

# Annual Data Report – Energy Retailers 2018/19

March 2020

Economic Regulation Authority

WESTERN AUSTRALIA

D212347

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## Chair's foreword

The Economic Regulation Authority is Western Australia's economic regulator, and its responsibilities include administering the licensing schemes covering energy retailers.

Each year, the ERA reports to the Minister for Energy on trends in energy markets and indicators of energy retailers' performance, with a focus on customer welfare and protections.

Performance reporting obligations apply only to retailers with small-use customers, who are residential and small business customers consuming less than 160 megawatt hours of electricity or 1 terajoule of gas a year.

In 2018/19, there were 1,152,448 small use electricity customers, an increase of 1.2 per cent over the previous year. This comprised 1,048,753 residential customers, virtually all supplied by Synergy, and 103,695 business customers of which about 97 per cent are supplied by either Synergy or Horizon Power and about 3 per cent by nine other competing retail energy businesses. There has been no material change in the market share of business customers supplied with electricity by the State-owned energy businesses from the previous year.

Gas retailers had 737,735 small-use customers in 2018/19, comprising 728,256 residential customers and 9,479 business customers. Unlike electricity, there are notable changes occurring in the structure of the gas market suggesting that growth in customer numbers is slowing at the same time this market is becoming increasingly competitive:

- The number of residential gas customers continues to increase, but the rate of increase is slowing: an increase of 1.2 per cent in 2018/19 compared with an average annual increase over the five-year period of 2.0 per cent.
- There is a trend decline in the number of business gas customers over the past three years with a total decrease of 5.8 per cent over this period.
- Alinta Energy's share of the gas market continues to rapidly decline and in 2018/19 was 63.2 per cent of customers, down from 96 per cent in 2013/14. The number of active retailers has increased over the same period from three to seven.

Electricity retailers are assisting growing numbers of customers who are struggling to pay their bills, continuing a trend evident over the past four years.

For electricity:

- In 2018/19, 13.4 per cent of residential electricity customers were granted more time to pay their bills, and 6.7 per cent were paying off accumulated debt under instalment plans. Both are the highest proportions recorded in the past six years.
- In 2016/17, the ERA commenced collecting more data on hardship programs. In the two years since then, the percentage of electricity customers on a hardship program has risen from 2.2 per cent to 3.4 per cent.
- The average bill debt for Western Australian electricity customers on a hardship program increased from \$475 in 2017/18 to \$551 in 2018/19.
- Residential electricity disconnections increased for the sixth successive year, to reach 2 per cent of customers in 2018/19.

For gas, there is also an increase in the number of customers having difficulty paying bills. The proportion of residential and business gas customers on an instalment plan for accumulated debt has increased for the past five years, reaching 2.6 per cent and 3.3 per cent of customers, respectively, in 2018/19. Average bill debt for Western Australian gas customers

on a hardship program decreased from \$286 to \$209. However, on a positive note, residential and business gas disconnections have both declined for the past two years.

Western Australia has the highest electricity and gas disconnection rates among comparable jurisdictions (New South Wales, Victoria and South Australia), and in recent years the gap has widened. The electricity disconnection rate in Western Australia of 2.02 per cent of customers is substantially greater than the rates of 0.89 per cent in Victoria, 0.99 per cent in New South Wales and 1.32 per cent in South Australia. The gas disconnection rate in Western Australia of 1.95 per cent of customers is substantially greater than the rates of 0.69 per cent in Victoria, 0.30 per cent in New South Wales and 0.84 per cent in South Australia.

The hardship programs implemented to assist customers that had difficulty paying bills appear to be effective for electricity customers. In 2018/19, 88 per cent of electricity customers that exited a hardship program did so as a result of successful completion of the program (as opposed to being removed from the program due to non-compliance).

For gas customers, the hardship programs appear to be less effective, with only 24 per cent of customers exiting a program as a result of successful completion.

Nicola Cusworth  
**Chair, Economic Regulation Authority**

# 1. Market overview

## Main points

- The number of residential electricity customers increased by just over 1 per cent in 2018/19, but business customer numbers fell slightly.
- The number of residential gas customers increased by 1.3 per cent, while business customers fell for the third consecutive year.
- Competition in the south-west gas market increased, with more customers switching to recent market entrants AGL, Origin Energy and Simply Energy.
- The residential and business market shares of the largest gas retailer, Alinta Energy, fell by 5.6 per cent and 4.8 percentage points respectively.

This section provides an overview of the energy retail market in Western Australia, including:

- the number of electricity and gas retailers
- electricity and gas market data
- residential and business electricity customers my by retailer<sup>1</sup>
- residential and business gas customers by retailer<sup>2</sup>
- pre-payment meter customers.<sup>3</sup>

## 1.1 Electricity

### 1.1.1 Electricity retailers

There are 12 retailers authorised to supply small use customers as at 30 June 2019:<sup>4</sup>

- AER Retail Pty Ltd
- Alinta Energy Pty Ltd
- Amanda Energy Pty Ltd
- A-Star Electricity Pty Ltd
- Change Energy Pty Ltd
- CleanTech Energy Pty Ltd
- Clear Energy Pty Ltd<sup>5</sup>
- Electricity Generation and Retail Corporation (trading as Synergy)
- Perth Energy Pty Ltd

<sup>1</sup> Throughout this report the term 'electricity customer' means a customer who consumes less than 160 megawatt-hours of electricity per year, referred to as a 'small use electricity customer'.

<sup>2</sup> Throughout this report the term 'gas customer' means a customer who consumes less than 1 terajoule of gas per year, referred to as a 'small use gas customer'.

<sup>3</sup> Pre-payment meter customers are electricity customers who are supplied through a pre-payment meter.

<sup>4</sup> Throughout the rest of this report the term 'customer' means a 'small use customer'.

<sup>5</sup> Clear Energy has not supplied any customers since it was granted a licence in 2010. Accordingly, it has been excluded from this report.

- Regional Power Corporation (trading as Horizon Power)
- Rottneest Island Authority
- Wesfarmers Kleenheat Gas Pty Ltd.

Table 1 shows the number of licensed electricity retailers.

**Table 1: Number of licensed electricity retailers at 30 June 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Electricity retailers	7	7	10	11	12	12

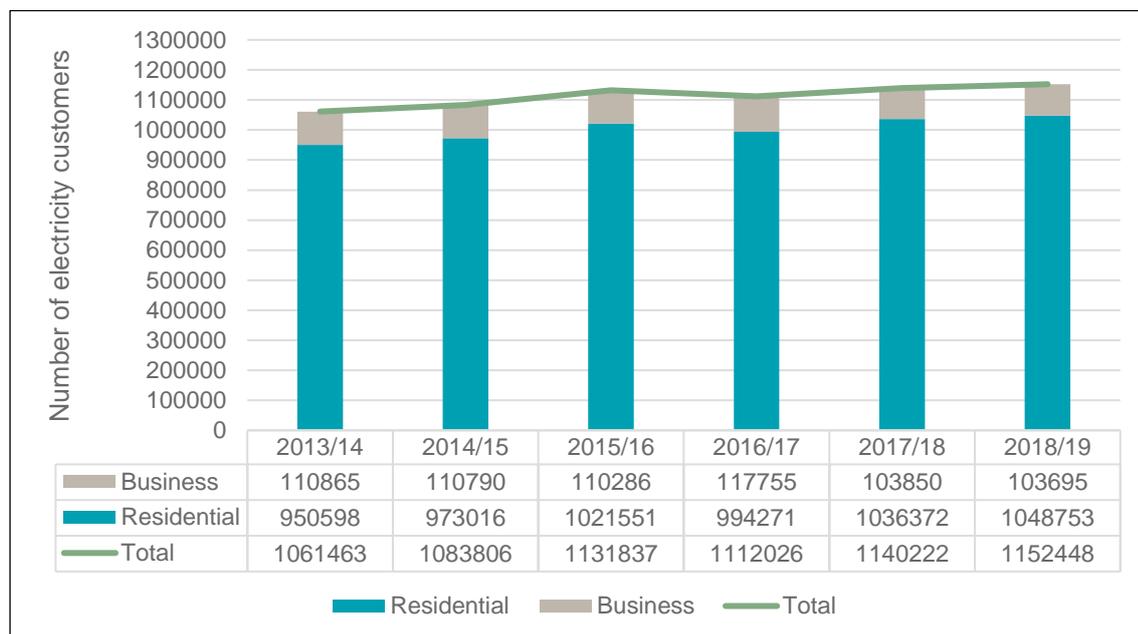
In May 2018, CleanTech's licence was amended to authorise it to supply electricity to small use customers. This is the first year that CleanTech has provided performance data for its customers.

Seven retailers supply customers through Western Power's South West Interconnected System (SWIS) in the lower half of Western Australia.<sup>6</sup> Horizon Power and the Rottneest Island Authority supply customers through their own distribution networks outside the SWIS.<sup>7</sup>

### 1.1.2 Electricity customers

Figure 1 shows the number of residential and business electricity customers.

**Figure 1: Number of residential and business electricity customers at 30 June 2014 to 2019<sup>8 9</sup>**



<sup>6</sup> The SWIS covers a geographic area from Kalbarri to Albany, and from Perth to Kalgoorlie.

<sup>7</sup> The Rottneest Island Authority is the exclusive retailer on Rottneest Island. Horizon Power is the only retailer currently supplying regional mainland areas of the State outside the SWIS.

<sup>8</sup> Horizon Power advised that they had incorrectly included large-use business customers in the figure for 2016/17.

<sup>9</sup> The number of electricity business customers decreased by 11.8 per cent in 2017/18. The decrease was the result of Horizon Power excluding large-use business customers from their data and Synergy reporting a decrease in business customers.

In 2018/19, the number of residential customers increased by 1.2 per cent, while the number of business customers was almost unchanged. In the five years to 2018/19 residential customer numbers increased by 2.0 per cent a year, while business customers decreased by 1.3 per cent a year.

### 1.1.3 Contestable and non-contestable customers in the SWIS

Residential and business electricity customers in the SWIS are separated into two groups - contestable customers and non-contestable customers. Customers consuming between 50 megawatt-hours and 160 megawatt-hours of electricity each year are contestable customers and choose their retailer. Customers consuming less than 50 megawatt-hours are non-contestable customers and can be supplied only by Synergy, which means that its residential and business customers are the sum of its contestable and non-contestable customers. Customers supplied by other retailers in the SWIS are all contestable.

Almost all households and small businesses are non-contestable customers.

### 1.1.4 Residential electricity customers

Table 2 shows the number of residential electricity customers by retailer.

**Table 2: Number of residential electricity customers by retailer at 30 June 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Horizon Power	37398	38299	38936	39373	39398	37925
Perth Energy	0	0	0	0	2	2
Synergy	913200	934717	982615	954898	996972	1010826
<b>Total</b>	<b>950598</b>	<b>973016</b>	<b>1021551</b>	<b>994271</b>	<b>1036372</b>	<b>1048753</b>

In 2018/19, there were 468 contestable residential electricity customers, equivalent to 0.05 per cent of total residential customers. 466 of these customers were supplied by Synergy and two were supplied by Perth Energy.

Horizon Power is the only retailer that has supplied residential customers outside the SWIS since the regional electricity market was deregulated in 2004.

### 1.1.5 Business electricity customers

Table 3 shows the number of business electricity customers by retailer.

