

Energy Bill Relief Fund – Tasmania

FEDERATION FUNDING AGREEMENT – ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth Tasmania
Duration	This Schedule is expected to expire on 30 June 2026, 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 Tasmania from the Energy Bill Relief Fund (the Fund). The bill relief will be jointly funded between the Commonwealth and Tasmania.</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 Tasmania’s existing electricity rebate scheme, and to small business customers of electricity retailers, as defined by Tasmania’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>Tasmania will implement appropriate processes to ensure the integrity of payments from the Fund. 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 using Tasmania’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	Tasmania 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.
Estimated financial contributions	<p>Through the Fund, the Commonwealth will contribute an estimate of \$1.5 billion in aggregate to all states to provide 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</p>

	<p>the program. The Commonwealth's estimated contributions for bill relief in Tasmania are set out in Table 2.</p>
Additional terms	<p>Any changes to the key parameters outlined in Appendix A will need to be agreed by Tasmanian and Commonwealth Treasurers.</p> <p>Any changes to data reporting requirements outlined in Appendix B will need to be agreed by relevant Tasmanian and Commonwealth officials.</p> <p>Payments made outside the agreed scheme parameters will not be co-funded by the Commonwealth.</p> <p>Where Tasmania recoups payments made to ineligible entities, Tasmania will repay the Commonwealth's financial contributions.</p> <p>Repayments may be managed by either the Commonwealth amending a future payment to Tasmania under this Schedule by the relevant amount, or by the Commonwealth invoicing Tasmania 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. Tasmania will not be required to co-fund administration costs requested from retailers.</p>

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

1. The Commonwealth will reimburse Tasmania 50 per cent of all the bill relief provided to eligible households and small businesses under this schedule. Costs are estimated at \$44.8 million to the Commonwealth for the period 1 July 2023 to 30 June 2024 and \$44.8 million to the Tasmanian Government for the period 1 July 2023 to 30 June 2025.
2. Any eligible costs that exceed this estimated total cost for the period 1 July 2023 to 30 June 2025 (e.g. due to take-up being higher than forecast) will be shared equally between the Commonwealth and Tasmania.
3. If applicable, a reconciliation adjustment payment will be made between parties following the end of the relief arrangement to ensure both parties each contribute 50 per cent of the bill relief provided to eligible households for the period 1 July 2023 to 30 June 2025.
4. Eligibility criteria are detailed in Appendix A.
5. Eligibility for the bill relief to households will be checked by retailers in a manner consistent with how eligibility is checked for Tasmania’s existing energy concessions.
6. Eligibility for the bill relief to small businesses will be administered by retailers using Tasmania’s definition of small businesses under the National Energy Retail Law.
7. Payment to Tasmania 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 each relevant quarter.
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 Tasmania.
9. Tasmania will encourage electricity retailers to comply with the Australian Energy Regulator’s Better Bills Guideline as soon as practicable.
10. The Commonwealth commits to informing relevant households not already eligible for Tasmania’s existing household concession of their expected eligibility for the program, to enable efficient administration of the program for recipients and retailers.

Payment arrangements

Household Concession

1. Eligible households will receive a total bill credit through their retailers of \$250 per annum for two years (\$500 in total, funded by the Commonwealth for 2023-24 and Tasmania for 2024-25).
2. Credits of \$125 will be applied to the bills of those eligible households in the September and June quarters of each financial year, or as soon as possible thereafter.
3. In the case of embedded networks, a grant payment of \$250 will be made to eligible customers as a one-off payment for each of 2023-24 and 2024-25.

Small Business Payment

1. Eligible small businesses will receive a total bill credit of \$650 for 2023-24.
2. This will be provided as bill relief through eligible small businesses’ retailers.
3. Credits of \$325 will be applied to the bills of those eligible small businesses in the September

2023 and June 2024 quarters.

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 Tasmania by



The Honourable Michael Ferguson MP
Treasurer and Deputy Premier

2 May 2023

Appendix A: Key scheme parameters

1. This appendix to the *Energy Bill Relief Fund – Tasmania* Schedule (the Schedule) supports the delivery of the Fund, announced on 9 December 2022 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 Tasmania 50 per cent of the bill relief provided to eligible households and small businesses.
3. The Commonwealth will fully fund bill relief provided to eligible households for 2023-24 and Tasmania will fully fund bill relief applied for 2024-25.
4. For eligible small businesses, all bill relief will be applied for 2023-24, with the costs shared between the Commonwealth and Tasmania.
5. A reconciliation of the relief payments made by both parties will be undertaken following the end of the relief arrangement. If applicable, a reconciliation adjustment payment will be made between parties to ensure both parties each contribute 50 per cent of the bill relief provided to eligible households for the period 1 July 2023 to 30 June 2025.
6. Payments to Tasmania will be made in accordance with the requirements outlined in the Schedule.
7. In agreeing to this appendix, Tasmania agrees to implement this package in accordance with the eligibility criteria detailed below.

Commonwealth funding

8. The Commonwealth's funding contributions are outlined in Table 2 of the Schedule.
9. Eligibility for both households and small businesses will be determined annually based on their eligibility for the program as at 1 July in each year. Households and small businesses that become eligible after this date will not be able to access the payment within that year.
10. 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

11. 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. Tasmania's Annual Electricity Concession scheme (which may include recipients above):
 - Services Australia or DVA Pensioner Concession Card;
 - Services Australia Health Care Card
 - ImmiCard (Bridging Visa E); or
 - h. As otherwise agreed between the parties, including any changes to Tasmania's Annual Electricity Concession scheme after the Schedule commences.

Business eligibility criteria

12. 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 Tasmania, this definition is an annual electricity consumption of 150 MWh.
13. Tasmania and retailers will take reasonable steps to make appropriate carve-outs of government agencies and branches of larger businesses.

Appendix B: Data reporting requirements

Statement of assurance

1. Tasmania will report to the Commonwealth on the take-up of the bill relief 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 Tasmania's existing energy concessions and with Tasmania's definition of small businesses under the National Energy Retail Law.
2. A statement of assurance will be provided to the Commonwealth within two months, or as soon as practicable, after each relevant quarter.
3. The statement of assurance will include summary statistics on the take-up of the bill relief for the relevant quarter, 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.