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The *Victorian Energy Market Report 2017-18* meets our reporting obligations under Sections 54V and 54W of the *Essential Services Commission Act 2001*, Section 39A of the *Electricity Industry Act 2000* and Section 47 of the *Gas Industry Act 2001*.

This report supersedes the *Victorian Energy Market Snapshot 2017-18* issued on 29 November 2018, and includes an analysis of energy retailer performance against indicators such as market share, customer service, disconnections, hardship program participants and debt levels. This annual report also covers average price changes in the energy offers available for residential and small business customers and provides an overview of our auditing activities. Some figures may not add up precisely due to rounding.

**Please note:** Since the release of the snapshot report, our model for calculating the price of residential gas offers has been updated. All figures and tables relating to residential gas offers in our snapshot report has been superseded by the figures and tables presented in this *Victorian Energy Market Report*.

Victorian energy customers continue to face hundreds of confusing offers from energy retailers, hardship programs that aren't working and ever growing penalties if they're late in paying their electricity or gas.

This third annual Victorian energy market report outlines new rules being progressively rolled out with the aim of rebuilding community confidence in the Victorian retail energy market.



# Commentary on the Victorian energy market

Our chair, Dr Ron Ben-David, provides a commentary on the Victorian energy market in 2017-18.



## Dr Ron Ben-David

Chairperson

Dr Ben-David has chaired the Essential Services Commission of Victoria since 2008. He previously served as deputy secretary in the Department of Premier and Cabinet and a senior executive in the Department of Treasury and Finance.

The *Victorian Energy Market Report* provides insights into the performance of energy businesses and customers' experiences in the Victorian electricity and gas markets during 2017-18. Unfortunately, we were not able to release this annual report by the end of last year due to the inability of AGL to provide reliable performance data in time. This full report replaces the 'snapshot' report we released in November 2018.

### What has been happening in the Victorian energy market?

It was a year of change for the Victorian energy market in 2017-18. Six new large-scale renewable electricity generators were licensed last year, adding to Victorian generation capacity by around 400MW. Two of these generators were large-scale solar farms, the first to be developed and operated in Victoria.

We also worked with consumer groups and energy businesses throughout 2017-18 to introduce new rules to assist Victorian customers engage with the energy market. From 1 July 2019, energy bills will highlight whether retailers have put customers on their best energy offer. Customers will also receive advanced notice of any upcoming price changes by their energy retailer.

New customer protections also commenced on 1 January 2019. These include a new framework

for customers facing payment difficulty and new protections for customers in embedded networks.

Customers having trouble paying their energy bills are now entitled to new assistance measures from their retailers. These measures are designed to ensure meaningful assistance is provided to customers before their debt spirals out of control.

People living in private (or "embedded") networks such as apartments, retirement homes, or caravan parks now have similar customer protections to all other Victorians. This includes access to free and independent dispute resolution via the Energy and Water Ombudsman (Victoria), and clearer information about energy prices and contracts.

### The customer experience in 2017-18

The retail energy market has become no easier for customers to navigate in 2017-18. Energy retailers continue to advertise headline discounts that don't necessarily translate into good value for customers. In other words, large headline discounts do not necessarily mean lower energy prices.

Because discounts often come with conditions attached, as discounts continue to get bigger, so too does the effective 'penalty' customers face if they fail to meet those conditions. As this report shows, the annual cost of not meeting the discount conditions in an electricity contract



increased to \$455 for a typical residential electricity customer in 2017-18. Three years ago, the equivalent figure was only \$212. Clearly, this 'penalty' is out of all proportion to the costs incurred by retailers when customers fail to meet the conditions attached to their discounts.

There are, however, more positive signs emerging in the market with an increase in the number of unconditional contracts now on offer. These unconditional contracts can offer very good value for customers.

The performance of the retail energy market in 2017-18 in supporting customers facing payment difficulty remains worrying and further reinforces the need for the reforms we have enacted — and which came into effect on 1 January 2019.

At first glance, the 25 per cent increase in the number of customers accessing retailers' hardship programs would seem encouraging. However, on closer examination we found that in 2017-18, almost two out of three customers exiting a hardship program were doing so because they had failed to meet the requirements of those programs. Put another way, last year 37,616 customers exited a hardship program unsuccessfully. The comparable figure five years ago was 9,182.

Digging a little deeper, we found that customers are generally entering these hardship programs with higher levels of debt. About one third of customers entering a hardship program already had arrears of over \$1,500 (and half of these customers have arrears over \$2,500). In other words, customers are already about a year behind on their bills before the retailer offers them access to hardship assistance. To make matters worse, retailers are giving many of these customers only 6 months to repay their debts.

Perhaps then, we should not be surprised by the increase in energy disconnection in 2017-18, with 55,474 residential and 5,258 small business customers disconnected for non-payment. While this figure is 21 per cent higher than the previous year, it is on a par with the number of disconnections three years ago. However, the number of electricity disconnections for the last

quarter of 2017-18 was the highest we have seen in recent years.

These results indicate little has changed for customers facing payment difficulty since our hardship inquiry in 2016 and the need for reform is as urgent as ever. Fortunately, change is now at hand. We have reformed the ground rules.

From 1 January, new rules to protect customers facing payment difficulty have come into effect. These rules seek to ensure disconnection is only ever a measure of last resort in Victoria.

Under the new rules, retailers can no longer take a 'tick-the-box' approach to assisting customers facing payment difficulty. Instead, retailers will now be responsible for assisting customers long before they fall so far behind in their payments that they can never properly recover. Moreover, retailers will now need to work with their customers to find the most workable solutions given a customer's circumstances.

Our new 'responsibility-based' approach to regulating the energy market requires energy retailers to take greater responsibility for the outcomes that their customers experience.

We are continuing to roll out our 'responsibility-based' reform to support all Victorian energy customers and ensure they can engage confidently with the retail energy market. We will monitor the effectiveness of, and retailers' compliance with, these new rules and we will take corrective action when necessary.

We will be reporting against these new rules in our quarterly market updates and in next year's *Victoria Energy Market Report*.

This annual report also highlights the performance of energy businesses against other indicators such as market share and customer service, including a report card showing how each retailer performed in 2017-18. We continually aim to improve the way we make this *Victorian Energy Market Report* a trusted and accessible source of information for all Victorians.

**Dr Ron Ben-David**  
**Chairperson**



# Key findings in 2017–18

## Prices going up

up to **16%**

average electricity price increases



up to **16%**

average gas price increases



## Costly discounts?

**82%**

of energy market offers come with discounts; almost all come with conditions

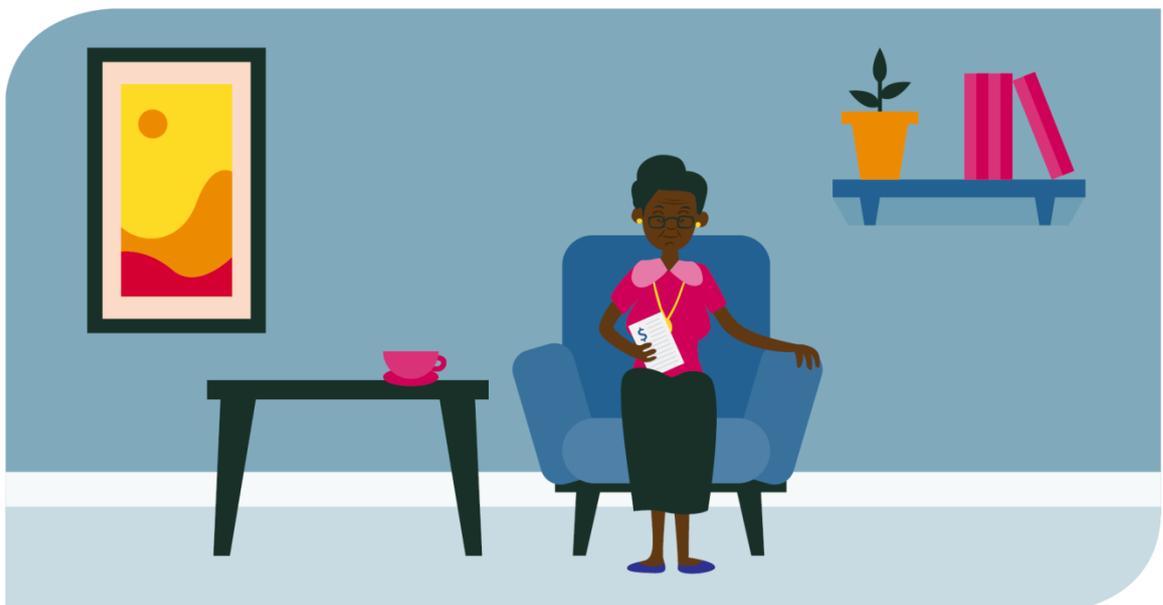


**\$455**

average electricity bill increase for failing to meet all discount conditions for a full year

**\$294**

average gas bill increase for failing to meet all discount conditions for a full year





## Customers experiencing payment difficulty

≈98,000

customers taking part in retailer hardship programs throughout the year

25%

increase in the number of customers participating in hardship programs compared to 2016-17

47,289

number of customers, on average, in hardship programs at any one time

1 in 7

customers entering a hardship program had over \$2,500 of energy debt

\$1,436

average debt to retailers of customers in hardship programs across the year



43%

increase in customers excluded from their retailer's hardship programs compared to the previous year

17%

of hardship program customers paying their bills in instalments have six months to repay more than \$1,000



## Disconnections



**60,732**

number of residential customers and small businesses disconnected for not paying their electricity or gas bills (up by 21% compared to 2016-17)

**51%**

increase in the number of electricity customers being disconnected multiple times for not paying their bills

**502**

number of customers who were reported as being wrongfully disconnected from their energy supply

**\$638,398**

amount paid to customers who were wrongfully disconnected

## Utility relief

The Victorian Government pays grants to customers who qualify for help in paying energy bills



**32,563**

number of people who received Utility Relief Grants of up to \$500 (up 8.75% on 2016-17)



## Compliance with the energy rules

6

newly licensed energy businesses have been audited

\$300,000

in fines paid by energy businesses for allegedly breaking the rules

## Customer service

2.9

complaints on average per 100 electricity customers (and 2.2 gas complaints per 100 customers)

88 seconds

average wait time for customers calls to be answered (nearly double what it was in 2016-17)







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*Appendices containing data on the performance of energy companies and energy retail pricing and products are available for download on our website.*



# An overview of the Victorian energy market

Introducing how energy is supplied to you in the Victorian energy market.



## How is my energy supplied?

Your electricity and gas are supplied by three different types of energy businesses: generators and producers, transmitters and distributors, and energy retailers.

You buy energy from your energy retailer and will have a contract with them.

Your retailer co-ordinates your energy supply and energy bill, but retailers do not necessarily generate the electricity or produce the gas that their customers actually use – this is the work of electricity generators and gas producers. They also do not deliver electricity or gas to customers' homes, businesses or other premises – transmission and distribution businesses maintain and operate networks to deliver energy.

Figure 1.1 illustrates how different energy businesses interact to provide you with energy.

### Generators and producers

In Victoria, most of the energy we use has been generated or produced at a large-scale and then distributed through electricity networks or gas pipelines to your home or business.

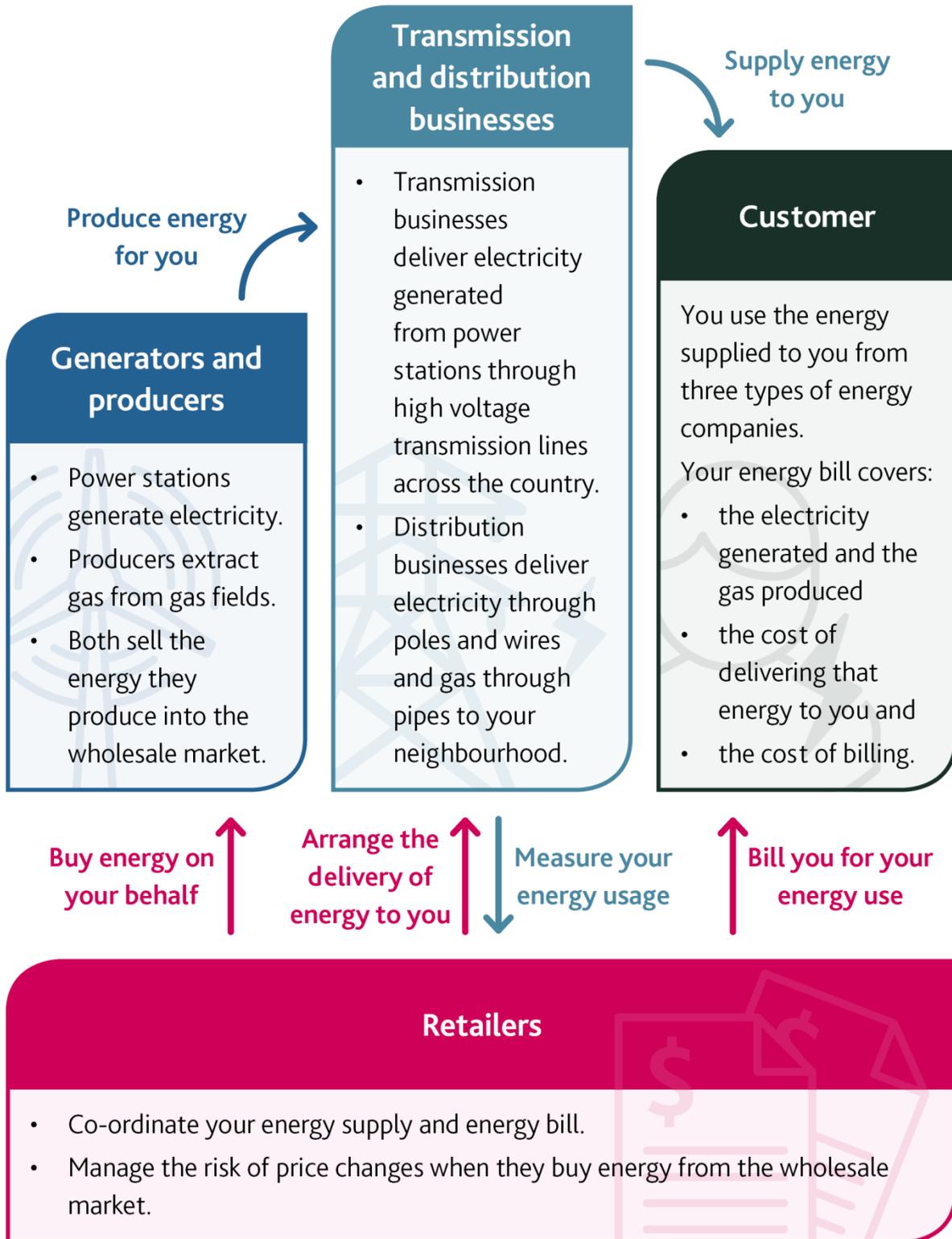
Electricity is produced by power stations from sources such as coal, gas, the wind and sun (solar irradiance). Large-scale generators are required to operate with a licence in Victoria, unless exempt to do so. These licensed businesses can generate and sell electricity directly to energy retailers through the wholesale electricity market. Increasingly, customers are also generating their own electricity through solar panels or even small-scale wind turbines. There are more than 320,000 small-scale solar PV installations in Victoria.

Gas is extracted by producers which then sell it through the wholesale market or bilateral contracts. The gas is transported through transmission and distribution pipelines to homes and businesses.



Figure 1.1 An illustration of how energy is supplied to you

# How energy is supplied to you





## Transmission and distribution businesses

Energy is supplied to your home by a different business to the one that bills you for energy. The businesses that deliver your energy through pipes, poles and wires are called distributors.

Distributors measure the amount of energy each customer uses and pass that information on to the retailers. They also charge your retailer for the cost of delivering energy to your home. Retailers use this information to calculate and issue your bill.

There are five electricity distributors and three gas distributors that own and operate the energy network in Victoria. These distributors operate in different parts of the state, as shown in figure 1.2.

## Retailers

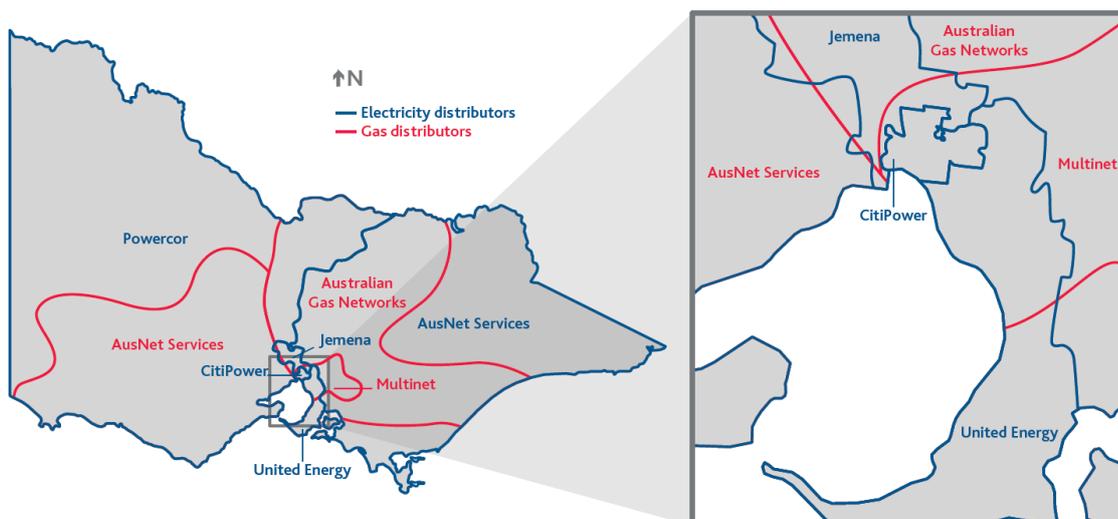
Retailers coordinate your energy supply and energy payment. In 2017–18, depending on where you live in Victoria, you can expect to have up to 38 licensed electricity retailers and 18 licensed gas retailers competing to sell you energy (residential and small business customers).

The price your retailer charges you covers:

- the wholesale cost of energy – retailers estimate how much they expect to pay for wholesale energy (accounting for changes in the price of wholesale energy over time)
- the cost of delivering it to you – they calculate how much it costs to deliver energy to their customers (the cost of distribution)
- the cost of government schemes and energy efficiency programs
- the retailers' cost of billing, marketing and customer service, as well as their profit margin.

In Victoria, you have been able to choose your electricity and gas retailer since 2002. Standard contract prices were regulated until 2009. Since then, the price you pay for your energy has been set by retailers.

Figure 1.2 Electricity and gas distribution areas in Victoria



You can find out who your electricity distributor is by visiting <https://www.energy.vic.gov.au/electricity/electricity-distributors> or checking your electricity bill. You can also find your gas distributor on your latest gas bill.



## Who can sell or deliver gas and electricity?

In Victoria, businesses involved in the supply of energy are generally required to hold a licence that is issued by the commission. This includes businesses generating electricity, operating power stations and high voltage transmission lines, those that deliver gas and electricity through pipes and wires, as well as the retailers that sell you energy.

### Energy licences in 2017–18

In 2017–18, we granted nine energy licences to businesses in Victoria. We also updated existing licences as required. In summary, we granted:

- six new licences to generate electricity, which included two solar farms and four wind farms, as shown in figure 1.3 – together these sites have the combined capacity to generate 400MW
- two new energy retail licences (Sunset Power and Weston Energy)
- one electricity wholesale licence (Alinta Energy).

We also varied twenty-three retail licences and two gas distribution licences.

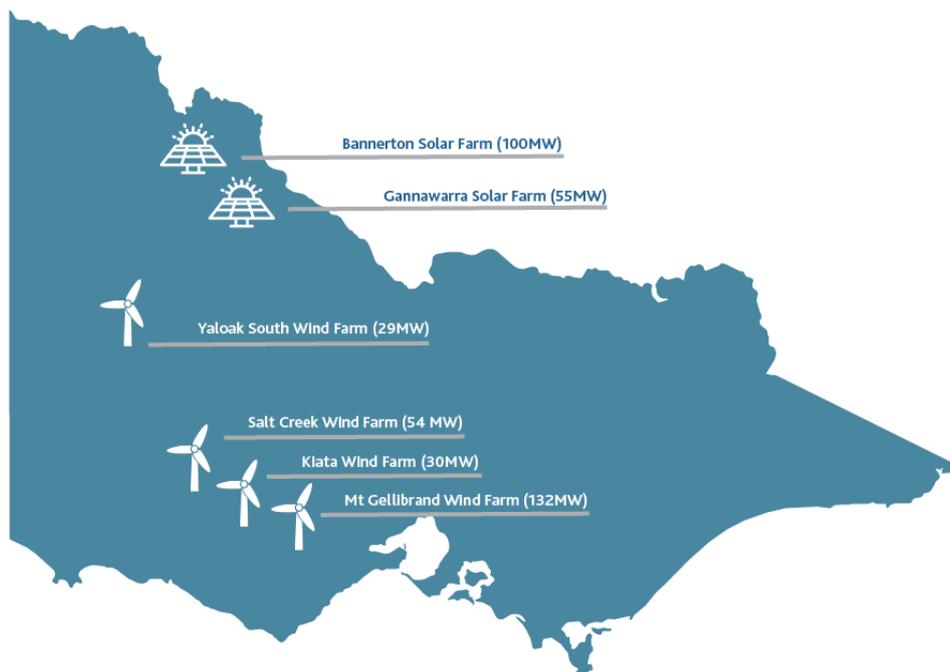


### The Victorian licensing system

Licences are granted with a range of conditions and obligations to comply with codes and guidelines we publish.

Some businesses are exempt from holding a licence, such as caravan parks or embedded networks. An embedded network is a privately-owned electricity network servicing customers in a specific site, like an apartment complex or shopping centre.

Figure 1.3 Location of new licenses for electricity generation in Victoria in 2017–18





## How do I choose an energy retailer?

### If you have not changed your energy retailer in the past

You are likely to have what is called a **standard contract**.

We determine the terms and conditions of standard contracts, which are set out in our Energy Retail Code. We do not set the price.

If you have a **standard contract**:

- it will be ongoing
- it will not include discounts for paying on time or setting up automatic payments
- you can receive quarterly paper bills
- you will have a choice of payment method.

The energy price of standard contracts can only change twice during the year, dependent on the dates the minister chooses. It is up to your retailer whether it chooses to change the prices of its standard contracts at that time.

### If you have changed retailer before

You will have what is called a **market contract** with your retailer.

Although we determine some minimum standards for market contracts, most of the terms and conditions are set by the retailer. Your retailer can change the price of a market contract at any time, subject to the terms and conditions of your contract.

If you are on a market contract, you will typically pay less for your energy use than if you are on a standard contract – provided you meet the terms and conditions of the contract.

There is a wide range of market 'contracts' available. This report provides a summary of the type of offers available in the market on 30 June 2018, as well as their estimated costs for a typical residential customer (see chapter 4).

This report also describes the performance of energy retailers in providing service and support to their customers (see chapter 3).

### What to expect when signing up to a new retailer

Before an energy retailer can sign you up as a customer, it must provide you with key information about their energy offer. Energy businesses which do not provide this information cannot sign you up as a customer.

You are also entitled to change your mind about entering into an energy contract. Soon after you enter into the contract, energy retailers must provide you with written information about your contract. This includes information such as prices, charges, billing and payment arrangements, and the commencement date and duration of the contract.

You then have 10 days to consider the contract, and may cancel the contract free of charge within that period.

You can also cancel your contract at any time and switch to another contract or another retailer. A small exit fee may be charged (up to \$22).





# Regulating the energy sector in Victoria

Highlighting the changes we have made to the energy rules in Victoria.



# Changes to the way customers experience the energy market

We've done a lot of work to better protect energy customers. What new rights and entitlements do energy customers have, and when will new entitlements start?



## I'm looking for a new energy deal

### From 1 July 2019, you'll get:

**A tailored estimate of cost on the offer, and alternative offers.** If you're speaking to your existing retailer, the retailer must use your energy usage data to give you a tailored estimate.

**GST inclusive pricing information.** Any energy price information you receive, whether it's on a bill or in marketing material, must include GST.

### We are also proposing the following changes:

**Recommending a Victorian Default Offer,** an electricity offer that will be available to residential and small business electricity customers (subject to legislation).

**Standardised energy fact sheets** for any energy product offered by a retailer:

- They will look the same and energy products will be comparable.
- Retailers must reference them in marketing material like TV ads and social media.



## I already have an energy retailer

**New entitlements to assistance.** Since 1 January 2019, customers experiencing difficulty paying their energy bills will get more help from their retailer.

**Higher debt thresholds.** Since 1 July 2018, a retailer cannot disconnect you unless you owe \$300 or more on your energy bills.

### From 1 July 2019, you'll get:

**Information about your retailer's best energy offer for you.** Every energy bill you receive from your retailer must now include their 'best offer' for your circumstances.

**Advance notice of any price changes.** Your retailer must tell you your prices will change ahead of time and advise on the 'best offer' for you.

### We are also proposing the following changes:

**Ability to avoid bill shock from estimated bills.** You will be able to provide a self-read of your energy meter to retailers. You will be able to provide your own estimate to have your energy bill adjusted.



### I live in an embedded network or own solar panels

Energy customers who live in an embedded network or own solar panels are also seeing changes:

**New customer protections cover people who live in an embedded/private network.** From 1 January 2019, people in apartment complexes, retirement homes, or caravan parks have better protections including clear information on their bills and access to help if they're having trouble paying a bill.

**Single or flexible feed-in tariff rates.** Since 1 July 2018, retailers have had the ability to offer customers exporting electricity into the grid one or both of these tariffs.



### Other changes that aim to help energy customers

We continue to work on more changes to help energy customers:

**New voltage limits to support bushfire prevention technology.** In August 2018, we introduced regulatory changes that aim to reduce bushfire risks associated with powerline failures by supporting the use of Rapid Earth Fault Current Limiter (REFCL) technology.

**Support for customers experiencing family violence.** We're changing the energy rules to better support customers who may be struggling to manage their energy bills due to family violence. A draft decision on the changes is due March 2019.

**Improved electricity connection processes for property developments.** In September 2018, we took steps to ensure that new property developments receive timely electricity connections. We are working with industry throughout 2019 to support the improvements to the system.

**Review of the electricity distribution rules to promote stability and innovation.** In December 2018, we commenced our review of the rules that electricity distribution businesses must follow. We will continue reviewing these rules in 2019.



## What changes have we made to the energy rules?

We regularly review the Victorian energy rules to promote the long-term interests of Victorian consumers. In 2017–18, we made several changes to the energy rules that affect the way in which customers experience the energy market.

The changes that we made or took effect during the year include:

- Retailers to provide information on bill updates and better offers.
- A higher debt threshold for disconnection.
- Retailers can offer a single or time-varying feed-in tariff.
- New voltage limits to support bushfire prevention technology.
- Help for customers facing payment difficulties.
- Protections for private electricity network customers.

We are also progressing other work including:

- Development of new rules to support customers experiencing family violence.
- A review of the electricity distribution rules to promote stability and innovation.
- Improving electricity connection processes.
- Amending the feed-in tariff rate.
- Creating energy fact sheets to help customers compare plan information.
- Helping customers avoid bill shock from estimated bills.
- Setting a methodology for a Victorian Default Offer.

### New energy rules coming into effect

#### Assisting customers to participate confidently in the Victorian energy retail market

In 2017, an independent review into the electricity and gas retail markets in Victoria found that the full benefits of competition in the energy sector have not eventuated and that some consumers were paying more for the same service.

The government requested that we implement recommendations arising from the review. As a result, we have made changes to keep consumers better informed about what they're paying and what they might be paying if their retailer put them on a better deal.

The new energy rules mean that retailers must:

- tell customers on their bill whether they are on the 'best offer' and how much they could save by switching
- provide clear advice before a customer signs a new energy deal to help them navigate to a product that best suits their circumstances
- notify customers at least five days prior to price or benefit changes that will affect the customer's bill – including a message about their 'best offer' for the customer
- present all prices with GST included to make it easier to compare offers between retailers.

The new rules come into effect on **1 July 2019**.

### New energy rules now in effect

#### A higher debt threshold for disconnections

Retailers can only disconnect you for non-payment of your bill if you owe \$300 (including GST) or more. Previously the threshold for disconnection was \$132 (including GST).

The new rules came into effect on **1 July 2018**.

#### Renewable customers receive a single or time-varying feed-in tariff

We set the minimum rate that customers receive for the electricity they export from their renewable energy systems, such as rooftop solar panels.

For 2018–19, customers receive a minimum single rate feed-in tariff of 9.9 c/kWh for any electricity they export to the grid.

Retailers can offer rates above the minimum rate. They can also offer a feed-in tariff that varies



depending on the time of day the electricity is exported.

The new rules came into effect on **1 July 2018**.

### **New voltage limits to support bushfire prevention technology**

In response to the recommendations of the Bushfires Royal Commission, the Victorian Government now requires electricity distributors to install special bushfire mitigation equipment known as rapid earth fault current limiters. This type of equipment is being installed on parts of the network in areas of high bushfire risk with high voltage powerlines.

We reviewed and modified the voltage technical limits to support the compliant operation of this bushfire mitigation equipment in Victoria.

The new rules came into effect on **20 August 2018**.

### **Help for customers facing payment difficulties**

Following an inquiry into the experiences of customers in hardship, we worked closely with the energy industry and consumer advocates to implement new rules that ensure customers receive meaningful assistance so that disconnection is only ever a last resort.

Residential customers are now entitled to earlier and more comprehensive forms of assistance to help pay their bills and manage energy costs.

The new rules came into effect on **1 January 2019**.

### **Protections for private energy network customers**

If you live in an apartment complex, retirement home, caravan park, or you are a tenant in a shopping centre, you may receive your electricity via a private electricity network (also known as an embedded network).

Embedded network electricity customers now receive similar protections to other Victorian electricity customers such as:

- billing requirements, including contents and information on bills, basis for bills, frequency of

bills, payment methods, undercharging and overcharging, additional retail charges and merchant fees

- payment difficulties assistance and payment plan options
- disconnection, reconnection and life support requirements.

Since 1 July 2018, customers have been able to access free and independent dispute resolution via the Energy and Water Ombudsman (Victoria).

Persons exempt from the requirement to hold a licence for selling or supplying electricity may also be required to register with the commission. We publish their contact details on a public register so you can find the contact details of your electricity supplier.<sup>1</sup>

In 2017–18, we registered 1,277 businesses that are exempt from holding a licence.

The new rules came into effect on **1 January 2019**.

## **Changes in progress**

### **Standardised energy fact sheets to help customers compare energy plans**

In implementing the recommendations arising out of the 2017 independent review into electricity and gas retail markets in Victoria, we also propose to develop a new standardised energy fact sheet with basic information about available energy plans. This will allow customers to easily compare retailers' energy plans.

The fact sheet will show expected average yearly costs of an energy plan for a number of typical customer households. Customers will be provided with the new fact sheet at critical points in their decision-making process and it will also be referenced in marketing material.

We are currently consulting on this proposal, with the anticipated commencement date of 1 July 2019.

