

A year in review – supporting energy customers during the coronavirus pandemic



Customer enquiries about payment assistance peaked during heightened restrictions

As Victoria responded to the global pandemic and the lockdowns that followed, customers reached out to energy retailers for help, with peaking in May and August— an average of around 1,684 residential enquiries per day in May 2020 (compared to 822 per day in November 2020).

Customers also faced longer call wait times with energy retailers in early April, likely due to call centres (particularly offshore centres) being affected by movement restrictions.

Figure: Residential energy customer enquiries for assistance

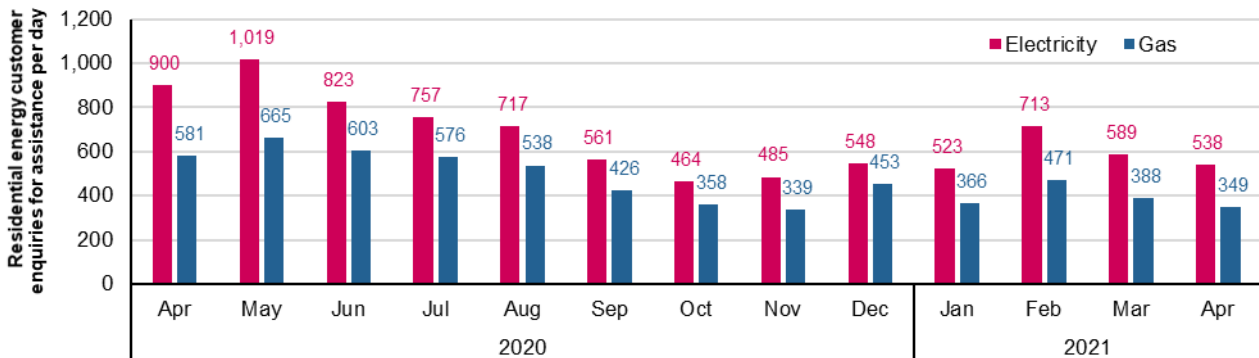
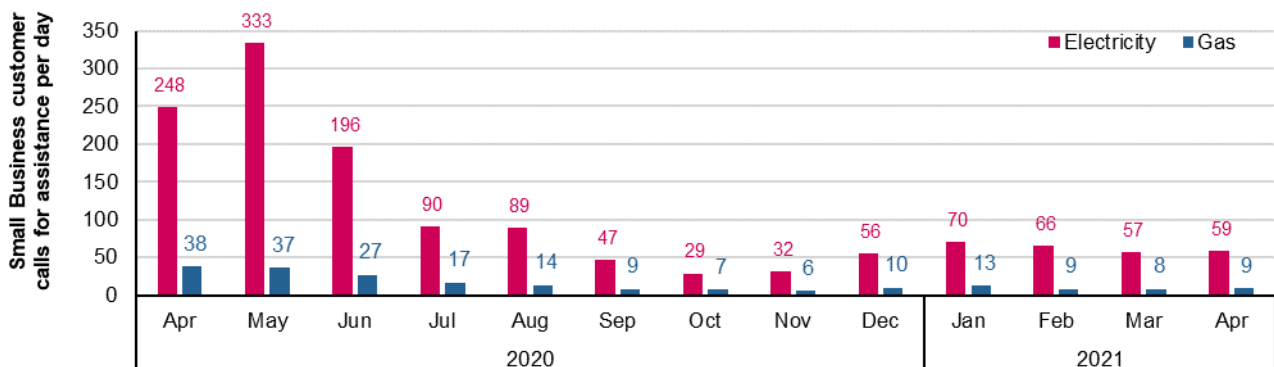


Figure: Small business energy customer calls for help

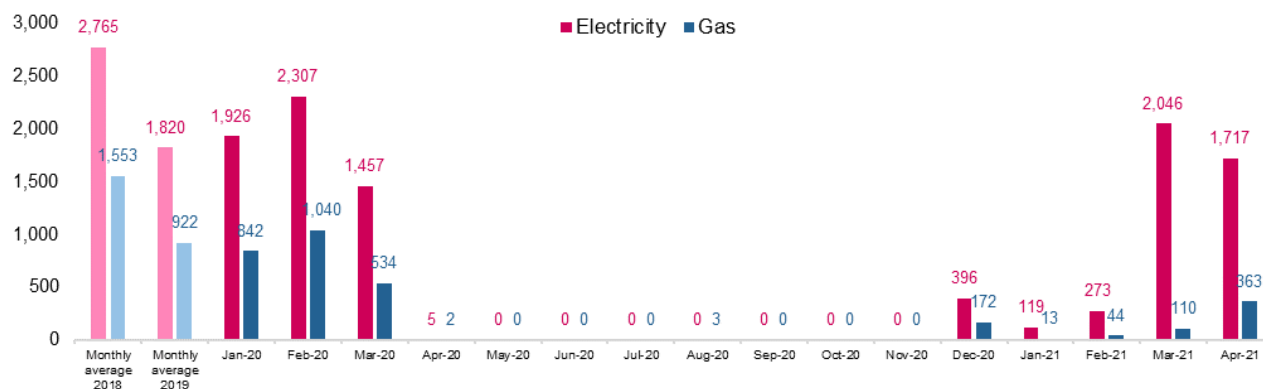


Almost no customers were disconnected from April to November 2020, but this has increased to near pre-pandemic levels in 2021

In Victoria, customers who are receiving payment assistance under the energy rules cannot be disconnected. During the pandemic, we issued guidance to the energy industry that protects customers who have engaged with their retailers from disconnection.

