricity on a named or deemed occupier energy account.
 - b. is connected by a discrete meter to
 - i. the National Electricity Market; or
 - ii. a private network.
 - c. is recognised as a small business energy customer of NSW (Note: this may include customers outside of NSW boundaries who are supplied by NSW distribution networks).

- d. is able to demonstrate a legitimate energy cost incurred through an appropriate meter and exempt or authorised selling relationship (if requested).
- e. has used, in the preceding year, or is likely to use, in the current year, less than 100 MWh of energy and therefore meet the definition of a small customer as set out in the NSW adoption of the National Energy Retail Law.

Appendix B: Data reporting requirements

Statement of assurance

1. NSW will report to the Commonwealth on the amounts of bill relief via statements of assurance that confirm retailers have checked the eligibility of each recipient against the criteria outlined in Appendix A.
2. A statement of assurance will be provided to the Commonwealth within two months, or as soon as practicable, after each month.
3. NSW will provide the following data in the statement of assurance:
 - a. the total value of payments made directly to small businesses.
 - b. the total value of payments made directly to households.
 - c. the total value of payments claimed by energy retailers (or other sellers), which they have paid to household customer bills.
 - d. The total value of payments claimed by energy retailers (or other sellers), which they have paid to small business customer bills.
 - e. details of any bill relief provided to households or small businesses subsequently found to have been ineligible for support and funding recovered, including de-identified invoices upon request.
 - f. The number of customers paid for each category above in the claim period.
4. In addition to the statement of assurance for the final quarter, NSW will also provide a statement which includes summary statistics on the take-up of bill relief over the period 1 July 2024 to 30 June 2025, including information outlined in clause 3 of Appendix B, to inform an end of program reconciliation and, if required, any payment adjustments.
5. Where NSW identifies any instances of fraud or misconduct relating to payments made under the Fund, NSW officials will notify the Commonwealth in writing, including details of action taken to remedy this where appropriate.
6. NSW will escalate any matters of significant fraud concern in line with the requirements of this Schedule. NSW will summarise and brief the Commonwealth on relevant findings from any audit activities of the delivery of the bill relief program.
7. The statement of assurance will be provided as agreed in this Schedule and appendix, subject to the timeline and ability for retail delivery partners to provide these reports. Where a deviation is required, this must be agreed in writing by the parties.
8. The parties must in good faith negotiate to resolve any disagreement or dispute arising between them in relation to the statements of assurance. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.