In 2018/19, there were 10 retailers active in the business electricity market, eight of which supplied customers through the SWIS.<sup>10</sup> Horizon Power and Rottnest Island Authority were the only retailers supplying customers outside the SWIS.<sup>11</sup>

In 2018/19, there were 86,960 non-contestable and 8,827 contestable business electricity customers in the SWIS. The non-contestable customers were exclusively supplied by Synergy.

<sup>10</sup> A-Star Electricity stopped supplying business customers in 2015/16.

<sup>11</sup> Rottnest Island Authority supplied businesses on Rottnest Island and Horizon Power supplied businesses in mainland areas of the State outside the SWIS.

Synergy supplied 58.7 per cent of the 8,827 contestable customers, Alinta supplied 32.0 per cent, and six small retailers supplied the remaining 9.3 per cent.

**Table 3: Number of business electricity customers by retailer at 30 June 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
AER Retail	n/a	n/a	21	23	12	26
Alinta Energy	1967	2548	2428	2775	2858	2826
Amanda Energy	n/a	n/a	73	95	138	121
A-Star Electricity	n/a	17	0	0	0	0
Change Energy	n/a	n/a	n/a	6	25	57
CleanTech	n/a	n/a	n/a	n/a	n/a	74
Horizon Power	9235	8224	7873	8549	7720	7884
Kleenheat	n/a	n/a	28	74	107	126
Perth Energy	229	364	599	301	867	413
Rottneest Island Authority	26	26	25	24	24	24
Synergy	99408	99611	99239	105908	92099	92144
<b>Total</b>	<b>110865</b>	<b>110790</b>	<b>110286</b>	<b>117755</b>	<b>103850</b>	<b>103695</b>

### 1.1.6 Pre-payment meter electricity customers

Pre-payment meter customers are required to pay for their electricity prior to consumption.

The deployment of pre-payment meters is currently restricted to customers in Horizon Power's licence area and Synergy's customers in the Ninga Mia Aboriginal community in the Goldfields, connected to the SWIS.<sup>12 13</sup>

Table 4 shows the number of pre-payment customers supplied by Horizon Power and Synergy. The total number of Horizon Power pre-payment meter customers increased by 9.1 per cent in 2018/19, with most of the increase resulting from the installation of 83 new meters in 11 Aboriginal communities in the Kimberly, Mid-West and Goldfields regions.<sup>14</sup>

**Table 4: Number of electricity pre-payment meter customers by retailer at 30 June 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Horizon Power	845	1,014	1,202	1,190	1,221	1,332
Synergy	16	16	16	14	16	12
<b>Total</b>	<b>861</b>	<b>1,030</b>	<b>1,218</b>	<b>1,204</b>	<b>1,237</b>	<b>1,344</b>

<sup>12</sup> *Electricity Industry (Code of Conduct) (Pre-payment Meter Areas) Notice 2016.*

<sup>13</sup> *Electricity Industry (Code of Conduct) (Pre-payment Meter Areas) Notice 2010.*

<sup>14</sup> Media Statement, Minister for Energy, 18 April 2019, 'A fairer way to pay for power in Aboriginal communities' ([online](#)) [24 December 2019].

## 1.2 Gas

### 1.2.1 Gas retailers

Nine retailers are authorised to supply gas to customers:

- AGL Sales Pty Ltd
- Alinta Energy
- Amanda Energy
- Esperance Gas Distribution Company Pty Ltd (EGDC)
- Kleenheat
- Origin Energy Retail Limited
- Perth Energy
- IPower 2 Pty Ltd and IPower Pty Ltd (trading as Simply Energy)
- Synergy.

Table 5 shows the number of licensed gas retailers.

**Table 5: Number of licensed gas retailers at 30 June 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Gas retailers	5	5	5	7	9	9

This report includes data for Amanda Energy and Simply Energy for the first time.<sup>15</sup> The 2017/18 report did not include data for these retailers because they were licensed for only part of the reporting period.

AGL, Alinta Energy, Kleenheat, Origin, Perth Energy, Amanda Energy, Simply Energy and Synergy supply customers through the gas distribution networks operated by ATCO Gas Australia.<sup>16</sup> Kleenheat also supplies a small number of customers on two distribution networks it owns in Albany (Oyster Harbour) and Margaret River. EGDC supplies customers in Esperance through the distribution network operated by Esperance Power Station.<sup>17</sup>

### 1.2.2 Gas customers

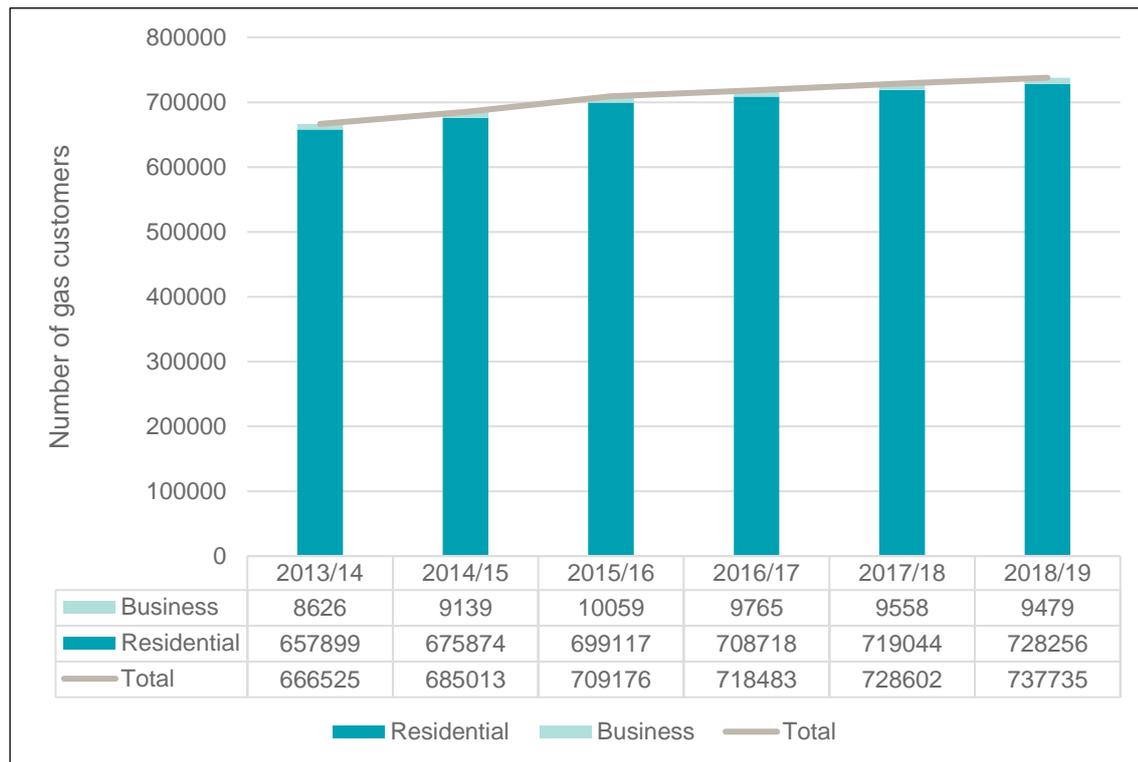
Figure 2 shows the number of residential and business gas customers.

In 2018/19, the number of residential customers increased by 1.3 per cent, which was below the five-year average of 2.1 per cent. The number of business customers fell for the third consecutive year. Since 2015/16, the number of business customers has decreased by 5.8 per cent.

<sup>15</sup> Amanda Energy was granted a licence in October 2017 and Simply Energy in February 2018.

<sup>16</sup> ATCO has gas distribution networks located in the Coastal, Goldfields-Esperance and Great Southern supply [areas](#).

<sup>17</sup> EGDC and Esperance Power Station are related businesses that are owned by Infrastructure Capital Group.

**Figure 2: Number of residential and business gas customers at 30 June 2014 to 2019**

### 1.2.3 Residential gas customers

Table 6 shows the number of residential gas customers by retailer.

**Table 6: Number of residential gas customers by retailer at 30 June 2014 to 2019**

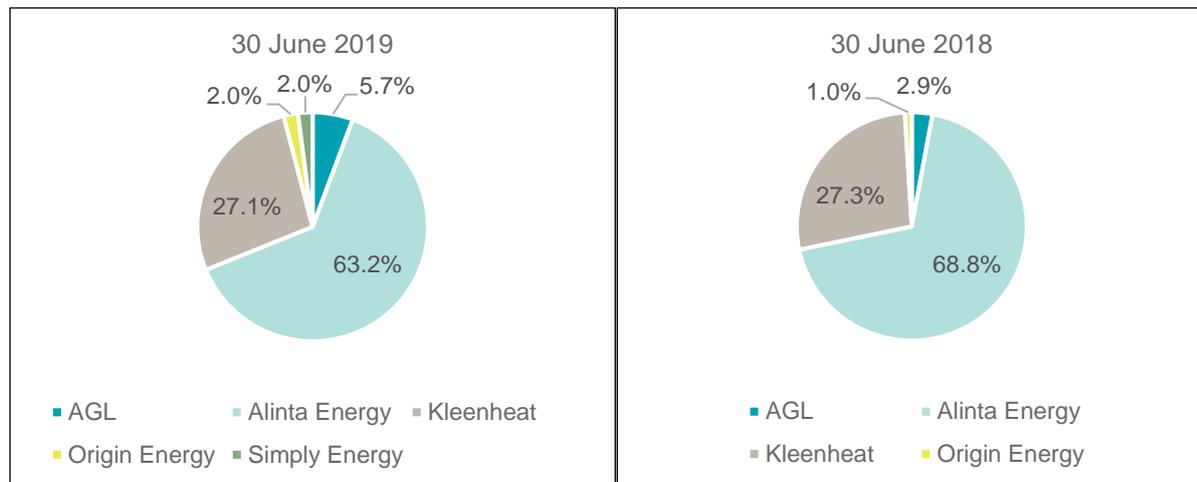
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
AGL	n/a	n/a	n/a	n/a	20851	41197
Alinta Energy	635893	628171	611142	554903	494696	460018
Kleenheat	21697	47353	87648	153478	196274	197325
Origin Energy	n/a	n/a	n/a	n/a	6880	14626
EGDC	309	350	327	337	339	317
Perth Energy	0	0	0	0	4	6
Simply Energy	n/a	n/a	n/a	n/a	n/a	14767
<b>Total</b>	<b>657899</b>	<b>675874</b>	<b>699117</b>	<b>708718</b>	<b>719044</b>	<b>728256</b>

The entry of four new retailers to the residential gas market in the coastal supply area in the past two years has substantially reduced Alinta Energy's residential customer base.<sup>18</sup> In 2018/19, the number of customers supplied by Alinta Energy fell by 7.0 per cent.

<sup>18</sup> The coastal supply area covers ATCO's mid-west and south-west gas distribution systems, which extends from Geraldton to Busselton and as far inland as Harvey. EGDC doesn't supply customers in the coastal supply area.

Figure 3 compares the share of the residential coastal supply area gas market held by retailers in 2017/18 and 2018/19.

**Figure 3: Residential coastal supply area gas market share by retailer at 30 June 2018 and 2019 (%)**



During 2018/19, AGL, Origin Energy, Perth Energy and Simply Energy increased their combined share of residential customers from 3.9 per cent to 9.7 per cent. Kleenheat's market share fell by 0.2 percentage points despite a 0.5 per cent increase in customers (see Table 6).

The 7.0 per cent fall in customers supplied by Alinta Energy translated to a 5.6 percentage point fall in its market share.