Since the start of lockdowns in Victoria, energy retailers disconnected almost no residential customers for not paying energy bills. However, disconnections resumed in December 2020 and have since returned to similar average levels in 2019, with 2,046 and 1,717 electricity residential customers being disconnected in March and April 2021 respectively.

Figure: Residential disconnections for non-payment



Fluctuating levels of residential customers receiving assistance

Victoria’s energy rules require retailers to assist customers experiencing payment difficulty. If a customer misses paying an energy bill, they are entitled to receive help such as a payment plans, advice on lowering energy costs or concessions that might be available. There are two kinds of help available:

- **If you can pay for your ongoing energy use**, you must be offered a payment plan which you can pay of within two years, and other practical advice.
- **If you cannot pay for ongoing energy use**, you may be offered a payment plan that is lower than the cost of your ongoing usage or your debt may be put on hold for six months.

If a customer is receiving assistance, they cannot be disconnected.

New rules were introduced in October 2020 to further support customers include:

- retailers must provide support for customers in applying for a utility relief grant from the government to help pay energy bills (\$650 per customer for two-years)
- retailers must offer tariff checks for customers receiving any form of assistance (temporary).

Before the pandemic, around 31,000 residential customers for electricity and 25,000 for gas were receiving tailored assistance – that is, customers who are behind in bill payments but are able to pay for their ongoing energy use. After June 2020, this number significantly increased each month, peaking in November 2020 at 37,221 for electricity and 34,134 for gas in October 2020, and remained higher than before the pandemic for electricity customers.

However, there were fewer customers receiving assistance who could not pay their on-going usage in 2020 compared to before the pandemic. We have recently seen an increase of these customers receiving assistance, with 18,844 electricity and 13,385 for gas customers receiving assistance in April 2021.

Figure: Residential customers receiving tailored assistance, who can pay for their on-going use

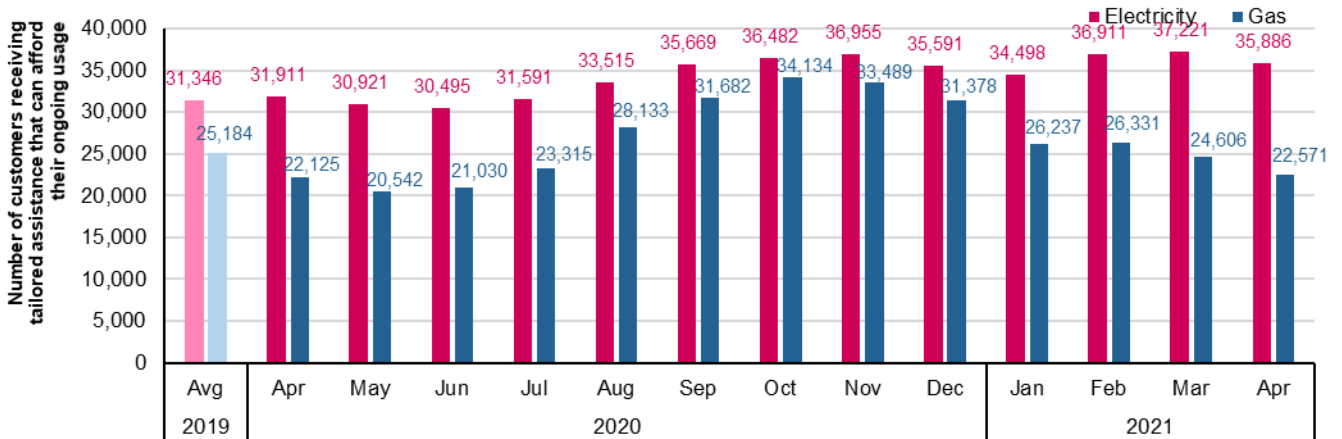
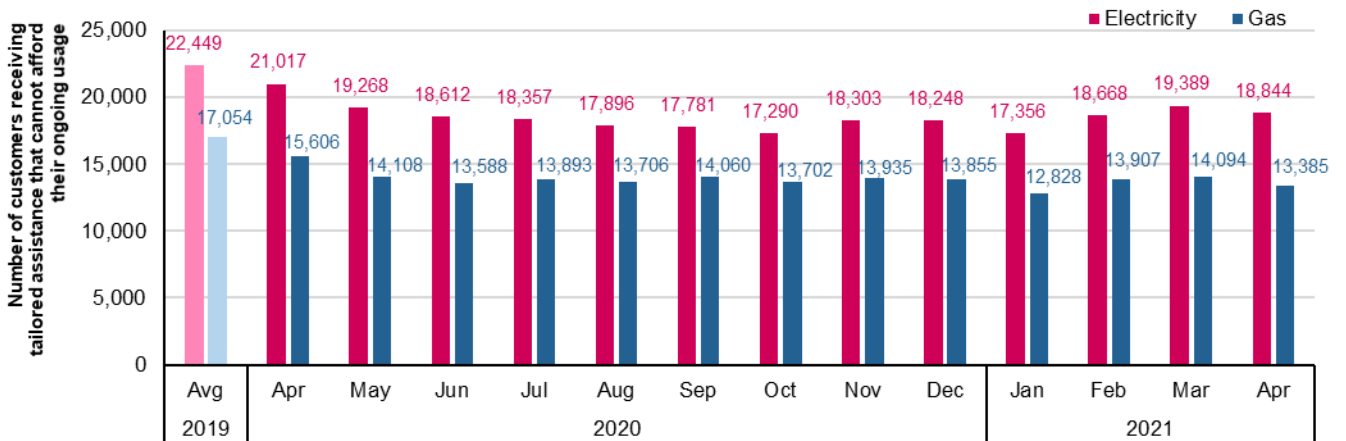


Figure: Residential customers receiving tailored assistance, who cannot pay for their on-going use

