

Consumers urged to connect as energy debt rises

Increasing debt for Victorians struggling to pay their energy bills is just one part of the story behind new data being shared by the state's energy regulator.

The Essential Services Commission has completed a review of 12 months of data showing the impact of the pandemic on energy hardship for Victorian households and small businesses.

Chair Kate Symons says the commission worked closely with the energy sector and consumer organisations to support vulnerable consumers through the economic shock of the pandemic.

“We are concerned however to see average debt for consumers on payment plans has increased significantly since the beginning of the pandemic.

“It is important consumers who can pay for their energy use, do pay, to avoid spiralling debts,” she said.

With disconnections now rising after a temporary halt for much of last year, the chair reminded retailers of their obligation to support customers who are struggling.

“Disconnection should only ever be a measure of last resort and should not be a debt collection strategy,” she said.

Under the commission's payment difficulty framework, administered as part of the Retail Energy Code, retailers must not disconnect customers who have reached out to discuss payment options.

The 12-month snapshot of coronavirus data shows:

- average debt (arrears) for households on payment plans who can pay for ongoing energy use increased by 19 per cent for electricity and 13 per cent for gas (\$674-\$803 – \$539-\$608 respectively). Average arrears for those who cannot pay for ongoing use increased by 35 per cent for electricity and 27 per cent for gas (\$1,430-\$1,926 – \$1,123-\$1,425 respectively)
- the number of customers on payment plans fell in 2020 but has returned to pre-pandemic levels
- the number of customers calling for help with bills peaked in May 2020 at 1,700 calls per day, double the 850 per day in November 2020
- the number of residential customers deferring bills peaked in July 2020 at 16,500 customers but dropped by about two thirds by October to 5,500.

The latest monthly data along with the 12-month snapshot of coronavirus data is now available on the commission's website.

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