### 1.2.4 Business gas customers

Table 7 shows the number of business gas customers by retailer.<sup>19</sup>

Kleenheat's business customer base increased for the fifth consecutive year. In 2018/19, the number of customers supplied increased by 16.2 per cent.

Alinta Energy's business customer base continued the long-term decline that started when Kleenheat entered the market in 2013. Since 2013/14, the number of customers supplied by Alinta Energy has fallen by 27.6 per cent.

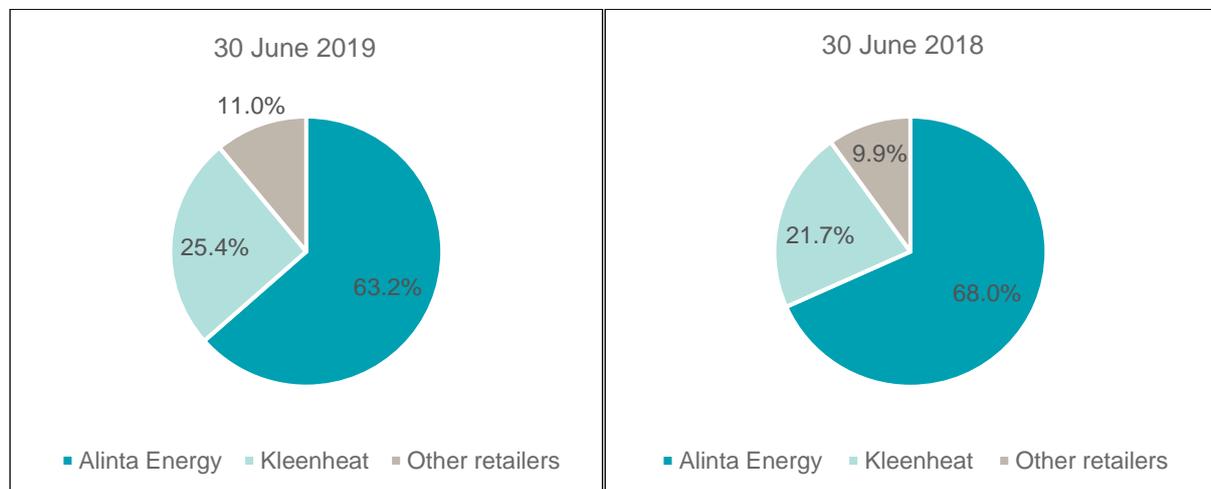
<sup>19</sup> Amanda Energy did not supply any business customers and has been excluded from Table 7.

**Table 7: Number of business gas customers by retailer at 30 June 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
AGL	n/a	n/a	n/a	n/a	580	537
Alinta Energy	8282	8127	8319	7612	6497	5993
Amanda Energy	n/a	n/a	n/a	n/a	n/a	0
Synergy	79	107	137	175	173	144
Kleenheat	232	871	1554	1924	2070	2406
Origin Energy	n/a	n/a	n/a	n/a	77	236
EGDC	33	34	49	46	45	41
Perth Energy	0	0	0	8	116	120
Simply Energy	n/a	n/a	n/a	n/a	n/a	2
<b>Total</b>	<b>8626</b>	<b>9139</b>	<b>10059</b>	<b>9765</b>	<b>9558</b>	<b>9479</b>

Figure 4 compares the share of the business gas market (percentage) held by retailers in the coastal supply area in 2017/18 and 2018/19.<sup>20</sup>

The 4.8 per cent reduction in Alinta Energy's share of the business gas market in 2018/19 was distributed across the other retailers, with the majority going to Kleenheat.

**Figure 4: Business gas market share in the coastal supply area by retailer at 30 June 2018 and 2019 (%)**

<sup>20</sup> The coastal supply area covers ATCO's mid-west and south-west gas distribution systems, which extend from Geraldton to Busselton and as far inland as Harvey. EGDC has been excluded because it doesn't supply customers in the coastal supply area.

## 2. Payment difficulties

### Main points

- The number of residential electricity customers granted more time to pay a bill in 2018/19 was the highest in the past six years.
- The number of residential and business customers on an instalment plan in 2018/19 were both the highest in the past six years.
- Both Horizon Power and Synergy reported fewer customers successfully completing their hardship plans.

The *Code of Conduct for the Supply of Electricity to Small Use Customers* (Electricity Code) and the *Compendium of Gas Customer Licence Obligations* (Gas Compendium) require retailers to offer assistance to residential customers experiencing payment difficulties.<sup>21</sup>

Payment difficulties exist when a customer is unable to pay an outstanding amount because of a change in personal circumstances (for instance, loss of income or unexpected costs) over a relatively short period. Retailers must also consider requests for assistance from a business customer who is experiencing payment difficulties. In practice, retailers offer their business customers most of the same assistance options that are available to residential customers.

The Electricity Code and the Gas Compendium require retailers to offer residential customers in payment difficulties:

- Additional time to pay a bill.
- On request of the customer, an interest-free and fee-free instalment plan to pay a bill or arrears (including any disconnection or reconnection charges).

Retailers must ensure the instalment plan is fair and reasonable, taking into consideration the customer's capacity to pay and their consumption history.<sup>22</sup>

For customers in financial hardship, retailers are also required to:

- Give reasonable consideration to a request to reduce the customer's fees, charges or debt.
- Advise customers about concessions and how to access them.
- Advise customers about independent financial counselling services and other assistance services that are available.
- Advise customers of other financial assistance and grants schemes and how to access them.

The number of customers on a hardship program is discussed in chapter 4.

<sup>21</sup> The Gas Compendium is contained in Schedule 2 of all gas trading licences. A copy of these licences is available on the ERA [website](#). The Electricity Code is available on the ERA [website](#).

<sup>22</sup> Retailers are also required to offer an instalment plan to customers experiencing payment difficulties only upon request.

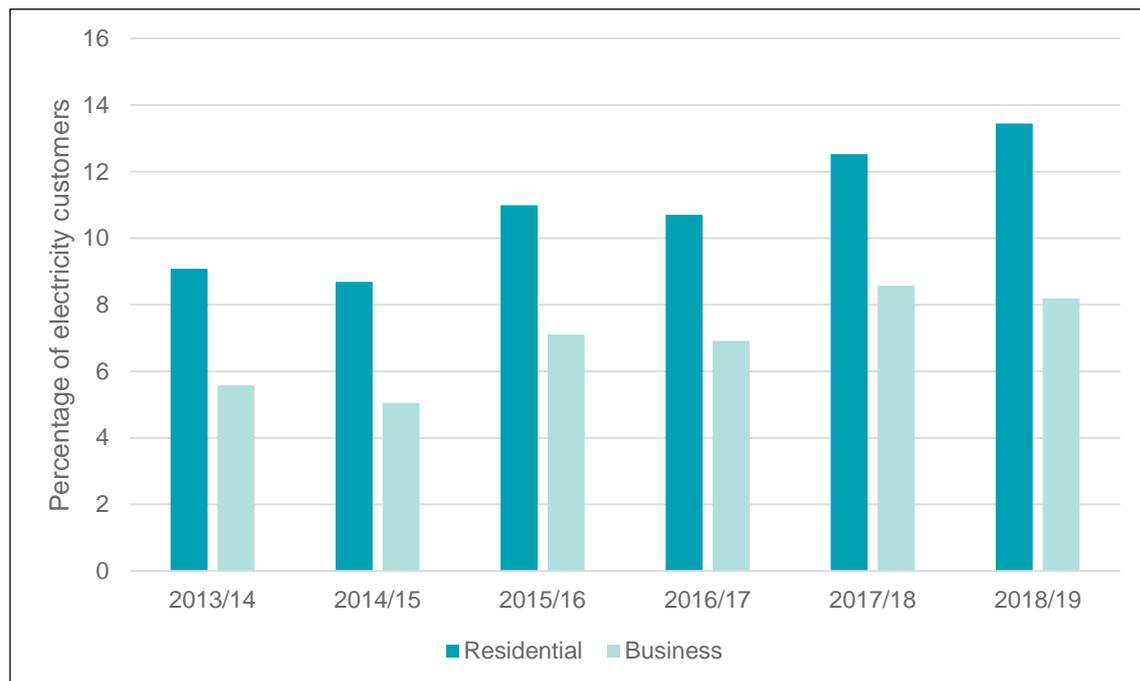
## 2.1 Electricity

### 2.1.1 Electricity customers granted more time to pay a bill

Figure 5 shows the percentage of residential and business electricity customers granted more time to pay a bill.

The percentages of residential and business customers granted more time to pay a bill have both trended upward for the past five years. In 2018/19, the percentage of residential customers granted more time to pay a bill (13.4 per cent) was the highest in the past six years.

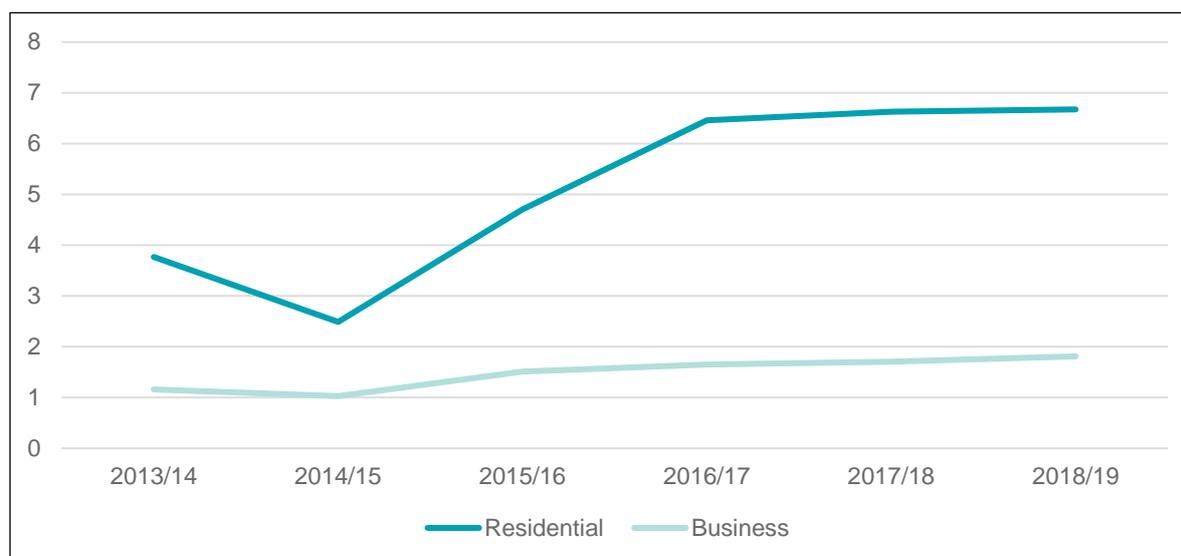
**Figure 5: Electricity customers granted more time to pay a bill 2014 to 2019 (%)**



### 2.1.2 Electricity customers on instalment plans

Figure 6 shows the percentage of residential and business electricity customers who were on an instalment plan.

In 2018/19, the percentage of residential and business customers on an instalment plan (6.7 per cent and 1.8 per cent, respectively) were both the highest reported in the past six years.