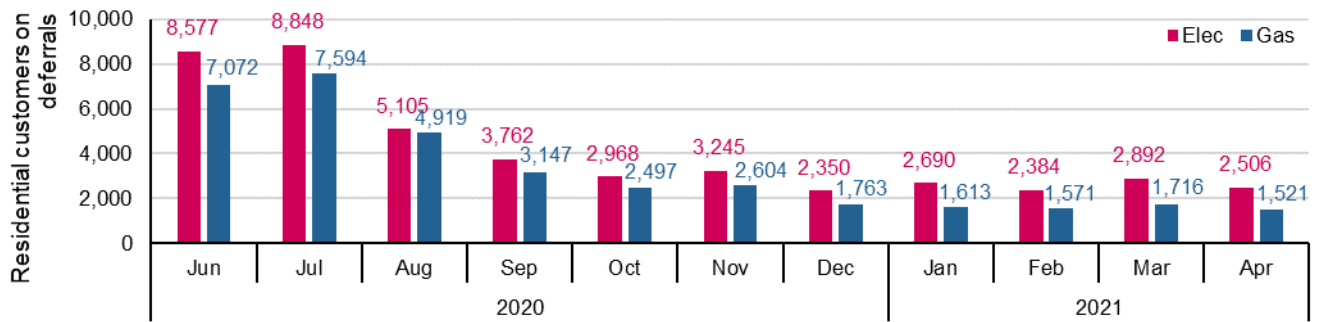


Customers took up retailers’ offers to temporarily defer paying energy bills

In response to the pandemic, 12 retailers allowed customers to extend the due date of their energy bills, protecting them from disconnection.

By July 2020, around 16,500 residential energy customers deferred paying their energy bills (highest recorded in the last 12 months). This significantly fell by October 2020, where some customers transitioned to receiving formal payment assistance under the energy rules.

Figure: Residential customers deferring payment of bills (data reported from June 2020 only)



The arrears of residential energy customers have increased significantly in 2021

Before the pandemic, the average arrears of customers receiving assistance (and who can pay on-going usage) in 2019 was \$674 for electricity and \$539 for gas. However, customer arrears have increased each month over the past year. Average customer arrears reached its highest level in March 2021 at \$819 for electricity and \$623 for gas. This is a 21 per cent and 15 per cent higher than 2019 averages, respectively.

For customers who cannot pay for their on-going usage, average arrears increased each month during the start of the pandemic. Significant increases occurred in 2021 reaching its peak in April at \$1,926 for electricity and \$1,438 for gas customers in March – the highest levels reported since the start of our new energy rules. This is 35 per cent and 27 per cent higher than 2019 monthly averages, respectively.

Figure: Average arrears for residential customers receiving tailored assistance, who can pay for their on-going use

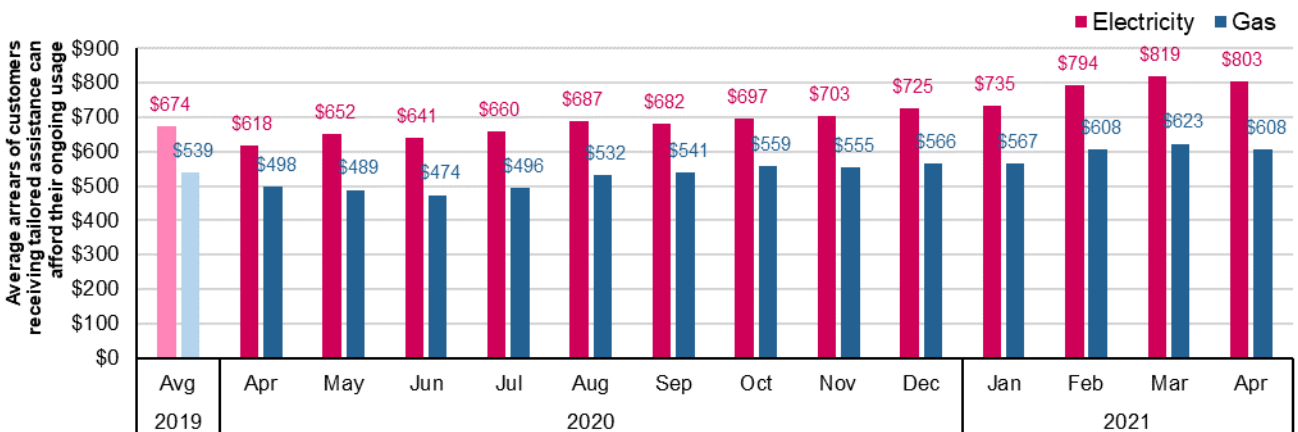


Figure: Average arrears for residential customers receiving tailored assistance, who cannot pay for their on-going use

