



# Media Statement

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## State assistance keeps power customers connected

Government assistance appears to have kept electricity customers connected despite increases in bill debt, new data shows.

The Economic Regulation Authority has released its annual data report on energy retailers, which includes information on financial hardship, bill debts and customer service.

ERA Chair Nicky Cusworth said that the effects of the COVID-19 pandemic could start to be seen in the data from the last few months of the 2019/20 reporting period.

“In March 2020, the State Government put a number of support measures in place for electricity customers experiencing financial stress due to the pandemic, including a moratorium on disconnections,” Ms Cusworth said.

“Before this year, electricity disconnections in Western Australia had been steadily increasing and, at 2 per cent, were the highest reported rate in the country.

“In 2019/20, the disconnection rate for households fell to 1.43 per cent, and business disconnections were also down.”

Ms Cusworth said that other assistance measures, including increases to the Energy Assistance Payment, appeared to have reduced the number of Synergy customers enrolled in hardship programs.

However, the average bill debt for a residential electricity customer in a hardship program increased from \$551 in 2018/19 to \$772 in 2019/20.

“We have seen a steady increase in the average electricity bill debt, which is probably because retailers had been prepared to accept higher levels of customer debt than they would have before the pandemic,” Ms Cusworth said.

Ms Cusworth said that the one-off \$600 electricity payment for all households, announced in the 2020/21 State Budget, should help to reduce bill debts of electricity customers.

“These and subsequent government initiatives, such as the freezing of electricity prices, are likely to have an even greater effect on hardship data in 2020/21,” Ms Cusworth said.

“Once temporary and one-off pandemic support no longer affects the data, a clearer picture of underlying levels of hardship in Western Australia will emerge.”

The 2019/20 data also shows that competition in Western Australia’s residential retail gas market continues to increase.

Alinta Energy's market share has decreased from 92.9 per cent in 2014/15, to 58.8 per cent in 2019/20, with newer entrants to the market including Kleenheat, AGL and Simply Energy increasing their customer numbers.

The full report, along with the annual report on energy distributors, can be viewed at [www.erawa.com.au/energyreports](http://www.erawa.com.au/energyreports).

### **About the ERA**

The ERA is Western Australia's independent economic regulator. We aim to ensure the delivery of water, electricity, gas and rail services in Western Australia is in the long-term interest of consumers.

The ERA also undertakes inquiries, which provide recommendations to government on economic issues that are likely to have significant implications for the people and businesses of Western Australia.

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