**Figure 6: Electricity customers on instalment plans 2014 to 2019 (%)**

### 2.1.3 Residential electricity customers (excluding hardship customers) on instalment plans

Table 8 shows the number of residential electricity customers (excluding hardship customers) on an instalment plan.<sup>23</sup>

**Table 8: Residential electricity customers (excluding hardship customers) on instalment plans by retailer at 30 June 2018 and 2019**

	2017/18	2018/19	Change (%)
Horizon Power	929	786	(15.4)
Synergy	4,853	5,978	23.2
<b>Total</b>	<b>5,782</b>	<b>6,764</b>	<b>17.0</b>

Table 9 compares the number of residential electricity customers (excluding hardship customers) who had their instalment plans cancelled for non-payment with those who have successfully completed their plans during 2017/18 and 2018/19.

In 2018/19, both Horizon Power and Synergy reported fewer customers successfully completing their hardship plan.

**Table 9: Residential electricity customers (excluding hardship program customers) who have successfully completed their plan and those who have had their instalment plan cancelled in 2018 and 2019**

	2017/18		2018/19	
	Horizon Power	Synergy	Horizon Power	Synergy
Successfully completed instalment plan	736	28249	421	25020
Instalment plan cancelled for non-payment	1912	28912	2073	31331

<sup>23</sup> The ERA commenced collecting data for this indicator in 2017/18.

## 2.2 Gas

### 2.2.1 Gas customers granted more time to pay a bill

Figure 7 shows the percentage of residential and business gas customers granted more time to pay a bill.

Fewer residential and business gas customers were granted more time to pay a bill in 2018/19.

**Figure 7: Gas customers granted more time to pay a bill 2014 to 2019 (%)**



### 2.2.2 Gas customers on instalment plans

Figure 8 shows the percentage of residential and business gas customers on an instalment plan.

In 2018/19, the percentage of residential and business customers on an instalment plan (6.7 per cent and 1.8 per cent, respectively) were both the highest reported in the past six years.

The percentage of residential and business gas customers on an instalment plan have both trended upwards for the past five years. In 2018/19, the percentages (2.6 per cent and 3.3 per cent of customers, respectively) were both the highest reported in the past six years.

**Figure 8: Gas customers on an instalment plan 2014 to 2019 (%)**

### 2.2.3 Residential gas customers (excluding hardship customers) on instalment plans

Table 10 shows the number and percentage of residential gas customers (excluding hardship customers) on an instalment plan.<sup>24,25</sup>

Kleenheat and EGDC were the only retailers to report fewer non-hardship customers on an instalment plan in 2018/19.

<sup>24</sup> The ERA commenced collecting data for this indicator in 2017/18.

<sup>25</sup> Perth Energy has been excluded from Table 11 because it did not have any customers on an instalment plan during the reporting period.

**Table 10: Residential gas customers (excluding hardship customers) on an instalment plan by retailer at 30 June 2018 and 2019**

		2017/18	2018/19
AGL	Number	37	133
	Percentage	0.18	0.32
Alinta Energy	Number	7,971	8,608
	Percentage	1.63	1.89
Kleenheat	Number	3,072	1,724
	Percentage	1.57	0.88
Origin Energy	Number	1	58
	Percentage	0.01	0.40
EGDC	Number	18	0
	Percentage	5.37	0.00
Simply Energy <sup>26</sup>	Number	n/a	21
	Percentage	n/a	0.14
<b>Total</b>	<b>Number</b>	<b>11,099</b>	<b>10,544</b>
	<b>Percentage</b>	<b>1.55</b>	<b>1.46</b>

Table 11 compares the number of residential gas customers (excluding hardship customers) who had their instalment plans cancelled for non-payment with those who have successfully completed their plans during 2017/18 and 2018/19.

AGL and Kleenheat reported large increases in the number of customers who successfully completed their instalment plan in 2018/19.

**Table 11: Residential gas customers (excluding hardship program customers) who have successfully completed their plan and those who have had their instalment plan cancelled in 2018 and 2019**

	2017/18		2018/19	
	Successfully completed instalment plan	Instalment plan cancelled for non-payment	Successfully completed instalment plan	Instalment plan cancelled for non-payment
AGL	25	n/a	268	634
Alinta Energy	4816	1956	4950	1978
Kleenheat	1680	2983	2722	3231
Origin Energy	0	0	37	263
EGDC	2	0	0	0
Simply Energy	n/a	n/a	1	16

<sup>26</sup> 2018/19 is the first year that Simply Energy has provided data to the ERA.

### 3. Energy bill debt of customers other than customers on a hardship program

#### Main points

- The average energy bill debt of residential electricity customers in regional areas supplied by Horizon Power continues to be much higher than customers in the south-west supplied by Synergy.
- The average energy bill debt of residential gas customers is much less than that of residential electricity customers.

Energy bill debt is separately reported for customers on a retailer's hardship program and those not on a hardship program. This is the third year that the ERA has reported on energy bill debt of customers other than customers on a hardship program.

Energy bill debt is defined as an amount owed to the retailer which has been outstanding for 90 calendar days or more.<sup>27</sup>

Energy bill debt data for customers on a hardship program is discussed in section 4 of this report.

## 3.1 Electricity

### 3.1.1 Residential electricity customers repaying an energy bill debt

Table 12 shows the number of residential electricity customers repaying an energy bill debt and the average bill debt for those customers.

The average debt of Horizon Power's customers has been much higher than that of Synergy's customers for the past three years.

**Table 12: Residential electricity customers repaying an energy bill debt and the average bill debt by retailer at 30 June 2017 to 2019**

	Number of customers repaying a bill debt			Average bill debt		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
Horizon Power	985	1,498	670	\$850	\$715	\$903
Synergy	21,867	10,669	9,978	\$363	\$396	\$379

<sup>27</sup> ERA, Electricity Retail Licence Performance Reporting Handbook, April 2019, p.23 ([online](#)).

### 3.1.2 Business electricity customers repaying an energy bill debt

Table 13 shows the number of business electricity customers repaying an energy bill debt and the average bill debt for those customers.<sup>28</sup>

**Table 13: Business electricity customers repaying an energy bill debt and the average bill debt by retailer at 30 June 2017 to 2019**

	Number of customers repaying a bill debt			Average bill debt		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
AER Retail	0	1	2	\$0	\$3,000	\$6,000
Alinta Energy	10	303	48	\$1,450	\$1,390	\$2,083
Amanda Energy	17	13	4	\$2,061	\$3,432	\$2,527
Horizon Power	148	211	118	\$3,379	\$3,931	\$5,590
Kleanheat	1	0	1	\$2,930	\$0	\$1,005
Perth Energy	5	3	3	\$2,285	\$0	\$15,100
Synergy	1,984	1,739	1,326	\$893	\$1,094	\$1,172

## 3.2 Gas

### 3.2.1 Residential gas customers repaying an energy bill debt

Table 14 shows the number of residential gas customers repaying a bill debt and the average bill debt for those customers.<sup>29</sup>

Comparing Table 14 with Table 12 shows that the average energy bill debt for gas customers is substantially less than for electricity customers, excluding AGL.

<sup>28</sup> A-Star, Clear Energy, Change Energy, CleanTech and the Rottnest Island Authority have been excluded from Table 13 because they have not had any customers repaying an energy bill debt for the past three years.

<sup>29</sup> Perth Energy has been excluded from Table 14 because they have not had any customers repaying an energy bill debt for the past three years.

**Table 14: Residential gas customers repaying an energy bill debt and the average bill debt by retailer at 30 June 2017 to 2019**

	Number of customers repaying an energy bill debt			Average bill debt		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
AGL	n/a	261	1,135	n/a	\$136	\$363
Alinta Energy	15,579	1,318	1,419	\$47	\$88	\$80
Kleenheat	570	1,497	1,979	\$76	\$89	\$116
Origin	n/a	42	267	n/a	\$103	\$190
EGDC	1	2	0	\$220	\$234	\$0
Simply Energy	n/a	n/a	242	n/a	n/a	\$95

### 3.2.2 Business gas customers repaying an energy bill debt

Table 15 shows the number of business gas customers repaying an energy bill debt and the average bill debt for those customers.<sup>30</sup>

**Table 15: Business gas customers repaying an energy debt and average bill debt at 30 June 2017 to 2019**

	Number of customers repaying an energy bill debt			Average bill debt		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
AGL	n/a	27	37	n/a	\$367	\$608
Alinta Energy	226	12	8	\$510	\$541	\$305
Synergy	58	10	7	\$1,084	\$902	\$1,047
Kleenheat	2	19	28	\$272	\$391	\$439
Origin Energy	n/a	0	7	n/a	\$0	\$298
Perth Energy	0	0	2	\$0	\$0	\$658

<sup>30</sup> Amanda Energy, EGDC and Simply Energy have been excluded from Table 15 because they have not had any customers repaying an energy bill debt for the past three years.

## 4. Hardship programs

### Main points

- The total number of electricity customers on a hardship program has increased by more than 60 per cent over the past two years.
- Around 88 per cent of electricity hardship customers successfully completed their hardship plan, compared to 24 per cent of gas hardship customers.
- The average energy bill debt of regional electricity customers entering a hardship program was nearly three times that of customers in the south-west.
- The average bill debt for electricity customers on entry to a hardship program was nearly three times that of gas customers.
- The average bill debt for Western Australian electricity and gas customers was substantially less than in other states.

Access to a hardship program is available only to residential electricity and gas customers. Throughout this section of the report, references to customers is to residential customers.

The ERA has undertaken a phased introduction of new hardship program performance indicators in 2016/17 and 2017/18. In 2016/17, licensees were required to provide data for two hardship program indicators. This was increased to seventeen indicators in 2017/18.

The purpose of the hardship program performance indicators is to allow the ERA, as well as other stakeholders such as policy makers and consumer representative organisations, access to reliable data on the effectiveness of hardship programs.

Financial hardship may be caused by sustained exposure to factors that affect a customer's ability to manage their utility debt. The most common factors include loss of income, budget management issues caused by low or insecure income, separation or divorce, physical and mental health issues, loss of a loved one, and domestic violence. In these circumstances a customer is unable to pay an outstanding amount without affecting their capacity to meet their basic living needs (such as rent or mortgage, groceries or other utilities).

The Electricity Code and the Gas Compendium require retailers to offer assistance to residential customers experiencing financial hardship. This assistance includes:<sup>31</sup>

- Additional time to pay a bill.
- An interest-free and fee-free instalment plan to pay a bill or arrears (including any disconnection or reconnection charges).
- Reasonable consideration to a request to reduce the customer's fees, charges or debt.
- Information about concessions and how to access them.
- Information about independent financial counselling services and other assistance services that are available.
- Information about other financial assistance and grants schemes and how to access them.

<sup>31</sup> The Gas Compendium is contained in Schedule 2 of all gas trading licences. A copy of these licences is available on the ERA [website](#). The Electricity Code is available on the ERA [website](#).

Retailers must ensure any instalment plan is fair and reasonable, taking into account the customer's capacity to pay and their consumption history.<sup>32</sup>

The Australian Energy Regulator and the Essential Services Commission of Victoria have required electricity and gas retailers to report hardship program data for several years. Where possible, the ERA's new indicators have been aligned with the Australian Energy Regulator's indicators to allow comparison of Western Australian data with other jurisdictions. Readers should exercise some caution when comparing data between jurisdictions, because of differences in the cost of energy and regulatory obligations to assist customers experiencing payment difficulties and financial hardship.

Data for all the hardship program and energy bill debt indicators can be found in the data tables published on the ERA website. This chapter focuses on the number of customers on a hardship program and the amount of energy debt owed by these customers.<sup>33</sup>

## 4.1 Electricity

### 4.1.1 Electricity customers on a hardship program

Table 16 shows the number and percentage of electricity customers on a hardship program.