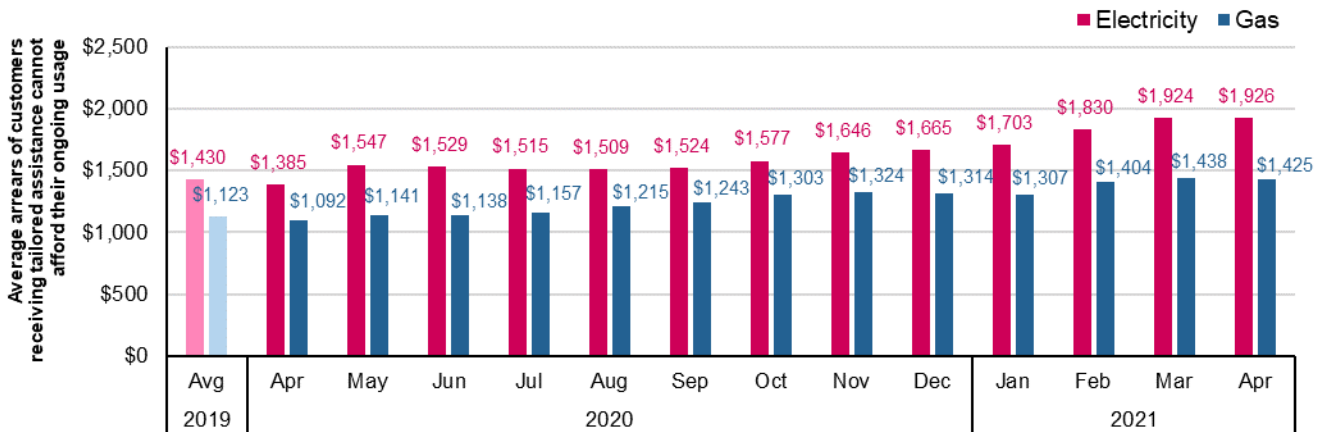
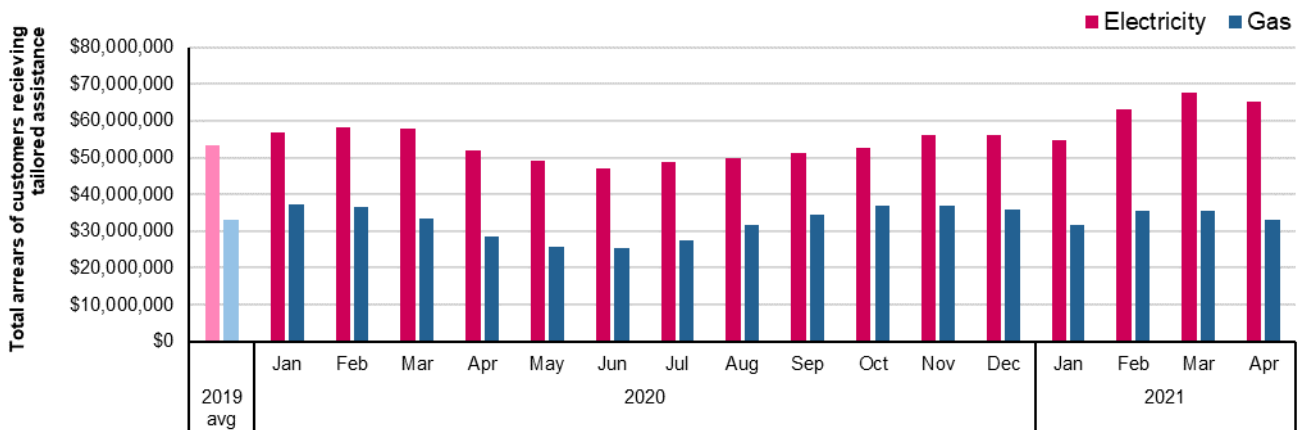


Figure: Total debt levels of customers receiving assistance increased in 2021



Small business customers receiving payment assistance

In Victoria, small business customers who are on a payment plan with their retailer are protected from being disconnected. During the pandemic, we introduced temporary rules for retailers to provide reasonable assistance to small businesses experiencing financial stress.

On average, around 2,400 small business electricity customers have received payment assistance per month from their retailer since April 2020. The average arrears of small business customers receiving assistance also increased, peaking in October 2020, but has since decreased.

Figure: Number of small business customers receiving assistance and their average arrears

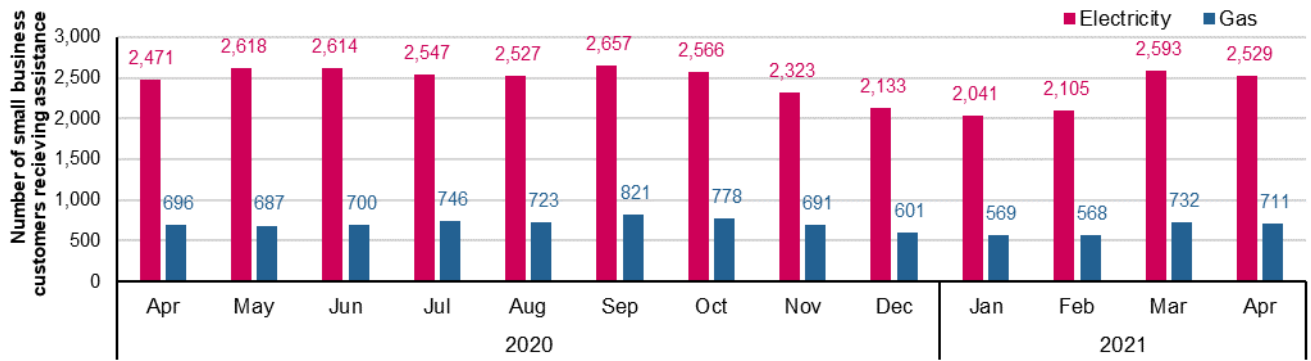
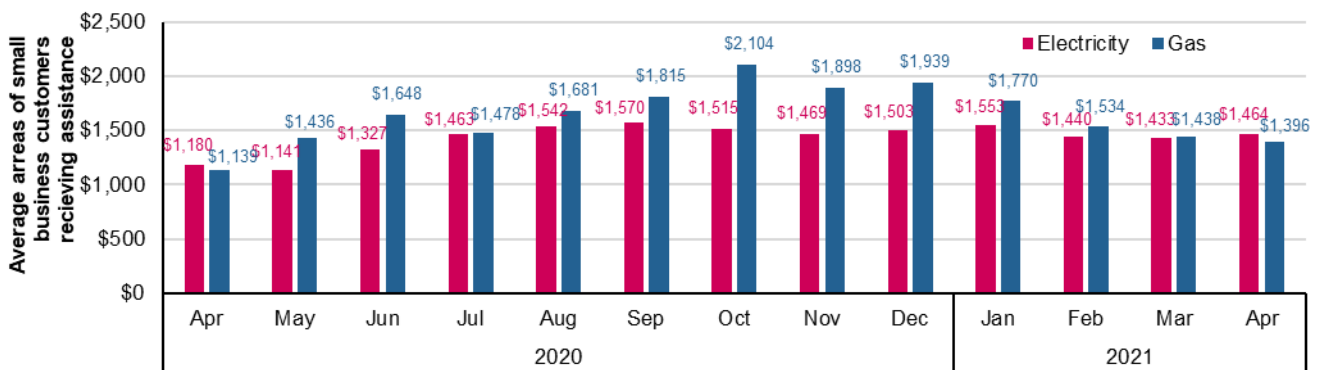