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<sup>1</sup>The public register can be found on our website: <http://www.esc.vic.gov.au/energy-licence-exemptions>



### Developing a methodology to recommend a price for the Victorian Default Offer

We are currently developing a methodology for determining the price of the Victorian Default Offer (VDO) to apply from 1 July 2019 (subject to legislation).

The VDO will be an electricity offer with a set price that is available to residential and small business customers. The VDO is intended to be a 'simple, trusted and reasonably priced electricity option' for Victorian customers. We are consulting on our proposed methodology and anticipate releasing our final report in early May 2019.

### Helping customers avoid bill shock from estimated bills

We have proposed new rules that make it easier for customers to provide their retailer with a meter read when they receive an estimated bill. This will allow customers to have their bill adjusted based on their own meter-read to help avoid bill shock from high estimated bills.

We are currently consulting on our proposal, with the anticipated commencement date of 1 July 2019.

### Support for customers experiencing family violence

We are changing the energy rules to better support customers who may be struggling to manage their personal and financial security due to family violence.

We have been working closely with retailers, the community sector, family violence specialists and other service sectors to complete this work in 2018–19. We anticipate releasing a draft decision in March 2019.

### Review of electricity distribution rules to promote stability and innovation

In Victoria, there are rules electricity distribution businesses must follow. This includes rules for distributors on:

- notifying customers of planned electricity outages

- payments to customers if they have experienced interruptions to their electricity supply
- protections for customers using life support equipment
- other technical standards related to the operation of the network.

We commenced our review of the electricity distribution rules with a forum in December 2018. This involved consumer groups, distributors, retailers and other network users.

### Improved electricity connection processes

In September 2018, we took steps to ensure that new property developments receive timely electrical connections. We consulted extensively with electricity distributors and property developers across the state. Since September 2018, we have been:

- supporting a commitment from electricity distributors to improve response times, clarify expectations around connections processes and improve their communication with the development industry
- chairing a committee to monitor the performance of the electricity network and the property development sector in relation to connections
- establishing a new feedback register where stakeholders can raise concerns.

### New minimum feed-in tariff rates for 2019–2020

We set the minimum rate that customers receive for the electricity they export from their renewable energy systems, such as rooftop solar panels.

Retailers can offer rates above the minimum rate that we set. Retailers can offer a feed-in tariff that varies depending on the time of day the electricity is exported.

We have proposed a new single and time-varying minimum feed-in tariff rate for 2019–2020. After consulting on this proposal, we will release a final decision in February that will apply in Victoria from 1 July 2019.

A background image showing a business meeting. In the foreground, a person's hand is pointing at a bar chart on a document. In the background, another person is typing on a laptop. The scene is brightly lit, suggesting an office environment.

# Performance of energy businesses

An explanation of how well Victorian energy retailers and distributors have performed against a range of measures.



## Which retailers had the greatest changes in customer numbers in 2017–18?

### Residential customers – Small and medium retailers have increased their market share

In 2017–18, Simply Energy gained 41,278 residential energy customers. This was the largest gain of all retailers. Momentum Energy, Red Energy and Alinta Energy also had large increases with each acquiring around 23,000 new residential energy customers.

Tango and Sumo, who are both small retailers, each gained more than 10,000 residential electricity customers. Simply Energy, Red Energy and Momentum Energy each acquired more than 10,000 residential gas customers.

Origin Energy had the most residential energy customers leave in 2017–18, with 29,802 residential energy customers changing retailers (13,788 electricity and 16,014 gas customers).

Small and medium retailers gained one per cent of the residential electricity and gas market share at the expense of large retailers.

Figure 3.1 Market share residential electricity customers, by retailer average across 2017-18

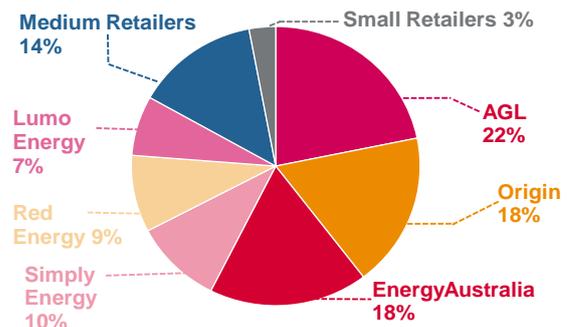
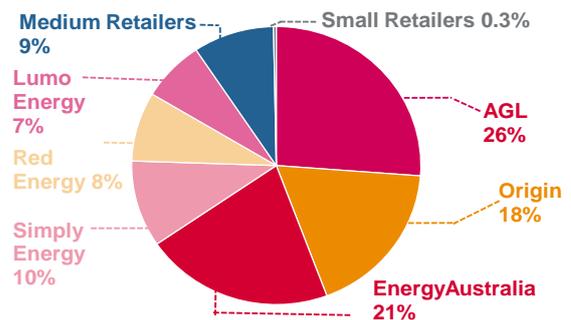


Figure 3.2 Market share residential gas customers, by retailer average across 2017-18



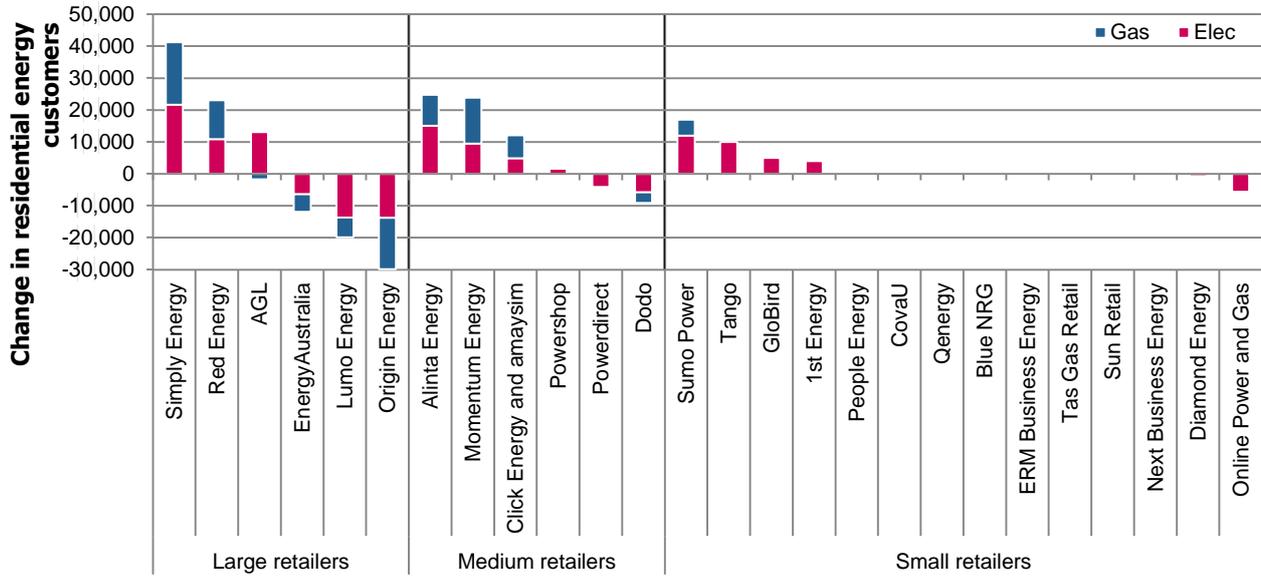
### Electricity switching rates in 2017-18

According to data from the Australian Energy Market Operator, 27 per cent of Victorian residential and small business electricity customers switched retailers during the year.





Figure 3.3 Change in residential energy customers, ranked by retailer (by size) average across 2017-18





**Table 3.1 Change in energy residential customers, ranked by retailer (by size) average across 2016-17 and 2017-18**

	Retailer	Electricity (residential)				Gas (residential)			
		2016-17	2017-18	change in customer numbers	% change from previous	2016-17	2017-18	change in customer numbers	% change from previous
Large retailers	Simply Energy	218,420	240,087	21,667	10%	178,159	197,770	19,611	11%
	Red Energy	221,483	232,396	10,913	5%	147,972	160,092	12,121	8%
	AGL	537,819	550,904	13,086	2%	516,570	514,851	-1,719	0%
	EnergyAustralia	461,761	455,419	-6,342	-1%	409,406	403,839	-5,567	-1%
	Lumo Energy	181,033	167,353	-13,680	-8%	150,067	143,921	-6,147	-4%
	Origin Energy	470,254	456,467	-13,787	-3%	367,990	351,975	-16,014	-4%
Medium retailers	Alinta Energy	74,362	89,412	15,050	20%	43,392	53,066	9,673	22%
	Momentum Energy	69,933	79,464	9,530	14%	40,018	54,324	14,306	36%
	Click Energy and amaysim	34,375	39,297	4,922	11%	21,076	28,278	7,201	32%
	Powershop	55,794	57,471	1,677	3%	0	48	48	
	Powerdirect	36,643	32,588	-4,055	-11%	0	0	0	
	Dodo	52,585	46,832	-5,753	-11%	42,365	39,065	-3,300	-8%
Small retailers	Sumo	15,764	27,721	11,957	76%	0	5,039	5,039	
	Tango	1,506	11,547	10,041	667%	0	0	0	
	GloBird	7,750	12,795	5,046	65%	0	0	0	
	1st Energy	2,360	6,400	4,040	171%	0	0	0	
	People Energy	8,952	9,158	206	2%	0	0	0	
	CovaU	229	281	53	23%	143	247	104	72%
	QEnergy	757	857	100	13%	0	0	0	
	Blue NRG	71	71	0	0%	0	0	0	
	ERM Business Energy	0	0	0		0	0	0	
	Tas Gas Retail	0	0	0		1	89	+88	890%
	Sun Retail	3	1	-2	-64%	0	0	0	
	Next Business Energy	191	156	-35	-18%	0	0	0	
	Diamond Energy	4,667	3,941	-726	-16%	0	0	0	
Online Power and Gas	5,556	0	-5,556	-100%	0	0	0		
<b>TOTAL</b>	<b>2,462,268</b>	<b>2,520,620</b>	<b>+58,352</b>		<b>1,917,159</b>	<b>1,952,604</b>	<b>+35,445</b>		

The average residential customer is calculated from the numbers of residential customers with each retailer as at the last day of each calendar month. Figures may not add up precisely due to rounding.



### Small business customers – Large retailers have increased their market share

AGL gained the most small business customers in 2017–18, with 10,558 small business energy customers signing up to the retailer.

Seven retailers gained more than 500 small business electricity customers. These were AGL, EnergyAustralia, Click Energy and amaysim, Alinta Energy, Sumo, 1st Energy and Tango. Origin Energy gained the most small business gas customers, with 945 new gas customers.

Simply Energy had the most small business electricity and gas customers leave in 2017–18, with 4,235 small business energy customers changing retailers (3,011 electricity and 1,224 gas), as shown in figure 3.6.

For electricity, large retailers gained around two per cent of the market share at the expense of small retailers. For gas, medium retailers gained one per cent of the market share at the expense of large retailers.

Figure 3.4 Market share small business electricity customers, by retailer average across 2017-18

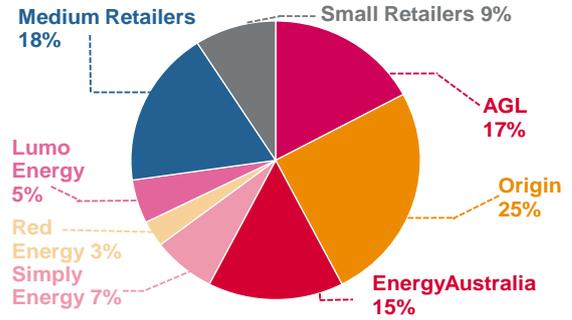


Figure 3.5 Market share small business gas customers, by retailer average across 2017-18

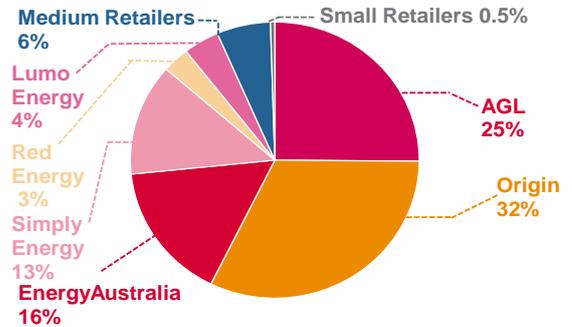
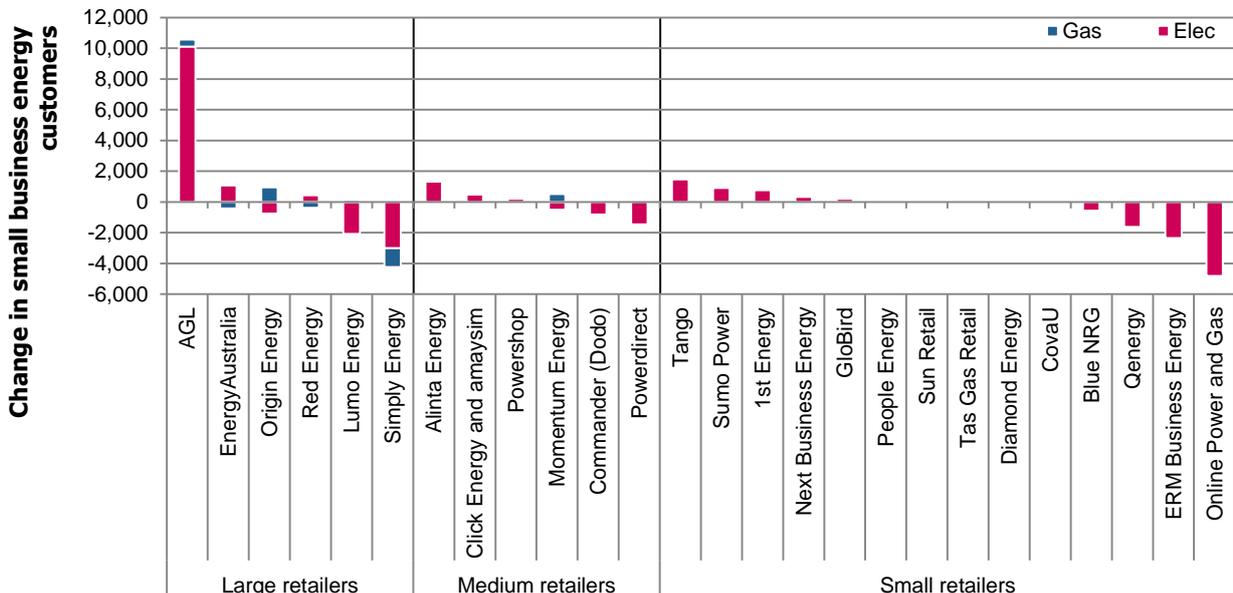


Figure 3.6 Change in small business energy customers, ranked by retailer (by size) average across 2017-18





**Table 3.2 Change in energy small business customers, ranked by retailer (by size) average across 2016-17 and 2017-18**

Size	Retailer	Electricity (small business)				Gas (small business)			
		2016-17	2017-18	change in customer numbers	% change from previous	2016-17	2017-18	change in customer numbers	% change from previous
Large retailers	AGL	38,396	48,493	10,097	26%	16,002	16,463	461	3%
	EnergyAustralia	41,822	42,900	1,078	3%	10,861	10,438	-423	-4%
	Origin Energy	71,381	70,630	-751	-1%	20,097	21,042	945	5%
	Red Energy	7,638	8,064	426	6%	2,638	2,256	-382	-14%
	Lumo Energy	17,004	14,920	-2,085	-12%	2,689	2,833	144	5%
	Simply Energy	23,506	20,495	-3,011	-13%	9,582	8,358	-1,224	-13%
Medium retailers	Alinta Energy	967	2,300	1,334	138%	4	20	16	424%
	Click Energy and amaysim	894	1,377	482	54%	154	256	102	66%
	Powershop	3,497	3,690	194	6%	0	0	0	
	Momentum Energy	30,004	29,494	-510	-2%	3,237	3,736	500	15%
	Commander (Dodo)	2,698	1,880	-818	-30%	0	0	0	
	Powerdirect	12,108	10,654	-1,454	-12%	0	0	0	
Small retailers	Tango	439	1,891	1,452	331%	0	0	0	
	Sumo	1,355	2,263	908	67%	0	0	0	
	1st Energy	564	1,321	757	134%	0	0	0	
	Next Business	1,559	1,872	313	20%	0	0	0	
	GloBird Energy	830	1,018	188	23%	0	0	0	
	People Energy	334	388	55	16%	0	0	0	
	Sun Retail	16	17	1	5%	0	0	0	
	Diamond Energy	207	177	-30	-15%	0	0	0	
	CovaU	424	401	-23	-5%	326	315	-12	-4%
	Blue NRG	8,114	7,538	-576	-7%	0	0	0	
	QEnergy	3,610	1,974	-1,636	-45%	0	0	0	
	ERM Business Energy	7,987	5,639	-2,348	-29%	0	0	0	
	Tas Gas Retail	0	0	0		0	1	+1	
	Stanwell Corporation	0	1	+1		0	0		
EnergyAustralia Yallourn	0	91	+91		0	0			
Online Power and Gas	4,810	0	-4,810	-100%	0	0	0		
<b>TOTAL</b>		<b>280,163</b>	<b>279,487</b>	<b>-695</b>		<b>65,589</b>	<b>65,716</b>	<b>+127</b>	

The average small business customer is calculated from the numbers of residential customers with each retailer as at the last day of each calendar month. Figures may not add up precisely due to rounding.



## How well did my retailer provide customer service?

If you have a question about your energy bill or service, you might contact your retailer. How retailers respond to your query is important as good customer service helps customers manage their bills and resolve complaints.

The quality of the customer service provided also influences a customer’s ability to seek a better deal and is often considered when customers think about signing a new contract or switching retailers.

### Complaints to retailers

Retailers are required to keep records of customer complaints. Customers complain to retailers for various reasons, such as:

- billing complaints, which could be about overcharging or mistakes on bills
- marketing complaints, which could be about particular sales techniques by retailers
- customer transfer complaints, which could be related to failing to transfer a customer to another retailer within a certain time
- other complaints, which could be about poor customer service.

Victorian residential energy customers made 116,623 complaints to retailers in 2017–18. This is an increase of three per cent from the previous year. In 2017–18, there was an average of 2.9 and 2.2 complaints for every one hundred residential customers for electricity and gas, respectively. This was the same in 2016–17 (see figure 3.8).

Similar to the previous year, 50 per cent of energy customer complaints to retailers were about billing issues. There was a decrease in complaints about marketing, but a slight increase in other types of complaints (see figure 3.7).

Simply Energy continues to have the highest number of reported complaints with 6.37 complaints per hundred electricity customers, and

6.69 per hundred gas customers. This is double the Victorian average for 2017–18 (see figures 3.9 and 3.10).

For electricity, Tango and Red Energy had a significant increase in customer complaints during 2017–18, with 218 per cent and 115 per cent increases, respectively (shown in figure 3.9). In contrast, Powerdirect had the greatest reduction in its complaints per hundred customers, reduced by 56 per cent.

For gas, Red Energy and Momentum Energy had a significant increase in customer complaints during 2017–18, with 100 per cent and 86 per cent increases, respectively (shown in figure 3.10). In contrast, EnergyAustralia had the greatest decrease in its complaints per hundred customers, with a reduction of 41 per cent.

Figure 3.7 Residential complaints (electricity and gas) to retailers, by type

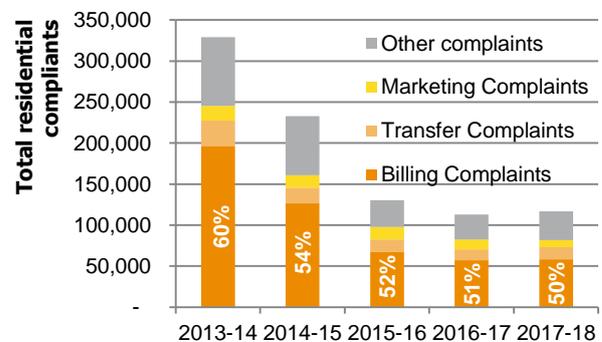


Figure 3.8 Residential complaints (electricity and gas) to retailers per 100 customers

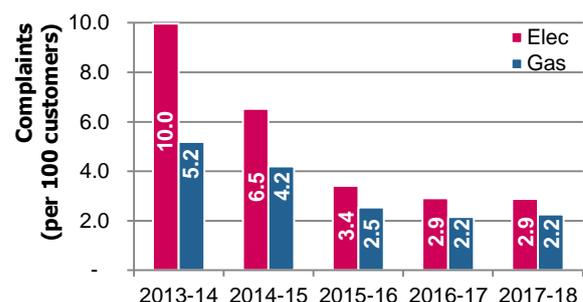




Figure 3.9 Residential complaints to retailers per 100 electricity customers

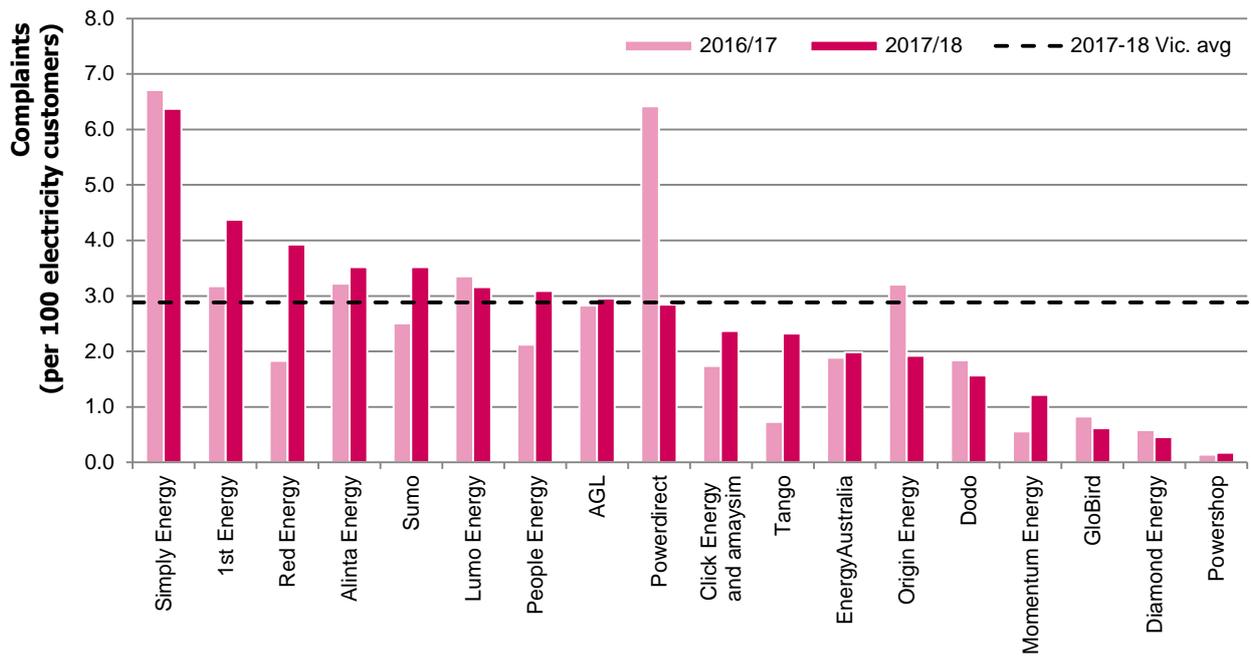


Figure includes only retailers with at least 1,000 residential electricity customers. QEnergy (16.6), Next Business Energy (0.6) and CovaU (9.6) were excluded.

Figure 3.10 Residential complaints to retailers per 100 gas customers

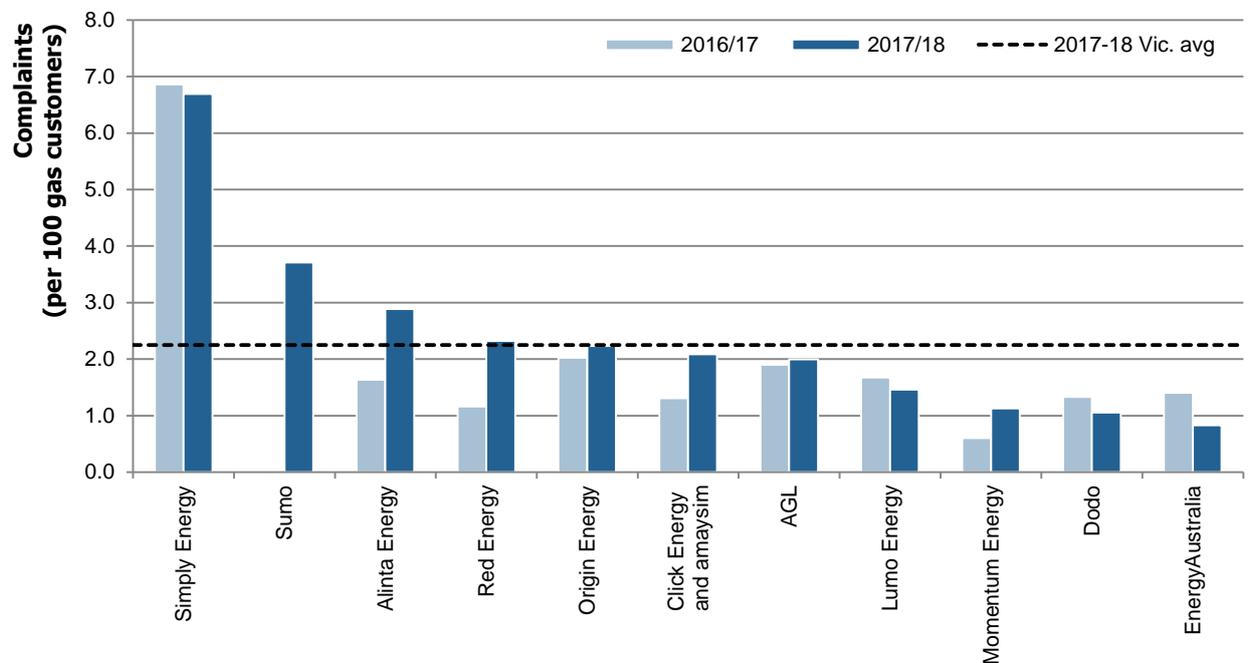


Figure includes only retailers with at least 1,000 residential gas customers. Tas Gas Retail (13.4), Powershop (0.0) and CovaU (4.4) were excluded.



### Increase in calls to retailers in 2017–18

In 2017–18, retailers received an average of 21 calls per hundred electricity customers each month (excluding sales enquiries). This was around a seven per cent increase in total calls from the previous year, as shown in figure 3.11.

### Customers waited twice as long for their calls to be answered

Although the number of calls forwarded to an operator was similar to the previous year in total, the speed with which these calls were answered declined. For 2017–18, customers waited on average 88 seconds for their calls to be answered. This is nearly double the waiting times in 2016–17, as shown in figure 3.12.

Sumo customers waited the longest time when calling their retailer, waiting over nine minutes (561 seconds) before speaking to an operator. Twelve retailers had an average wait time of over 30 seconds. The retailer with the lowest wait time was Tango, with customers waiting 11 seconds on average.

Figure 3.11 Number of calls per 100 electricity customers, by retailer

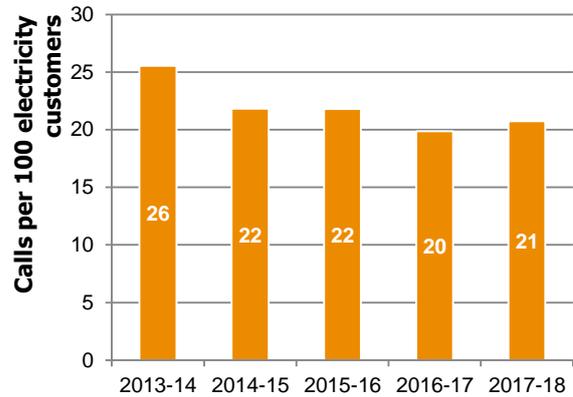


Figure 3.12 Average customer call wait times in Victoria

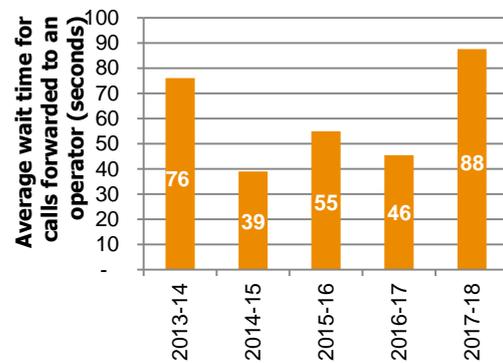


Figure 3.13 Customer call wait times, by retailer

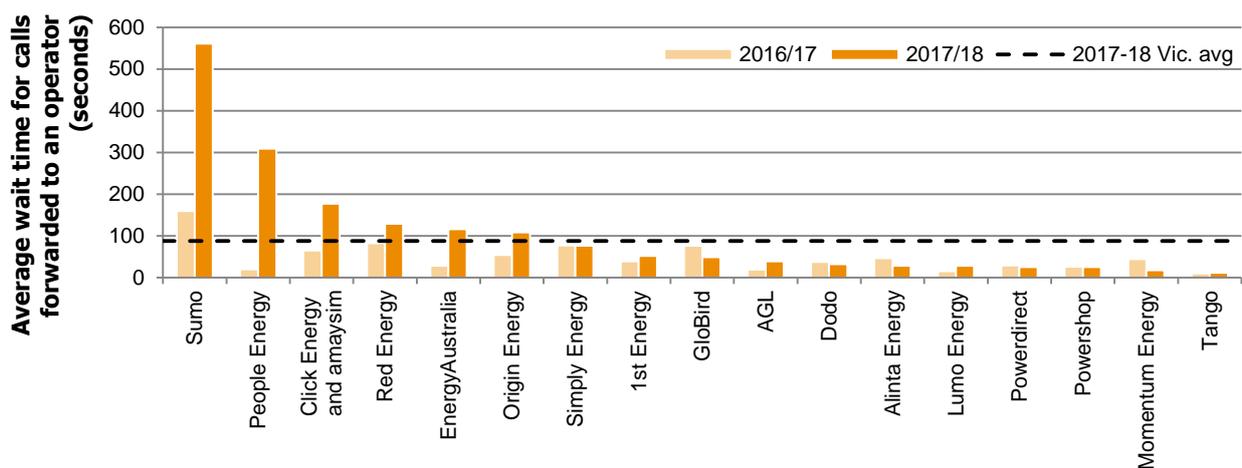


Figure includes only retailers with at least 1,000 residential electricity customers. Tas Gas Retail (62 seconds), ERM business Energy (21 seconds), Next Business Energy (15 seconds), Blue NRG (12 seconds), CovaU (11 seconds) and QEnergy (3 seconds) were excluded.



### Where should I go if I still have concerns or complaints with my energy retailer?

If you have a question about your service, for example, about your energy bill, first contact your retailer.

If you cannot resolve the issue with your retailer, you can contact the Energy and Water Ombudsman Victoria (EWOV) on 1800 500 509. EWOV is an independent and free dispute resolution service. It will only consider an investigation if you have already tried to resolve your complaint with your retailer.