**Table 16: Number and percentage of electricity customers on a hardship program at 30 June 2017 to 2019**

		2016/17	2017/18	2018/19
Horizon Power	Number	1,150	912	1,511
	%	2.92	2.31	3.98
Synergy	Number	20,798	30,640	33,707
	%	2.18	3.07	3.33
<b>Total</b>	<b>Number</b>	<b>21,948</b>	<b>31,552</b>	<b>35,218</b>
	<b>%</b>	<b>2.21</b>	<b>3.04</b>	<b>3.36</b>

The total number of electricity customers on a hardship program has increased by 60.5 per cent over the past two years.

Table 17 shows the reasons electricity customers exited a hardship program.

Most customers exiting a hardship program in both years did so because they had either successfully completed the program or had the retailer's agreement.

<sup>32</sup> Retailers are also required to offer an instalment plan to customers experiencing payment difficulties only upon request.

<sup>33</sup> This report only presents data for six of the 17 indicators. Data for the remaining 11 indicators is in the [data tables](#) published on the ERA website. A complete list of the hardship program indicators is in section 4.9 of the [Electricity Retail Licence Performance Reporting Handbook](#).

**Table 17: Reasons electricity customers exited a hardship program in 2018 and 2019**

	2017/18		2018/19	
Successfully completed	17,242	88.2%	22,508	87.9%
Switched, transferred or left the retailer	132	0.7%	150	0.6%
Excluded or removed for non-compliance <sup>34</sup>	2,168	11.1%	2,940	11.5%

### 4.1.2 Electricity hardship customer debt

Figure 10 shows the average energy bill debt for electricity customers by retailer.

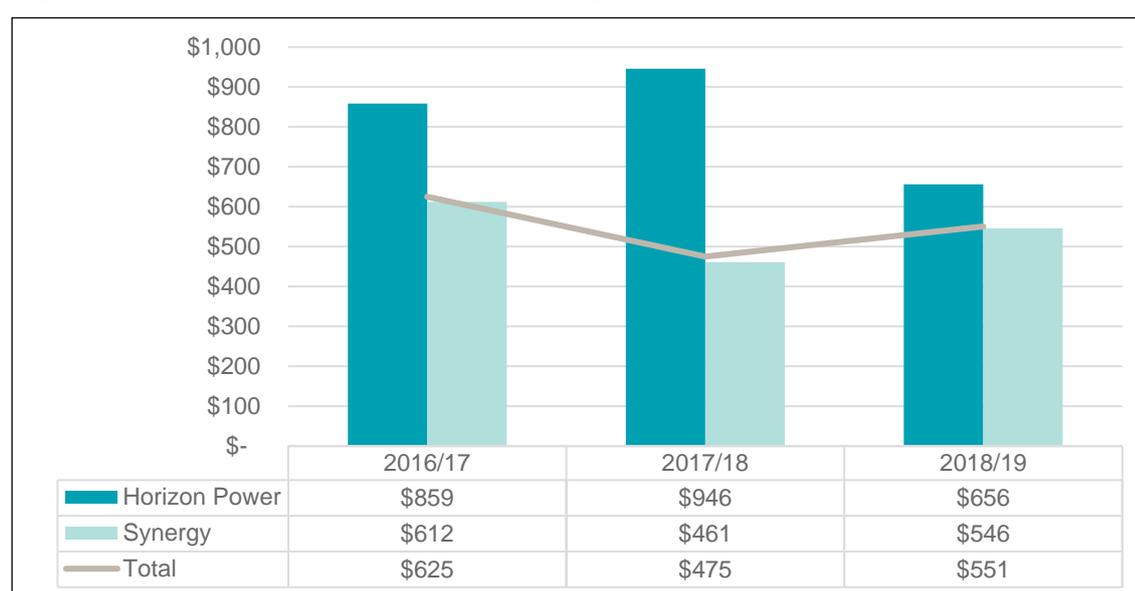
**Figure 9: Electricity hardship customer average bill debt by retailer at 30 June 2017 to 2019**

Table 18 shows the electricity hardship customer average energy bill debt at the time of entering a hardship program.

**Table 18: Electricity hardship customer average energy bill debt at the time of entering a hardship program by retailer 2018 and 2019**

	2017/18	2018/19
Horizon Power	\$862 <sup>35</sup>	\$1,442
Synergy	\$513	\$503
<b>Total</b>	<b>\$531</b>	<b>\$579</b>

<sup>34</sup> This may include instances where the hardship customer fails to make contact with the retailer or make agreed payments towards their energy account.

<sup>35</sup> Horizon Power reported the average bill debt of at date their data was prepared rather than throughout the year, which explains the large increase reported in 2018/19.

## 4.2 Gas

### 4.2.1 Gas customers on a hardship program

Table 19 shows the number and percentage of gas customers on a hardship program.

Comparing Table 19 with Table 16 shows that the overall percentage of gas customers on a hardship program is much lower than electricity customers.<sup>36</sup>

**Table 19: Number and percentage of gas customers on a hardship program by retailer at 30 June**

		2016/17	2017/18	2018/19
AGL	Number	n/a	4	42
	%	n/a	0.02	0.10
Alinta Energy	Number	5,272	4,434	5,012
	%	0.95	0.90	1.09
Kleenheat	Number	391	790	496
	%	0.25	0.40	0.25
Origin Energy	Number	n/a	0	21
	%	n/a	0.00	0.14
EGDC	Number	6	4	5
	%	1.78	1.18	1.58
Simply Energy	Number	n/a	n/a	3
	%	n/a	n/a	0.02
<b>Total</b>	<b>Number</b>	<b>5,669</b>	<b>5,232</b>	<b>5,579</b>
	<b>%</b>	<b>0.80</b>	<b>0.73</b>	<b>0.77</b>

Table 20 shows the reasons gas customers exited a hardship program.

The percentage of gas hardship programs that were successfully completed in 2018/19 was just under half that in 2017/18, while the percentage of programs that were cancelled nearly doubled.

<sup>36</sup> Perth Energy has been excluded from Table 19 because none of its customers have been on a hardship program for the past three years.

**Table 20: Reasons gas customers exited a hardship program in 2018 and 2019**

	2017/18		2018/19	
Successfully completed	11,068	54.9%	3,410	24.4%
Switched, transferred or left the retailer	4,322	29.4%	4,114	21.4%
Excluded or removed for non-compliance <sup>37</sup>	4,775	23.7%	6,466	46.2%

## 4.2.2 Hardship debt for gas customers

Table 21 shows the average energy bill debt for gas customers on a hardship program by retailer at 30 June.<sup>38</sup>

**Table 21: Average energy bill debt for gas customers on by retailer at 30 June**

	2016/17	2017/18	2018/19
AGL	n/a	\$101	\$500
Alinta Energy	\$246	\$312	\$206
Kleenheat	\$126	\$140	\$220
Origin Energy	n/a	\$0	\$138
EGDC	\$381	\$0	\$402
Simply Energy	n/a	n/a	\$323
<b>Total</b>	<b>\$238</b>	<b>\$286</b>	<b>\$209</b>

Table 22 shows the average energy bill debt of gas hardship customers at the time of entering a hardship program.<sup>39</sup>

**Table 22: Average energy bill debt of gas hardship customers at the time of entering a hardship program**

	2017/18	2018/19
AGL	\$86	\$392
Alinta Energy	\$229	\$192
Kleenheat	\$267	\$44
Origin Energy	n/a	\$237
Esperance Gas Distribution Company	\$619	\$757
Simply Energy	n/a	\$373
<b>Total</b>	<b>\$230</b>	<b>\$199</b>

<sup>37</sup> This may include instances where the hardship customer fails to contact the retailer or make agreed payments towards their energy account.

<sup>38</sup> Perth Energy has been excluded from Table 21 because none of its customers have been on a hardship program for the past three years.

<sup>39</sup> Ibid.

### 4.2.3 *Hardship customer average bill debt by jurisdiction*

Table 21 compares the average bill debt of electricity and gas customers on a hardship program in Western Australia with customers in New South Wales and South Australia.

**Table 23: Jurisdictional comparison of average energy bill debt of electricity and gas hardship customers at 30 June 2017 to 2019**

	2016/17	2017/18	2018/19
<b>Electricity</b>			
Western Australia	\$625	\$475	\$551
South Australia	\$1,496	\$1,694	\$1,863
New South Wales	\$1,006	\$916	\$1,216
<b>Gas</b>			
Western Australia	\$245	\$286	\$209
South Australia	\$521	\$585	\$620
New South Wales	\$682	\$668 <sup>40</sup>	\$682

The average bill debt for Western Australian electricity and gas customers was the lowest of the three jurisdictions in all three years.

<sup>40</sup> The 2017/18 AER report stated the average debt for New South Wales was \$669. In the 2018/19 report, the AER amended this to \$668.

## 5. Disconnections

### Main points

- Residential electricity disconnections increased for the sixth successive year to reach 2 per cent.
- For the sixth consecutive year, the Western Australian residential disconnection rate was higher than rates in New South Wales, South Australia and Victoria.

Energy is an essential service. Disconnection for non-payment of bills should be viewed as a last resort after payment plans and hardship programs have failed. The Electricity Code and Gas Compendium require retailers to provide customers experiencing financial hardship or payment difficulties with adequate opportunity to enter into an arrangement to avoid disconnection.

The rate of disconnections is an important indicator of how retailers meet their obligations to customers in debt while ensuring that customers continue to receive energy supply. It is also a valuable indicator of how affordable energy is to customers.

This section will look at disconnections that resulted from a customer's failure to pay a bill.<sup>41 42</sup>

### 5.1 Total electricity disconnections

Figure 11 shows the percentage of residential and business electricity customer disconnections.

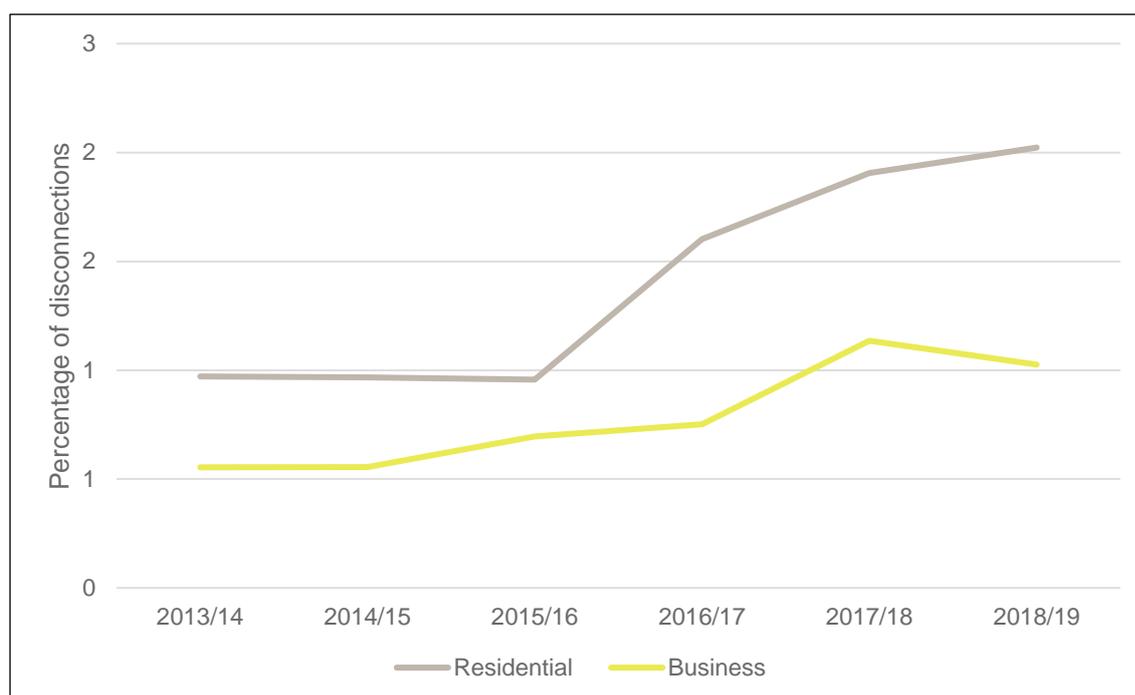
The percentage of residential electricity disconnections has trended upwards over the past three years, exceeding 2.0 per cent for the first time in 2018/19.<sup>43</sup>

In 2018/19, the percentage of business electricity disconnections was lower than the six-year high reported in 2017/18.