Figure: Average arrears of small business customers receiving assistance



Missed payment of bills and other debt

The number of residential and small business customers missing paying their bills by the due date decreased from June 2020 to October 2020. This has since increased with the largest amount of bills missed being in March 2021.

Figure: Number of residential customers who missed paying bills

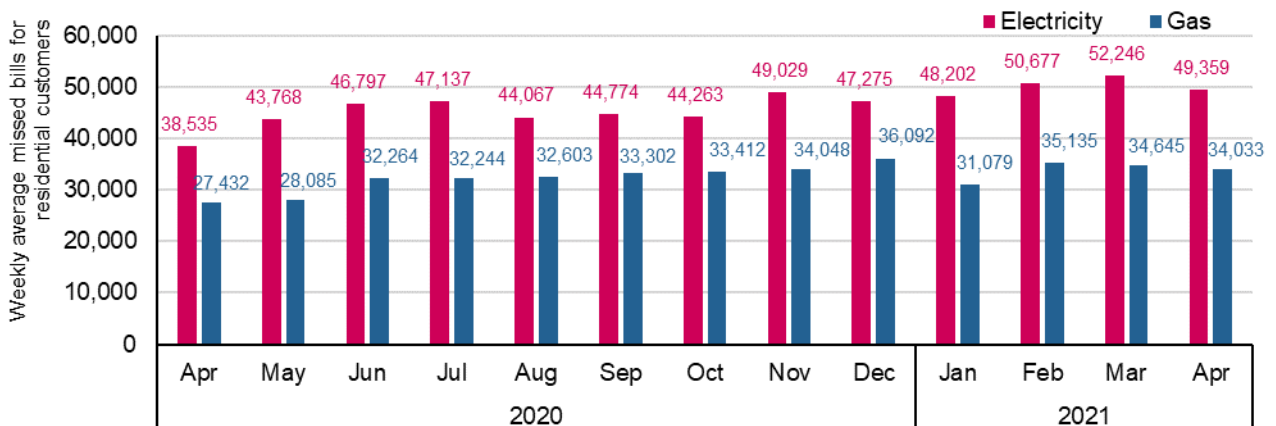
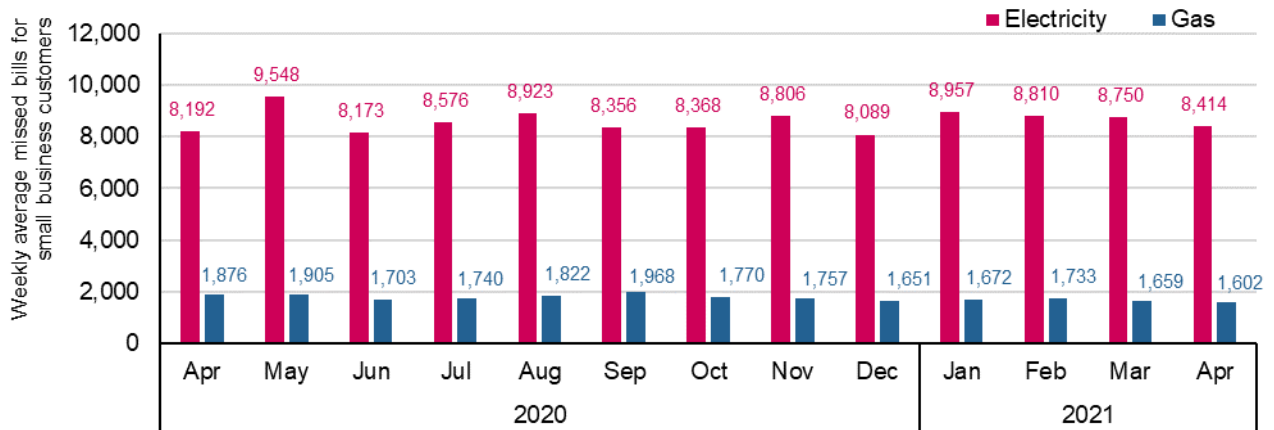


Figure: Number of small business customers who missed paying bills



About the data

The commission sent voluntary data requests to all retailers to monitor the number of energy customers receiving assistance to pay their bills. The following provides a summary of the data reported to the commission to date.

Weekly data is reported by retailers on a voluntary basis and is not audited by the commission. This data consists of a subset of the measures included in our annual performance report.

During the week ending 25 April 2021, we received submissions from 26 retailers covering 98 per cent of electricity residential customers.