### Cases and investigations carried out by the Energy and Water Ombudsman (Victoria)

In 2017–18, EWOV received 26,946 cases related to electricity and gas retailers. EWOV also carried out 4,805 investigations related to disputes involving retail electricity and gas customers. This was slightly up on the previous year with 25,257 cases and 4,273 investigations in 2016-17. The rate of investigations carried out by EWOV varied greatly by retailer, ranging between 0.03 to 0.84 investigations per 100 energy customers, as shown in figure 3.14.

Click Energy and amaysim had the highest rates of investigations for large and medium retailers, at 0.39 investigations per every 100 energy customers respectively – over five times higher than last year. 1st Energy, a small retailer, had the highest rate of investigations at 0.84.

Figure 3.14 Total EWOV investigations per 100 residential energy customers

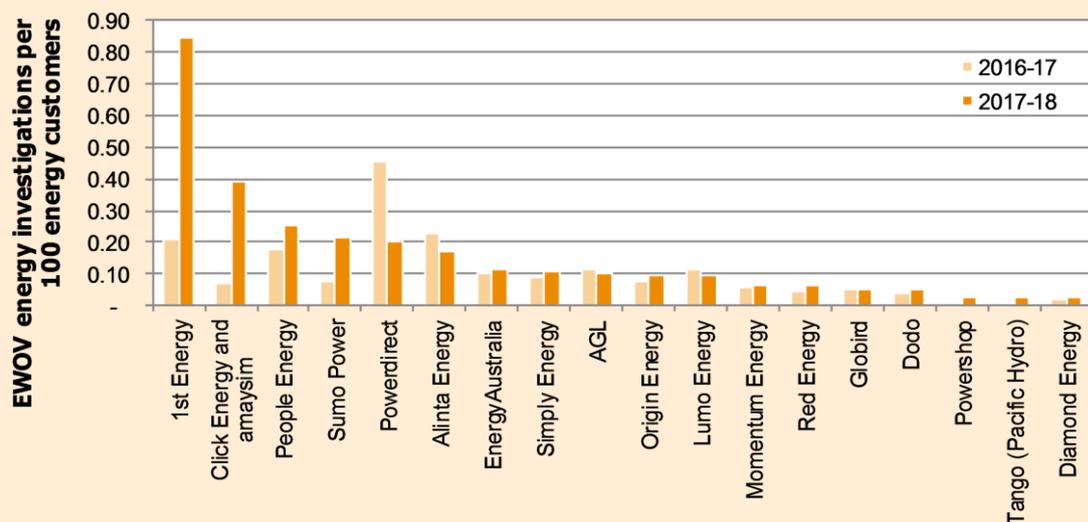


Figure includes only retailers with at least 1,000 residential energy customers in 2017-18. Blue NRG, CovaU, Next Business Energy, Online Power & Gas and QEnergy were excluded. A 'case' refers to all customer contacts with EWOV. Each case is registered as either an enquiry or a complaint. An 'investigation' is opened where an assisted referral does not resolve a customer's complaint.

Source: Energy and Water Ombudsman Victoria, *EWOV 2017 Annual Report*, 2017, pp. 44, 50 and Energy and Water Ombudsman Victoria, *EWOV 2018 Annual Report*, 2018, pp. 50, 56.



# How reliable is the energy delivered by my distributor?

Distributors are responsible for the reliability of your energy supply – they make sure that your energy supply is there when you need it. They also ensure that energy is delivered to you, and that it meets the required quality standards. For example, electricity is delivered without large variations in voltage that could damage electrical equipment.

The gas distribution network is more reliable than the electricity system, mainly because the pipelines are underground and therefore protected from the weather and other interference. This analysis therefore only focuses on electricity distribution.

Your electricity distributor maintains the poles and wires connecting your property to the grid. They are required to notify you in advance if they plan to shut off your supply. However, you may experience unplanned outages from time to time. When this happens you may be eligible for a payment from your distribution network.

## Average number of electricity interruptions have decreased

Distributors submit audited reports on reliability, which is generally measured by:

- counting the number of unplanned interruptions, which is equal to the number of times your supply was interrupted without warning for more than a minute
- calculating how long the unplanned interruptions lasted.

As shown in figures 3.15 and 3.16, the average number and duration of electricity interruptions has declined across all distributors in 2017–18.

Figure 3.15 Average number of unplanned electricity interruptions, per customer

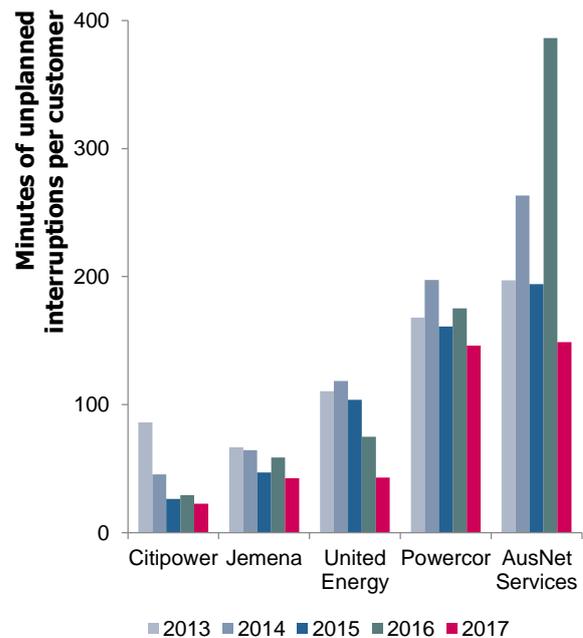
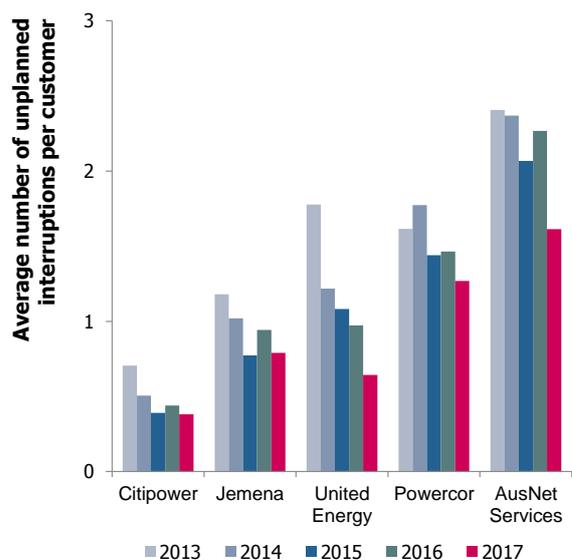


Figure 3.16 Average length of unplanned electricity interruptions, per customer





## Increase in the payments to customers as a result of disrupted electricity supply

We oversee a guaranteed service level scheme that requires distributors to make payments of up to \$300 to individual customers when certain service levels are not met.

These guaranteed service level payments by distributors to electricity customers totalled \$6.45 million in 2017.

In 2018, we were asked by the Minister for Finance to provide advice about delays by electricity distribution businesses in providing connections to new property developments. We undertook an extensive stakeholder engagement program and found that developers had experienced delays in getting their sites connected to the electricity businesses networks.

In September 2018, we provided advice to the Minister with proposed solutions to help deal with delays in energisation for builders.

Table 3.3 outlines the number and type of guaranteed service level payments distributors have made to customers since 2013. This includes delays in connecting supply.



### What should I do if my electricity supply is disrupted?

If you experience an outage, you should contact your distributor. Their contact information can be found on your energy bill. If you are eligible for a guaranteed service level payment, this will be automatically credited to your account each year.

You may be entitled to a payment if:

- you experienced lengthy or repeated gas supply interruptions, or lengthy repeated electricity outages
- your distributor made an appointment with you and is late or does not show up, or
- your distributor fails to supply energy to you on an agreed day (for example, you move to a new property and your distributor does not supply energy to your address on the agreed day).

**Table 3.3 Electricity guaranteed service level payments, by type**

Reasons for payment	2013	2014	2015	2016	2017
Late appointments with customers	1,207	1,138	49	101	45
Delay in connecting supply	590	407	317	1,479	4,982
Repeated or lengthy power outages (low reliability of supply)	67,149	92,052	79,991	135,110	46,913
Faulty streetlights not repaired in time	118	302	211	648	182
<b>Total number of payments made</b>	<b>69,064</b>	<b>93,898</b>	<b>80,568</b>	<b>137,338</b>	<b>52,122</b>
<b>Total payments (\$)</b>	<b>\$6,193,930</b>	<b>\$9,272,677</b>	<b>\$8,192,650</b>	<b>\$22,281,980</b>	<b>\$6,455,490</b>

Distribution results are reported on a calendar year with 2017 data being the most recent audited data available.<sup>2</sup>

<sup>2</sup> The total payments in 2016 were significantly higher due to disrupted electricity supply of customers as a result of heavy storms across Victoria in October 2016.



# Energy retail products and prices

A summary of the energy retail products and prices that were available in the market during 2017-18.



## Which products can I choose from?

In 2017–18, most retailers offered only gas or electricity to residential customers, but 14 retailers offered both. The range of available products can vary significantly.

### Energy offers have different pricing structures

Most energy offers have fixed and variable rates that make up your energy bill. Fixed rates or the 'daily supply charge' are often charged as an amount per day. These rates do not depend on how much energy you use.

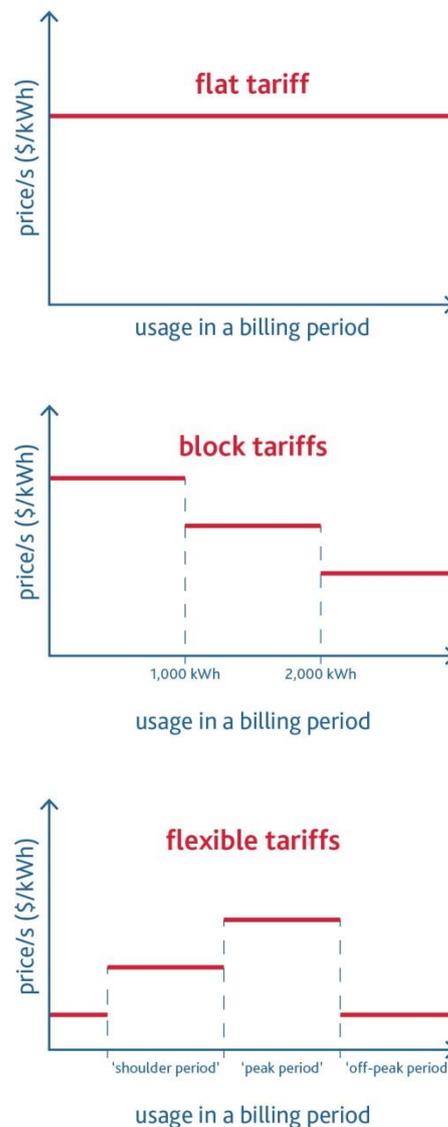
Variable rates are the amount you are charged for each unit of electricity or gas you use. Variable rates are often referred to by retailers as a 'usage charge'. These are usually presented on your bill as a 'cents per kilowatt hour (kWh)' for electricity, and '\$ per GJ' for gas. Variable rates are often structured in three different ways (see figure 4.1):

- **Flat tariffs**, which is a single rate that applies to your energy usage regardless of when you use it. This can apply to gas and electricity offers. Twenty one per cent of generally available electricity market offers are flat tariffs. Seven per cent of gas market offers were flat tariffs.
- **Block tariffs**, have different rates based on how much energy you use, and differ as you consume more energy. For example, for the first 1,000 kWh of electricity you use (the first 'block') you will be charged at a certain rate, but once you use more than this you will be charged a different rate. The rate per block is often cheaper the more energy you use.

For gas offers, block tariffs can be seasonal, meaning you can have different block tariffs depending on the season. The tariffs during winter are usually higher than in summer. The majority of gas market offers for residential customers were block tariffs.

- **Flexible tariffs**, which have different rates based on the time of the day you use electricity. These apply only to electricity offers. Flexible tariffs have peak, off-peak and shoulder time periods where different rates are set. Some flexible tariffs can also have more time periods with corresponding rates.

Figure 4.1 Structures for energy offers





### Most energy offers have discounts

In 2017–18, most of the energy offers available in Victoria had discounts. Most discounted offers required certain conditions to be met, such as:

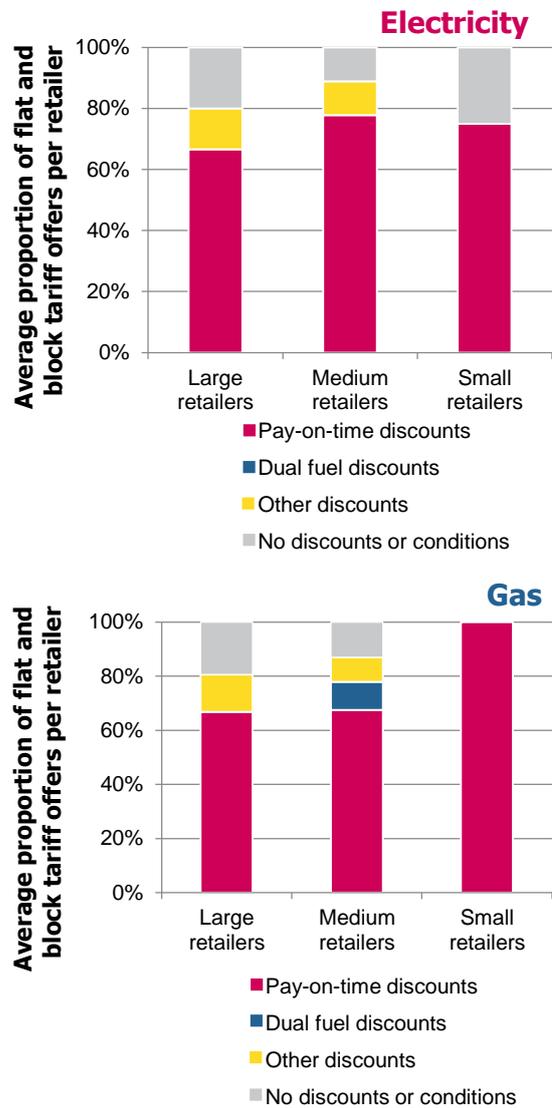
- receiving on-line bills rather than paper bills
- needing to pay your energy bills on-time or
- having both your electricity and gas accounts with the same retailer.

Few energy offers had no conditions for customers to meet before receiving a discount. Therefore, it is important to know what your undiscounted energy price is, in case you do not meet the conditions of your discount.

We reviewed the available flat and block tariff energy offers from Victorian retailers on 30 June 2017, as shown in figure 4.2.

For electricity, we found that on average, 80 per cent of offers from large retailers had discounts. More than two out of three of offers had discounts that were conditional on you paying your bills on-time (a 'pay-on-time' discount). This was a similar breakdown of gas offers available from large retailers. However, all the gas offers from small retailers had pay-on-time discounts.

Figure 4.2 Average proportion of retailer electricity and gas market offers, by discount type (flat and block tariffs only)





## How many customers are on standard contracts?

The number of energy customers on standard contracts with their retailer has been declining.

There is now only half the number of electricity and gas customers on standard contracts compared to five years ago. If you have not changed your retailer in the past, you are likely to have a standard contract.

Only one in 17 electricity customers were on standard contracts with their retailer in 2017–18. There was a total of 145,045 residential customers on standard contracts with their retailer for electricity.

Around one in 14 gas customers were on standard contracts in 2017–18. There were 144,372 residential customers on standard contracts for gas. The vast majority of energy customers who are on standard contracts buy their energy from AGL, EnergyAustralia or Origin Energy (93-94 per cent of standard contract energy customers).

Origin Energy had the most electricity customers on standard contracts, with one in every seven of its electricity customers on these contracts.

Simply Energy, a large retailer with more than 240,000 residential electricity customers, had only one standard contract customer for every 250 of its electricity customers.

Figure 4.4 Share of all standard contracts (electricity)

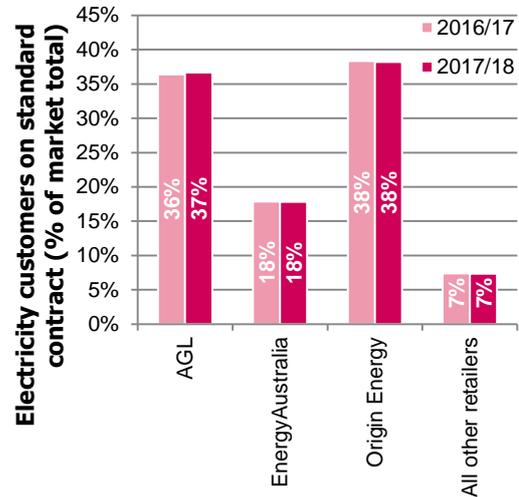


Figure 4.5 Share of all standard contracts (gas)

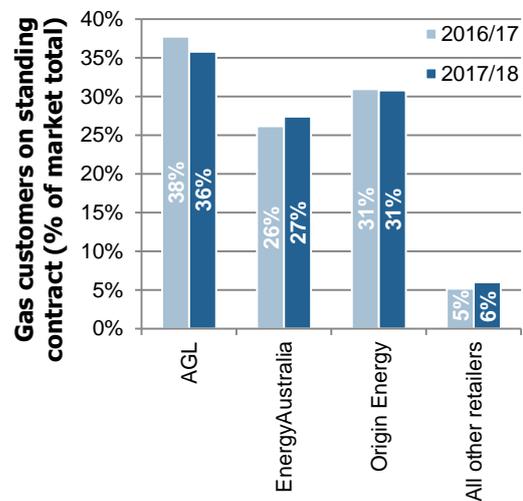
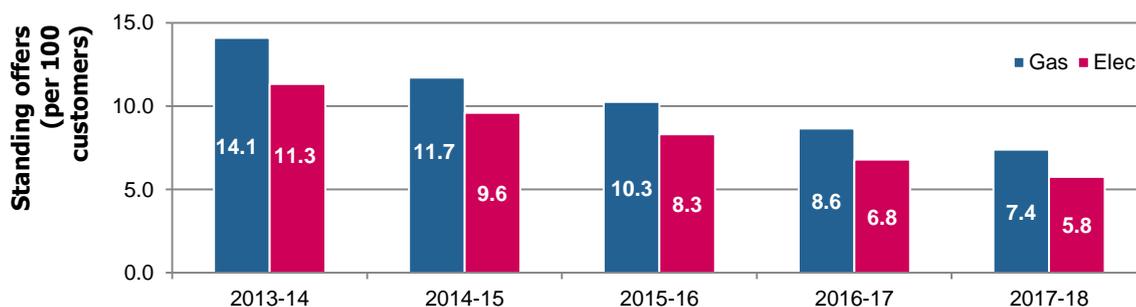


Figure 4.3 Number of residential customers on standard contracts (per hundred customers)



Figures denote the average number of standard contract customers across a given year.



## How have energy prices changed?

We compared electricity and gas offers published by Victorian retailers on the government comparator website. However, this excludes data on offers that are not generally available to the public; for example, when retailers make you a personalised offer over the phone.

We compared standard contract offers, and discounted and undiscounted market offers. The prices of energy offers have changed, depending on the type of offer available.

### Price changes of standard contract offers

We determine the terms and conditions of standard contracts, but we do not set the price. We found that prices in residential standard contracts increased by 16 per cent for electricity and gas on average, respectively (see table 4.1).

For both electricity and gas, this was a larger increase than the year before. Prices increased by 4 and 11 per cent respectively in 2017–19.

For small business, standard contracts increased by 21 and 14 per cent on average for electricity and gas respectively (see table 4.2).

### Price changes of market contract offers

Although we determine some minimum standards for market contracts, most of their terms and conditions are set by the retailer. In many cases, your retailer can change the price of a market contract at any time. If you are on a market contract, you will typically pay less for your energy than if you are on a standard contract – provided you meet the conditions of the contract, such as those with discounts:

- **Discounted market offers** have discounts attached to their prices. These discounts might be applied under certain conditions, such as for paying your bill on time or for agreeing to only be billed electronically.
- **Unconditional market offers** have no discounts attached to their prices.

We found that the average price of residential discounted electricity and gas offers increased by five to six per cent in 2017–18 on average, if all the conditions of these offers were met. If the conditions of the discounts were not met entirely, average prices would increase by approximately 11 to 12 per cent for electricity and gas respectively. Interestingly, the price of unconditional market offers (those without any discounts) decreased by two per cent for electricity, and was unchanged for gas.

For small business, the average price of discounted electricity offers increased by 17 per cent and 20 per cent for gas offers since 2016–17, if all conditions were met. If these conditions were not met, discounted electricity offers were up 18 per cent and up by 22 per cent on average for gas (see table 4.2).

Figure 4.6 Annual energy residential price changes (discounted and standard contract offers)

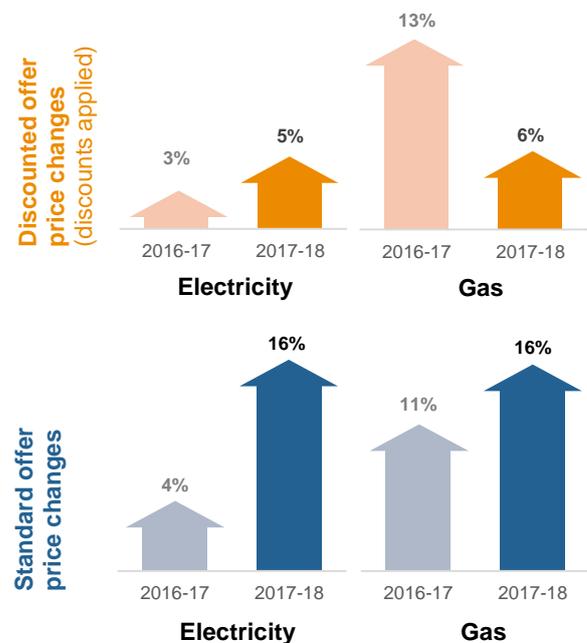




Table 4.1 Average estimated annual residential energy bills since 2014–15

	Electricity				Gas			
	2014-15	2015-16	2016-17	2017-18	2014-15	2015-16	2016-17	2017-18
<b>Standard contracts</b>	\$1,522	\$1,514	\$1,573	\$1,824	\$1,316	\$1,384	\$1,530	\$1,768
(% change from previous year)		↓ 1%	↑ 4%	↑ 16%		↑ 5%	↑ 11%	↑ 16%
<b>Unconditional market contracts</b>	\$1,345	\$1,437	\$1,358	\$1,326	\$1,207	\$1,316	\$1,471	\$1,470
(% change from previous year)		↑ 7%	↓ 5%	↓ 2%		↑ 9%	↑ 12%	0%
<b>Discounted market contracts (with conditions met)</b>	\$1,253	\$1,251	\$1,283	\$1,352	\$1,179	\$1,221	\$1,375	\$1,451
(% change from previous year)		0%	↑ 3%	↑ 5%		↑ 4%	↑ 13%	↑ 6%
<b>Discounted market contracts (without conditions met)</b>	\$1,465	\$1,521	\$1,622	\$1,807	\$1,329	\$1,401	\$1,553	\$1,745
(% change from previous year)		↑ 4%	↑ 7%	↑ 11%		↑ 5%	↑ 11%	↑ 12%

Estimated residential annual bills assume yearly electricity consumption of 4,000 kWh and yearly gas consumption of 54.4 GJ. 2016–17 and 2017–18 prices are based on published flat and multi-flat offers, excluding time-varying rates, controlled loads and standard contracts applying to fewer than 200 customers. Offers are based on those available on 30 June each financial year. Figures include GST.

Table 4.2 Average estimated annual small business energy bills since 2014–15

	Electricity		Gas	
	2016-17	2017-18	2016-17	2017-18
<b>Standard contracts</b>	\$4,390	\$5,306	\$21,826	\$24,836
(% change from previous year)		↑ 21%		↑ 14%
<b>Unconditional market contracts</b>	\$3,599	\$3,579	\$16,947	\$18,361
(% change from previous year)		↓ 1%		↑ 8%
<b>Discounted market contracts (with conditions met)</b>	\$3,224	\$3,756	\$16,968	\$20,281
(% change from previous year)		↑ 17%		↑ 20%
<b>Discounted market contracts (without conditions met)</b>	\$4,272	\$5,050	\$20,421	\$24,883
(% change from previous year)		↑ 18%		↑ 22%

Estimated small business annual bills assume yearly electricity consumption of 12,000 kWh and yearly gas consumption of 500 GJ. 2016–17 and 2017–18 prices are based on published flat and multi-flat offers, excluding time-varying rates, controlled loads. Offers are based on those available on 30 June each financial year. Figures include GST.



## How can I compare energy offers?

Retailers can make a range of energy offers available to Victorian residential and small business customers.

### Comparing electricity offers

We compared the range of electricity offers for residential and small business customers available on 30 June 2018. As an example, we looked at the offers available in north-west metropolitan Melbourne.<sup>3</sup>

In that region, the yearly amount a typical residential customer could pay for electricity ranged from \$1,074 to \$2,158, depending on the retailer market contract, and if conditional discounts were met.

The retailers with the lowest residential electricity market offers were Momentum Energy, GloBird Energy, Powershop, Tango and amaysim, ranging from \$1,074 to \$1,112 (as shown in figure 4.7). However, if the conditions of discounts were not met, People Energy, 1st Energy, and GloBird Energy had the highest market offers with costs ranging from \$2,124 to \$2,158 (as shown in figure 4.9). The potential yearly cost of not meeting the conditions for discounts ranged widely between retailers, but could be as much as \$608 to \$767 for Alinta Energy, GloBird Energy and 1st Energy.

For small business, the range was estimated to be between \$2,876 and \$6,173 depending on the retailer market contract, and if conditional discounts were met. The retailers with the lowest electricity market offers were QEnergy, Tango, AGL and Alinta Energy ranging from \$2,876 to \$3,152 (as shown in figure 4.8). If the conditional discounts were not met, Simply and 1st Energy had the highest market offers, with costs of \$5,980 and \$6,173 respectively.

The potential yearly cost for small businesses if they did not meet conditional discounts also

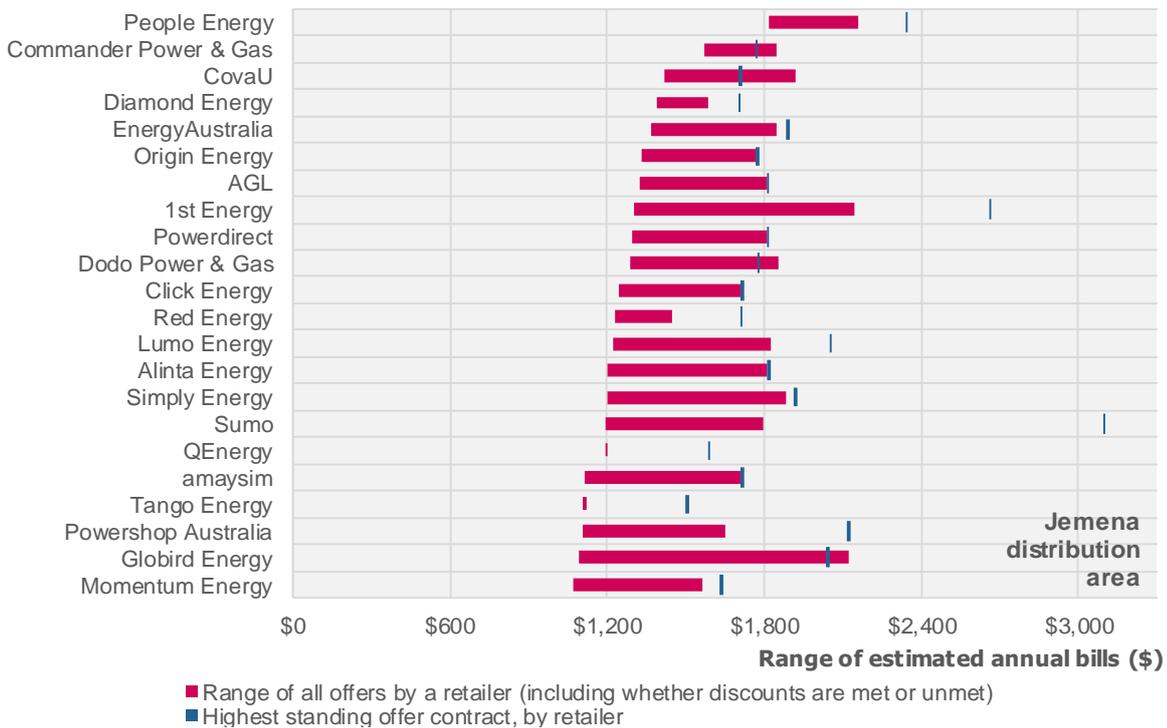
ranged widely between retailers, but could be as much as \$2,093 and \$2,148 for 1st Energy and Simply Energy, respectively.

A comparison of residential and small business electricity offers in all distribution areas of Victoria is found in the Energy retail products and prices appendix to this report.

<sup>3</sup> The Jemena distribution area.

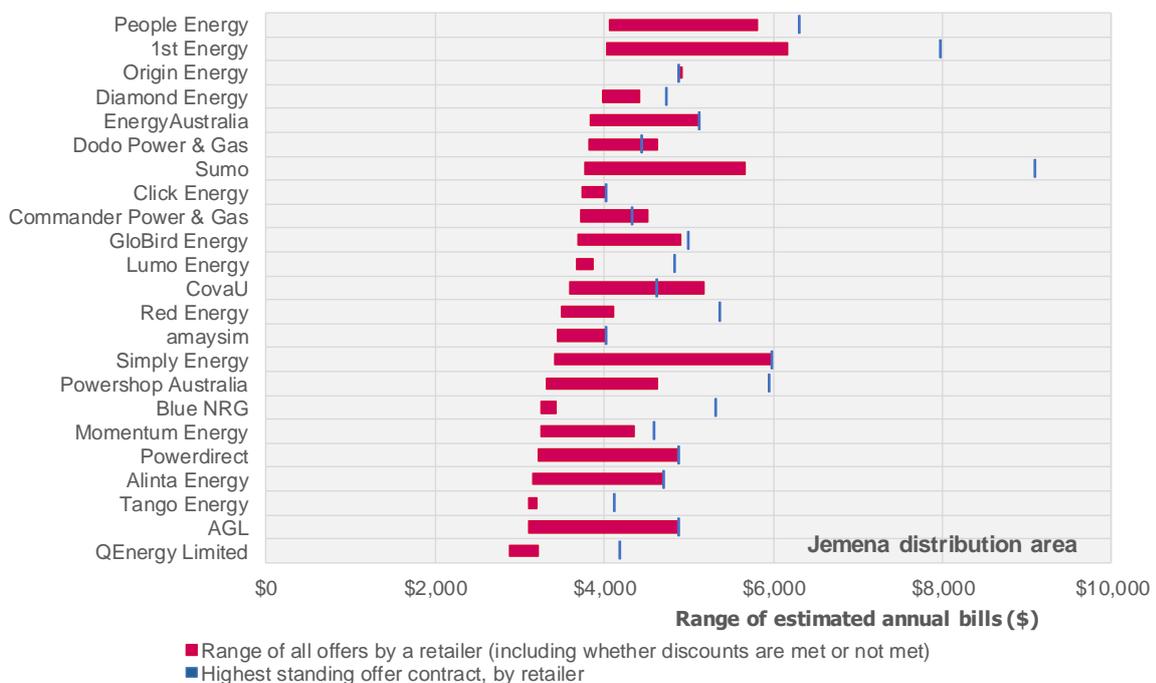


**Figure 4.7** Range of all electricity offers available by a retailer (flat and multi-flat offers only), for a residential customer, in the Jemena distribution area



This figure shows the price range of all the market offers from a retailer (the pink bars) whether the offers are unconditional or have discounts that are met or not met. The blue bar shows the highest standard contract on offer from a retailer.

