

Pandemic hit on households settles, but small businesses falling behind

20 August 2020

Electricity and gas

Fewer households are reaching out to their energy companies for help, but Victoria's small businesses are falling further behind with their bills due to the impact of the coronavirus pandemic.

[New data](#)* from the Essential Services Commission shows calls for help and the proportion of residential customers who cannot pay at all have fallen to their lowest level since April.

Commission chairperson Kate Symons says while the situation for residential customers appears to have stabilised for now, the average amount small businesses owe their energy companies has increased significantly over the last four months.

“Small businesses in assistance programs are falling further behind with average arrears for electricity growing by 20 per cent for electricity (from \$1,180 to \$1,413) and 30 per cent for gas (from \$1,139 to \$1,486) between April and the end of July.

“Additionally, the amount being deferred by small businesses to pay later has also increased by five percent (from \$2,461 to \$2,590) for electricity customers and 12 per cent for gas (from \$1,623 to \$1,813) between June and July,” she said.

Commissioner Symons says energy companies are continuing to support customers by not disconnecting customers for non-payment and offering a range of help to those who are struggling.

“We commissioned a survey** that found while 21 per cent of Victorians are concerned about their ability to pay their energy bills, just 17 per cent tried to find a better deal.

“Of those, 36 per cent tried the [government’s price comparison website](#) and 20 per cent reached out to their current provider,” she said.

The survey also found while only 11 per cent of Victorians contacted their retailer, more than eight in 10 (86 per cent) of those were offered help from arranging a better energy deal, to flexible payment plans and information on applying for government assistance grants.

Following the Victorian Government’s 2015 call for an [inquiry](#) to address record disconnections, the commission introduced a new payment difficulty framework in 2019. The commission recently completed a series of checks on retailers to ensure they have systems in place to support customers in line with the framework.

*The latest data was collected before the introduction of stage 4 restrictions on 5 August 2020.

**The survey of 626 Victorians was conducted by Roy Morgan and CPRC between 2 and 25 June.

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