

## Energy disconnections down by more than half

The number of Victorian households being disconnected for unpaid energy bills has fallen by 53 per cent since changes to energy rules came into effect on 1 January this year.

According to the latest report from the Essential Services Commission, energy disconnections fell more than half between January and June 2019, compared to the same time last year, consolidating a turnaround from the previous year.

Commission energy director Sarah McDowell says 15,545 fewer customers were cut off for failing to pay their bills between January and June this year.

“The fall has coincided with the introduction of new rules aimed at ensuring customers get meaningful help to avoid falling into a debt-disconnection cycle,” she said.

Ms McDowell says there were 36,265 disconnections in 2018–19, a fall of 35 per cent.

“This suggests retailers are doing more to meet their obligation to help customers’ who are struggling to pay their bills which was the primary objective of the new framework,” she said.

Ms McDowell says it’s a very different picture to the previous year when disconnections increased by 20 per cent.

“After falling sharply in 2016–17 during our inquiry into energy hardship, disconnections rose in 2017–18 ahead of the introduction of the new rules at the beginning of this year,” she said.

Under the [payment difficulty framework](#), customers who are struggling to pay their energy bills are entitled to help from their energy retailer including flexible payment arrangements, realistic plans to repay energy debt and information on how to lower energy bills.

The latest quarterly energy market update from the commission also shows:

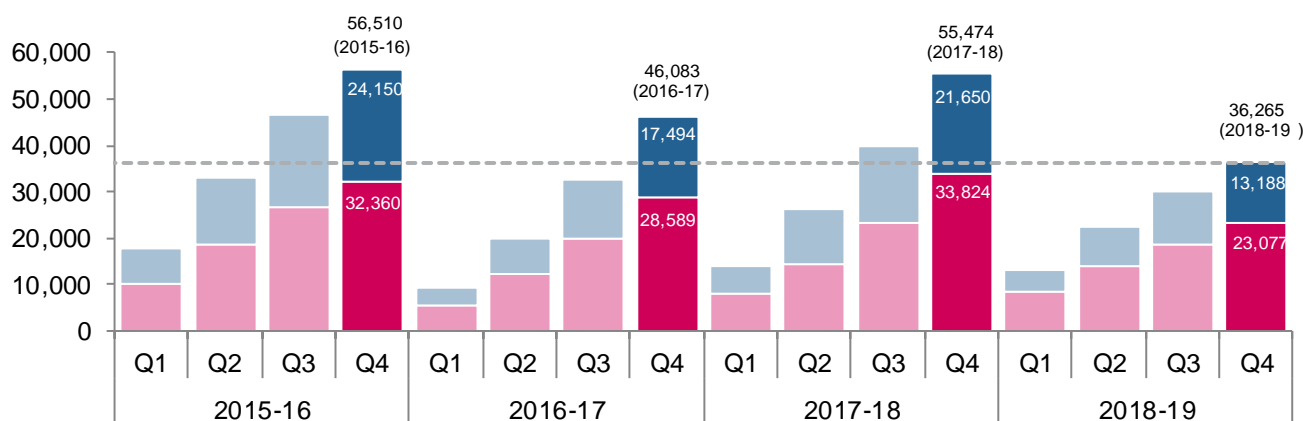
- the success of a public information campaign designed to help Victorians understand their energy rights
- a drop in wrongful disconnections compared to last year
- some retailers are offering higher feed-in tariffs than the minimum mandated by the commission.

Read the [Victorian energy market update](#) at [esc.vic.gov.au](http://esc.vic.gov.au)

**For further information call: Michelle Bryne, Senior Manager, Strategic Communication,  
9032 1324 or 0437 677 385**

To keep up to date, visit us at [esc.vic.gov.au](http://esc.vic.gov.au) or follow us on LinkedIn and Twitter

## Residential disconnections for non-payment, cumulative per quarter



## Residential disconnections for non-payment, per quarter

Financial year quarter	Electricity				Gas			
	2015-16	2016-17	2017-18	2018-19	2015-16	2016-17	2017-18	2018-19
Q1: July to September	10,255	5,476	8,036	8,399	7,420	3,706	6,058	4,821
Q2: October to December	8,345	6,543	6,372	5,363	7,113	4,092	5,740	3,959
Q3: January to March	7,928	8,010	8,796	4,731	5,703	4,669	4,911	2,860
Q4: April to June	5,832	8,560	10,620	4,584	3,914	5,027	4,941	1,548
Total ((year to date))	32,360	28,589	33,824	23,077	24,150	17,494	21,650	13,188

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 <a href="#">payment difficulty framework</a> requiring retailers to help customers avoid getting into debt. New customer protections apply from 1 Jan 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 <a href="#">'embedded network' customers</a>
From 1 Jan 2019	New customer protections under <a href="#">payment difficulty framework</a> come into effect
From 1 July 2019	Energy retailers must put <a href="#">'best offer'</a> 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 <a href="#">Victorian energy market reports</a>