**Figure 4.8** Range of all electricity offers available by a retailer (flat and multi-flat offers only), for a small business customer, in the Jemena distribution area



This figure shows the price range of all the market offers from a retailer (the pink bars) whether the offers are unconditional or have discounts that are met or not met. The blue bar shows the highest standard contract on offer from a retailer.

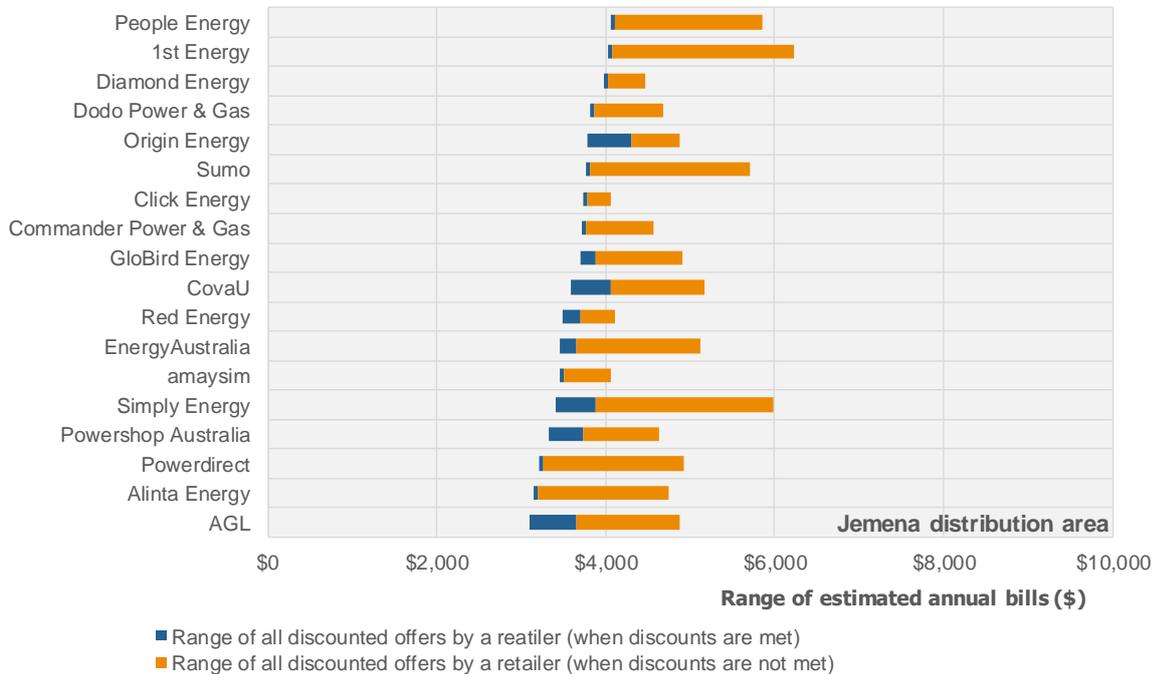


Figure 4.9 Range of all discounted electricity market offers available (flat and multi-flat), for a residential customer, in the Jemena distribution area



This figure shows the price range of only the discounted market offers from a retailer. Retailers who do not offer any discounted market offers are not shown in this figure. The blue bars show the price range of offers when discount conditions are met, and the orange bars show price ranges if discount conditions are not met.

Figure 4.10 Range of all discounted electricity market offers available (flat and multi-flat), for a small business customer, in the Jemena distribution area



This figure shows the price range of only the discounted market offers from a retailer. Retailers who do not offer any discounted market offers are not shown in this figure. The blue bars show the price range of offers when discount conditions are met, and the orange bars show price ranges if discount conditions are not met.



## Comparing gas offers

We also assessed the range of gas offers for residential and small business customers available on 30 June 2018. As an example, we compared the offers available in the central area of Australian Gas Networks' gas distribution area (see figures 4.11 and 4.12).<sup>4</sup>

We estimate that the yearly amount a typical residential customer could pay for gas ranged from \$1,172 to \$2,117, depending on a retailer's market offer, and whether conditional discounts were met.

The retailers with the lowest residential gas market offers were Sumo and EnergyAustralia, ranging from \$1,172 to \$1,192 (as shown in figure 4.11). However, if the conditions of discounts were not met, the retailers with the highest residential market offers were Click Energy and amaysim at \$2,117 (as shown in figure 4.13).

The potential yearly cost of not meeting the conditions for your discount, if you are a typical residential customer, could be as much as \$445 and \$550 for retailers such as Click Energy and amaysim respectively (as shown in figure 4.13). The cost range for small business was estimated to be between \$8,446 and \$37,503 depending on a retailer's market offer (and whether conditional discounts were met), as shown in figure 4.14.

The retailers with the lowest gas market offers were Lumo, AGL and Powershop, ranging from \$8,446 to \$9,186 (see figure 4.14). However, if the conditions of discounts were not met, the retailer with the highest market offer was Simply Energy at \$37,503 (as shown in figure 4.14). The potential yearly cost of not meeting the conditions for your discount, if you are a typical small business customer, could be as much as \$14,218, for example, if you were with Simply Energy (see figure 4.12).

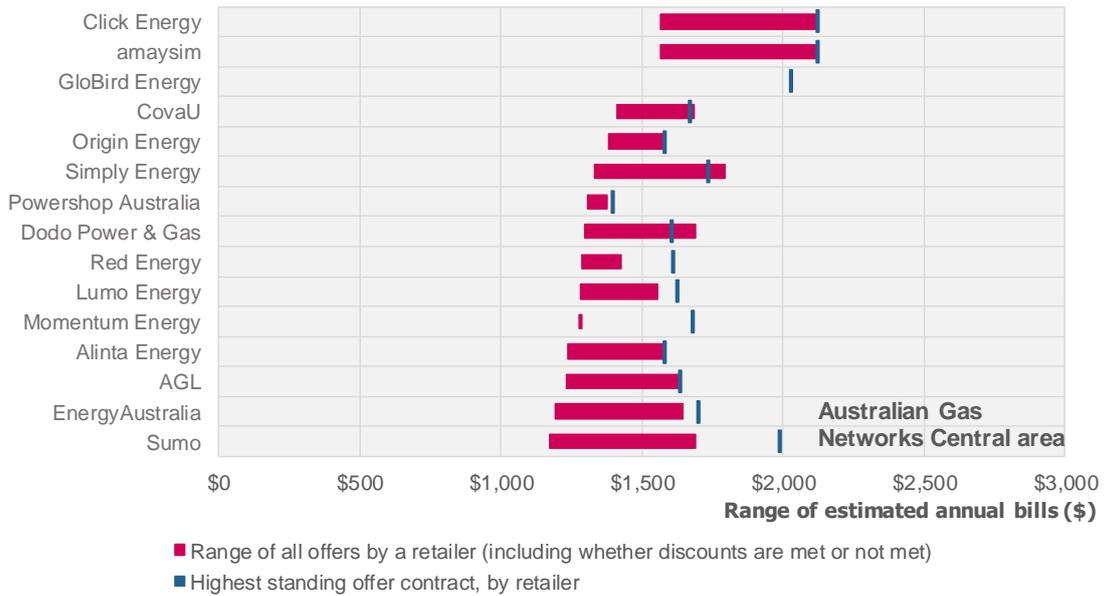
A comparison of residential and small business gas offers in all distribution areas of Victoria is found in the Energy retail products and prices appendix in this report.

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<sup>4</sup> The Australian Gas Network – Central area covers the northern parts of metropolitan Melbourne as well as large parts of eastern Victoria including the Mornington Peninsula.

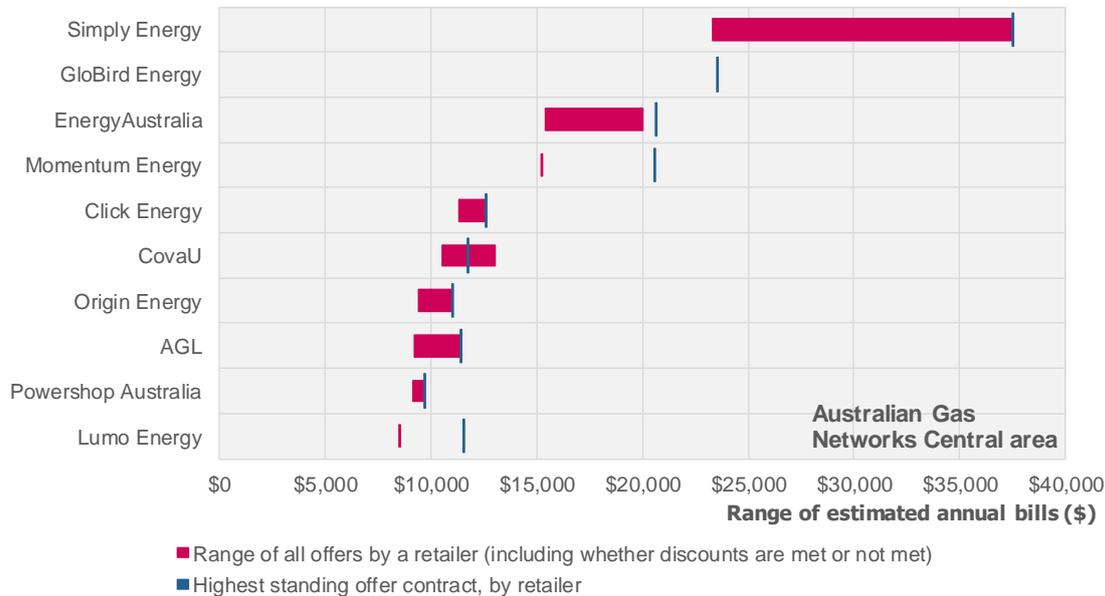


**Figure 4.11** Range of all gas offers available from all retailers, for a residential customer, in the Australian Gas Networks – Central distribution area



This figure shows the price range of all the market offers from a retailer (the pink bars) whether the offers are unconditional or have discounts that are met or not met. The blue bar shows the highest standard contract on offer from a retailer. This figure assumes the yearly electricity consumption of a residential customer is 54.4 GJ. Offers are based on those available on 30 June 2018. Figures include GST.

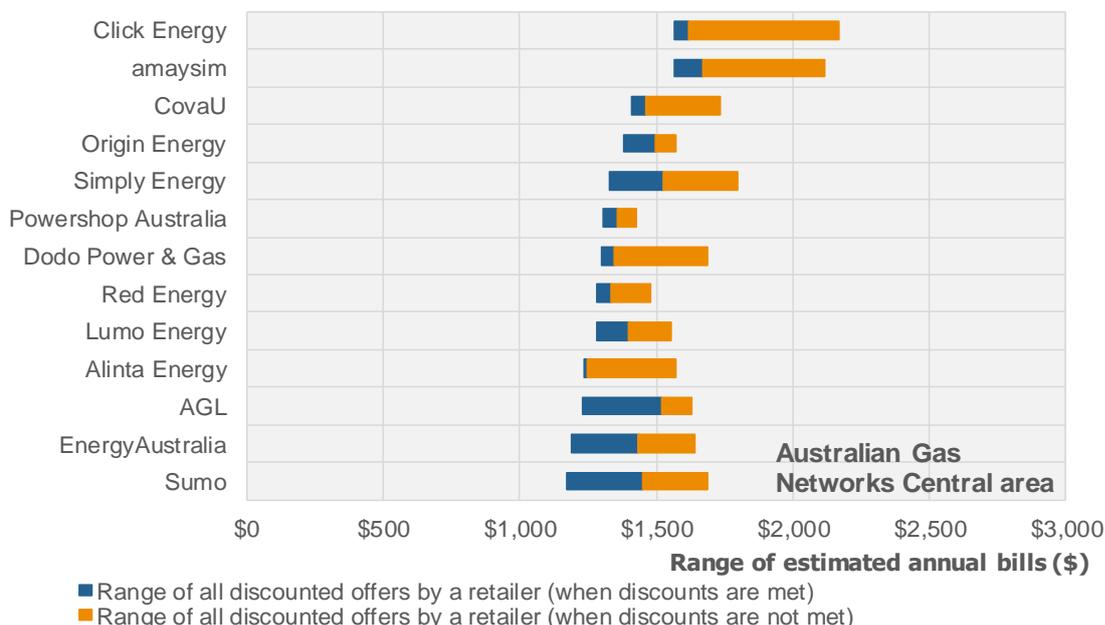
**Figure 4.12** Range of all gas offers available from all retailers, for a small business customer, in the Australian Gas Networks – Central distribution area



This figure shows the price range of all the market offers from a retailer (the pink bars) whether the offers are unconditional or have discounts that are met or not met. The blue bar shows the highest standard contract on offer from a retailer. This figure assumes the yearly electricity consumption of a residential customer is 500 GJ. Offers are based on those available on 30 June 2018. Figures include GST.

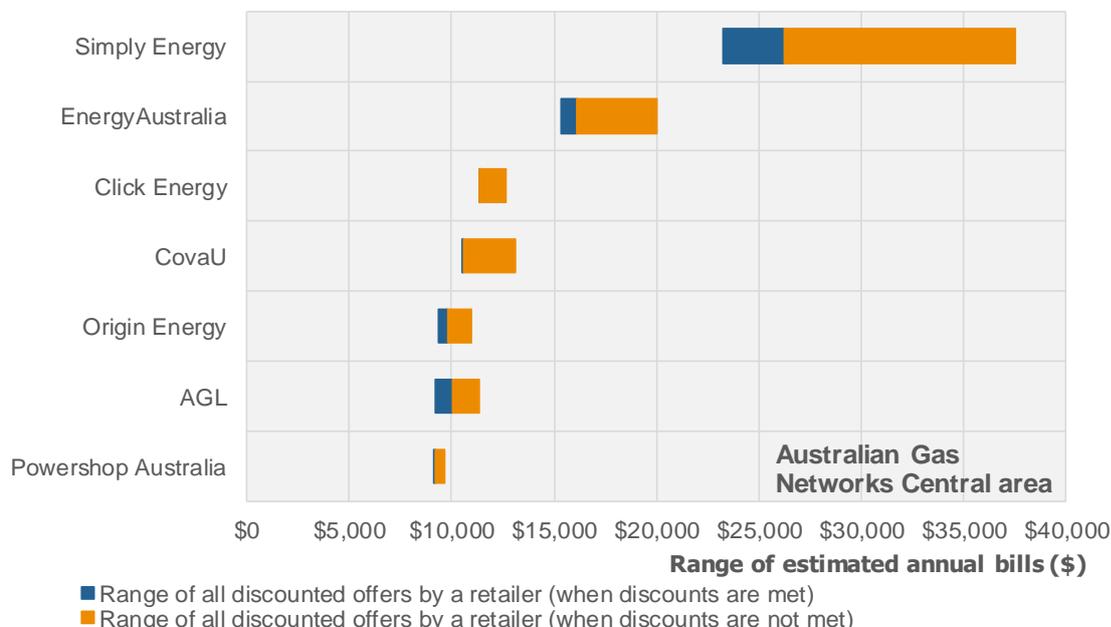


**Figure 4.13** Range of all discounted gas market offers available from all retailers, for a residential customer, in the Australian Gas Networks – Central distribution area



This figure shows the price range of only the discounted market offers from a retailer. Retailers who do not offer any discounted market offers are not shown in this figure. The blue bars show the price range of offers when discount conditions are met, and the orange bars show price ranges if discount conditions are not met. This figure assumes the yearly electricity consumption of a residential customer is 54.4 GJ. Offers are based on those available on 30 June 2018. Figures include GST.

**Figure 4.14** Range of all discounted gas market offers available from all retailers, for a small business customer, in the Australian Gas Networks – Central distribution area



This figure shows the price range of only the discounted market offers from a retailer. Retailers who do not offer any discounted market offers are not shown in this figure. The blue bars show the price range of offers when discount conditions are met, and the orange bars show price ranges if discount conditions are not met. This figure assumes the yearly electricity consumption of a residential customer is 500 GJ. Offers are based on those available on 30 June 2018. Figures include GST.



## Do discounts reduce my bill?

In 2017–18, 80 per cent of the energy market offers available to residential customers included discounts. For small business, discounts were attached to 69 per cent of generally available market offers (flat and block tariff offers only).

The headline discount offered by a retailer will often not be the best indicator of the amount you will eventually end up paying.

Given discounted market offers are the dominant energy product, we analysed the discounted offers generally available in the Victorian energy market on 30 June 2018. We do not currently have any data on how many customers are on these discounted contracts.

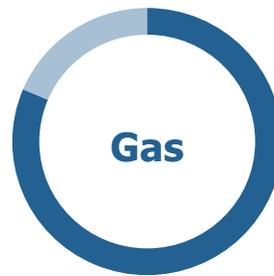
We found that:

- not meeting the conditions of your discount can lead to very high bills – sometimes even higher than the highest standard contract offer in the market
- although discounts can deliver savings to you, a high headline discount does not mean it is the best offer for you (whether it be for electricity or gas) – as another retailer may have an offer with the same or smaller headline discount with a lower annual cost
- the cost of not meeting your discounts is increasing each year, making it more important for you to meet the conditions attached to your discount.

Figure 4.15 Proportion of residential energy contracts with discounts



76% of all market offers in Victoria included discounts

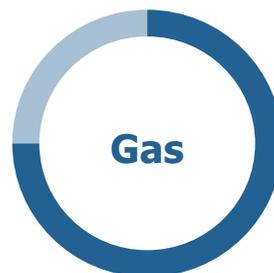


83% of all market offers in Victoria included discounts

Figure 4.16 Proportion of small business energy contracts with discounts



64% of all market offers in Victoria included discounts



75% of all market offers in Victoria included discounts



### Not meeting the conditions of your discounted energy contract?

If you think you might not be able to meet all your retailer's conditions for a discount, you might be better shopping around for an offer where the discount is unconditional.



## Not meeting your discount conditions can be costly

If you are on a discounted offer, you are likely to only receive a discount if you meet certain conditions set by your retailer, like paying your bill on-time or using electronic billing.

Not meeting these conditions can result in a significantly higher energy bill than anticipated. In some cases, your annual bill may end up being higher than the highest standard contract offer in the market.

The following figures group the range of estimated bills into three categories of offers:

- standard contract offers
- unconditional market offers, and
- conditional market offers with discounts offered – we highlight what you might pay with, and without, the discount being applied.

Figure 4.17 shows that on 30 June 2018, there were unconditional residential offers that were \$2 to \$65 lower than the lowest conditionally discounted offer. Typically, these unconditional offers were only available for a limited time. For small business, unconditional offers ranged from \$182 to \$313 lower than the lowest conditionally discounted offer, as shown in figure 4.18.



## New rules that keep customers informed about best offers and changes that impact bills

We have introduced a set of new rules that will apply from 1 July 2019 that focus on building trust through new customer entitlements in the retail energy market.

**'Best offer' information for energy consumers.** Retailers must tell customers on their bill whether they're on the best energy plan and how much the customer could save by switching, at least quarterly for electricity bills and at least every four months for gas.

**Prior warning of bill changes.** Retailers will be required to notify a customer at least five days prior to price or benefit change that will affect the customer's bill. When they do this, energy retailers must include a 'best offer' message telling customers whether a cheaper plan is available, and how much the customer could save by switching.

**Clear advice before you sign a new energy deal.** Retailers must help customers navigate to a product that best suits their circumstances.

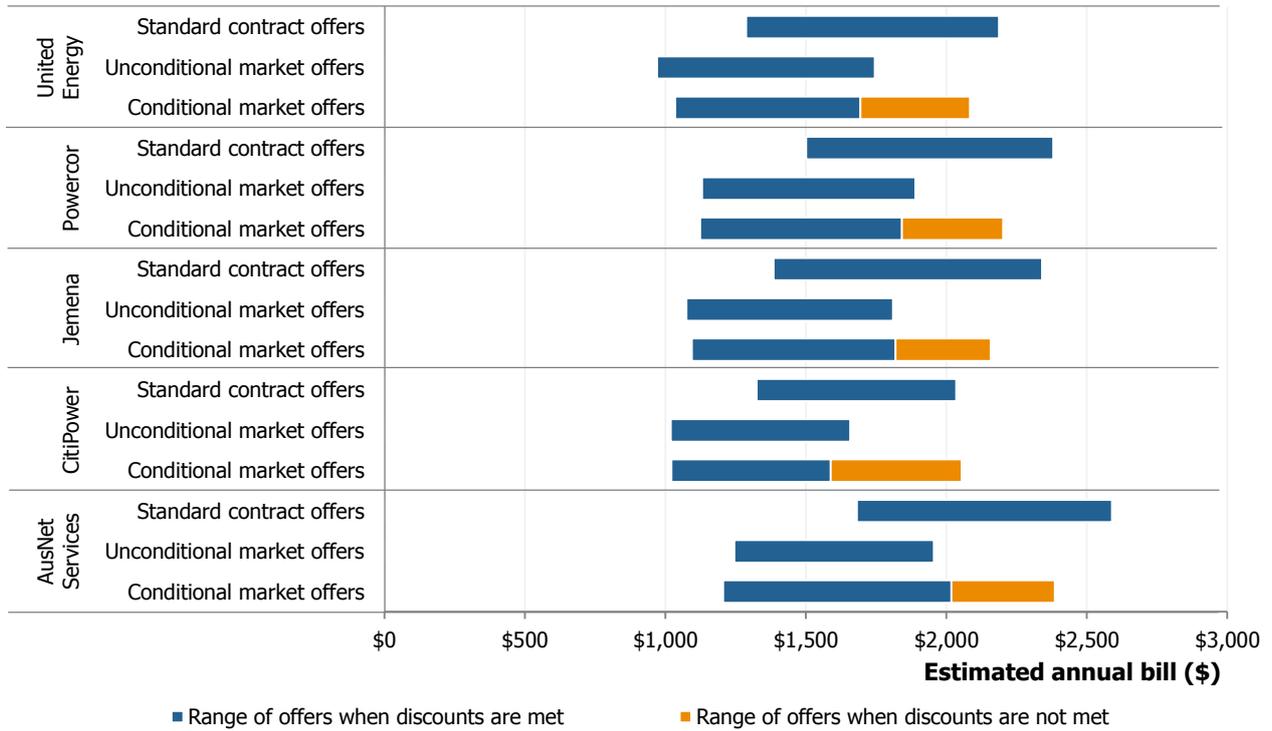
*We are also consulting on:*

### **Standardised energy fact sheets to help customers compare plan information.**

Under our proposal, retailers will be required to provide customers with energy fact sheets that include a comparison tool that helps to easily compare plans based on the average yearly cost for a range of typical customers. The new fact sheet will be provided to customers at critical points in their decision making process, and will also be referenced in marketing material.

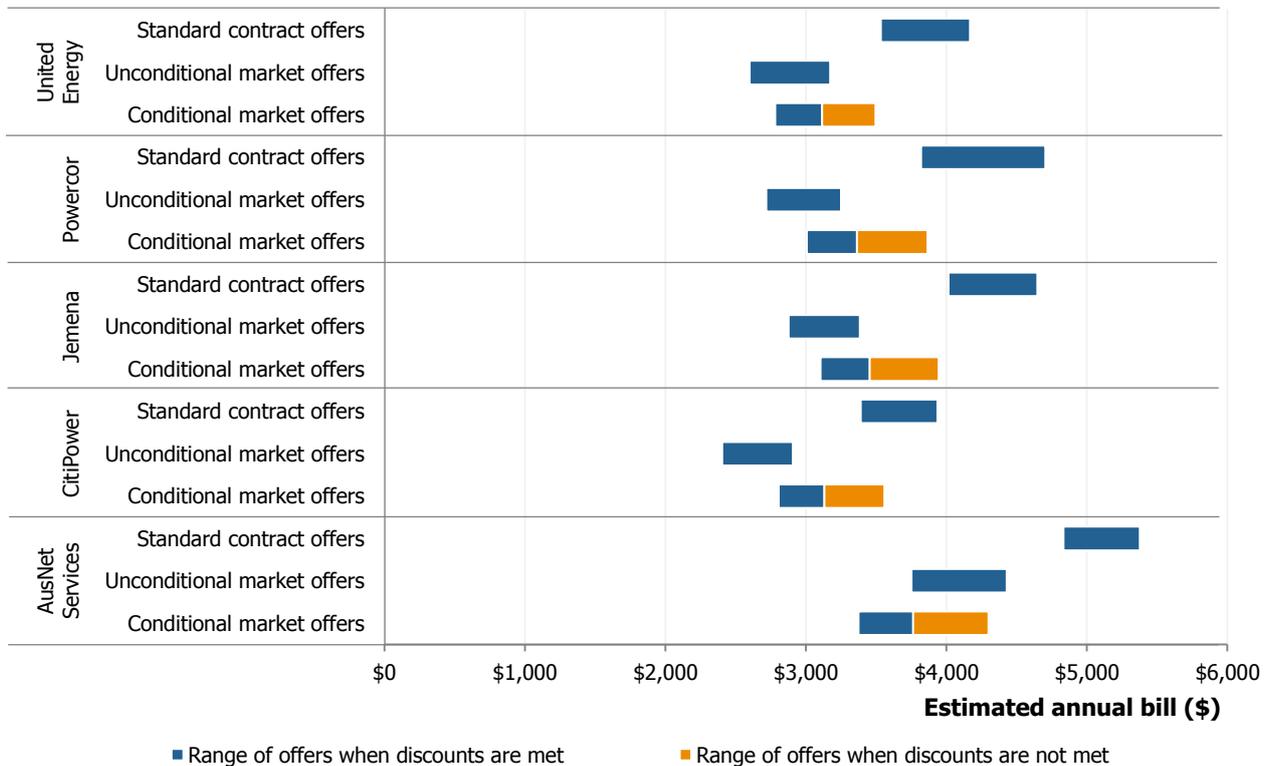


**Figure 4.17** Range of electricity offers available (flat and multi-flat), for a residential customer, by distribution area



Annualised bill based on a typical residential customer usage of 4,000kWh per year

**Figure 4.18** Range of electricity offers available (flat and multi-flat), for a small business customer, by distribution area



Annualised bill based on a typical small business customer usage of 12,000kWh per year



## The cost of not meeting your discount has increased

It is becoming increasingly important for Victorian energy customers to meet their discount conditions.

In 2017–18, if a residential customer did not meet the conditions for their discount for the entire year, this would cost \$455 on average for electricity and \$294 on average for gas (see figure 4.19). For small business customers, the additional amount would be \$1,294 for electricity and \$4,602 for gas (see figure 4.20).

The price of residential discounted electricity and gas offers increased in 2017–18. The cost of not meeting discount conditions also increased – by 34 per cent for electricity and by 65 per cent for gas in comparison to 2016–17.

Compared to 2015–16, the average cost of not meeting discount conditions for electricity has risen by 68.5 per cent.

These findings are only averages. We have identified some electricity offers where if a residential customer consistently failed to meet discount conditions, they would have paid an additional \$796 over the year.

For small business, the cost of not meeting discount conditions on electricity and gas offers increased by 23 per cent and 33 per cent respectively, in 2017–18.

Figure 4.19 Average annual cost of not meeting all the conditions of a discounted residential energy offer

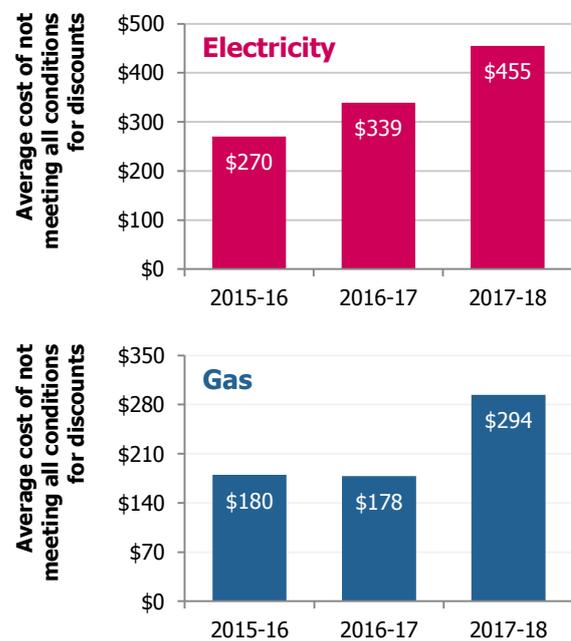


Figure 4.20 Average annual cost of not meeting all the conditions of a discounted small business energy offer

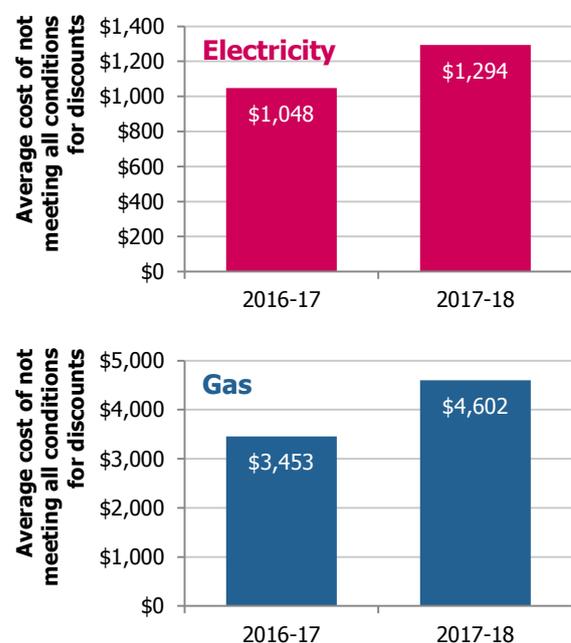




Table 4.3 Average cost of not meeting discounts for residential energy offers since 2014-15

Average of discounted offers	2014-15	2015-16	2016-17	change from previous year	2017-18	change from previous year
<b>Electricity offers</b>						
Market contracts (when all discount conditions are <u>met</u> over the year)	\$1,253	\$1,251	\$1,283		\$1,352	
Market contracts (when all discount conditions are <u>not met</u> over the year)	\$1,465	\$1,521	\$1,622		\$1,807	
Average cost of not meeting all conditions for discounts	\$212	\$270	\$339	↑ 26%	\$455	↑ 34%
<b>Gas offers</b>						
Market contracts (when all discount conditions are <u>met</u> over the year)	\$1,179	\$1,221	\$1,375		\$1,451	
Market contracts (when all discount conditions are <u>not met</u> over the year)	\$1,329	\$1,401	\$1,553		\$1,745	
Average cost of not meeting all conditions for discounts	\$150	\$180	\$178	↓ 1%	\$294	↑ 65%

Based on a typical residential customer usage of 4,000 kWh of electricity and 54.4 GJ of gas per year.

