



Notice

12 April 2019

Annual Performance Reports 2017/18 Energy Distributors and Retailers

The Economic Regulation Authority has published the [annual performance reports for energy distributors and retailers](#).

Energy retailer report

The energy retailer report includes information on the size of the market, disconnections, reconnections, debt levels, complaints and call centre performance.

Disconnections

The rate of residential electricity disconnections in Western Australia has more than doubled over the past two years, reaching a six-year high of 1.91 per cent. 19,743 electricity customers were disconnected for not paying a bill in 2017/18, up from 15,935 disconnections in 2016/17.

Synergy's disconnection rate increased by 118 per cent over 2016/17 and 2017/18, compared to an increase of 12.6 per cent in Horizon Power's disconnection rate.

Western Australia had a higher rate of disconnections than New South Wales, South Australia or Victoria.

Electricity price increases, limits on hardship grants and the growing unemployment rate have made it harder for consumers to pay their energy bills.

While the unit price of electricity did not increase in 2017/18, the State Government doubled the daily fixed charge component of the residential electricity tariff, increasing bills by around \$170 per year.

The Government also made it harder for some customers to access its Hardship Utilities Grant Scheme, which provides financial assistance to people in Western Australia who are in acute financial hardship and at risk of having their utility disconnected. This led to an immediate, sharp decrease in the number of grant applications referred on by energy retailers.

Western Australia's disconnection rate is comparatively high despite the fact that the average debt per customer is substantially lower than that of customers of eastern states retailers. This suggests that the debt threshold for disconnecting a customer is lower in Western Australia.

Financial hardship

As at 30 June 2018, there were 31,552 residential electricity customers and 5,232 gas customers on a hardship program. This was up 43.8 per cent for electricity customers (9,604 customers), and down 7.7 per cent (437 customers) for gas compared to June 2017.

However, the average bill debt for those on a hardship program fell for Synergy customers, from \$612 in 2016/17 to \$461 in 2017/18. The average debt for Horizon Power customers on a hardship program rose, from \$859 to \$946.

Part of the difference between average debts for Horizon Power and Synergy customers reflects the fact that consumers in the regions, particularly the Pilbara, tend to use more electricity on average than those in Perth and the south-west.

Also, a much higher proportion of Horizon Power's customers uses Centrepay to pay their energy bill, which suggests there are proportionately more low-income households in regional areas.

Gas market

In 2017/18, the number of retailers supplying residential natural gas customers in the south-west of the State increased to five, following the entry of AGL Sales, Origin Energy and Simply Energy.

The increased choice of gas retailers for residential customers has resulted in downward pressure on bills, through the discounts on offer.

Energy distributor report

The energy distributor report includes information on the size of the market, reliability of supply, gas consumption, streetlight repairs, complaints and other service standards.

Streetlight repairs

Together, Western Power, Horizon Power and the Rottnest Island Authority maintain more than 280,000 streetlights across Western Australia. The ERA reports on streetlight repair performance, but there is no current regulated standard for repair times.

Western Power's regional streetlight repair performance deteriorated substantially in 2017/18, with almost 20 per cent of streetlights not repaired on time (within nine days), compared to 4.5 per cent the previous year. Western Power attributed the increase to using internal work crews instead of contractors for regional streetlight repairs, which delayed streetlight repairs due the same crews also performing other maintenance and emergency repair work.

Western Power's repair performance in Perth deteriorated slightly, with 7.7 per cent of streetlights not repaired on time, compared to 6.6 per cent the previous year.

Horizon Power's performance also deteriorated, with 20 per cent of its regional streetlights not repaired on time. This was a similar level of performance to recent years.

Further information

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