<sup>41</sup> Customers can also be disconnected for taking supply without having an account with the retailer (called 'non-application') or denying access to the meter.

<sup>42</sup> Refer to section 4.3 of the Handbook for definitions.

<sup>43</sup> The overall residential disconnection percentage has never exceeded 2.0 per cent since the ERA commenced reporting on electricity retailer performance in 2007.

**Figure 10: Percentage of residential and business electricity customer disconnections 2014 to 2019**

## 5.2 Electricity residential disconnections

Table 24 shows the number and percentage of residential electricity customer disconnections by retailer.

**Table 24: Number and percentage of residential electricity customer disconnections by retailer 2014 to 2019**

		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Horizon Power	Number	1,132	1,084	1,705	1,826	1,943	3,156
	%	3.03	2.83	4.38	4.64	4.93	8.32
Synergy	Number	8,103	8,328	8,069	14,109	17,800	18,056
	%	0.89	0.89	0.82	1.48	1.79	1.79
<b>Total</b>	<b>Number</b>	<b>9,235</b>	<b>9,412</b>	<b>9,774</b>	<b>15,935</b>	<b>19,743</b>	<b>21,212</b>
	<b>%</b>	<b>0.97</b>	<b>0.97</b>	<b>0.96</b>	<b>1.60</b>	<b>1.91</b>	<b>2.02</b>

Total residential electricity disconnections have trended upwards over the six years reported, with most of the increase in annual disconnections occurring in the past three years.

The increase in disconnections reported by Horizon Power was mostly due to it previously reporting the number of customers who were disconnected, instead of the total number of times customers had been disconnected.

## 5.3 Electricity business disconnections

Table 25 shows the number and percentage of business electricity customer disconnections by retailer.<sup>44</sup>

Horizon Power and Synergy were the only retailers to report fewer business customer disconnections in 2018/19.

**Table 25: Number and percentage of business electricity customer disconnections by retailer 2014 to 2019**

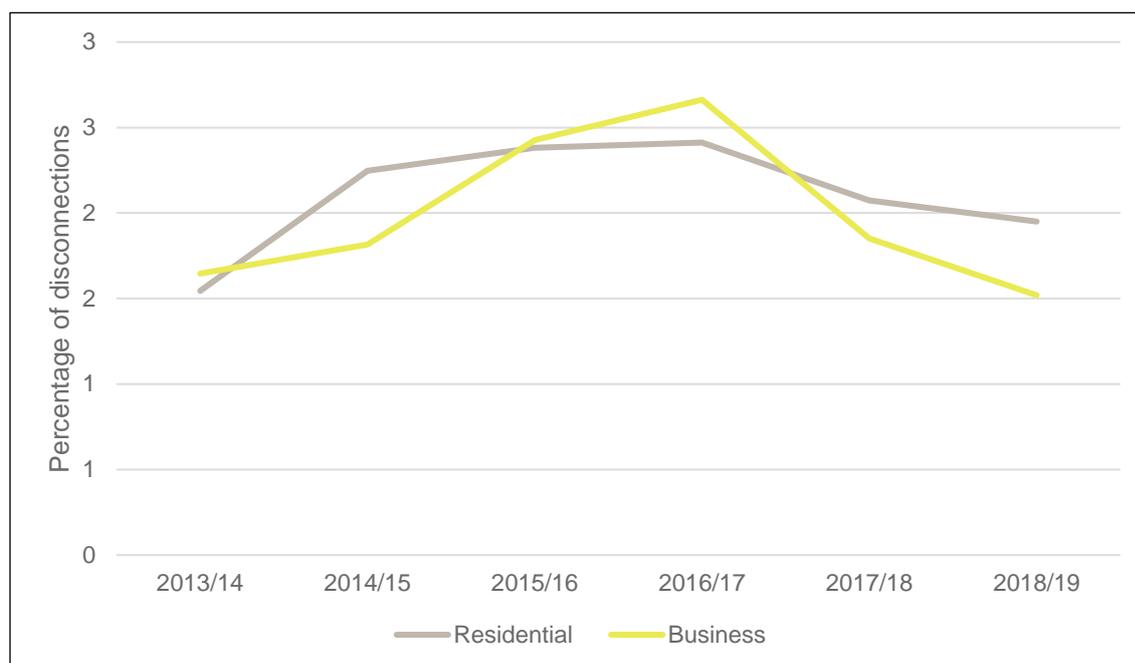
		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Alinta Energy	Number	7	10	21	16	11	13
	%	0.36	0.39	0.86	0.58	0.38	0.46
Amanda Energy	Number	n/a	n/a	0	0	1	1
	%	n/a	n/a	0.0	0.0	0.72	0.83
Horizon Power	Number	38	41	128	144	124	82
	%	0.41	0.50	1.63	1.68	1.61	1.04
Kleenheat	Number	n/a	n/a	0	2	2	3
	%	n/a	n/a	0.0	2.70	1.87	2.38
Perth Energy	Number	4	3	2	4	15	18
	%	1.75	0.82	0.33	1.33	1.73	4.36
Synergy	Number	565	560	616	719	1,026	945
	%	0.57	0.56	0.62	0.68	1.11	1.03
<b>Total</b>	<b>Number</b>	<b>614</b>	<b>614</b>	<b>767</b>	<b>885</b>	<b>1,179</b>	<b>1,063</b>
	<b>%</b>	<b>0.55</b>	<b>0.55</b>	<b>0.70</b>	<b>0.75</b>	<b>1.14</b>	<b>1.03</b>

## 5.4 Total gas disconnections

Figure 12 shows the percentage of residential and business gas customer disconnections.

The percentage of business and residential gas customer disconnections continued to trend downwards. The percentage of business gas disconnections was at a six-year low in 2018/19.

<sup>44</sup> Four retailers did not disconnect any customers and have been excluded from Table 25: AER Retail, A-Star, Change Energy and Rottneest Island Authority.

**Figure 11: Percentage of residential and business gas customer disconnections 2014 to 2019**

## 5.5 Gas residential disconnections

Table 26 shows the number and percentage of residential gas customer disconnections by retailer.<sup>45</sup>

**Table 26: Number and percentage of residential gas customer disconnections by retailer 2014 to 2019**

		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Alinta Energy	Number	9,930	14,530	15,044	14,970	13,161	12,125
	%	1.6	2.3	2.5	2.7	2.7	2.6
Kleenheat	Number	229	639	1,600	2,121	1,744	2,007
	%	1.1	1.3	1.8	1.4	0.9	1.0
Origin Energy	Number	n/a	n/a	n/a	n/a	0	48
	%	n/a	n/a	n/a	n/a	0.0	0.3
EGDC	Number	6	15	5	6	8	12
	%	1.9	4.3	1.5	1.8	2.4	3.8
Simply Energy	Number	n/a	n/a	n/a	n/a	n/a	8
	%	n/a	n/a	n/a	n/a	n/a	0.1
<b>Total</b>	<b>Number</b>	<b>10,165</b>	<b>15,184</b>	<b>16,649</b>	<b>17,097</b>	<b>14,913</b>	<b>14,200</b>
	<b>%</b>	<b>1.55</b>	<b>2.25</b>	<b>2.38</b>	<b>2.41</b>	<b>2.07</b>	<b>1.95</b>

<sup>45</sup> AGL and Perth Energy did not disconnect any residential customers and have been excluded from Table 26.

The decrease in the total number of residential disconnections was due to the decrease reported by Alinta Energy - the only retailer to report a decrease in 2018/19.

## 5.6 Gas business disconnections

Table 27 shows the number and percentage of business gas customer disconnections by retailer.<sup>46</sup>

**Table 27: Number and percentage of business gas customer disconnections by retailer 2014 to 2019**

		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Alinta Energy	Number	141	154	201	177	147	117
	%	1.7	1.9	2.4	2.3	2.3	2.0
Synergy	Number	0	3	1	1	0	0
	%	0.0	2.8	0.7	0.6	0.0	0.0
Kleenheat	Number	1	9	42	82	30	26
	%	0.4	1.0	2.7	4.3	1.4	1.1
EGDC	Number	0	0	0	0	0	1
	%	0.0	0.0	0.0	0.0	0.0	2.4
<b>Total</b>	<b>Number</b>	<b>142</b>	<b>166</b>	<b>244</b>	<b>260</b>	<b>177</b>	<b>144</b>
	<b>%</b>	<b>1.65</b>	<b>1.82</b>	<b>2.43</b>	<b>2.66</b>	<b>1.85</b>	<b>1.52</b>

## 5.7 Inter-jurisdictional comparison of residential electricity and gas disconnections

Table 28 compares the residential electricity and gas disconnection percentages in Western Australia with the percentages in New South Wales, South Australia and Victoria.

For the past three years, the gap between the Western Australian residential electricity disconnection percentages and those in the next highest jurisdictions has widened. In 2018/19, the gap increased to 0.7 percentage points.

The residential gas disconnection percentage in Western Australia has been the highest of the four jurisdictions for all six years.

<sup>46</sup> AGL, Amanda Energy, Origin Energy, Perth Energy and Simply Energy did not disconnect any business customers and have been excluded from Table 27.

**Table 28: Jurisdictional comparison of residential electricity and gas disconnections (%) 2014 to 2019**

	New South Wales	South Australia	Victoria	Western Australia
<b>Electricity</b>				
2013/14	1.09	1.37	1.47	<b>0.97</b>
2014/15	1.06	1.36	1.45	<b>0.97</b>
2015/16	0.99	1.39	1.34	<b>0.96</b>
2016/17	0.89	1.43	1.16	<b>1.60</b>
2017/18	1.03	1.37	1.34	<b>1.91</b>
2018/19	0.99	1.32	0.89	<b>2.02</b>
<b>Gas</b>				
2013/14	0.41	0.86	1.31	<b>1.55</b>
2014/15	0.62	1.12	1.20	<b>2.25</b>
2015/16	0.51	1.23	1.28	<b>2.38</b>
2016/17	0.43	0.87	0.91	<b>2.41</b>
2017/18	0.39	1.03	1.11	<b>2.07</b>
2018/19	0.30	0.84	0.69	<b>1.95</b>

## 6. Reconnections

### Main points

- The percentage of residential electricity reconnections in regional areas was a six-year high of 78 per cent.
- The percentage of residential electricity reconnections in the south-west fell for the fourth consecutive year, reaching a six-year low of 41 per cent.