Table 4.4 Average cost of not meeting discounts for small business energy offers since 2016-17

Average of discounted offers	2016-17	2017-18	change from previous year
<b>Electricity offers</b>			
Market contracts (when all discount conditions are <u>met</u> over the year)	\$3,224	\$3,756	
Market contracts (when all discount conditions are <u>not met</u> over the year)	\$4,272	\$5,050	
Average cost of not meeting all conditions for discounts	\$1,048	\$1,294	↑ 23%
<b>Gas offers</b>			
Market contracts (when all discount conditions are <u>met</u> over the year)	\$16,968	\$20,281	
Market contracts (when all discount conditions are <u>not met</u> over the year)	\$20,421	\$24,883	
Average cost of not meeting all conditions for discounts	\$3,453	\$4,602	↑ 33%

Based on a typical small business customer usage of 12,000 kWh of electricity and 500 GJ of gas per year.



A photograph of a woman with dark hair, wearing a black and white striped shirt, holding a baby. They are sitting at a wooden desk. A silver laptop is open in the foreground, and a smartphone is partially visible on the left. The background shows a wooden chair and a desk with some papers. A large red semi-transparent box is overlaid on the left side of the image, containing the title. A smaller grey semi-transparent box is overlaid on the right side, containing a subtitle.

## Payment difficulty and disconnection

An explanation of how energy retailers have performed in supporting customers experiencing payment difficulty.



# What do customers experience when facing payment difficulty?

If you find it difficult to pay your energy bill, you may be able to access different forms of assistance from your retailer.

Before 1 January 2019, retailers offered varying levels of assistance and hardship programs to help customers. However, new rules are now in effect that require retailers to provide minimum forms of assistance to all customers facing payment difficulty.<sup>5</sup>

In 2017–18, we monitored the experience of customers participating in the hardship programs operated by retailers, under the former energy rules.

## More customers sought support from hardship programs to help manage their energy bills

In 2017–18, the average number of hardship participants, across all residential electricity and gas accounts, was 47,289 across the year. This represented one per cent of all Victorian energy customers and was an increase of 25 per cent from the previous year.<sup>6</sup>

The retailer with the largest percentage of hardship program participants, relative to their energy customer-base, was AGL, at 1.5 per cent of their customers (as shown in figure 5.1).

Alinta, Momentum Energy and Click Energy and amaysim had significant decrease in hardship numbers, decreasing by 0.32 per 100 energy customers.



### New entitlements to assistance for customers to help pay energy bills

Under new energy rules which came into effect on 1 January 2019, customers who owe at least \$55 (including GST) are now entitled to tailored assistance from their retailer to help them manage their bills.

Figure 5.1 Number of customers participating in hardship programs, by retailer

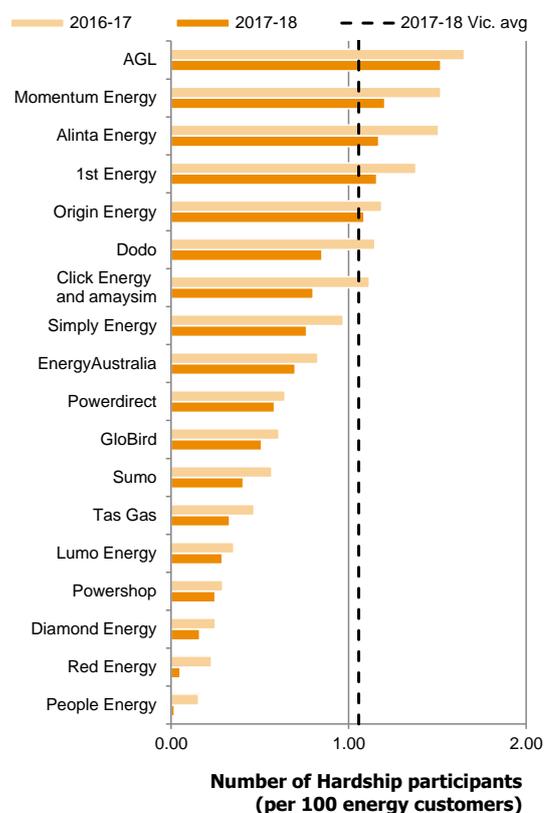


Figure includes only retailers with at least 1,000 residential electricity customers. QEnergy (5.4) and CovaU (1.6) were excluded.

<sup>5</sup> The new rules associated with the payment difficulty framework came into effect on 1 January 2019.

<sup>6</sup> Hardship participant numbers are reported for energy debt, not separately for gas and electricity.



### Debt when entering into hardship programs is getting larger

In 2017–18, on average, customers entered into hardship programs with higher levels of debt than in previous years. We found that one in seven participants (15 per cent or 8,187 individuals) entering a hardship program had energy debt over \$2,500 (as shown in figure 5.2).

Powerdirect had the highest percentage of participants entering a hardship program with debt over \$2,500 – at 32 per cent or 25 participants (see figure 5.3). QEnergy on the other hand, appeared to have provided more timely access to assistance, with 65 per cent of participants (35 participants) entering into their hardship program with less than \$500 of energy debt.

### New energy rules to prevent the growth of debt

It is becoming increasingly important for customers to receive assistance as early as possible to prevent building up large debts.

From 1 January this year, retailers must contact a customer to offer tailored assistance within 21 business days after a missed payment of \$55 (including GST) or more.

Customers can also access standard assistance to help them avoid getting into payment difficulty.

See page 62 for more information about the help that is now available.

Figure 5.2 Hardship participants energy debt on entry to hardship program

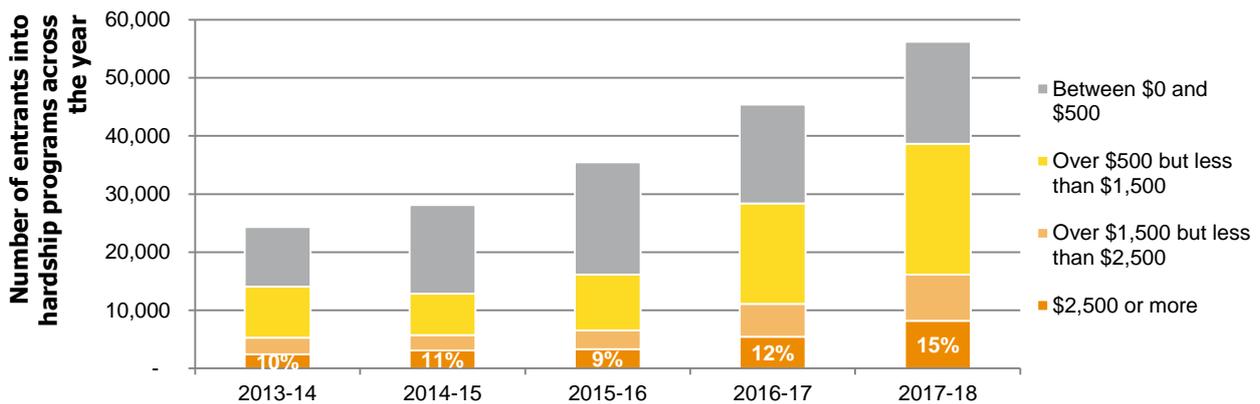


Figure 5.3 Percentage of participants entering hardship program with over \$2,500 in energy debt, by retailer

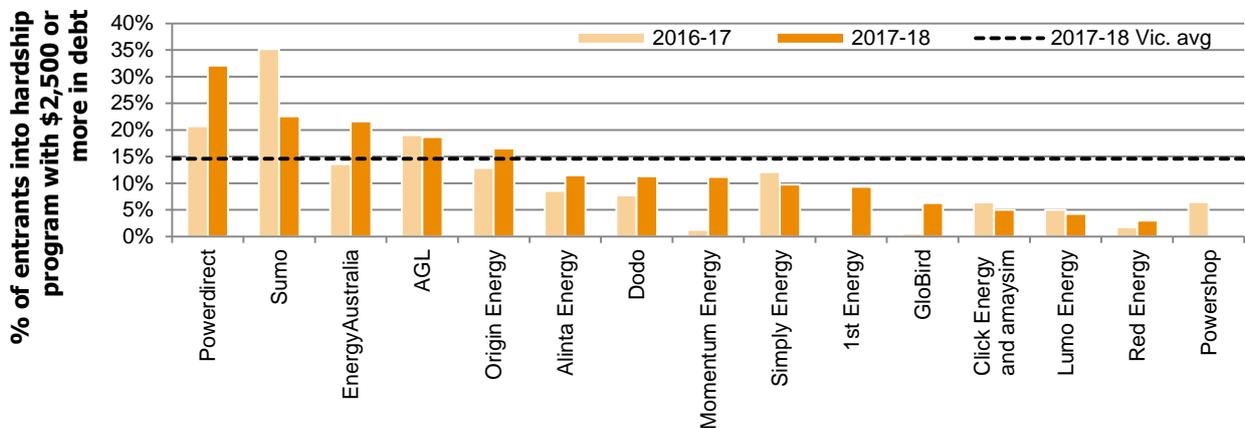


Figure includes only retailers with at least 25 hardship entrants across the year. Diamond Energy (23.5 per cent), People Energy (2.5 per cent), GloBird Energy (6.3 per cent) and CovaU (17.9 per cent) were excluded.



### One in six hardship program participants had payment plans for \$1,000 in debt and less than six months to pay

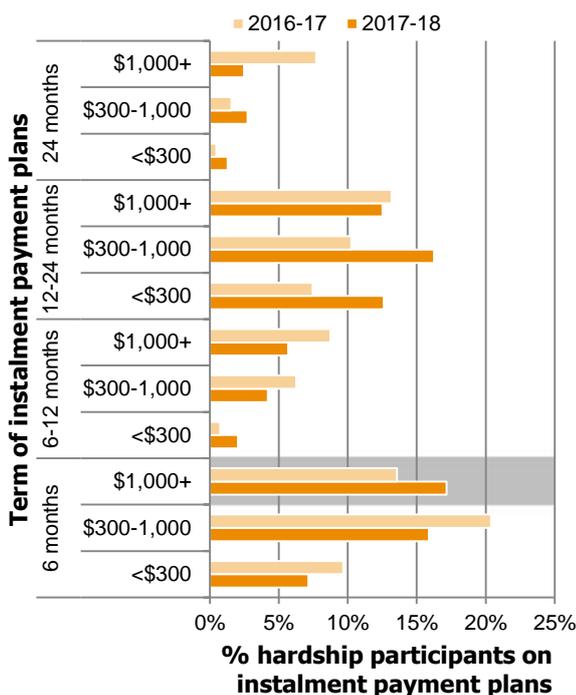
The level of debt and amount of time a hardship program participant has to pay can influence the likelihood of successfully completing the program.

We found that 17 per cent (or 6,812) of all hardship program participants on instalment payment plans had energy debt greater than \$1,000, with less than six months to pay – an increase of three percentage points compared to the 14 per cent in 2016–17 (see figure 5.4).

In 2017–18, EnergyAustralia had the largest percentage (50 per cent) of hardship participants with this type of payment plan (unchanged from the previous year). AGL and Powerdirect had the largest increase in the number of hardship participants on these payment plans, with a 149 per cent increase from 2016–17.

We found that Origin Energy provided more time for their hardship participants to pay off their debts, with the majority of its hardship participants on 12-24 month payment plans.

**Figure 5.4 Breakdown of payment plans for hardship participants in Victoria**



### Customers are entitled to payment arrangements for energy debt for up to two years

From 1 January 2019, customers receiving tailored assistance are entitled to a payment arrangement of up to two years to help them pay off their energy debt.

It is also important that customers work with their retailer to design an arrangement that suits their circumstances.



### Concessions and utility relief grants

Under the Victorian Government’s Utility Relief Grant Scheme, customers such as those with a health or concession card, could receive up to \$500 to help pay for part of their electricity or gas bill in 2017-18.

Total concession payments to energy consumers were \$214.5 million for the reporting period. In 2017-18, Utility Relief Grants totalled \$14,990,922. This is an increase of 12 per cent from the previous year.

32,563 applications for Utility Relief Grants were approved in 2017-18, which is almost a nine per cent increase on 2016–17.

The average grant per customer increased slightly in 2017-18, to \$465 for electricity customers (two per cent increase) and \$454 for gas customers (ten per cent increase).

On 1 July 2018, the grant was increased from \$500 to \$650.



### Some hardship participants found it difficult to complete their programs

The percentage of participants leaving hardship programs because they had successfully paid off their energy debt decreased to 22 per cent in 2017–18. Although the total number of hardship participants exiting due to successfully paying off their debt increased (12,059 to 13,164) since the previous year, this was a lower percentage of total exits (as shown in figure 5.5 and table 5.1).

Alinta Energy had the largest percentage of hardship participants exiting because they had successfully paid off their debts – at 83 per cent or 2,921 (see figure 5.6). Simply Energy was the only large retailer that had an increase in the percentage of participants successfully exiting, increasing by four percentage points to 19 per cent. Sumo had the lowest percentage of hardship participants successfully exiting, at 6 per cent of all exiting participants.

There was also a large increase, at 43 per cent, in participants exiting hardship programs due to being excluded for not complying with the requirements of their retailers’ program (see table 5.1). For example, failing to make payment or keep in contact with their retailer. We found that almost two in every three participants (37,616) exiting were not meeting their retailer’s requirements in some way (see figure 5.5). This might suggest that hardship participants have found it difficult to comply with the requirements and the assistance provided may not be effective in helping participants manage their energy debt. It also suggests that access to assistance is coming too late for most customers.

Both AGL and Dodo had nearly eight in 10 hardship participants exiting their hardship programs due to exclusion (see figure 5.7). In contrast, Alinta Energy had the lowest percentage of exits due to exclusion, at 14 per cent of all participants exiting. Lumo Energy and Simply Energy were the only large retailers to have a decrease in the percentage of hardship participants exiting their hardship program due to exclusion (see figure 5.7).



### Retailers and customers working together

Retailers are now required to contact a customer to revise the arrangement if a payment is missed and ensure the support offered is suitable for the customer’s circumstances.

Figure 5.5 Breakdown of exits from hardship programs in Victoria

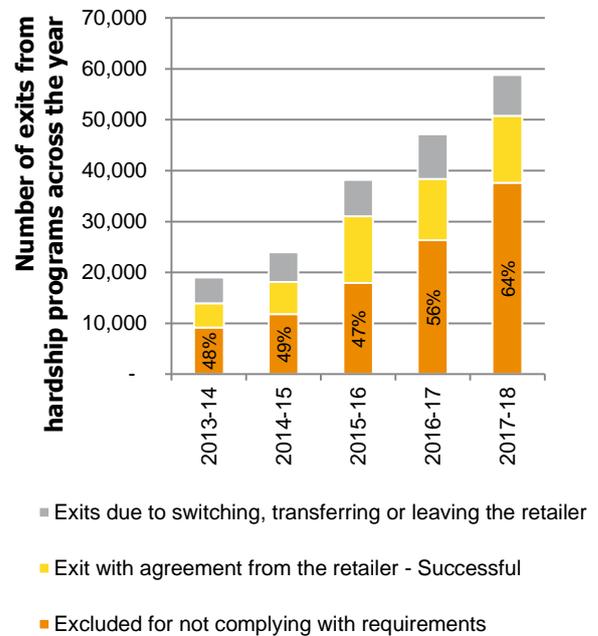


Table 5.1 Breakdown of exits from hardship programs in Victoria

Exit from hardship program	2013-14	2014-15	2015-16	2016-17	2017-18
Exits due to exclusion	9,182	11,819	17,971	26,323	37,616
Exits due to agreement	4,754	6,315	13,043	12,059	13,164
Exits due to switching retailer	5,081	5,805	7,146	8,779	8,045
<b>Total exits</b>	<b>19,017</b>	<b>23,939</b>	<b>38,160</b>	<b>47,161</b>	<b>58,825</b>



Figure 5.6 Percentage of participants successfully completing retailer hardship program

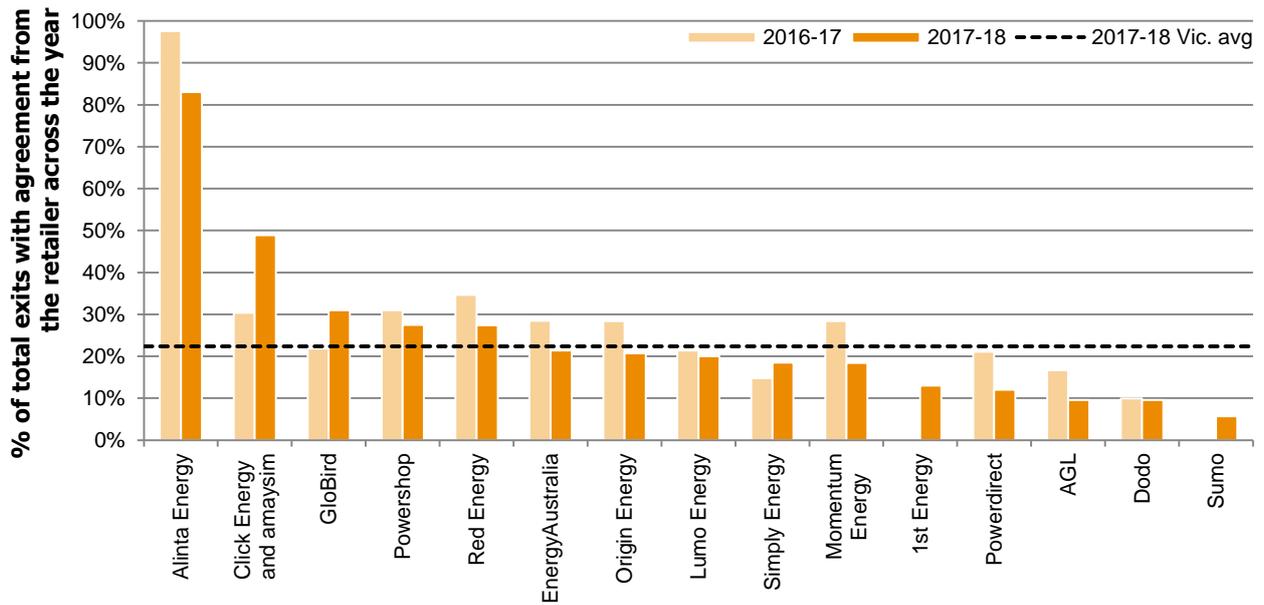


Figure includes only retailers with at least 50 exits from hardship program across the year. Tas Gas Retail (100 per cent), CovaU (50 per cent), QEnergy (40 per cent), People Energy (29 per cent), Diamond Energy (100 per cent) and Tango (11 per cent) were excluded.

Figure 5.7 Percentage of participant being excluded from retailer hardship program

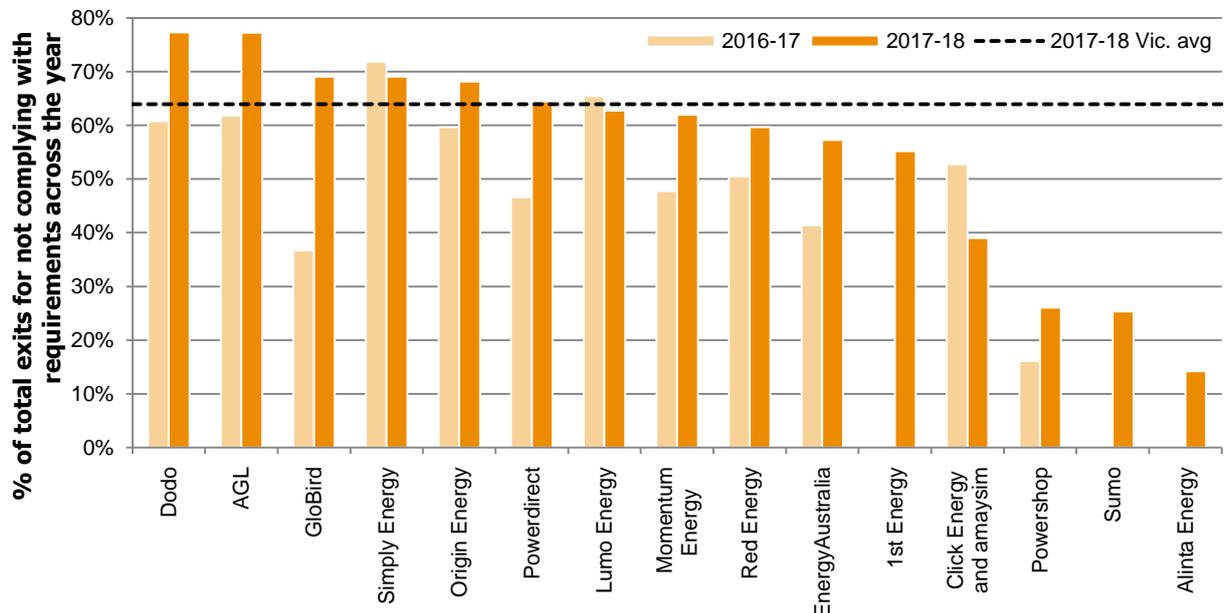


Figure includes only retailers with at least 50 exits from hardship program across the year. Tas Gas Retail (0 per cent), CovaU (30 per cent), QEnergy (0 per cent), People Energy (53 per cent), Diamond Energy (70 per cent) and Tango were excluded.



### There was a growing number of customers with high debt who were not participating in a hardship program

In 2017–18, we found that 114,682 customers had payment plans for their energy debt, but were not participating in their retailer’s hardship program. Over 13,000 of these customers had payment plans that were greater than \$1,000 (as shown in figure 5.8).

We note that not all customers with large debts need to be on a hardship program.

### Almost eight thousand customers with more than \$1,000 in energy debt, had six months or less to pay

An increasing number of customers had only six months or less to pay off debts. In 2017–18, 7,883 customers had high debt (over \$1,000 in energy debt) and a short amount of time (less than six months) to pay off their debt. This was an increase of 19 per cent from the previous year (see figure 5.9).

EnergyAustralia had the largest number of customers with over \$1,000 in debt and less than six months to pay – at 4,385 (see figure 5.10). AGL had the largest increase, with over 1,300 more customers entering into instalment payment plans with over \$1,000 in debt and less than six months to pay.

Figure 5.8 Breakdown of non-hardship customer with payment plans in Victoria

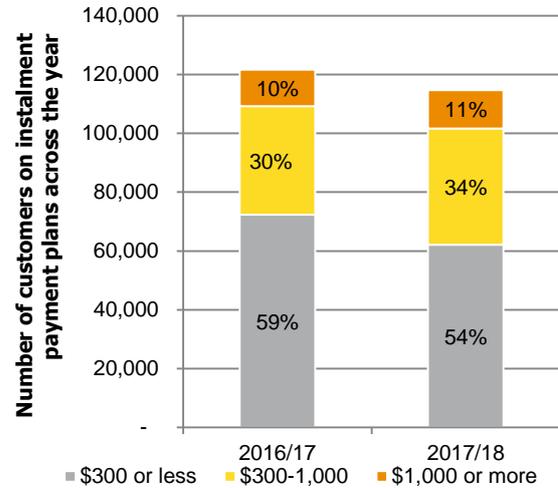


Figure 5.9 Number of non-hardship customers with payment plans of over \$1,000 debt

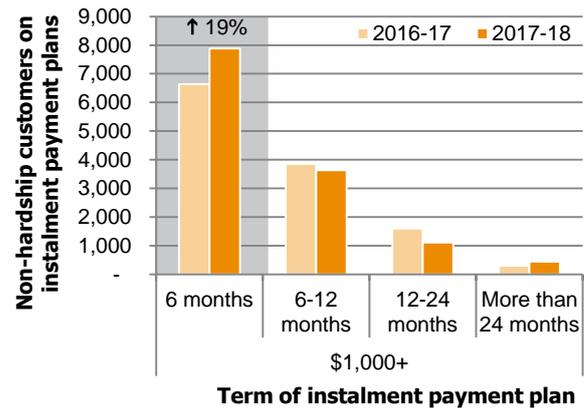


Figure 5.10 Number of non-hardship customers with payment plans of over \$1,000 debt and less than six months to pay, by retailer

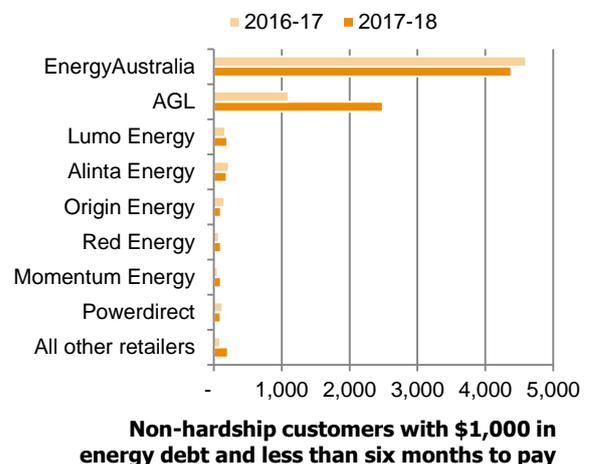




Table 5.2 Summary of Victorian hardship program indicators

	2013-14	2014-15	2015-16	2016-17	2017-18	% change (2016-17 to 2017-18)
<b>Participants in hardship programs throughout a year</b>						
Average participants throughout year	20,195	28,549	33,689	37,935	47,289	+25%
Participants on 30 June	21,603	29,626	31,528	32,664	39,453	+21%
Total exits throughout the year	19,017	23,939	38,160	47,159	58,825	+25%
<b>Total exits from hardship programs throughout a year</b>						
Participants who exited by successfully completing a hardship program	4,754	6,315	13,043	12,059	13,164	+9%
Participants excluded from the program for not meeting the requirements of the program	9,182	11,819	17,971	26,323	37,616	+43%
Participants who transferred retailer, which means they exited their hardship program	5,081	5,805	7,146	8,777	8,045	-8%
<b>Average debt levels per customer</b>						
Average debt of participants across year	-	-	-	\$1,564	\$1,436	-8%
Average debt of new entrants across year	-	-	-	\$1,241	\$1,377	+11%
<b>Disconnections and reconnections</b>						
Disconnections of previous participants	1,941	2,912	3,350	6,432	7,551	+17%
Reconnections of previous participants	945	1,678	1,909	3,359	4,800	+43%
<b>Other indicators</b>						
Concession card holders	13,272	19,845	22,925	23,030	27,411	+19%
Customers denied access into programs	1,723	506	511	2,119	861	-59%



# Having trouble paying your bills?

We've introduced new rules to help Victorian households with their energy bills.

## If you need help staying on top of your energy bills



### Ask your energy business for 'standard assistance'.

You can access three of the following payment options:

- pay smaller amounts more often
- change how often you pay
- delay payment of a bill (you can do this once per year)
- pay in advance when you have the money.

## If you have an unpaid energy bill, but can afford to pay for your ongoing use



### Ask your energy business for 'tailored assistance'.

Your energy business will also contact you to offer help if you miss a bill and owe more than \$55.

Your energy business must offer you:

- a plan to pay off your bills (up to two years)
- information on your energy use and how to lower it
- advice on other assistance (including government-funded grants and energy concessions).

## If you have unpaid energy bills and can't afford your ongoing use



### Ask your energy business for 'tailored assistance' and let them know you can't afford to pay for your ongoing energy use.

Your energy business will also contact you to offer help if you miss a bill and owe more than \$55.

Your energy business must offer you:

- a pause on your debt payments for six months
- to pay less than the full cost of your energy use (this may be added to the amount you owe later)
- information on your energy use and how to lower it
- advice on other assistance (including government-funded grants and energy concessions)
- the best price that works for you
- practical help to reduce your energy bills (for example, use of energy efficiency products).



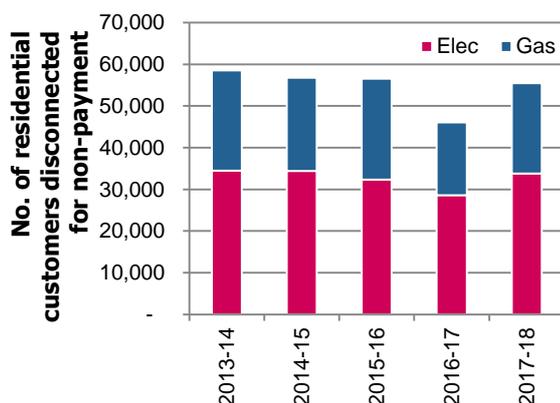
## How many customers were disconnected?

If you don't work with your retailer to repay an unpaid amount of your bill, you could risk being disconnected. However, if you are receiving assistance from your retailer to help pay off your energy bills, you cannot be disconnected.

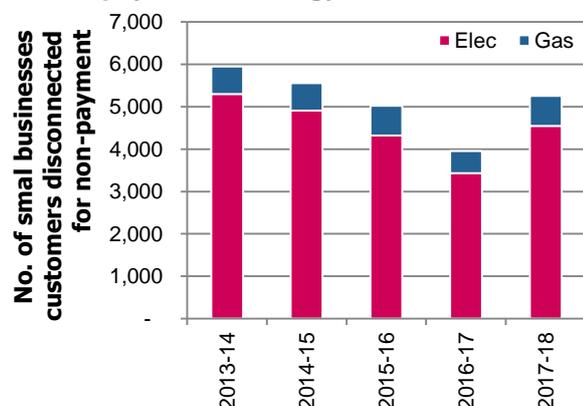
### Disconnections of customers were higher compared to the previous year

In 2017–18, there were a total of 55,474 residential customers disconnected for not paying their energy bills. This is 20 per cent higher than 2016–17. A further 5,258 small business customers were also disconnected for non-payment.

**Figure 5.11 Residential disconnections for non-payment of energy bills in Victoria**



**Figure 5.12 Small business disconnections for non-payment of energy bills in Victorian**



### Electricity disconnections (residential)

The number of electricity disconnections for the last quarter of 2017–18 was the highest we have seen in recent years. There was an average of 1.3 disconnections per hundred residential electricity customers for not paying their bills – compared to 1.2 in 2016–17 (as shown in table 5.3).

In 2017–18, eight retailers had a higher electricity disconnection rate than the Victorian average. 1st Energy had the highest disconnection rate at 4.9 disconnections per hundred electricity customers. Diamond Energy, GloBird Energy and Powershop the lowest rates at 0.4 electricity disconnections (see figure 5.13).

Origin Energy had the greatest annual increase in disconnections per hundred electricity customers for non-payment.<sup>7</sup> Additionally, Red Energy, Click Energy and amaysim and Alinta Energy had large annual increases in electricity disconnections. People Energy, Simply Energy and Powerdirect had large annual reductions in electricity disconnections for non-payment.

### Gas disconnections (residential)

There was an average of 1.1 disconnections per hundred residential gas customers for not paying their bills – compared to 0.9 the previous year. In 2017–18, four retailers had higher gas disconnection rates than the Victorian average. Alinta Energy had the highest gas disconnection rate, at 5.1 disconnections per hundred residential customers. EnergyAustralia had the lowest rates at 0.4 disconnections (see figure 5.14).

