

Back-billing rule change caps off two years of Victorian energy reform

08 July 2020

Electricity and gas

Victorians will no longer have to pay bills going back nearly a year if their retailer fails to bill them correctly with a rule change coming into effect on 1 January next year.

Victoria's energy regulator, the Essential Services Commission has published a ruling to cut the amount of time retailers can back-bill a customer from nine months to four.

Commission chief executive John Hamill says the decision marks the final step in a two-year reform program.

“Over the past two years we've implemented a number of reforms to improve customer protections including new rules requiring retailers to provide more help to customers experiencing [payment difficulties](#).

“This framework, now considered the gold standard, was mirrored by the national cabinet to rewrite national energy protection standards in response to the coronavirus pandemic,” he said.

New safeguards have also been introduced for people [living in apartments, caravan parks and retirement villages](#), along with limits on how much a retailer can charge if you miss making a [payment on time](#).

The changes also saw the introduction of a new [fair price for energy](#) in the form of the Victorian Default Offer and, from 1 July retailers were blocked from increasing energy contracts more than once a year

with an end to so-called [bait and switch deals](#).

Dr Hamill says the latest rule change means Victorians can't get slugged with more than four months of back bills if their retailer makes a mistake.

“Until now, energy retailers could demand up to nine months' worth of bills if they undercharged you but cutting this to four months should lead to fewer errors like this,” he said.

Dr Hamill says rewriting Victoria's energy rule book started with the commission's [hardship inquiry in 2016](#) following record levels of disconnections in Victoria in 2013–2014.

“Our findings were upheld and extended by the Victorian Government's 2017 independent review of electricity and gas retail markets and 2018 energy fairness plan, which supported us in rewriting the rule book to provide better protections for all Victorians,” he said.

For general enquiries

Phone: [\(+61 3\) 9032 1300](tel:+61390321300) or [1300 664 969](tel:1300664969)

Email: reception@esc.vic.gov.au

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For VEU enquiries

Phone: [\(+61 3\) 9032 1310](tel:+61390321310) or submit a [contact form](#).

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