



Debt and disconnections

Economic Regulation Authority

Energy customers, debt and disconnection 2024/25 - At a glance

We license energy utilities and monitor customer bill debt and disconnections in Western Australia. This report presents summary data for small use residential and business customers with non-contestable electricity and gas accounts. It covers bill debt, financial hardship, and disconnections for non-payment.

Electricity



\$59.8m 🚀 11,776





Total electricity bill debt has increased 129% since 2019

3.4% of all accounts have bill debt, averaging \$1445 per account

Gas



\$14.7m 🔑 4,092







Total gas bill debt has increased 620% since 2019



3.1% of all accounts have bill debt, averaging \$596 per account



Customer bill debt increased significantly during the COVID-19 pandemic and has remained high.

All customers are entitled to at least two fee-free payment extensions and payment plans per year. Most customers can use their online account to extend their bill deadline or enter a payment plan. These supports enable customers to manage short term cash flow problems.

Financial hardship describes long-term difficulty in paying for basic living expenses.



Residential customers who have bill debt, have been assessed, and offered help by their retailer are considered to be in financial hardship. Retailers support these customers through hardship programs that help them manage their repayments and keep their energy connected.



Residential customers affected by family violence receive extra protections as vulnerable customers.

Retailers must train staff to identify and deal sensitively with vulnerable customers, develop and publish policies to guide customer interactions, implement measures to protect customer privacy, and suspend disconnections for non-payment for at least 9 months.



Bill debt is the amount owed on energy bills that are 90 calendar days or more overdue.

Customers who do not pay a bill by the due date may have their supply disconnected.



Some customers may be disconnected for nonpayment more than once a year.

Customers cannot be disconnected if:

- · bill debt is less than \$300
- life support equipment is registered at the address (electricity)
- the account belongs to a vulnerable customer
- the reason for disconnection is under investigation
- it is after 3PM, on weekends or on public holidays.

Before disconnecting customers, retailers must provide appropriate written notice:



Reminder Notice



Disconnection Notice

Bill debt – Electricity and gas customers

Customers may accrue debt with their retailer when they are having trouble paying their bill. The following figures show changes in the number of electricity and gas residential accounts with bill debt over the past nine years. A proportion of customers with bill debt are in a retailer's financial hardship program. Electricity retailers have a significantly higher proportion of customers with bill debt in a financial hardship program than gas retailers.

The number of residential customers with gas bill debt has fluctuated more over the past nine years than those with electricity bill debt (Figure 1). Residential gas customers with bill debt has fallen since a dramatic increase in 2020/21, but remains considerably higher than the nine-year low in 2017/18.

The number of residential electricity customers with bill debt fell 20 per cent during 2024/25 (red column Figure 1). In 2024/25, there was an 8 per cent increase in residential gas customers with bill debt. However, there are still significantly more residential customers owing money on electricity bills than on gas bills (40,186 versus 24,408).

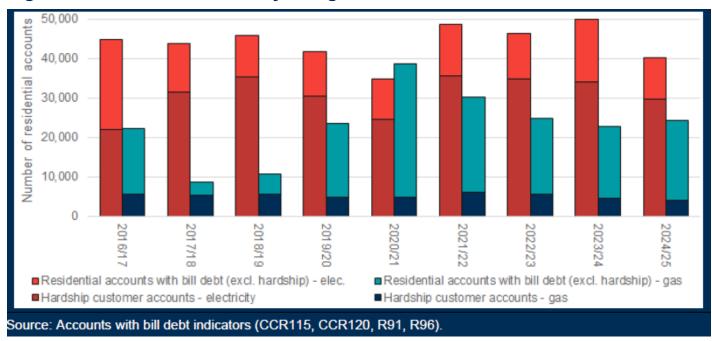


Figure 1: Residential electricity and gas customers with bill debt

While fewer residential electricity customers had bill debt in 2024/25, average bill debt for these customers increased 22 per cent (red line, Figure 2 right axis). Both the total and average bill debt for residential electricity customers rose after the State Government paused disconnections for non-payment during the pandemic.

Between 2019 and 2025, the total amount owed on electricity bills by residential customers increased by 140 per cent (Figure 2 left axis), far beyond the 12 per cent increase in the Perth

electricity price index from June 2019 to June 2025. Average bill debt during this period increased from \$519 in 2019 to \$1,419 in 2025 (Figure 2 right axis).