Victorian-wide data summary¹

Disconnections for non-payment²

| Indicator | Electricity | | | | | | | | | | | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| | Apr-20 (1 Apr to 30 Apr) | May-20 (1 May to 31 May) | Jun-20 (1 Jun to 30 Jun) | Jul-20 (1 Jul to 31 Jul) | Aug-20 (1 Aug to 31 Aug) | Sep-20 (1 Sep to 30 Sep) | Oct-20 (1 Oct to 31 Oct) | Nov-20 (1 Nov to 30 Nov) | Dec-20 (1 Dec to 31 Dec) | Jan-21 (1 Jan to 31 Jan) | Feb-21 (1 Feb to 28 Feb) | Mar-21 (1 Mar to 31 Mar) | Apr-21 (1 Apr to 30 Apr) | |
| Residential | | | | | | | | | | | | | | |
| Electricity residential disconnections for non-payment (DNP) | 5 | - | - | - | - | - | - | - | 396 | 119 | 273 | 2,046 | 1,717 | |
| Gas residential disconnections for non-payment (DNP) | 2 | - | - | - | 3 | - | - | - | 172 | 13 | 44 | 110 | 363 | |
| Small business | | | | | | | | | | | | | | |
| Electricity small business disconnections for non-payment (DNP) | - | - | - | - | - | 1 | 3 | - | 21 | 4 | 24 | 227 | 234 | |
| Gas small business disconnections for non-payment (DNP) | - | - | - | - | - | - | - | - | - | 1 | - | 4 | 8 | |

¹ These figures can change over time as retailers submit updated data. Some weeks have missing data from retailers. This can affect monthly totals as well as comparisons to other time periods. Note that average arrears are calculated by estimating total arrears divided by the number of customers receiving assistance across the market (reported data only).

² The number of disconnections for non-payment in 2020 was based on the Compliance and Performance Reporting Guideline (CPRG) data from retailers. The 2021 disconnections figures are from the voluntary submission from retailers.

Electricity

| Indicator | Electricity | | | | | | | | | | | |
|--|----------------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Period (week ending) | | | | | | | | | | | |
| | 31 May 2020 | 28 Jun 2020 | 26 Jul 2020 | 30 Aug 2020 | 27 Sep 2020 | 25 Oct 2020 | 29 Nov 2020 | 27 Dec 2020 | 31 Jan 2021 | 28 Feb 2021 | 28 Mar 2021 | 25 Apr 2021 |
| Residential customers – assistance and arrears | | | | | | | | | | | | |
| Number and proportion of Victorian customers receiving tailored assistance – who can pay on-going usage | 30,921 1.2% | 30,495 1.1% | 31,591 1.2% | 33,515 1.3% | 35,669 1.3% | 36,482 1.4% | 36,955 1.4% | 35,591 1.3% | 34,498 1.3% | 36,911 1.4% | 37,221 1.4% | 35,886 1.4% |
| Number and proportion of Victorian customers receiving tailored assistance – who cannot pay on-going usage | 19,268 0.7% | 18,612 0.7% | 18,357 0.7% | 17,896 0.7% | 17,781 0.7% | 17,290 0.7% | 18,303 0.7% | 18,248 0.7% | 17,356 0.7% | 18,668 0.7% | 19,389 0.7% | 18,844 0.7% |
| Average arrears and change from previous month (%) – customers receiving payment assistance, and can pay on-going usage | \$652 - | \$641 -2% | \$660 +3% | \$687 +4% | \$682 -1% | \$697 +2% | \$703 +1% | \$725 +3% | \$735 +1% | \$794 +8% | \$819 +3% | \$803 -2% |
| Average arrears and change from previous month (%) – customers receiving payment assistance, and cannot pay on-going usage | \$1,547 - | \$1,529 -1% | \$1,515 -1% | \$1,509 -0% | \$1,524 +1% | \$1,577 +4% | \$1,646 +4% | \$1,665 +1% | \$1,703 +2% | \$1,830 +7% | \$1,924 +5% | \$1,926 +0% |
| Small business customers – assistance and arrears | | | | | | | | | | | | |
| Number and proportion of Victorian customers receiving payment assistance | 2,618 0.9% | 2,614 0.9% | 2,547 0.9% | 2,527 0.9% | 2,657 1.0% | 2,566 0.9% | 2,323 0.8% | 2,133 0.8% | 2,041 0.7% | 2,105 0.8% | 2,593 0.9% | 2,529 0.9% |
| Average arrears and change from previous month (%) – customers receiving payment assistance | \$1,141 - | \$1,327 +16% | \$1,463 +10% | \$1,542 +5% | \$1,570 +2% | \$1,515 -3% | \$1,469 -3% | \$1,503 +2% | \$1,553 +3% | \$1,440 -7% | \$1,433 -1% | \$1,464 +2% |
| Customers who deferred payments | | | | | | | | | | | | |
| Number of residential customers | - | 8,577 | 8,848 | 5,105 | 3,762 | 2,968 | 3,245 | 2,350 | 2,690 | 2,384 | 2,892 | 2,506 |
| Average amount deferred and change from previous month (%) by residential customers | - | \$610 - | \$639 +5% | \$628 -2% | \$530 -16% | \$477 -10% | \$451 -5% | \$492 +9% | \$435 -11% | \$507 +17% | \$516 +2% | \$455 -12% |
| Number of small business customers | - | 2,310 | 2,269 | 1,364 | 442 | 334 | 370 | 237 | 381 | 267 | 275 | 354 |