Origin Energy, Click Energy and Alinta Energy had large increases in disconnections for non-payment per hundred gas customers. Simply Energy and Momentum Energy had reductions in their gas disconnection rates in 2017–18.

<sup>7</sup> Note: due to system problems, Origin Energy were unable to disconnect customers during most of 2016–17.



Table 5.3 Summary of disconnections for non-payment in Victoria

	Total disconnections for non-payment					Disconnections per 100 customers				
	2013-14	2014-15	2015-16	2016-17	2017-18	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Electricity</b>										
Residential	34,496	34,418	32,360	28,589	33,824	1.47	1.45	1.34	1.16	1.34
Small business	5,297	4,906	4,319	3,434	4,548	2.19	1.91	1.58	1.23	1.63
<b>Gas</b>										
Residential	24,007	22,322	24,150	17,494	21,650	1.31	1.2	1.28	0.91	1.11
Small business	651	647	700	518	710	1.25	1.14	1.14	0.79	1.08

Figure 5.13 Electricity disconnections for non-payment per hundred electricity residential customers

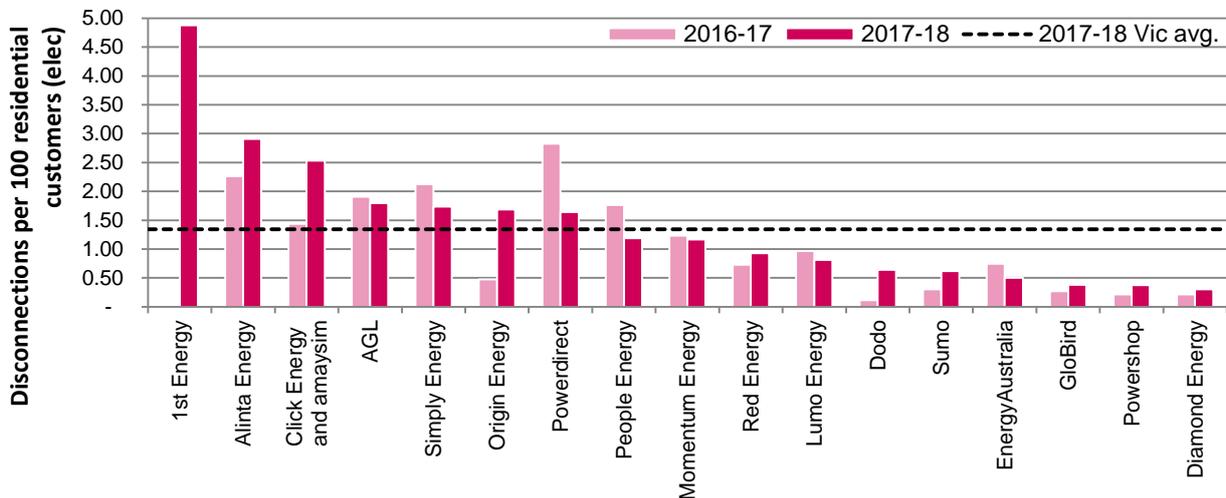


Figure includes only retailers with at least 1,000 residential electricity customers CovaU (4.26), Blue NRG (1.40), QEnergy (0.93) and Next Business Energy (0.0) were excluded.

Figure 5.14 Gas disconnections for non-payment per hundred gas residential customers

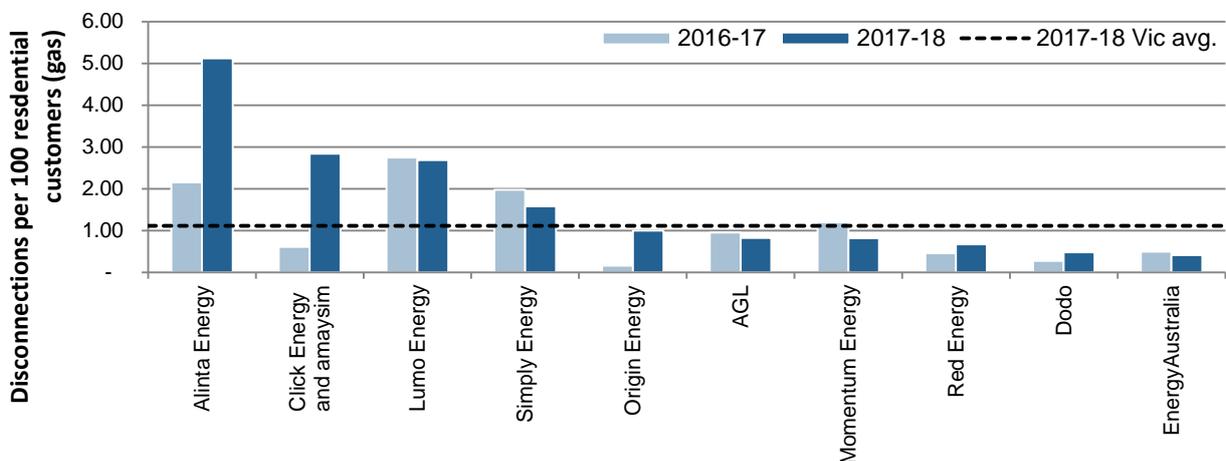


Figure includes only retailers with at least 1,000 residential electricity customers CovaU (3.64) were excluded.



### The number of electricity customers being disconnected multiple times increased by 50 per cent

The number of residential electricity customers disconnected by their retailer more than once for non-payment within two years was the highest we have seen in recent years.

In 2017–18, there was a 51 per cent increase in electricity customers being disconnected multiple times (for not paying their bills). Customers being disconnected multiple times represented 27 per cent of all electricity disconnections for non-payment in 2017–18, compared to 15 per cent in 2013–14 (as shown in figure 5.15).

Four electricity retailers had a higher multiple disconnection rate than the Victorian average. These were Origin Energy, Powerdirect, Simply Energy and AGL (see figure 5.17).

In 2017–18, 18 per cent of all gas disconnections for non-payment were carried out on customers who had been previously disconnected (see figure 5.16). Four gas retailers had a higher multiple disconnection rate than the Victorian average, these were Origin Energy, Dodo, Click Energy and amaysim and AGL (see figure 5.18).

Figure 5.15 Percentage of multiple disconnections for non-payment (electricity)

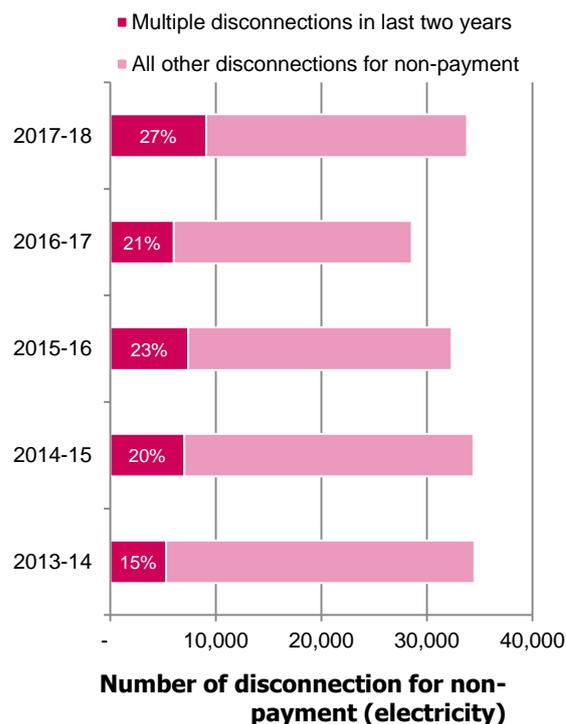


Figure 5.16 Percentage of multiple disconnections for non-payment (gas)

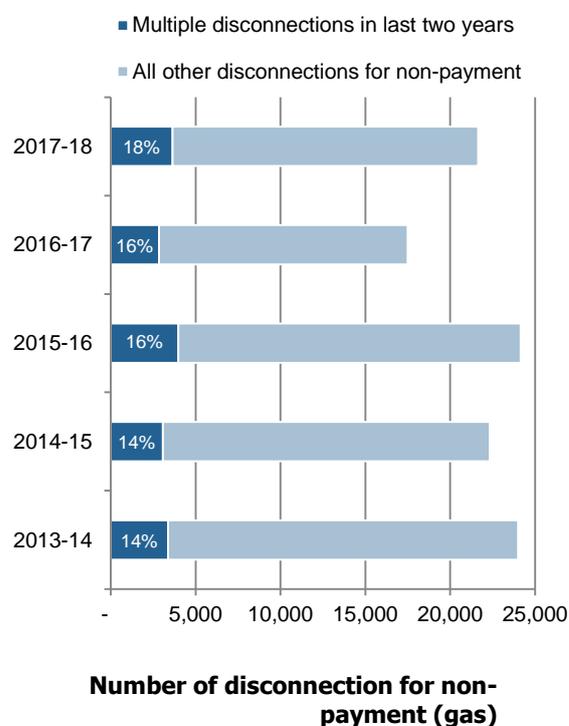




Figure 5.17 Percentage of multiple disconnections for non-payment, by retailer (electricity)

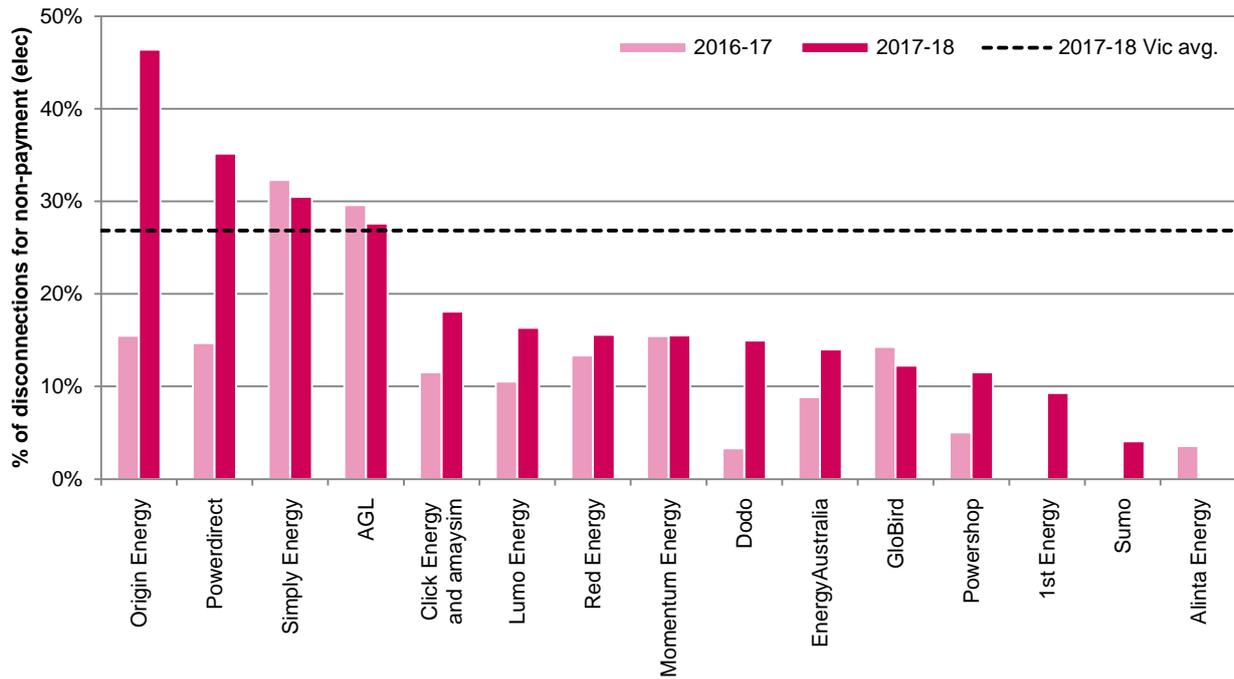


Figure includes only retailers with at least 45 disconnections for non-payment across the year. CovaU (8 per cent), Blue NRG (0 per cent), QEnergy (0 per cent) and Next Business Energy (0 per cent) were excluded.

Figure 5.18 Percentage of multiple disconnections for non-payment, by retailer (gas)

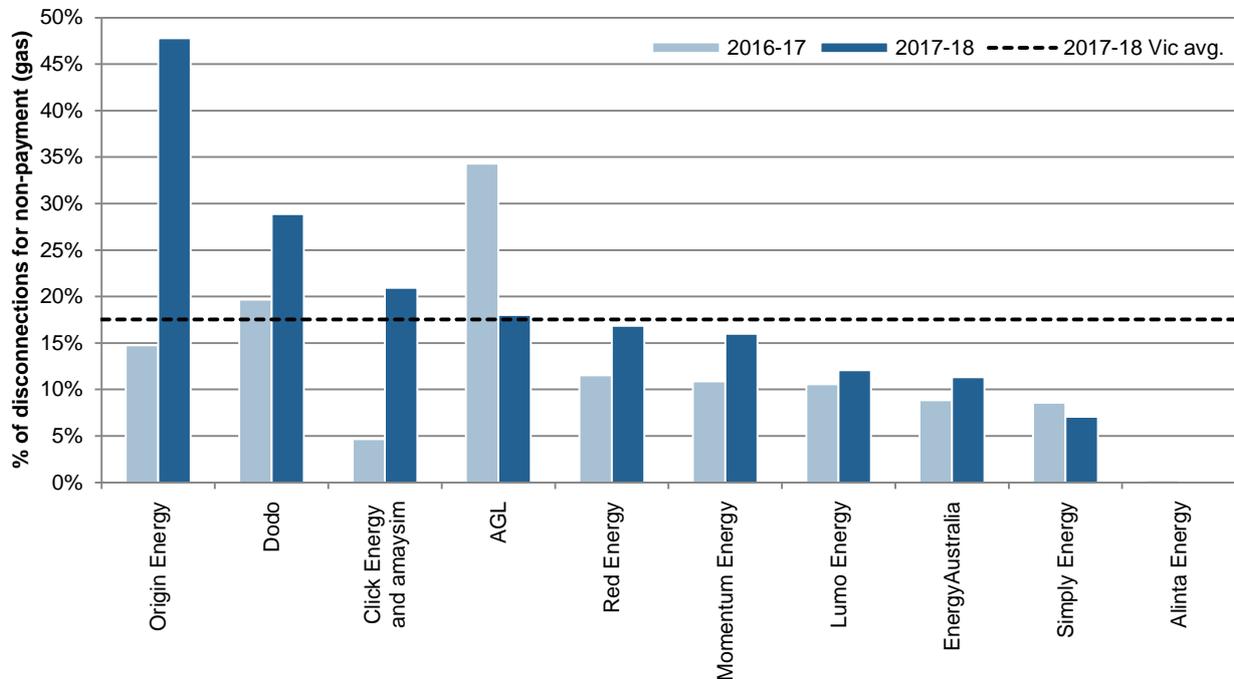


Figure includes only retailers with at least 45 disconnections for non-payment across the year. CovaU (11 per cent) was excluded.



### More hardship participants were disconnected after exiting a hardship program

You cannot be disconnected if you are participating in a hardship program. However, once you have exited the program, your retailer may proceed with disconnecting your energy supply if your bill isn't fully paid.

In 2017–18, 7,551 former hardship program participants were disconnected within 12 months after exiting (as shown in figure 5.19). This is 17 per cent higher than in 2016–17.

### Around one in two of the customers disconnected were reconnected by their retailer within seven days

Of the customers disconnected for non-payment in 2017–18, 26,319 were eventually reconnected by their retailer (within seven days). This represents almost half of the disconnected customers, which is similar to the previous year (see figure 5.20).

The remaining disconnected customers may have switched to another retailer. In other cases, another household member may have entered into a new contract.

Figure 5.19 Disconnections of customers previously in their retailer's hardship program

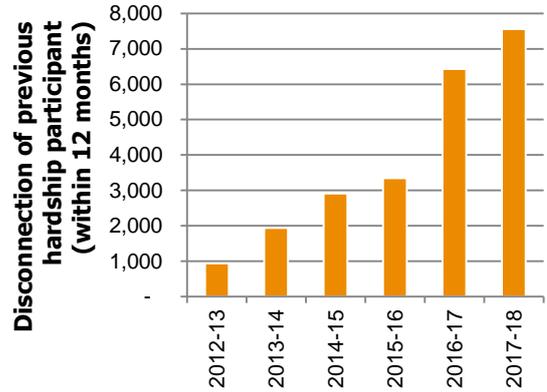
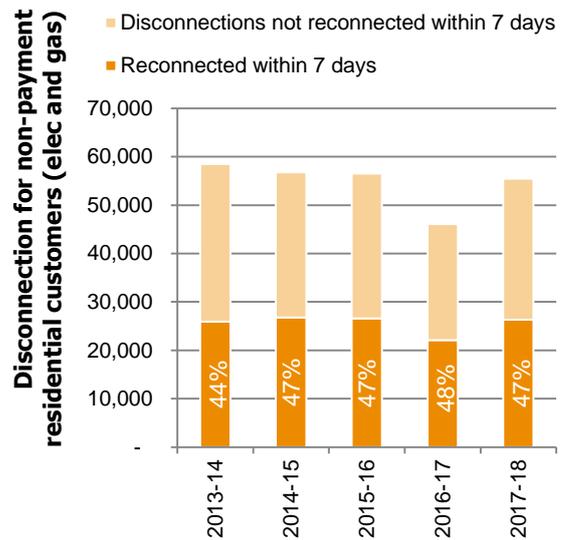
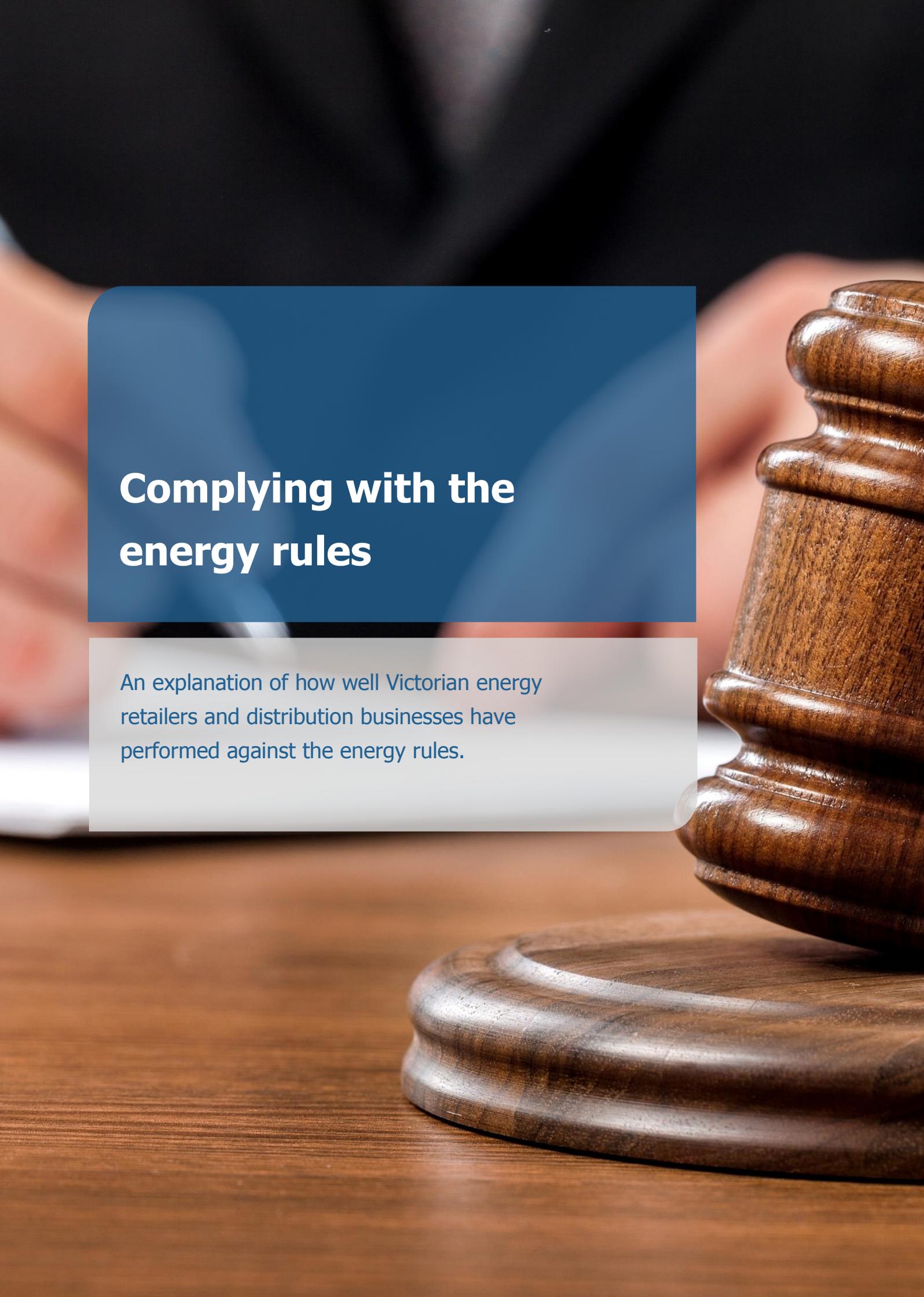


Figure 5.20 Percentage of disconnected customers reconnected in seven days





## Complying with the energy rules

An explanation of how well Victorian energy retailers and distribution businesses have performed against the energy rules.



## Are energy businesses following the energy rules?

Licensed energy retailers, distributors, transmitters and generators that operate in Victoria must abide by the Victorian energy rules.

We regulate the energy market by promoting and enforcing compliance with these energy rules.

When we identify poor performance or potential breaches of the energy rules, we will act to protect customers and deter future non-compliance with Victoria's energy rules.

### Auditing of energy businesses

As part of our monitoring of energy businesses, we conduct regular audits. Audits help us to see whether retailers and distributors are complying with the energy rules that exist to protect customers.

In 2017–18, we conducted audits on retailers and distributors in Victoria that looked at:

- how energy businesses estimate energy bills for customers
- how newly licensed energy businesses have followed their obligations relating to billing and marketing, as well as the support provided to customers on life support or in payment difficulty
- how energy distributors paid out the heat relief package to eligible customers (affected by the power outages in January 2018)
- how well energy businesses updated their systems and processes following past audits.

### Our compliance and enforcement powers



**Enforcement:** We can enforce an energy business' compliance with the energy rules and can issue penalty notices including:

- an energy industry penalty notice of up to \$20,000 per breach
- a wrongful disconnection penalty notice of \$5,000 per breach.

We can issue final and provisional enforcement orders. We can also accept and apply enforceable undertakings with energy businesses.

**Licensing:** We grant licences to energy businesses. They cannot operate in the market without this licence.

We can vary a licence as necessary, upon request of the licensee, or based on a business's non-compliance with the rules. We can also revoke a licence or appoint an administrator.

**Compliance:** We can take a range of actions to ensure energy businesses comply with the energy rules. We can make determinations, enter into administrative undertakings with energy businesses, and communicate and consult on issues. We also investigate and conduct regular audits into the practices of energy businesses.



### **Audit results from complaints related to estimated energy bills**

Following reports of customers receiving high estimated bills, we conducted an industry-wide check to understand the billing estimation practices of energy businesses.

Our audits covered 25 retailers and six gas and electricity distributors. Retailers reported to us that 170,000 electricity customers and 441,000 gas customers received at least one estimated bill during 2017. We found that in estimating bills for customers, retailers generally rely on metering data provided by distributors rather than any other method of estimation.

In December 2018, we proposed new energy rules to allow customers to provide their own meter reads (see chapter 2). These changes empower customers to ensure their retailer's estimate is accurate.

### **Audit results of newly licensed energy businesses**

In our audit of six newly licensed energy businesses, we identified areas for improvement, when signing up customers to an energy contract, in providing training to staff and when reporting on performance.

#### **Signing up customers to an energy contract**

Retailers are required to provide certain information to customers when they are selling an energy product.

Our audit found that CovaU and Diamond Energy were not providing information in a timely manner to new customers. We also found that some sales agents working for CovaU, Next Business Energy and Tango did not always follow the retailer's script when talking with a customer. These scripts are intended to give a customer the required information before signing up to an offer.

We will continue to monitor the resolution of these contract matters in 2019.

#### **Staff training**

Sales staff need to be trained to provide customers with the right information before they

accept an offer. Otherwise, customers may enter into contracts that are not in their best interests.

Many of the audited retailers did not keep records that showed how staff were trained for their role, particularly with regards to marketing practices and customer interactions.

We will continue to monitor the resolution of these training matters in 2019.

#### **Retailer reporting needs improving**

Retailers are required to provide us with information on how they performed against the energy rules. The audits found problems with how this information is provided to us.

Some of the audited retailers did not retain the information they previously submitted to us, which is important for record keeping or data checks. Other retailers' reports were unreliable because it appeared that staff lacked instructions for reporting the right data and conducting checks before submitting.

We will continue to monitor the resolution of these reporting matters during 2019.

### **Audit results of distributor responses to heat relief package**

We audited electricity distributors to ensure they made payments to customers who were eligible for the heat relief package. The heat relief package was developed by the Victorian government to make payments to customers who lost power on Sunday 28 January 2018.

We will provide an update on what these audits found in future Victorian energy market updates and on our website during 2019.

#### **Follow up audits on energy businesses**

During 2018, we also re-audited five retailers and two distributors. These audits were designed to check on the progress these businesses had made in changing their practices following shortcomings identified in audits conducted in 2017. As part of our monitoring role it is important that we ensure businesses successfully adopt all recommendations following an audit. We will provide an update on what these audits found in



future Victorian energy market updates and on our website during 2019.

## Enforcing compliance in 2017–18

### Alinta Energy paid \$300,000 in penalties for allegedly signing-up customers without their consent or knowledge

Alinta Energy paid penalties totaling \$300,000 after 15 customers were allegedly transferred to the business without their consent or knowledge.

Following an investigation into the matter, we found that between September and October 2016, sales agents working for Alinta Energy allegedly transferred customers to the energy company without their consent or knowledge. The affected customers were from locations across Victoria, including St Kilda, Morwell, Croydon and Warrnambool.

Alinta Energy transferred all affected customers back to their original retailer.

Customers have the right to choose their retailer and must give their consent to any changes made to their energy supply or contract.

Customers must be given all relevant information before they are asked to consent to a new contract or before they transfer to another retailer. Under the energy rules, energy businesses must ensure that customers receive their contract information in plain language. Consent to any transaction must also be given in writing or verbally by a capable person.

The commission cautions retailers that they are responsible for the actions of third parties who interact with customers on the retailer's behalf.

## Other compliance and enforcement actions

Retailers and distributors are required to report to us when they have identified a situation where they may have breached the energy rules. In 2017–18, we reviewed 76 matters that were reported to us.

Most of the reported breaches were due to retailers failing to send welcome packs to new customers – retailers were subsequently able to issue welcome packs to customers. Some of the other matters included retailers not notifying customers of a tariff variation, delays in refunding overcharges, and delays in distributors providing customers with notification of planned outages.

Energy businesses provided us with plans to fix the problems. Businesses proposed a range of solutions, some of which included retraining staff, and reviewing and modifying IT systems and internal processes. We will audit these businesses in 2019 to check that there are no repeats of these problems. Our audits review the systems, processes and training of staff in both retailers and distributors.

In cases where energy businesses have system-wide problems, we take further action. In late 2018, AGL reported limitations with its performance reporting capability that required a 'full rebuild'. Following our request, AGL resubmitted its performance data with a report from a third-party auditor providing reasonable assurances on the reliability of the data.

We also referred some matters to more appropriate authorities. For example, we referred matters related to misleading advertising to the Australian Competition and Consumer Commission.



## Wrongful disconnection payments

We set energy rules that retailers must comply with before disconnecting a customer for not paying their energy bill. In 2017–18, retailers reported to us that they breached these rules and wrongfully disconnected 502 customers. In total, retailers paid \$638,398 in compensation to the affected customers (see table 6.1).

In some cases where a retailer cannot resolve a disconnection dispute, these can be referred to

the Energy and Water Ombudsman (Victoria). If the ombudsman is unable to resolve the matter, it is then referred to us. We resolved eight wrongful disconnection payment cases in 2017–18 (see table 6.2).

If a retailer disconnects a customer in breach of their contract with that customer, the retailer must pay \$500 in compensation for each day the customer was off supply

**Table 6.1** Reported wrongful disconnection payments between July 2017 and June 2018

Retailer	Total amount paid during the quarter				Total customers affected			
	Jul – Sep 2017	Oct – Dec 2017	Jan – Mar 2018	Apr – Jun 2018	Jul – Sep 2017	Oct – Dec 2017	Jan – Mar 2018	Apr – Jun 2018
AGL	\$99,723	\$79,822	\$20,132	\$39,556	39	33	16	30
EnergyAustralia	\$13,223	\$38,830	\$26,108	\$12,853	15	23	22	16
Origin Energy	\$7,258	\$4,937	\$14,792	\$21,820	10	7	18	12
Lumo Energy	\$14,982	\$8,054	\$9,792	\$18,091	10	4	10	19
Red Energy	\$5,087	\$75	\$6,082	\$10,713	7	1	9	18
Simply Energy	\$8,133	\$14,375	\$6,192	\$25,895	5	14	5	14
Alinta Energy	\$3,254	\$4,922	\$2,076	\$17,020	5	5	2	7
Click Energy and amaysim	\$2,467	\$6,009	\$2,543	\$4,600	4	5	3	7
Dodo (Commander)	-	\$1,704	-	-	-	2	-	-
Momentum Energy	\$5,121	\$210	\$28,099	\$6,676	9	1	11	14
Powerdirect	-	\$3,500	\$1,075	-	-	1	2	-
Powershop	-	-	\$3,073	\$5,990	-	-	1	11
1st Energy	-	-	\$3,884	-	-	-	4	-
CovaU	\$523	\$2,596	\$24,000	-	1	2	38	-
Tango (Pacific Hydro)	\$264	\$1,165	\$1,062	\$40	2	3	4	1
<b>TOTAL</b>	<b>\$160,035</b>	<b>\$166,199</b>	<b>\$148,909</b>	<b>\$163,225</b>	<b>107</b>	<b>101</b>	<b>145</b>	<b>149</b>
<b>YEARLY TOTAL</b>				<b>\$638,398</b>				<b>502</b>

Figures may not add up precisely due to rounding. Excludes wrongful disconnections disputes that we have resolved.

**Table 6.2** Wrongful disconnection payment cases resolved by the commission in 2017–18

Retailer	Decision	Number of decisions	Total compensation amount
AGL	Disconnection wrongful	2	\$2,051
EnergyAustralia	Disconnection wrongful	3	\$973
	Disconnection not wrongful	2	-
Lumo Energy	Disconnection wrongful	1	\$615

Figures are based on wrongful disconnection payment cases referred by the Energy and Water Ombudsman (Victoria).



## Changes anticipated in 2019

We are continuing our reforms to the Victorian energy rules to improve outcomes for customers. This includes requests from the Victorian government to deliver recommendations out of the 2017 independent bipartisan review of electricity and gas retail markets.