For residential gas customers, total bill debt increased more than seven-fold from 2019 (\$2 million) to \$14.5 million in 2025 (Figure 2 left axis). After five years of increases, average bill debt fell 11 per cent to \$592 in 2025 but is still significantly higher than the 2019 figure (\$188).

1,500 (\$E debt (50 1,250 <u>=</u> 40 1,000 residential otal residential 30 750 500 20 10 250 2018/1 2020/2 2019/20 2024/25 2021/22 2023/2 ■Total bill debt of residential electricity accounts (\$m) Total bill debt of residential gas accounts (\$m) Average bill debt of residential electricity accounts (\$) Average bill debt of residential gas accounts (\$) Source: accounts with bill debt indicators (CCR115, CCR120, R91, R96); average bill debt indicators (CCR118, CCR121, R94, R97).

Figure 2: Bill debt of residential electricity and gas customers

Bill debt varied between retailers. The average bill debt for electricity customers in 2024/25 rose 23 per cent to \$1,415 for those with a Synergy account, while falling 0.4 per cent to \$1,488 for

Residential customers owe significantly less to gas retailers than to electricity retailers. As at 30 June 2025, the average residential gas bill debt was \$634 for Alinta Energy customers, \$237 for Kleenheat customers and \$531 for AGL customers.

Business accounts - Bill debt

Horizon Power customers.

Business accounts make up just 9 per cent of small use electricity accounts and 1.2 per cent of gas accounts.

As at 30 June 2025 there were 1,215 business accounts with electricity bill debt, and 255 owing money on gas bills. For business customers, average bill debt was \$2,312 for electricity and \$1,004 for gas.

Detailed data from 2014 to 2025 can be found in the <u>ERA's energy retailer and distributor</u> <u>dashboards</u>.

The Australian Bureau of Statistics time series A2328121X from TABLE 9. CPI: Group, Sub-Group and Expenditure Class, Index Numbers by Capital City (online) shows that the Perth electricity price index rose from 143.2 for the 2019 June quarter to 159.8 for the 2025 June quarter. Electricity tariffs for small use customers are regulated by the State Government (online).

Disconnections - Electricity and gas customers

The number of times that residential customers were disconnected for non-payment over the past nine years is illustrated in Figure 3. As a customer may be disconnected multiple times in one year, each disconnection event does not equal one unique customer. When a customer owes money to the retailer and has not engaged with a payment plan or financial hardship program, the customer may be disconnected. Customers are typically reconnected promptly after payment.

During the pandemic in 2020/21, electricity and gas retailers paused disconnections, allowing customers to remain connected despite bill debt. The likelihood that a customer with bill debt will be disconnected is indicated by the line graph (Figure 3 right axis). A sharp drop in the likelihood of disconnection for customers with bill debt occurred in 2020/21. For the past three years the rate has been flat for both electricity and gas.

22,500 180% 20,000 160% Disconnection events 0 17,500 140% 15,000 120% 100% 12,500 10,000 80% ō % 7,500 60% 9 5,000 40% Scon. 2,500 20% $\overline{\Box}$ 2016/1 201 201 2019/20 2024/25 2020/2 2021 œ Residential electricity account disconnection events Residential gas account disconnection events Res. elec. acc. discon. as % of elec. acc. with bill debt --- Res. gas acc. discon. as % of res. gas acc. with bill debt

Figure 3: Disconnection events for residential electricity and gas customers

Source: disconnection events indicators (CCR40, R33); accounts with bill debt indicators (CCR115, CCR120, R91, R96).

In 2024/25 there were 16 per cent fewer residential electricity accounts disconnected than the previous year and approximately half that of 2018/19 when 21,212 disconnection events occurred (Figure 3 left axis).

There was a slight increase in residential gas disconnections in 2024/25, up 1.2 per cent to 4,014 but less than a third of 2018/19 when 14,200 disconnection events occurred (Figure 3 left axis)

Business accounts – Disconnections

For electricity customers, business customers with bill debt are more likely to be disconnected than a residential customer with bill debt. In 2024/25 there were 1,062 electricity business accounts disconnected which equates to 80 per cent of the average number of business accounts with bill debt.

There were just 78 gas business account disconnection events in 2024/25, which equates to 31 per cent of the average number of gas business accounts with bill debt.

Data sources: accounts with bill debt indicators (CCR115, CCR116, CCR120, R91, R92, R96); accounts indicators (CCR1, CCR2, CCR4, CCR5, R1, R3); average bill debt indicators (CCR118, CCR119, CCR121, R94, R95, R97); disconnection events indicators (CCR40, CCR42, R33, R35).