

SENATE ENVIRONMENT AND COMMUNICATIONS REFERENCES COMMITTEE

INQUIRY INTO THE PERFORMANCE AND MANAGEMENT OF ELECTRICITY NETWORK COMPANIES

CONSUMER ACTION LAW CENTRE

ANSWER TO A QUESTION TAKEN ON NOTICE

CHAIR: We took evidence yesterday in Sydney, in particular around debt levels of consumers on their electricity bills. I think the figures were somewhere around about 100,000 people across New South Wales who owe electricity companies, or who are in debt to electricity companies, somewhere in the vicinity of \$520-something. Have you done any analysis on what that looks like in Victoria?

Mr Brody: I do not have that on hand. We could probably find that out for you. It is fair to say that issues relating to financial difficulty, hardship and disconnections have increased in Victoria. Last year our energy ombudsman service here in Victoria had its highest level of complaints ever. I think there were 87,000 complaints. And the level of credit complaints—which includes issues relating to financial hardship and disconnection—were a greater proportion than they have ever been. And disconnections increased significantly. I think they are at the highest level ever in Victoria currently.

CHAIR: And you would think that disconnections would be related to unpaid debt.

Mr Brody: Indeed. We have actually just come to you this afternoon from an announcement by the Victorian minister for energy, who has announced a state inquiry into the hardship practices of retailers in disconnection.

CHAIR: It would be interesting if you had those statistics and let us know. We heard earlier from the network companies that the charges in Victoria are much lower than others. If you have those large numbers of people here and we have consumers in other states who are faced with much higher prices, that is quite a scary future.

Answer:

- The average debt level of customers who participate in their retailer's hardship program (on entry into that program) was \$1,034 for 2013/14. This is up from \$742 in 2012/13.
- There were 33,673 customers participating in retailer hardship programs in 2013/14. This is up from 24,356 in 2012/13. This equates to a total of 0.81 per cent of residential customers.
- It is our view that there are many more customers that are experiencing bill payment difficulties that aren't being supported by retailer hardship programs, and that these figures only apply to a proportion of customers that are experiencing energy debt.