| Indicator | Electricity | | | | | | | | | | | |
|--|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Period (week ending) | | | | | | | | | | | |
| | 31 May 2020 | 28 Jun 2020 | 26 Jul 2020 | 30 Aug 2020 | 27 Sep 2020 | 25 Oct 2020 | 29 Nov 2020 | 27 Dec 2020 | 31 Jan 2021 | 28 Feb 2021 | 28 Mar 2021 | 25 Apr 2021 |
| Average amount deferred and change from previous month (%) by small business customers | - | \$2,461 | \$2,604 | \$2,118 | \$1,150 | \$1,483 | \$938 | \$978 | \$1,159 | \$1,088 | \$1,377 | \$1,184 |
| | - | - | +6% | -19% | -46% | +29% | -37% | +4% | +19% | -6% | +27% | -14% |
| Other customers with arrears (excludes customers receiving payment assistance or deferrals)³ | | | | | | | | | | | | |
| Number of other residential customers with arrears | - | - | 268,021 | 271,930 | 275,656 | 283,597 | 283,791 | 286,548 | 286,168 | 278,031 | 288,868 | 283,597 |
| Average arrears – other residential customers | - | - | \$455 | \$485 | \$507 | \$512 | \$528 | \$544 | \$562 | \$531 | \$495 | \$495 |
| | - | - | - | +6% | +5% | +1% | +3% | +3% | +3% | -5% | -7% | +0% |
| Number of other small business customers with arrears | - | - | 50,787 | 52,833 | 54,896 | 54,587 | 53,424 | 51,036 | 52,822 | 51,965 | 56,285 | 52,169 |
| Average arrears – other small business customers | - | - | \$885 | \$969 | \$980 | \$885 | \$930 | \$907 | \$873 | \$861 | \$820 | \$839 |
| | - | - | - | +10% | +1% | -10% | +5% | -3% | -4% | -1% | -5% | +2% |

³ This indicator includes customers with any amount of arrears over \$0, which may include small amounts owing.

| Indicator | Electricity | | | | | | | | | | | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | May-20 (27 Apr to 31 May) | Jun-20 (01 Jun to 28 Jun) | Jul-20 (29 Jun to 26 Jul) | Aug-20 (27 Jul to 30 Aug) | Sep-20 (31 Aug to 27 Sep) | Oct-20 (28 Sep to 25 Oct) | Nov-20 (26 Oct to 29 Nov) | Dec-20 (30 Nov to 27 Dec) | Jan-21 (28 Dec to 31 Jan) | Feb-21 (01 Feb to 28 Feb) | Mar-21 (01 Mar to 28 Mar) | Apr-21 (29 Mar to 25 Apr) |
| Calls waiting times | | | | | | | | | | | | |
| Average call waiting time – <i>totals for both electricity and gas</i> (seconds) | 75 seconds | 89 seconds | 80 seconds | 95 seconds | 74 seconds | 63 seconds | 67 seconds | 58 seconds | 80 seconds | 98 seconds | 85 seconds | 164 seconds |
| Calls and enquiries (market-wide) | | | | | | | | | | | | |
| Weekly average phone calls to retailers (calls to an operator) – <i>totals for both electricity and gas</i> | 98,783 | 104,794 | 103,367 | 98,573 | 99,238 | 83,713 | 83,635 | 75,965 | 73,656 | 89,627 | 81,250 | 72,657 |
| Weekly average residential customer calls seeking assistance | 7,134 | 5,762 | 5,298 | 5,022 | 3,930 | 3,251 | 3,396 | 3,834 | 3,664 | 4,991 | 4,120 | 3,768 |
| Weekly average small business customer calls seeking assistance | 2,332 | 1,371 | 633 | 623 | 326 | 204 | 225 | 389 | 490 | 462 | 398 | 413 |
| Missed bills (market-wide) | | | | | | | | | | | | |
| Weekly average residential customers who missed bills | 43,768 | 46,797 | 47,137 | 44,067 | 44,774 | 44,263 | 49,029 | 47,275 | 48,202 | 50,677 | 52,246 | 49,359 |
| Weekly average small business customers who missed bills | 9,548 | 8,173 | 8,576 | 8,923 | 8,356 | 8,368 | 8,806 | 8,089 | 8,957 | 8,810 | 8,750 | 8,414 |

Gas

| Indicator | Gas | | | | | | | | | | | |
|--|----------------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|----------------|----------------|
| | Period (week ending) | | | | | | | | | | | |
| | 31 May 2020 | 28 Jun 2020 | 26 Jul 2020 | 30 Aug 2020 | 27 Sep 2020 | 25 Oct 2020 | 29 Nov 2020 | 27 Dec 2020 | 31 Jan 2021 | 28 Feb 2021 | 28 Mar 2021 | 25 Apr 2021 |
| Residential customers – assistance and arrears | | | | | | | | | | | | |
| Number and proportion of Victorian customers receiving tailored assistance – who can pay on-going usage | 20,542 1.0% | 21,030 1.0% | 23,315 1.1% | 28,133 1.4% | 31,682 1.5% | 34,134 1.7% | 33,489 1.6% | 31,378 1.5% | 26,237 1.3% | 26,331 1.3% | 24,606 1.2% | 22,571 1.1% |
| Number and proportion of Victorian customers receiving tailored assistance – who cannot pay on-going usage | 14,108 0.7% | 13,588 0.7% | 13,893 0.7% | 13,706 0.7% | 14,060 0.7% | 13,702 0.7% | 13,935 0.7% | 13,855 0.7% | 12,828 0.6% | 13,907 0.7% | 14,094 0.7% | 13,385 0.7% |
| Average arrears and change from previous month (%) – customers receiving payment assistance, and can pay on-going usage | \$489 - | \$474 -3% | \$496 +5% | \$532 +7% | \$541 +2% | \$559 +3% | \$555 -1% | \$566 +2% | \$567 +0% | \$608 +7% | \$623 +3% | \$608 -3% |
| Average arrears and change from previous month (%) – customers receiving payment assistance, and cannot pay on-going usage | \$1,141 - | \$1,138 -0% | \$1,157 +2% | \$1,215 +5% | \$1,243 +2% | \$1,303 +5% | \$1,324 +2% | \$1,314 -1% | \$1,307 -1% | \$1,404 +7% | \$1,438 +2% | \$1,425 -1% |
| Small business customers – assistance and arrears | | | | | | | | | | | | |
| Number and proportion of Victorian customers receiving payment assistance | 687 1.1% | 700 1.1% | 746 1.2% | 723 1.1% | 821 1.3% | 778 1.2% | 691 1.1% | 601 0.9% | 569 0.9% | 568 0.9% | 732 1.1% | 711 1.1% |
| Average arrears and change from previous month (%) – customers receiving payment assistance | \$1,436 - | \$1,648 +15% | \$1,478 -10% | \$1,681 +14% | \$1,815 +8% | \$2,104 +16% | \$1,898 -10% | \$1,939 +2% | \$1,770 -9% | \$1,534 -13% | \$1,438 -6% | \$1,396 -3% |
| Customers who deferred payments | | | | | | | | | | | | |
| Number of residential customers | - | 7,072 | 7,594 | 4,919 | 3,147 | 2,497 | 2,604 | 1,763 | 1,613 | 1,571 | 1,716 | 1,521 |
| Average amount deferred and change from previous month (%) by residential customers | - - | \$442 - | \$497 +12% | \$507 +2% | \$459 -9% | \$415 -10% | \$342 -18% | \$389 +14% | \$421 +8% | \$383 -9% | \$344 -10% | \$306 -11% |