From 2019 onwards, we will be:

- setting new standards for bills and marketing material to help customers navigate the energy market more effectively
- reviewing our regulatory codes to ensure they focus on customer outcomes, as well as a review of competitiveness of the Victorian energy market
- developing a methodology for determining the Victorian Default Offer as 'a simple, trusted and reasonably priced electricity option' for Victorian customers.

We will be finalising our work to better support customers experiencing family violence, as well as setting new feed-in tariffs for solar customers. A review of the rules relating to the distribution of electricity in our network and improving the timeliness of electricity connections will also be undertaken.

In November 2018, the Victorian Government announced a suite of changes to the energy market as part of its 'Energy Fairness Plan'. The plan includes more reforms to better serve the Victorian retail energy market in relation to retailer pricing and contracting practices, advertising and information disclosure, and competitive behaviour.

The Energy Fairness Plan also aims to expand the commission's enforcement role, with new enforcement powers and higher penalties for energy businesses who breach the rules, new customer protections, a new (fourth) 'enforcement commissioner', and a 'litigation fighting fund'.



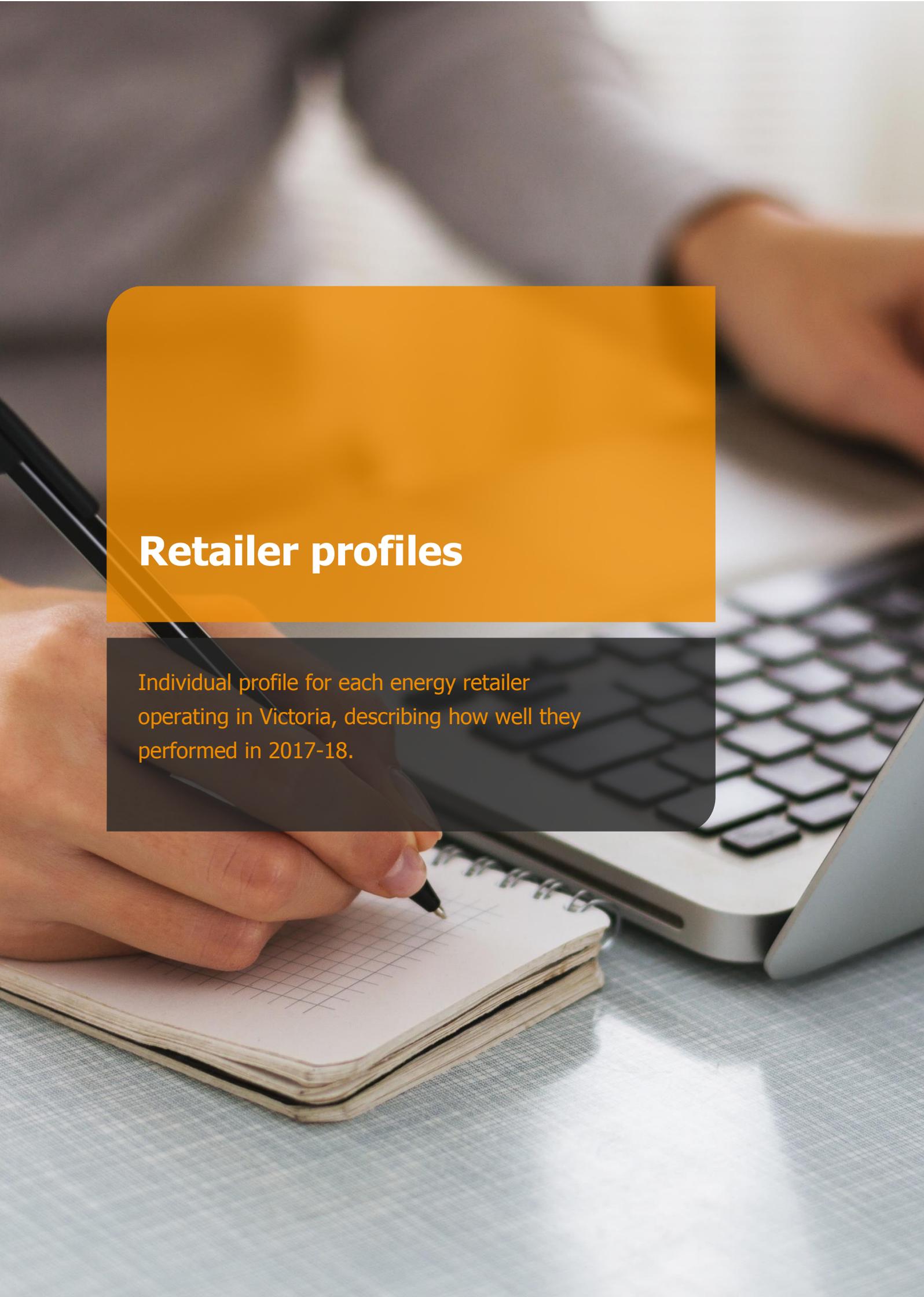
## We want to hear from you

Whenever we make any changes to the energy rules in Victoria, we seek feedback on our draft decisions before we finalise the rule changes.

If you are interested in participating in our consultation processes, let us know by emailing us to notify you about specific projects.

You can keep an eye out for open consultation at [www.esc.vic.gov.au/currentconsultations](http://www.esc.vic.gov.au/currentconsultations).

We also regularly publish updated information on the Victorian energy market. More information can be found at [www.esc.vic.gov.au/victorian-energy-marketreport](http://www.esc.vic.gov.au/victorian-energy-marketreport).

A close-up photograph of a person's hands writing in a spiral-bound notebook with a black pen. The notebook is open to a page with a grid pattern. In the background, a laptop keyboard is visible, and the scene is set on a light-colored, textured surface. The overall lighting is soft and natural.

## Retailer profiles

Individual profile for each energy retailer operating in Victoria, describing how well they performed in 2017-18.



## Retailer profiles

This chapter of the *Victorian Energy Market Report 2017–18* includes individual profiles of each retailer predominantly serving residential customers in Victoria. Each retailer profile includes information about their:

- energy offers
- market and service performance
- support to customers in payment difficulty, and
- level of disconnections of customers.

Each profile also contains a brief description of the retailer and a summary of their average customer numbers throughout 2017–18.

Profiles are available for the following retailers in Victoria:

- 1st Energy
- AGL
- Alinta Energy
- Click Energy and amaysim
- CovaU
- Diamond Energy
- EnergyAustralia
- GloBird Energy
- Lumo Energy
- Dodo and Commander (M2 Energy)
- Momentum Energy
- Origin Energy
- People Energy
- Powerdirect
- Powershop
- QEnergy
- Red Energy
- Simply Energy
- Sumo
- Tango
- Tas Gas



## How to read the individual retailer energy offers charts

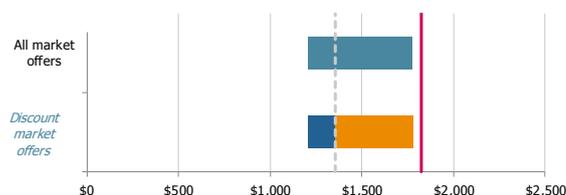
Each retailer has a chart summarising the energy offers they had generally available in the market on 30 June 2018.

In the example energy offers chart (to the right):

- The **teal horizontal bar** represents the estimated annual bills from the range of energy offers of that retailer. The range includes the lowest offer when all discounts conditions are met, and the highest offer when all discount conditions are not met during a year.
- The **blue horizontal bar** represents the estimated annual bills from the range of energy offers of that retailer, when all the conditions of discounts are met during the year.
- The **orange horizontal bar** represents the annual bills of the range of offers when all discount conditions are not met during the year.
- The **pink line** shows what an annual bill would be for the average standard contract in Victoria.
- The **dotted line** shows what an annual bill would be for the average conditional market contracts in Victoria with all its discount conditions met.

For gas offers, only the range of all market offers by a retailer has been shown, as prices for conditional discounted market offers vary significantly across distribution supply zones.

### Example energy offers chart



Estimated annual bills are based on typical residential customer consumption of 4,000kWh per year for electricity, and 54.4 GJ per year for gas.

The ranges of market offers from retailers represent the average of the lowest and highest offers in each of the different distribution zones in Victoria



### How to read the performance charts

Each retailer has three charts that provide a short summary of their performance in 2017–18, as discussed in the main report.

In the example market and service performance chart, to the right:

- The **grey dotted line** represents what the average level of performance was from all retailers operating in Victoria.
- The **blue bars** represent the level of performance of the individual retailer in comparison to the Victorian average.

The Victorian average figure for each indicator is also shown in the shaded area below.

There are five indicators represented for each retailer. Each indicator is described by the labels on each of the blue lines.

For the market and service performance charts, if the blue bar is higher than the grey dotted line, that retailer is performing better than average.

In the example payment difficulty and disconnection chart, to the right:

- The **grey dotted line** represents the average levels of support to customers in payment difficulty and various disconnection rates of all retailers operating in Victoria.
- The **teal bars** represent the levels of support provided by the individual retailer to customers in payment difficulty compared to the Victorian average.
- The **pink bars** represent disconnection rates of the individual retailer compared to the Victorian average.

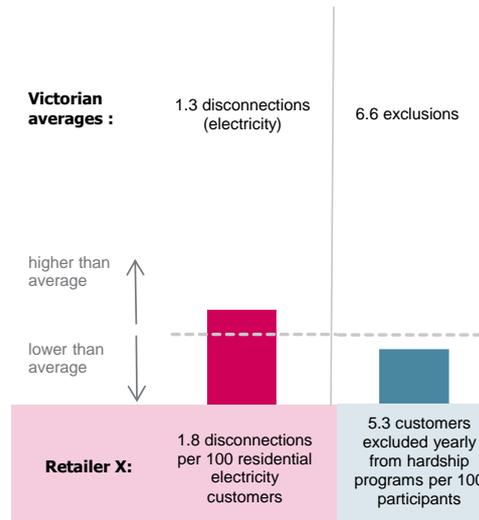
There are 17 indicators represented for each retailer. Each indicator is described by the labels on each of the coloured lines. The Victorian average figure for each indicator is also shown in the grey shaded area.

For these charts, if the coloured bars are higher than average, it *does not necessarily mean* they are better or worse than the average.

Example market and service performance chart



Example chart for indicators relating to support to customers in payment difficulty, and disconnection of customers



Yearly data related to these indicators (and other indicators) can be found in the appendix to the *Victorian Energy Market Report 2017-18*, which is available at <https://www.esc.vic.gov.au/victorian-energy-market-report>.



# 1st Energy



## 1<sup>st</sup> Energy is a small retailer

(2017-18 average)

1<sup>st</sup> Energy was granted an electricity licence in May 2016. It also has retail operations in New South Wales and Queensland.

**6,400**

residential electricity customers

1<sup>st</sup> Energy is privately owned.

**1,321**

small business energy customers

## What were the prices of 1st Energy's energy offers on 30 June 2018?

On average, 1st Energy was within the average range of prices for discounted residential electricity offers.

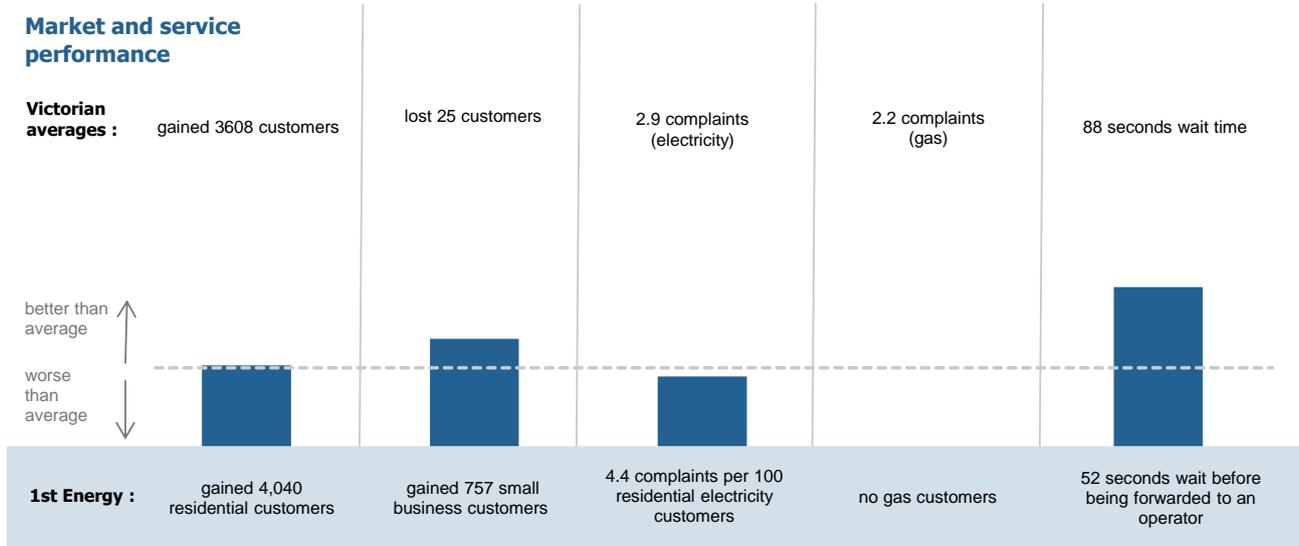
As shown below, its lowest offer was \$31 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$746 more than customers had anticipated.



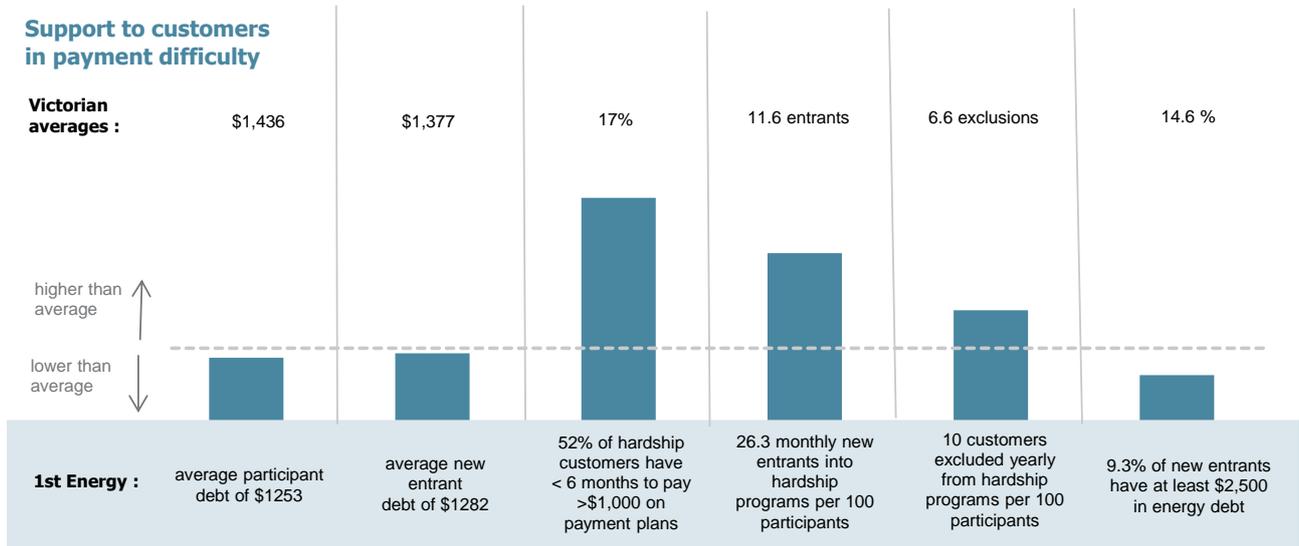


### How did 1<sup>st</sup> Energy perform in Victoria in 2017-18?

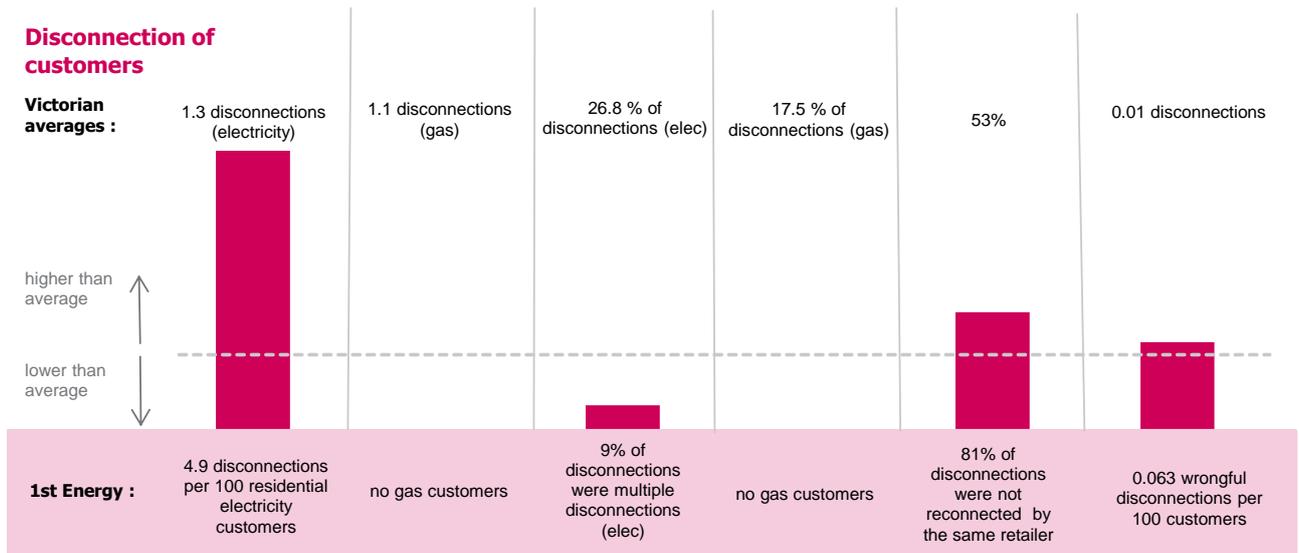
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# AGL



## AGL is one of the largest retailers in Victoria

(2017-18 average)

AGL has been an incumbent supplier of electricity in Victoria since 2002. It also operates in South Australia, New South Wales and Queensland.

AGL Sales is part of AGL Energy, which is an ASX listed company. It has significant interests in electricity generation with hydro, wind, solar, coal and gas generation assets. AGL also owns Powerdirect.

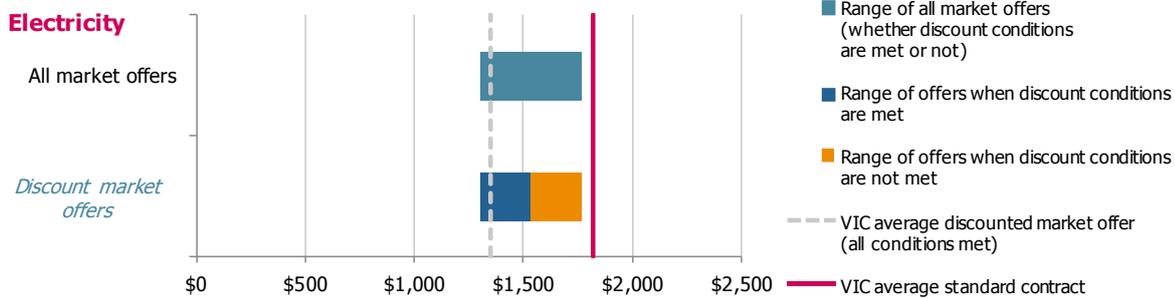
**550,904**  
residential electricity customers

**514,851**  
residential gas customers

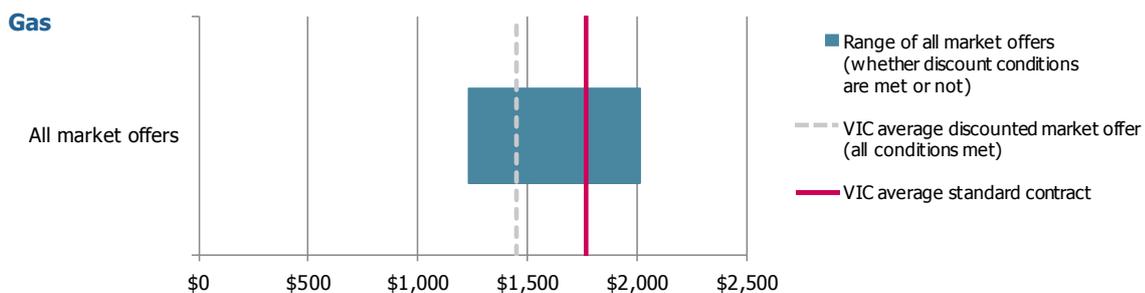
**64,956**  
small business energy customers

## What were the prices of AGL's energy offers on 30 June 2018?

AGL was within the average range of prices for residential electricity offers in Victoria. Its lowest offer was \$48 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all the discount conditions, customers might end up paying \$230 more than customers had anticipated.



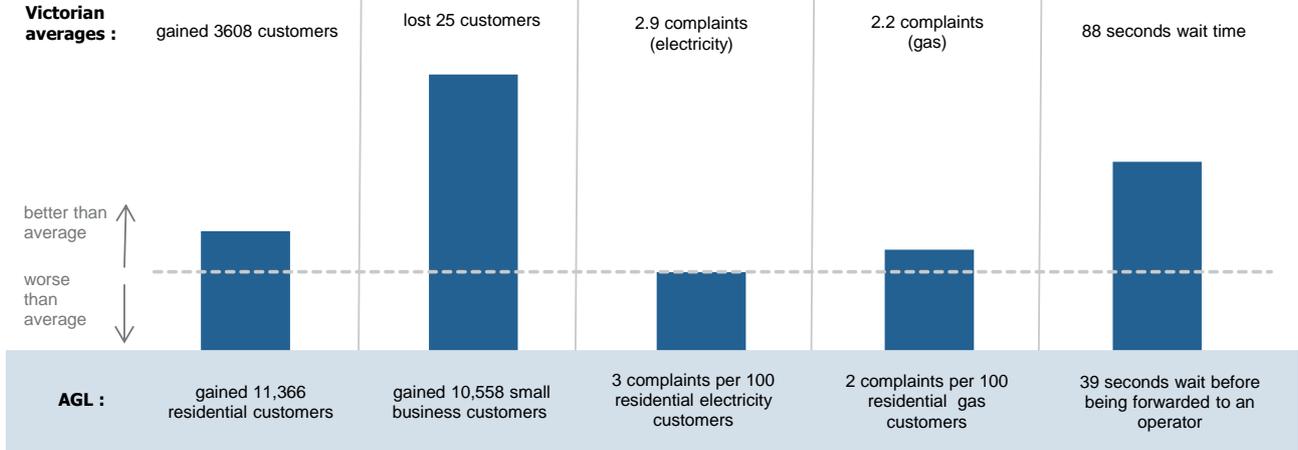
AGL was within the average range of prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$217 less than the average discounted offer in Victoria (with all its conditions met).



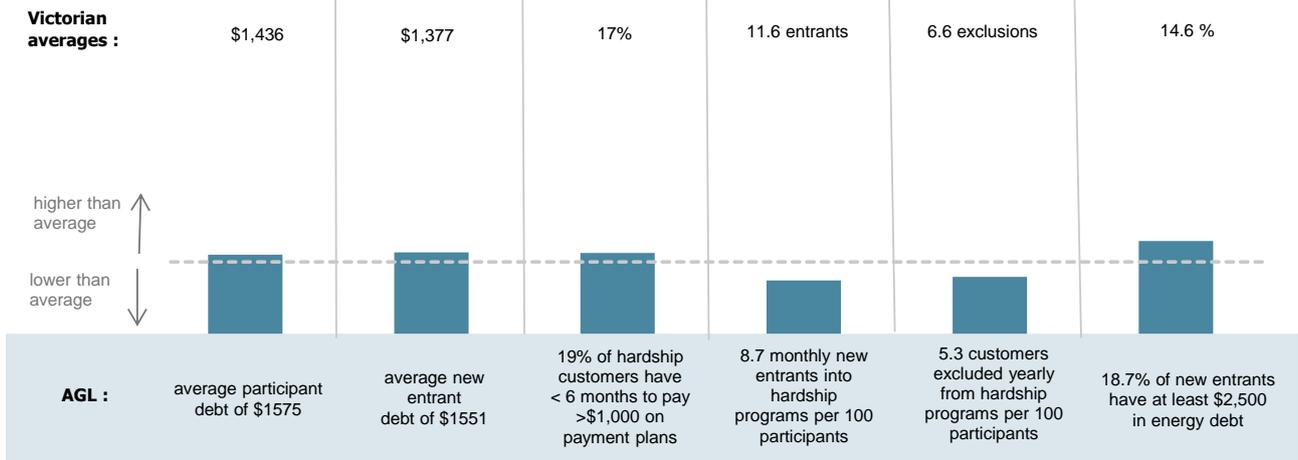


### How did AGL perform in Victoria in 2017-18?

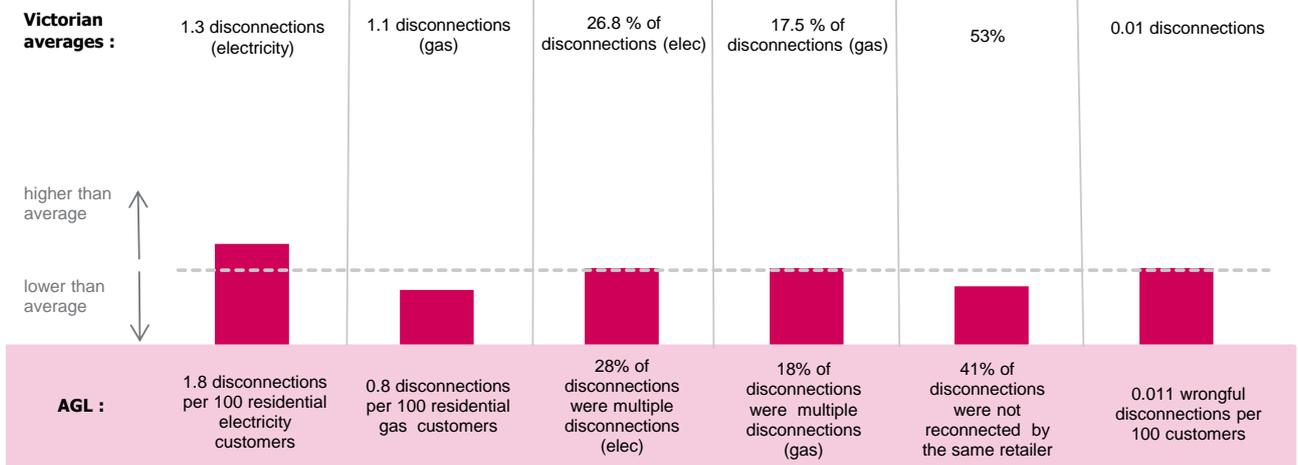
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# Alinta Energy



## Alinta is a medium sized retailer

(2017-18 average)

Alinta was issued retail licences for electricity and gas in February 2012.

**89,412**

residential electricity customers

Alinta has retail operations in Victoria, New South Wales, Western Australia and South Australia as well as electricity generation and gas pipelines along the eastern sea board. Alinta Energy was acquired by Hong Kong-based company, Chow Tai Fook Enterprises, in March 2017.

**53,066**

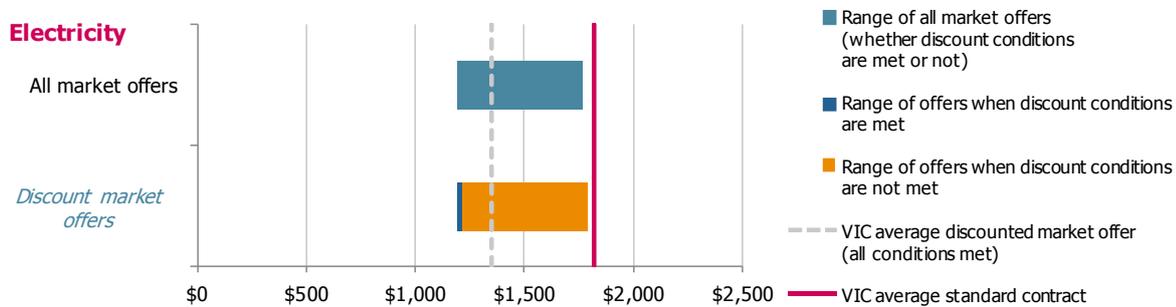
residential gas customers

**2,320**

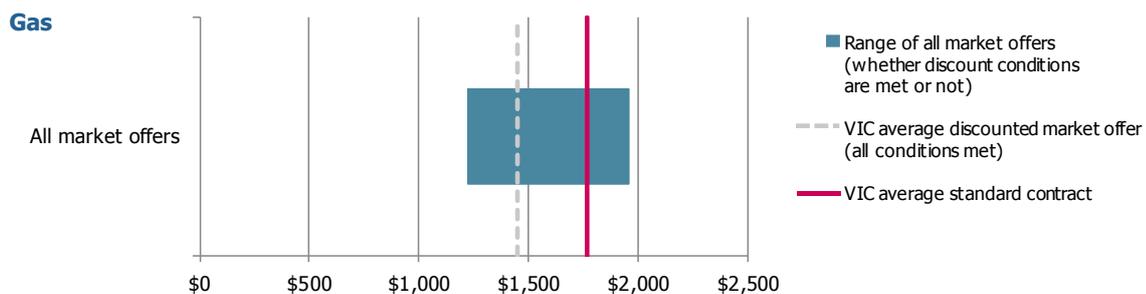
small business energy customers

## What were the prices of Alinta Energy's energy offers on 30 June 2018?

Alinta Energy was within the average-to-higher range of prices for residential electricity offers in Victoria. Its lowest offer was \$161 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all the discount conditions, customers might end up paying \$579 more than customers had anticipated.



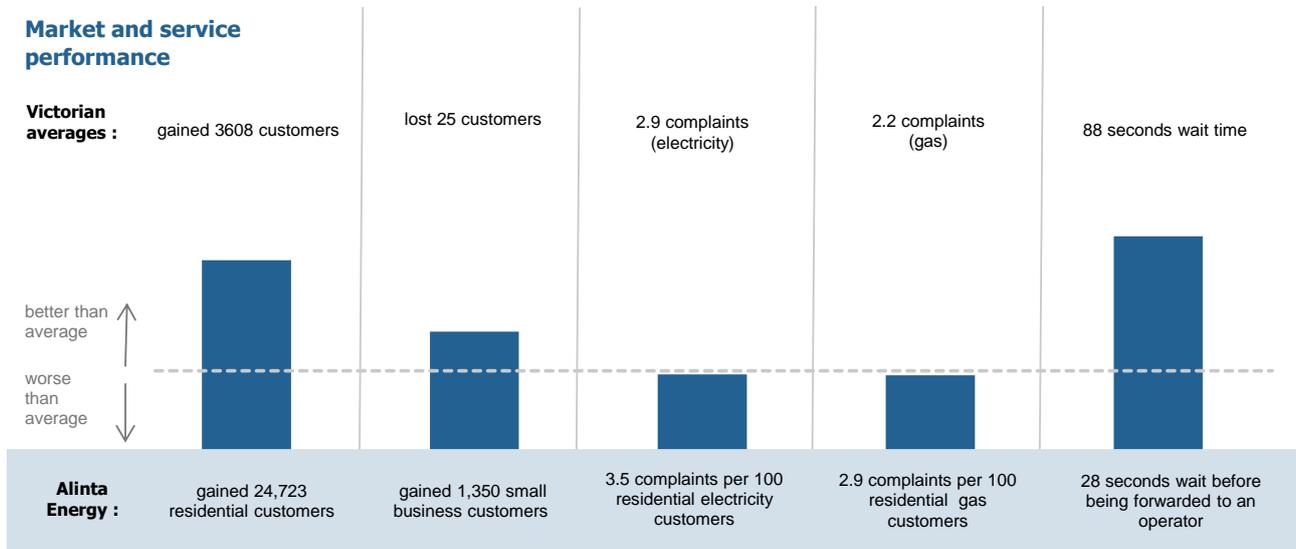
Alinta Energy was within the average range of prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$230 less than the average discounted offer in Victoria (with all its conditions met).



