

Call wait times blow out, while energy customers pay big for missing discount deadlines

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Electricity and gas

The state's energy regulator says its latest report on the market reinforces the need to continue with major reforms to address a power imbalance between consumers and energy companies.

The Essential Services Commission's Ron Ben-David says the [annual energy market report](#) shows customers continue to pay big for not meeting discount conditions, while call waiting times to energy companies have almost doubled in 12 months.

"While energy companies continue to advertise big headline discounts the annual cost of not meeting discount conditions more than doubled in three years from \$212 to \$455.

"Clearly this 'penalty' is out of all proportion to the costs incurred by retailers' when customers fail to meet the conditions attached to their discounts," he said.

The commission's [Victorian Energy Market Report 2017–18](#) released today also shows:

- more people are being signed up to hardship programs (up 25 per cent)
- residential disconnections increased substantially (20 per cent) from 46,083 to 55,474
- call wait times have almost doubled from an average 46 seconds to 88 seconds (up 91 per cent).

Dr Ben-David says the report does highlight some good news for consumers.

“The report chronicles the roll out of reforms designed to address the underlying imbalance between consumer rights and energy company behaviour highlighted in the [Victorian Government’s energy market review](#).

“While [new rules to break the debt-disconnection cycle](#) came into effect at the beginning of this year, from 1 July 2019, energy companies will also be responsible for helping customers get on to their best deal by printing their [‘best offer’](#) on energy bills.

“We are also working on other government reforms which, subject to legislation, will deliver Victorians a new fairer-priced electricity offer (the [Victorian default offer](#)) from 1 July 2019,” he said.

Editor’s note: Publication of the Victorian Energy Market Report 2017-18 was delayed due to the inability of [AGL to provide reliable performance data](#) in time.

Other key findings Victorian Energy Market Report 2017–18

Prices and hardship

- Average residential electricity and gas prices increased up to 16 per cent.
- The number of customers participating in energy hardship programs increased 25 per cent.
- The average debt for new participants in 2017–18 was \$1,377 – up 11 per cent on 2016–17.
- Electricity customers disconnected multiple times for not paying bills increased by 51 per cent.

New licenses and evolving energy generation landscape

- Nine licences granted including six new generation licences (two solar farms, four wind farms)

Customer protection rules

- New protections introduced for embedded network customers – commence 1 January 2019
- New ‘best offer’ rules decided - commence 1 July 2019

Timeline

Protecting Victorian energy consumers

2013-14	Annual rate of residential disconnections peaks at 58,503 (electricity and gas), 64,451 including small business
2015-16	Commission conducts inquiry (under terms of reference from Victorian Government) into energy retailers' financial hardship programs
2016	Government gives commission new powers to protect customers, doubles daily rate for wrongful disconnections and introduces penalties for breaches of energy rules
2016–2017	Commission develops new payment difficulty framework requiring retailers to help customers avoid getting into debt. New customer protections 'apply' from 1 January 2019.
1 July 2018	Debt threshold before a customer can be disconnected increases from \$132 to \$300.
2017–18	Energy retailers update hardship policies to comply with new payment difficulty rules
2017–18	New protections introduced for 'embedded network' customers
From 1 Jan 2019	New customer protections under payment difficulty framework come into effect

From 1 July 2019	Energy retailers must put ' best offer ' on customer bills 3-4X a year
From 1 July 2019	Victorian default offer becomes available (subject to legislation)
From 1 July 2020	New rules relating to fairer contracts will come into effect (subject to legislation)
From 2019–20	Commission reports on compliance through the Victorian energy market reports

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