



## Media Statement

19 December 2014

### Release of Performance Report on Energy Retailers

The *2014 Annual Performance Report – Energy Retailers*, released today by the Economic Regulation Authority (ERA), includes information about the service provided by retailers to Western Australian electricity and gas consumers.

The report shows that the proportion of residential and small business customers being disconnected for not paying a bill reached a six year peak in 2013/14. Total residential electricity customer disconnections increased by 35% (to 0.97 per 100 customers, or 0.97%), and business customer disconnections rose by 28% (to 0.52%) during 2013/14. Regional customers were disconnected at a higher rate, with Horizon Power's disconnection rate reaching 3.03% (compared to 1.18% in 2013).

However, the total residential electricity disconnection rate was still lower than in the three other states used as benchmarks (New South Wales, South Australia and Victoria), which were between 1.0% and 1.5%.

The proportion of residential and business electricity customers placed on instalment plans to pay off debt also increased – 3.8% of residential customers and 1.2% of business customers were on instalment plans in 2013/14. Over the past four years, Horizon Power has increased the proportion of residential customers on instalment plans from 1.9% to 9.7%.

ERA Chairman, Dr Stephen King, said “it would appear that the increase in disconnections during 2013/14 is the result of the strategies implemented by Horizon Power and Synergy to reduce their exposure to bad debts. As well as disconnecting customers who have not paid their bills, retailers have placed more customers on instalment plans to pay off outstanding debt, as an alternative to disconnection.”

The report found that Wesfarmers has continued to acquire market share since it entered the retail natural gas market in March 2013. During 2013/14, Wesfarmers grew its customer base by 166%, to reach a total of 21,929 customers (21,697 residential and 232 business).

“It is encouraging to see increased competition in the retail natural gas market during 2013/14,” said Dr King. “As well as giving customers a choice of retailer, increased competition provides incentives for the retailers to enhance their level of service provided to customers.”

Residential complaints to electricity retailers continued to trend downwards, reaching the lowest levels since 2009 (0.31 per cent), while residential complaints to gas retailers were relatively unchanged (0.17 per cent). According to the retailers, most complaints from both electricity and gas customers continue to be around billing and account matters.

The [2014 Energy Retailers Report](#) and a [Summary of Key Findings](#) are available on the ERA website [www.erawa.com.au](http://www.erawa.com.au).

The 2014 Energy Retailers Report brings transparency and accountability to the performance of energy retail businesses that supply small use customers and the report allows benchmarking, where possible, of the performance of Western Australian electricity retail and gas trading businesses against similar businesses in the Eastern States energy markets.

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