| Indicator | Gas | | | | | | | | | | | |
|--|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Period (week ending) | | | | | | | | | | | |
| | 31 May 2020 | 28 Jun 2020 | 26 Jul 2020 | 30 Aug 2020 | 27 Sep 2020 | 25 Oct 2020 | 29 Nov 2020 | 27 Dec 2020 | 31 Jan 2021 | 28 Feb 2021 | 28 Mar 2021 | 25 Apr 2021 |
| Number of small business customers | - | 908 | 933 | 515 | 236 | 129 | 153 | 77 | 116 | 75 | 93 | 174 |
| Average amount deferred and change from previous month (%) by small business customers | - | \$1,623 | \$1,813 | \$1,962 | \$2,659 | \$1,393 | \$1,373 | \$1,005 | \$926 | \$1,349 | \$882 | \$808 |
| | - | - | +12% | +8% | +36% | -48% | -1% | -27% | -8% | +46% | -35% | -8% |
| Other customers with arrears (excludes customers receiving payment assistance or deferrals)⁴ | | | | | | | | | | | | |
| Number of other residential customers with arrears | - | - | 208,688 | 220,345 | 224,481 | 229,475 | 228,390 | 236,286 | 229,681 | 215,246 | 221,509 | 220,165 |
| Average arrears – other residential customers | - | - | \$368 | \$420 | \$436 | \$435 | \$436 | \$424 | \$425 | \$406 | \$366 | \$366 |
| | - | - | - | +14% | +4% | -0% | +0% | -3% | +0% | -4% | -10% | +0% |
| Number of other small business customers with arrears | - | - | 9,657 | 10,105 | 9,798 | 9,380 | 10,001 | 9,242 | 9,553 | 8,690 | 8,931 | 8,683 |
| Average arrears – other small business customers | - | - | \$1,237 | \$1,388 | \$1,540 | \$1,555 | \$1,475 | \$1,505 | \$1,451 | \$1,389 | \$1,300 | \$1,274 |
| | - | - | - | +12% | +11% | +1% | -5% | +2% | -4% | -4% | -6% | -2% |

⁴ This indicator includes customers with any amount of arrears over \$0, which may include small amounts owing.

| Indicator | Gas | | | | | | | | | | | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | May-20 (27 Apr to 31 May) | Jun-20 (01 Jun to 28 Jun) | Jul-20 (29 Jun to 26 Jul) | Aug-20 (27 Jul to 30 Aug) | Sep-20 (31 Aug to 27 Sep) | Oct-20 (28 Sep to 25 Oct) | Nov-20 (26 Oct to 29 Nov) | Dec-20 (30 Nov to 27 Dec) | Jan-21 (28 Dec to 31 Jan) | Feb-21 (01 Feb to 28 Feb) | Mar-21 (01 Mar to 28 Mar) | Apr-21 (29 Mar to 25 Apr) |
| Calls waiting times | | | | | | | | | | | | |
| Average call waiting time – <i>totals for both electricity and gas</i> (seconds) | <i>Refer to electricity</i> | | | | | | | | | | | |
| Calls and enquiries (market-wide) | | | | | | | | | | | | |
| Weekly average phone calls to retailers (calls to an operator) – <i>totals for both electricity and gas</i> | <i>Refer to electricity</i> | | | | | | | | | | | |
| Weekly average residential customer calls seeking assistance | 4,656 | 4,224 | 4,035 | 3,763 | 2,983 | 2,503 | 2,373 | 3,171 | 2,562 | 3,296 | 2,717 | 2,446 |
| Weekly average small business customer calls seeking assistance | 257 | 189 | 121 | 96 | 62 | 52 | 43 | 69 | 90 | 61 | 57 | 62 |
| Missed bills (market-wide) | | | | | | | | | | | | |
| Weekly average residential customers who missed bills | 28,085 | 32,264 | 32,244 | 32,603 | 33,302 | 33,412 | 34,048 | 36,092 | 31,079 | 35,135 | 34,645 | 34,033 |
| Weekly average small business customers who missed bills | 1,905 | 1,703 | 1,740 | 1,822 | 1,968 | 1,770 | 1,757 | 1,651 | 1,672 | 1,733 | 1,659 | 1,602 |