Reconnection indicators apply only to the reconnection of a customer in the same name and at the same address as the disconnection. The total number of reconnections each year helps to identify customers who were not reconnected at all.<sup>47</sup>

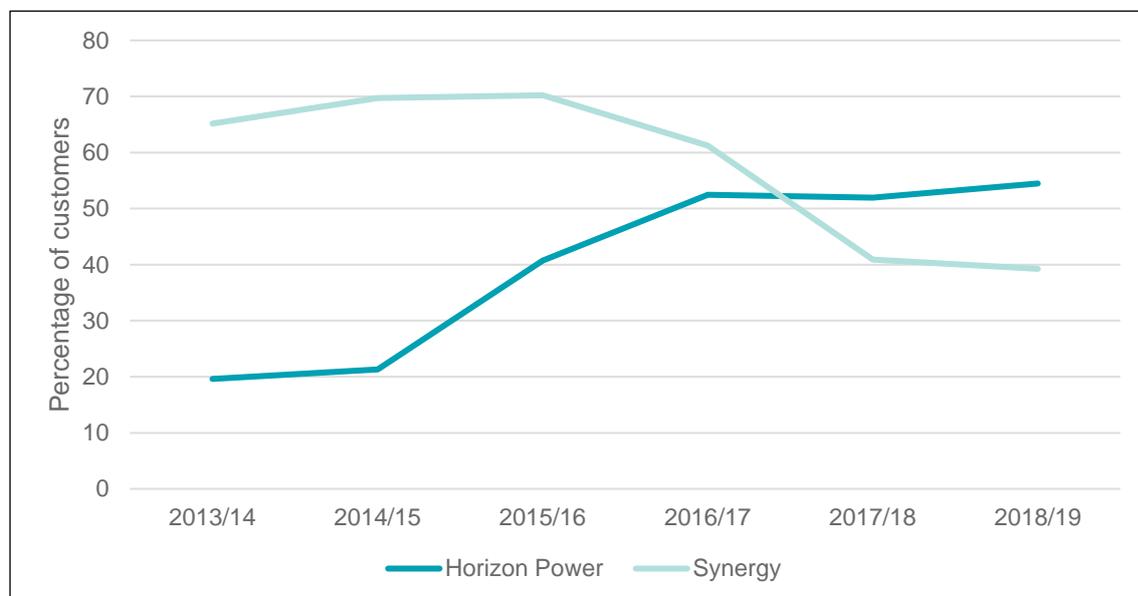
### 6.1 Residential electricity reconnections

Figure 13 shows the percentage of residential electricity customer disconnections that were reconnected by retailers.

Horizon Power's reconnection percentage has trended upwards over the past five years, reaching a six-year high of 86.1 per cent in 2018/19. The large increase in reconnections reported by Horizon Power in 2018/19 was mostly due to it previously reporting the number of customers who were reconnected, instead of the total number of times customers had been reconnected.

Synergy's reconnection percentage has trended downwards over the past four years, reaching a six-year low of 41.6 per cent in 2018/19.

**Figure 12: Percentage of residential electricity customer disconnections that were reconnected by retailer 2014 to 2019**



<sup>47</sup> A proportion of disconnections involve customers who reconnect in a different name at the same address, often because another member of the household takes over the account from the person who was disconnected. These reconnections do not show up in the reconnections data, even though supply has been restored to the premise.

## 6.2 Business electricity reconnections

Table 29 shows the percentage of electricity business customer disconnections that were reconnected by retailer.

Synergy's business reconnection percentage has trended downwards since 2014/15, reaching a six-year low of 33.5 per cent in 2018/19.

**Table 29: Percentage of business electricity customer disconnections that were reconnected by retailer 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Alinta Energy	71.4	100.0	66.7	100.0	100.0	100.0
Amanda Energy	n/a	n/a	0.0	0.0	0.0	100.0
Horizon Power	39.5	31.7	60.9	66.7	74.2	78.0
Kleenheat	n/a	n/a	n/a	0.0	0.0	33.3
Perth Energy	100.0	100.0	100.0	100.0	33.3	72.2
Synergy	57.0	78.4	64.4	51.7	35.1	33.5

## 6.3 Gas residential reconnections

Table 30 shows the percentage of residential gas customer disconnections that were reconnected by each retailer.<sup>48</sup>

**Table 30: Percentage of gas residential customer disconnections that were reconnected by retailer 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Alinta Energy	63.9	68.1	70.1	66.0	66.7	66.7
Kleenheat	60.3	53.2	47.3	62.1	76.8	53.5
Origin Energy	n/a	n/a	n/a	n/a	0.0	31.3
Esperance Gas Distribution Company	83.3	66.7	80.0	16.7	75.0	50.0
Simply Energy	n/a	n/a	n/a	n/a	n/a	50.0

## 6.4 Gas business reconnections

Table 31 shows the percentage of business gas customer disconnections reconnected by each retailer.<sup>49</sup>

<sup>48</sup> AGL and Perth Energy have been excluded from Table 30 because they did not perform any reconnections over the past six years.

<sup>49</sup> AGL, Amanda Energy, Origin Energy, Perth Energy and Simply Energy have been excluded from Table 31 because they did not perform any reconnections over the past six years.

**Table 31: Percentage of gas business customer disconnections that were reconnected by retailer**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Alinta Energy	58.9	72.1	60.7	59.3	53.7	55.6
Synergy	0.0	100.0	0.0	0.0	0.0	0.0
Kleenheat	100.0	33.3	69.0	93.9	56.7	42.3
Esperance Gas Distribution Company	0.0	0.0	0.0	0.0	0.0	100.0

## 7. Customer service

### Main points

- The number of recorded complaints from residential and business electricity customers substantially increased in 2018/19, as retailers were required to include complaints that were resolved at the first point of contact.
- Most complaints from electricity and gas customers were about billing, continuing the trend from previous years.
- Electricity retailers other than Synergy answered fewer calls within 30 seconds.

This chapter looks at how well retailers are servicing their customers, measured by customer complaints and call centre responsiveness.

Retailers are required to have an internal process for handling complaints that complies with Australian Standard AS/NZS 10002-2014 (Guidelines for complaint management in organisations). The standard defines a complaint as “an expression of dissatisfaction made to an organisation, related to its products, or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected.”<sup>50</sup>

Retailers are also required to comply with the ERA’s customer complaints guidelines, which clarify the distinction between queries, complaints and other customer communications.<sup>51</sup>

Customer complaints are separated into four categories: billing complaints, marketing complaints, transfer complaints and other complaints.<sup>52</sup>

A large proportion of customer interactions with their retailer is by telephone. Retailer responsiveness to telephone calls is an important measure of customer service.

Larger retailers operate call centres to handle customer enquiries and complaints. These call centres may have sophisticated systems to monitor and report on their performance.<sup>53</sup> A key responsiveness indicator widely used for call centres in all sectors is the percentage of calls answered within 30 seconds.

Smaller retailers offer a simpler telephone service, which is often based on the customer calling a switchboard operator, who connects them to the appropriate contact person. This type of telephone service is generally not capable of recording responsiveness data.

<sup>50</sup> The ERA has slightly modified this definition by adding the words “or services” immediately after “products” because energy retailers provide a service rather than a product to their customers.

<sup>51</sup> A copy of the guidelines is available on the ERA [website](#).

<sup>52</sup> Refer to section 4.5 of the Handbook for definitions.

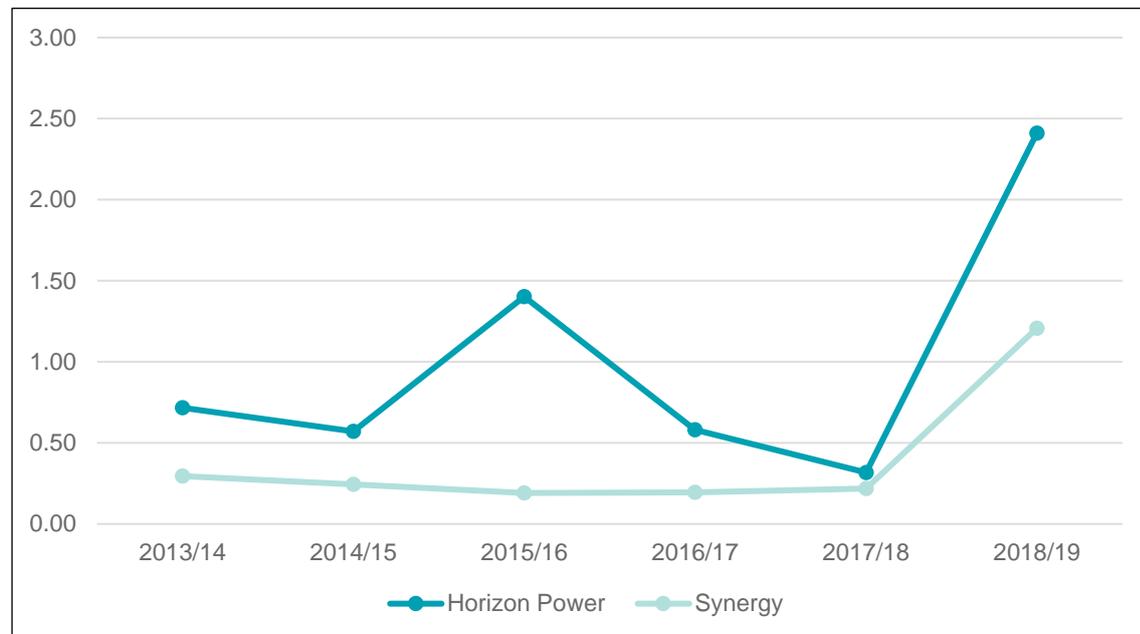
<sup>53</sup> Some call centres handle calls about gas and electricity retail services, as well as other services provided by the retailer or a related business. Therefore, it is not always possible for retailers to separately report on their performance for gas and electricity retail calls. In these circumstances the reported performance will be for all the calls handled by the call centre.

## 7.1 Customer complaints

### 7.1.1 Residential electricity customer complaints

Figure 14 shows the total number of complaints, as a percentage of total residential customers, made to electricity retailers.

**Figure 13: Complaints from residential electricity customers by retailer 2014 to 2019 (%)**



The percentages of residential customer complaints reported by Horizon Power and Synergy were much higher in 2018/19. This is due to a change in the way that both retailers record complaints. In previous years, complaints that were resolved at the first point of contact were not reported.

### 7.1.2 Business electricity customer complaints

Table 32 shows the total number of complaints, as a percentage of total business customers, made to electricity retailers.<sup>54</sup>

Synergy and Horizon Power reported a much higher percentage of business customer complaints in 2018/19, because complaints resolved at the first point of contact have been included for the first time.

<sup>54</sup> AER Retail, A-Star, Change Energy and Clear Energy have been excluded from Table 32 because they did not report any business customer complaints for the past six years.

**Table 32: Complaints from business electricity customers by retailer (%)**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Alinta Energy	0.5	1.0	0.1	0.3	0.2	0.2
Amanda Energy	n/a	n/a	0.0	1.1	0.0	0.0
Change Energy	n/a	n/a	n/a	0.0	8.0	3.5
Horizon Power	0.6	0.3	1.5	0.4	0.2	1.6
Kleenheat	n/a	n/a	3.6	1.4	0.0	0.8
Perth Energy	0.0	0.3	0.2	2.3	0.3	0.0
Rottneest Island Authority	23.1	3.8	0.0	4.2	4.2	0.0
Synergy	0.4	0.2	0.2	0.2	0.3	0.8

### 7.1.3 Residential and business electricity customer complaints by category

Table 33 compares residential and business electricity customer complaints by category for each retailer for the past two years.

Most of the complaints from residential and business customers were about billing.

**Table 33: Residential and business electricity customer complaints by complaint category per retailer 2018 and 2019 (%)**

	Billing		Marketing		Transfer		Other	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
<b>Residential</b>								
Horizon Power	83.2	77.8	0.8	0.2	0.0	0.0	16.0	22.0
Synergy	72.2	83.2	0.4	0.1	0.0	0.0	27.4	16.7
<b>Business</b>								
Alinta Energy	100.0	60.0	0.0	0.0	0.0	0.0	0.0	40.0
Horizon Power	56.3	70.9	0.0	0.0	0.0	0.0	43.8	29.1
Kleenheat	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Perth Energy	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rottneest Island Authority	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Synergy	60.8	84.4	0.3	0.4	0.0	0.3	38.9	14.9

### 7.1.4 Residential gas customer complaints

Table 34 shows the total number of complaints, as a percentage of total residential customers, made to gas retailers.<sup>55</sup>

**Table 34: Complaints from residential gas customers by retailer 2014 to 2019 (%)**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
AGL	n/a	n/a	n/a	n/a	1.7	2.0
Alinta Energy	0.1	0.2	0.3	0.3	0.2	0.2
Kleenheat	0.9	0.5	0.3	0.5	0.6	0.6
Origin Energy	n/a	n/a	n/a	n/a	1.3	1.3
Esperance Gas Distribution Company	0.0	0.0	0.0	0.0	0.0	0.3
Simply Energy	n/a	n/a	n/a	n/a	n/a	1.8

### 7.1.5 Business gas customer complaints

Table 35 shows the total number of complaints, as a percentage of total business customers, made to gas retailers.

**Table 35: Complaints from business gas customers by retailer 2014 to 2019 (%)**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
AGL	n/a	n/a	n/a	n/a	2.6	3.0
Alinta Energy	0.1	0.3	0.2	0.1	0.2	0.4
Amanda Energy	n/a	n/a	n/a	n/a	n/a	0.0
Synergy	0.0	0.0	0.0	0.6	0.0	0.7
Kleenheat	0.0	0.0	0.3	0.8	0.5	0.6
Origin Energy	n/a	n/a	n/a	n/a	3.9	2.1

### 7.1.6 Residential and business gas customer complaints by category

Table 36 compares residential and business gas customer complaints by category per retailer for the past two years.

Most of the complaints from residential and business customers were about billing, followed by other complaints. The exception was AGL, which received more complaints about customer transfers than billing.

<sup>55</sup> Perth Energy has been excluded from Table 34 because it did not receive any residential customer complaints for the past six years.

**Table 36: Residential and business gas customer complaints by complaint category per retailer in 2018 and 2019 (%)**

	Billing		Marketing		Transfer		Other	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
<b>Residential</b>								
AGL	22.8	30.8	12.7	7.3	52.6	46.5	11.8	15.5
Alinta Energy	70.9	71.8	12.6	12.1	1.7	2.8	14.8	16.1
Kleenheat	68.1	65.4	1.5	1.0	1.5	4.9	28.9	28.8
Origin Energy	20.2	20.6	4.5	4.8	15.7	15.9	59.6	58.7
EGDC	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Simply Energy	n/a	43.0	n/a	43.1	n/a	13.8	n/a	26.5
<b>Business</b>								
AGL	33.3	31.3	13.3	0.0	53.3	56.3	0.0	12.5
Alinta Energy	66.7	95.2	0.0	0.0	6.7	0.0	26.7	4.8
Synergy	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
Kleenheat	72.7	73.3	0.0	0.0	9.1	6.7	18.2	20.0
Origin Energy	0.0	60.0	33.3	0.0	33.3	0.0	33.3	40.0

## 7.2 Retailer call centre responsiveness

### 7.2.1 Electricity retailer call centre responsiveness

Table 37 shows the number of calls to electricity retailer call centres.

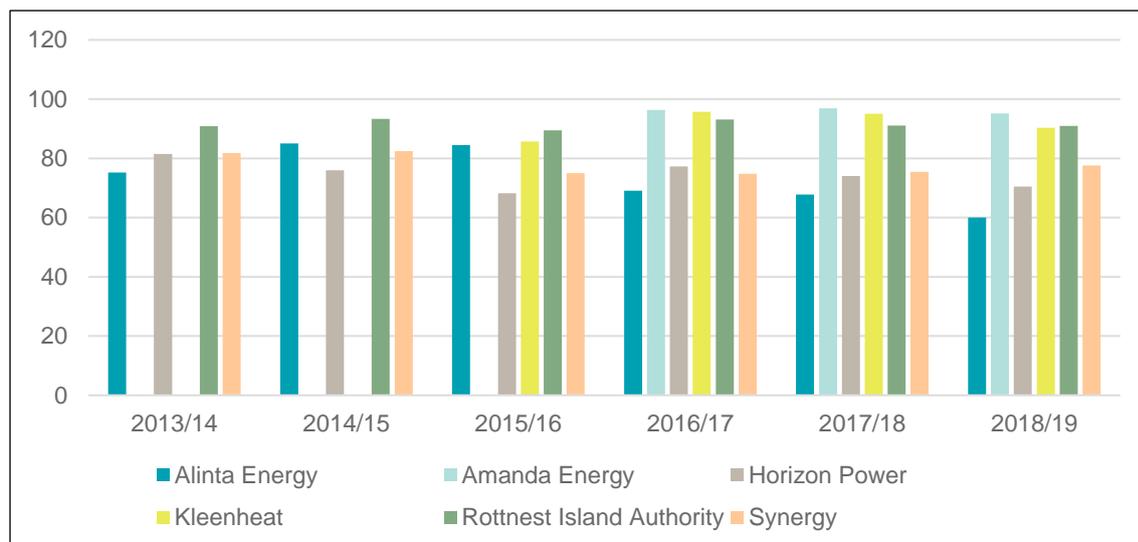
**Table 37: Volume of calls to electricity retailer call centres 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Alinta Energy	2,828	3,342	2,997	1,412	1,355	1,410
Amanda Energy	n/a	n/a	n/a	1,959	1,653	1,945
Horizon Power <sup>56</sup>	99,347	95,203	108,497	83,761	81,159	73,180
Kleenheat	n/a	n/a	14	46	61	31
Rottnest Island Authority <sup>57</sup>	4,850	5,250	1,955	814	852	33
Synergy	1,132,395	1,072,272	1,058,008	1,156,318	1,060,903	1,008,193
<b>Total</b>	<b>1,239,420</b>	<b>1,176,067</b>	<b>1,171,471</b>	<b>1,244,310</b>	<b>1,145,983</b>	<b>1,084,792</b>

The most notable change in 2018/19 was the decrease in telephone calls received by the Rottnest Island Authority and Synergy call centres. The reduction in calls reported by the Rottnest Island Authority was due to the introduction of an office on Rottnest Island as a point of contact for customers.

Figure 15 shows the percentage of calls to electricity retailer call centres answered within 30 seconds.

**Figure 14: Calls from electricity customers answered within 30 seconds 2014 to 2019 (%)**



<sup>56</sup> Horizon Power's call centre handles calls for both retail and distribution customers. Horizon Power has been unable to separate retail calls from distribution calls since 2014.

<sup>57</sup> The Rottnest Island Authority call centre handles calls for both retail and distribution customers, and also calls related to other areas of their business.

## 7.3 Gas retailer call centre responsiveness

Table 38 shows the number of calls to a gas retailer call centres.

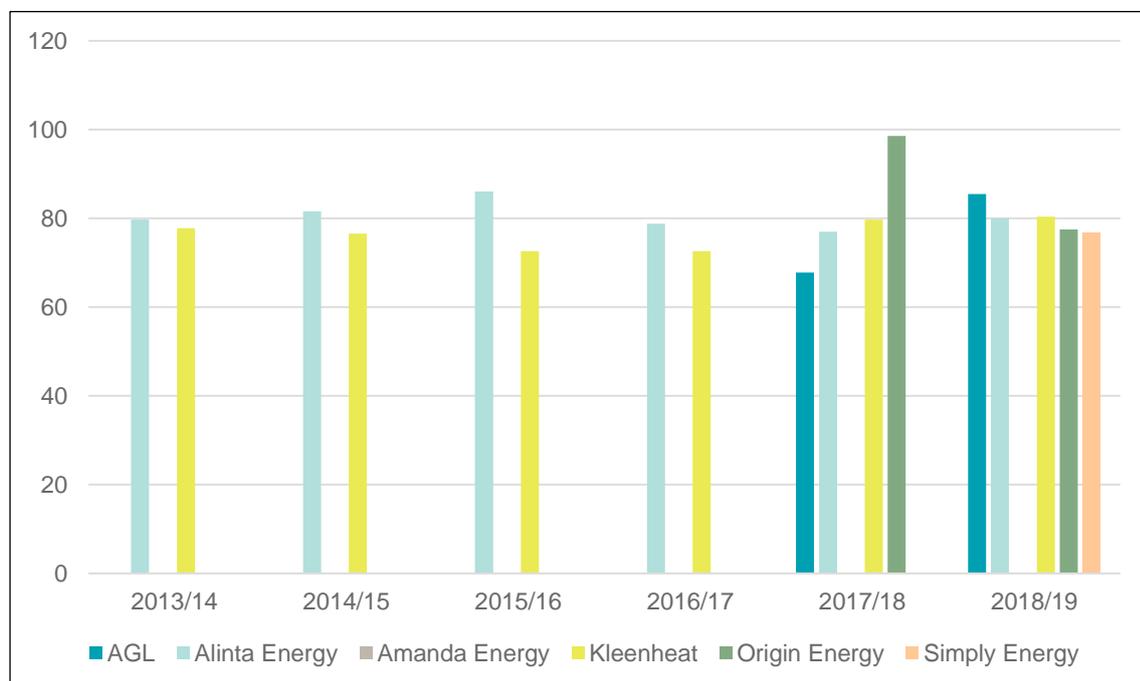
Kleenheat was the only retailer to report a reduction in the volume of calls to its call centre. Simply Energy reported call centre data for the first time in 2018/19.

**Table 38: Volume of calls to gas retailer call centres 2014 to 2019**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
AGL	n/a	n/a	n/a	n/a	46,388	56,961
Alinta Energy	735,884	778,427	675,673	525,644	531,427	537,418
Amanda Energy	n/a	n/a	n/a	n/a	n/a	0
Kleenheat <sup>58</sup>	235,698	233,363	222,505	285,887	310,803	289,778
Origin Energy	n/a	n/a	n/a	n/a	18,518	24,854
Simply Energy	n/a	n/a	n/a	n/a	n/a	12,512
<b>Total</b>	<b>971,582</b>	<b>1,011,790</b>	<b>898,178</b>	<b>811,531</b>	<b>907,136</b>	<b>921,523</b>

Figure 16 shows the percentage of telephone calls to gas retailer call centres answered within 30 seconds.

**Figure 15: Calls from gas customers answered within 30 seconds 2014 to 2019 (%)**



<sup>58</sup> The Kleenheat call centre handles calls for all areas of its business, including Liquefied Petroleum Gas customer calls.

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