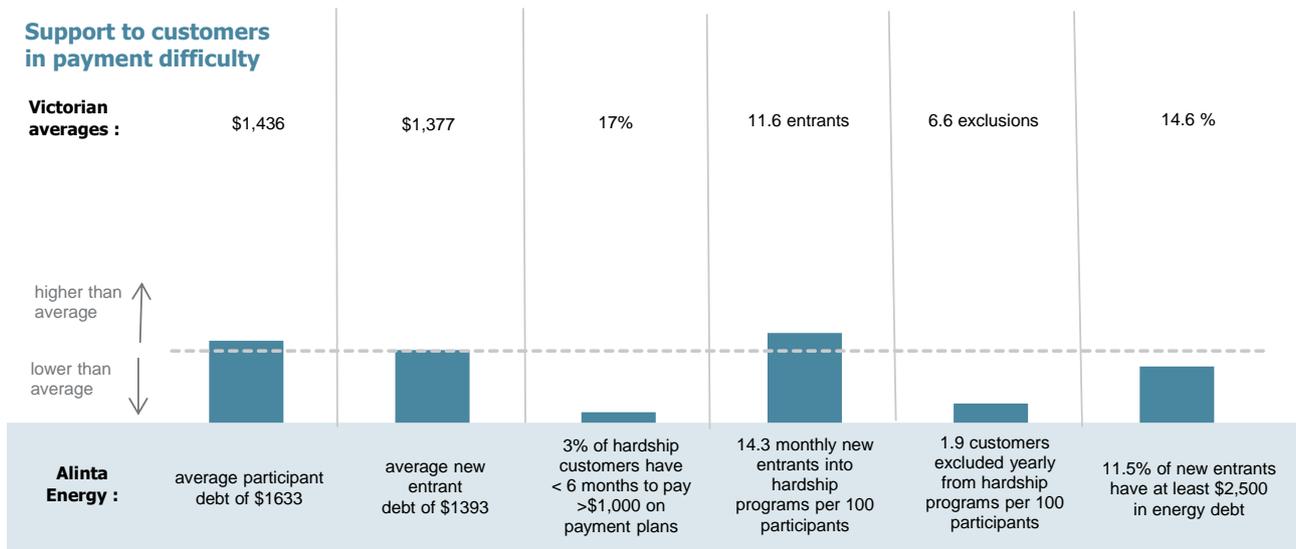


### How did Alinta Energy perform in Victoria in 2017-18?

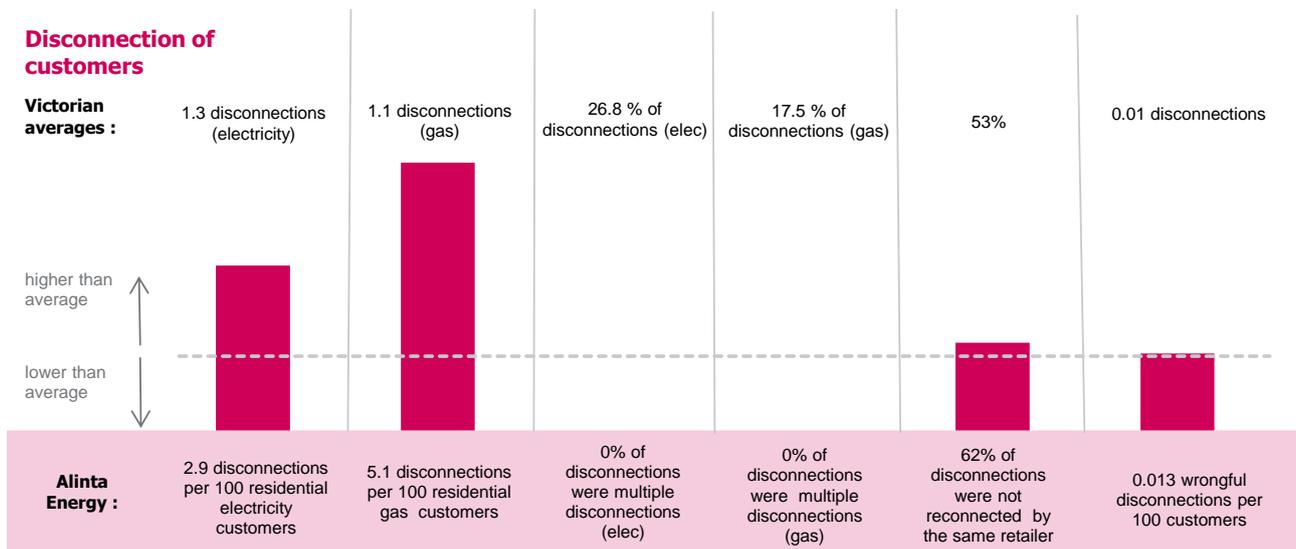
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# Click Energy and amaysim



## Click Energy and amaysim is a medium sized retailer

(2017-18 average)

Click Energy was granted a retail licence for electricity in June 2006, a retail licence for gas in December 2014, and commenced operations in January 2007. Click Energy also has retail operations in South Australia, New South Wales and Queensland.

**39,297**

residential electricity customers

**28,278**

residential gas customers

**1,633**

small business energy customers

Click Energy was acquired by amaysim Australia Ltd on 1 May 2017. It now operates under two brands – Click energy and amaysim

## What were the prices of Click Energy’s and amaysim’s energy offers on 30 June 2018?

On average, Click Energy and amaysim was within the average range of prices for residential electricity offers in Victoria. Its lowest offer was \$100 and \$237 less than the average discounted offer in Victoria (with all its conditions met) for Click Energy and amaysim respectively.

If customers do not meet all its discount conditions, customers might end up paying \$86 and \$240 more than customers had anticipated for Click Energy and amaysim respectively.



Click Energy and amaysim was in the higher range of prices for residential gas offers in 2017-18, although prices vary greatly depending on where a customer lives. Its lowest offer were both \$73 less than the average discounted offer in Victoria (with all its conditions met) for Click and amaysim respectively.



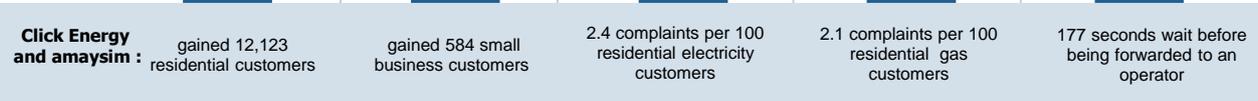


### How did Click Energy perform in Victoria in 2017-18?

#### Market and service performance

**Victorian averages :** gained 3608 customers      lost 25 customers      2.9 complaints (electricity)      2.2 complaints (gas)      88 seconds wait time

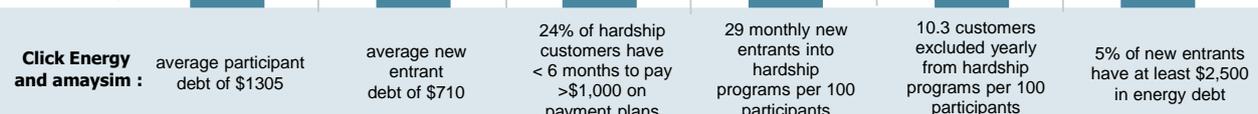
better than average ↑  
worse than average ↓



#### Support to customers in payment difficulty

**Victorian averages :** \$1,436      \$1,377      17%      11.6 entrants      6.6 exclusions      14.6 %

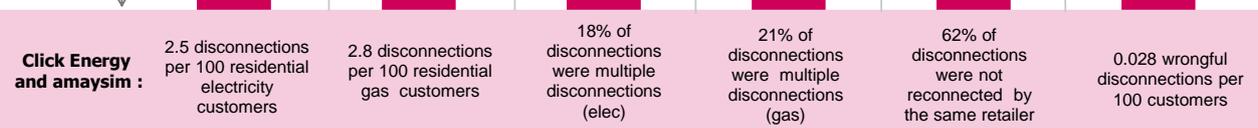
higher than average ↑  
lower than average ↓



#### Disconnection of customers

**Victorian averages :** 1.3 disconnections (electricity)      1.1 disconnections (gas)      26.8 % of disconnections (elec)      17.5 % of disconnections (gas)      53%      0.01 disconnections

higher than average ↑  
lower than average ↓





# CovaU



## CovaU is a small retailer

(2017-18 average)

CovaU were granted electricity and gas retail licences in February 2015, commencing operations in April 2015. They also have operations in New South Wales.

**281**

residential electricity customers

CovaU are a fully owned subsidiary of TPC Consolidated, an ASX listed company which also holds interests in telecommunications.

**247**

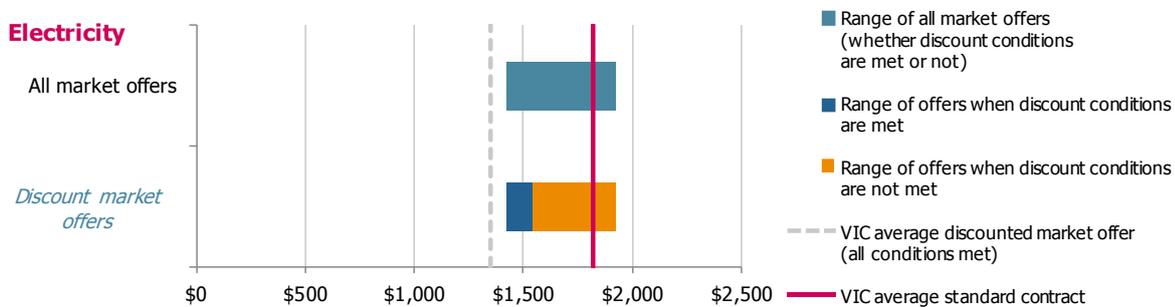
residential gas customers

**716**

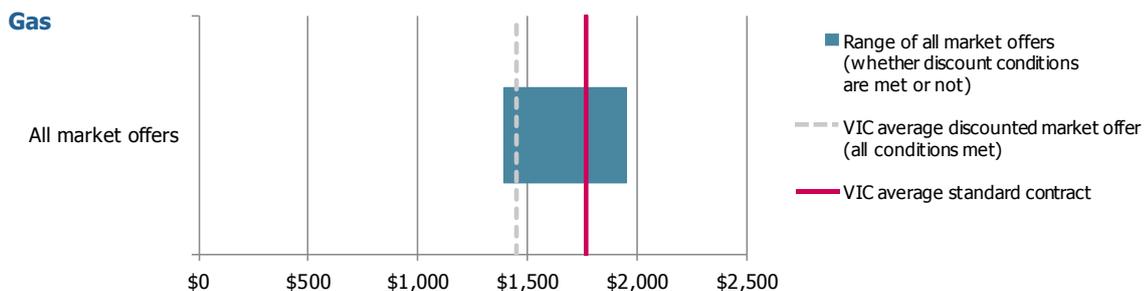
small business energy customers

## What were the prices of CovaU's energy offers on 30 June 2018?

CovaU was within the average-to-higher range of prices for residential electricity offers in Victoria. As shown below, its lowest offer was \$73 more than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$380 more than customers had anticipated.



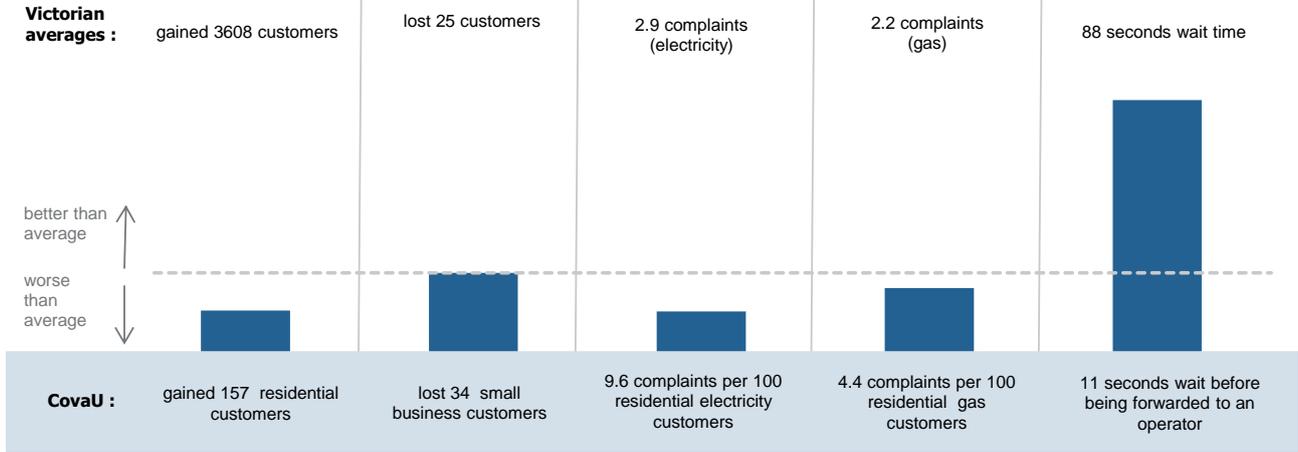
CovaU was in the lower range of average prices for residential gas offers in 2017-18, although prices varied greatly depending on where a customer lives. Its lowest offer was \$59 less than the average discounted offer in Victoria (with all its conditions met).



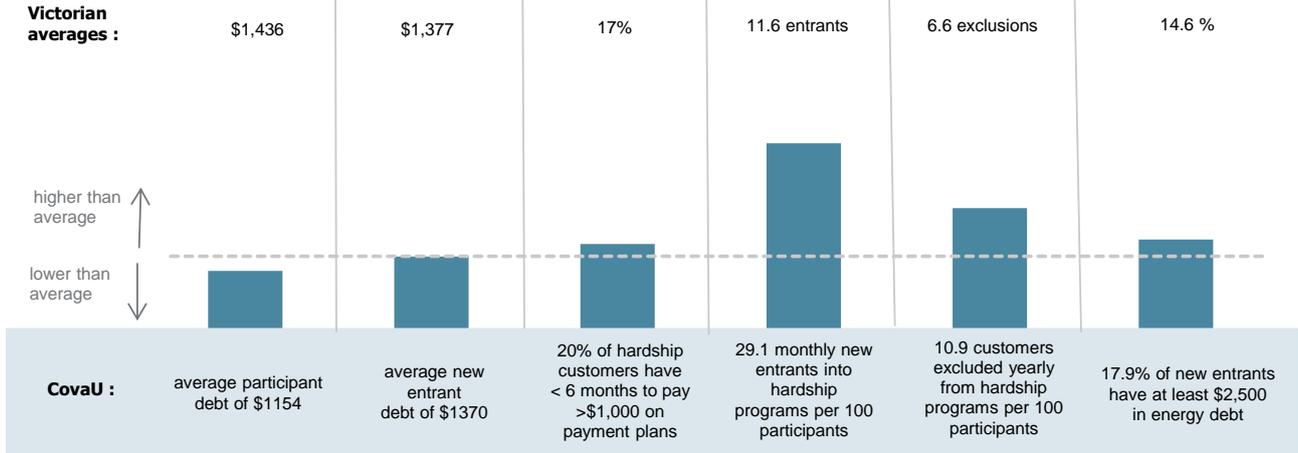


### How did CovaU perform in Victoria in 2017-18?

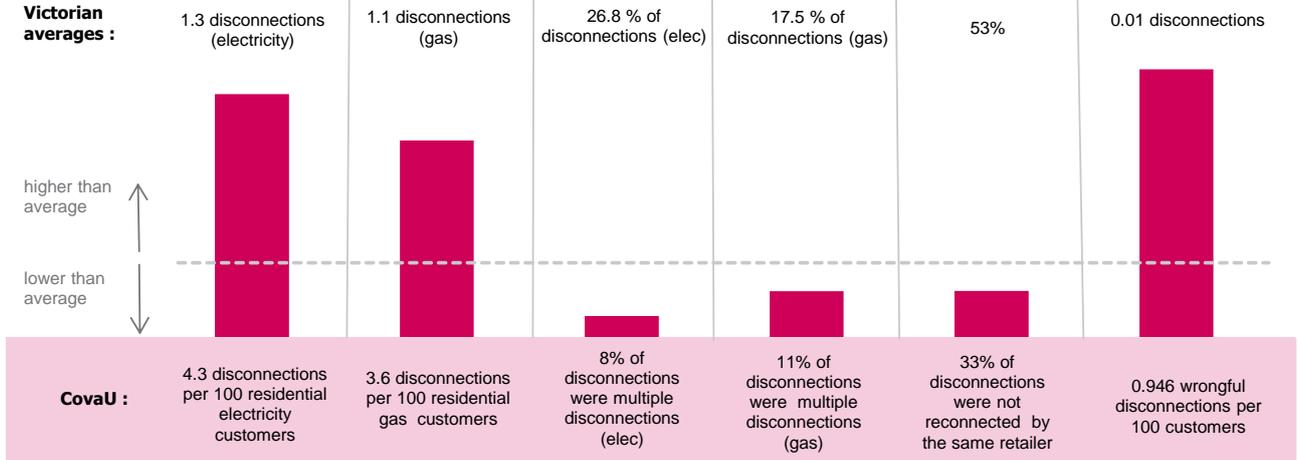
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# Diamond Energy



## Diamond Energy is a small retailer

(2017-18 average)

Diamond Energy was granted an electricity retail licence in October 2007, and commenced operations in July 2008. Diamond Energy has retail operations in Victoria, New South Wales, Queensland and South Australia.

Diamond Energy is an Australian private limited company, owned by a group of private investors and US solar manufacturer, SunPower Corporation.

**3,941**

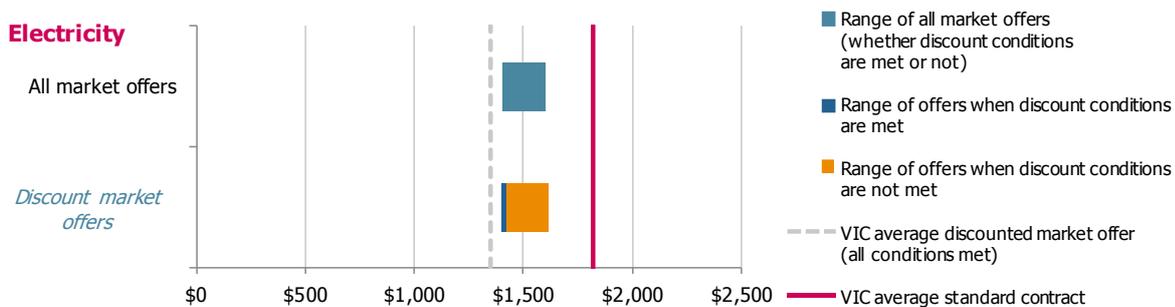
residential electricity customers

**177**

small business energy customers

## What were the prices of Diamond Energy's electricity offers on 30 June 2018?

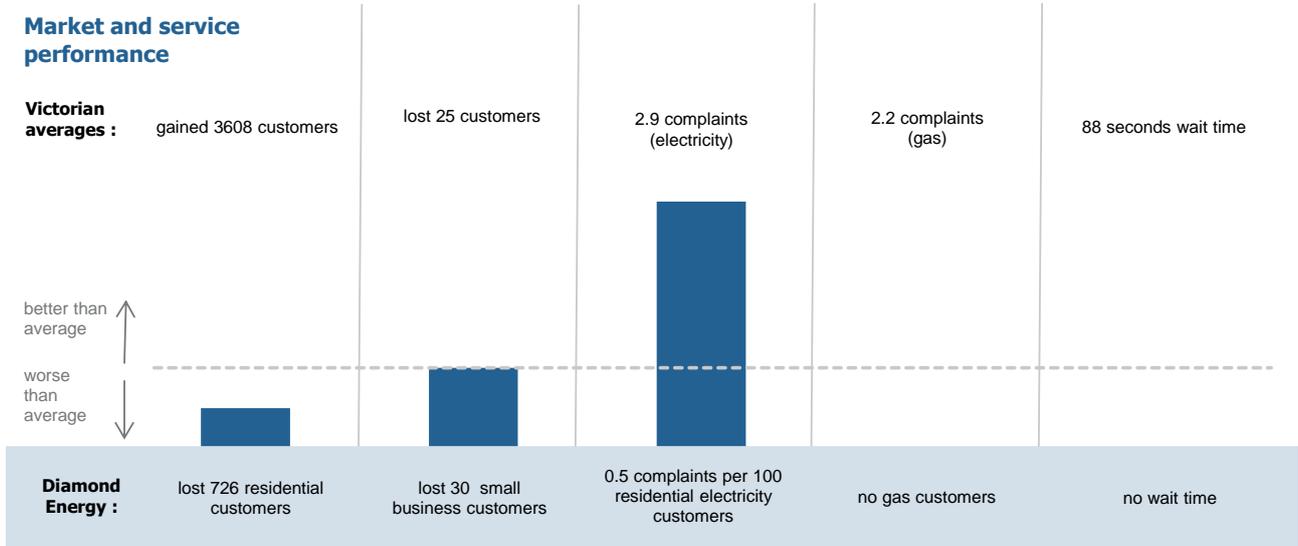
Diamond Energy was within the average range of prices for residential electricity offers in Victoria. As shown below, its lowest offer was \$50 more than the average standard contract in Victoria. If customers do not meet all its discount conditions, customers might end up paying \$195 more than customers had anticipated.



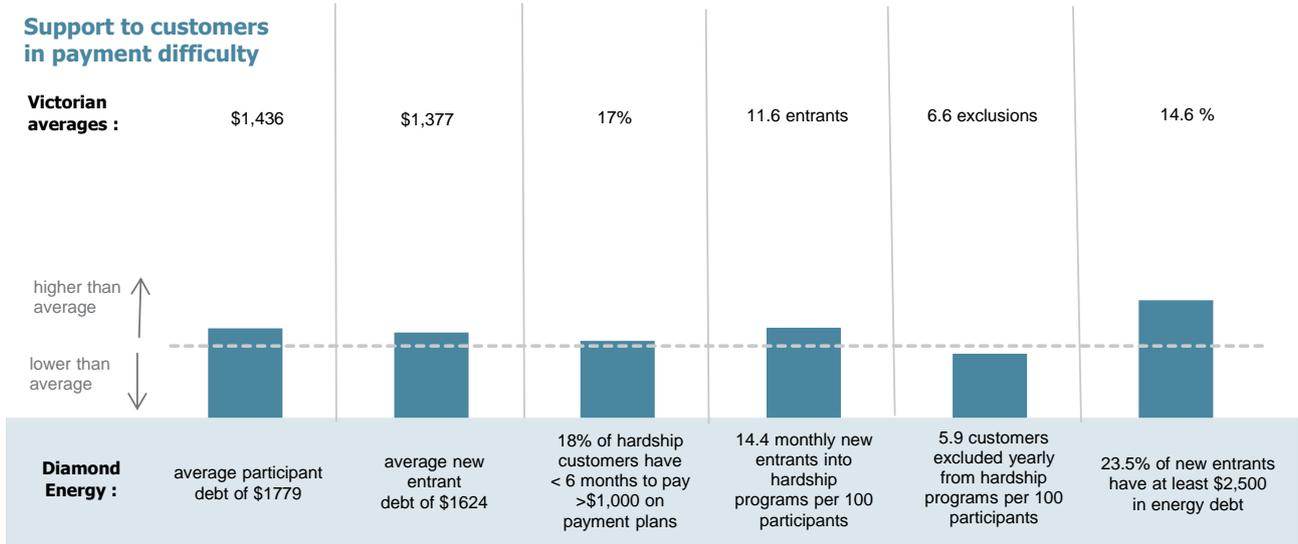


### How did Diamond Energy perform in Victoria in 2017-18?

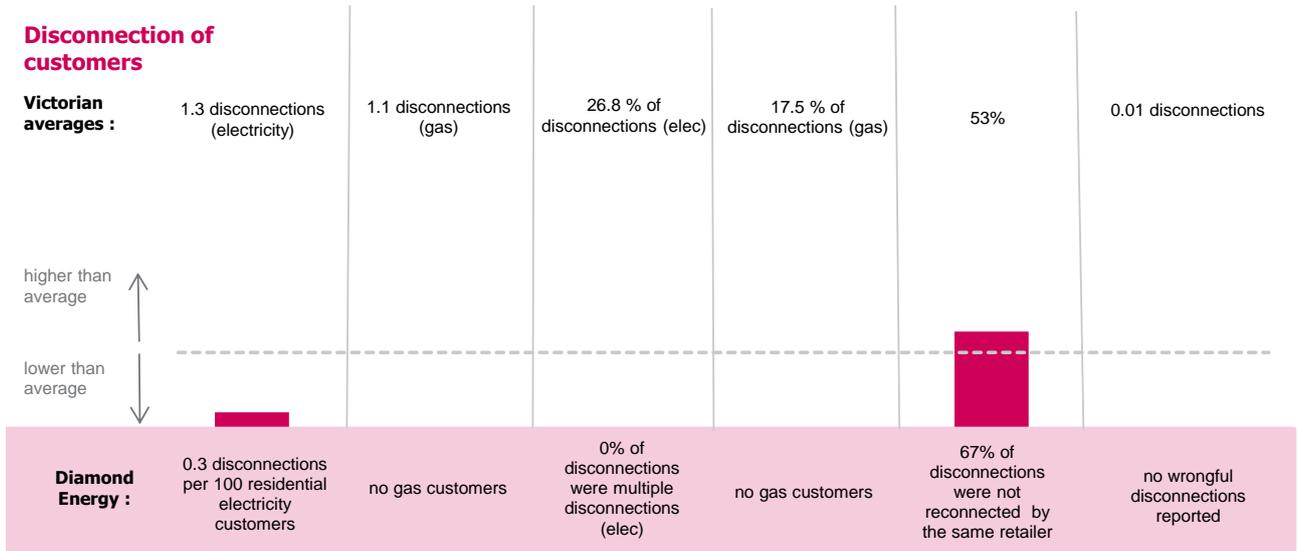
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# EnergyAustralia



## EnergyAustralia is one of the largest retailers in Victoria

(2017-18 average)

It is the successor to the incumbent electricity supplier TXU Ltd, renamed to Energy Australia in 2012. It has retail operations in New South Wales, ACT, Queensland and South Australia and has significant electricity generation interests in coal, gas, solar, and wind. It is owned by CLP Group which has energy assets in China, India, Hong Kong, Taiwan and Thailand.

**455,419**

residential electricity customers

**403,839**

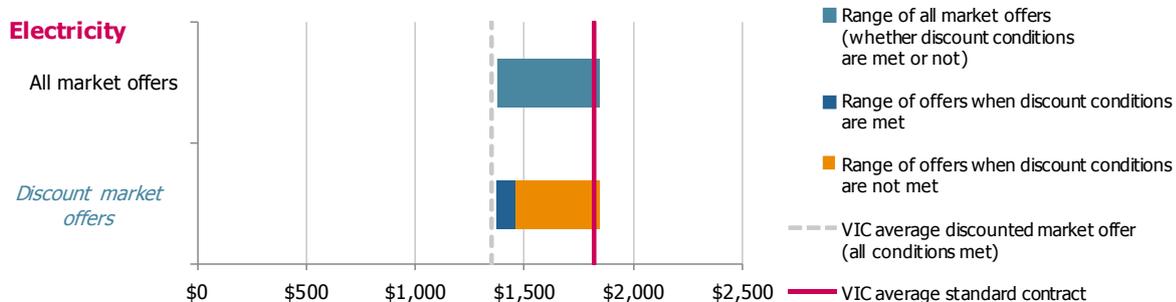
residential gas customers

**53,338**

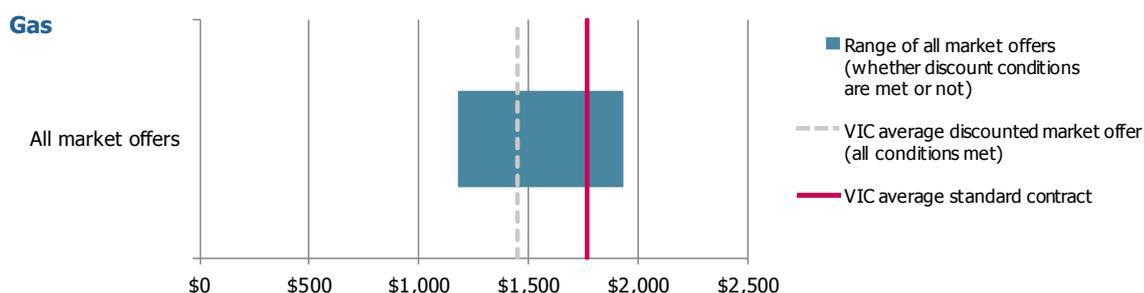
small business energy customers

## What were the prices of EnergyAustralia's energy offers on 30 June 2018?

EnergyAustralia was within the lower-to-average range of prices for residential electricity offers in Victoria. Its lowest offer was \$26 more than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$387 more than customers had anticipated.



EnergyAustralia was in the lower range of average prices for residential gas offers in 2017-18, although prices varied greatly depending on where a customer lives. Its lowest offer was \$268 less than the average discounted offer in Victoria (with all its conditions met).





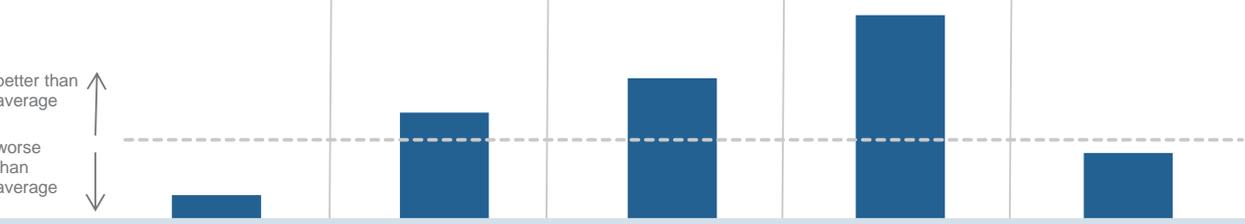
### How did Energy Australia perform in Victoria in 2017-18?

#### Market and service performance

Victorian averages :

gained 3608 customers      lost 25 customers      2.9 complaints (electricity)      2.2 complaints (gas)      88 seconds wait time

better than average  
worse than average



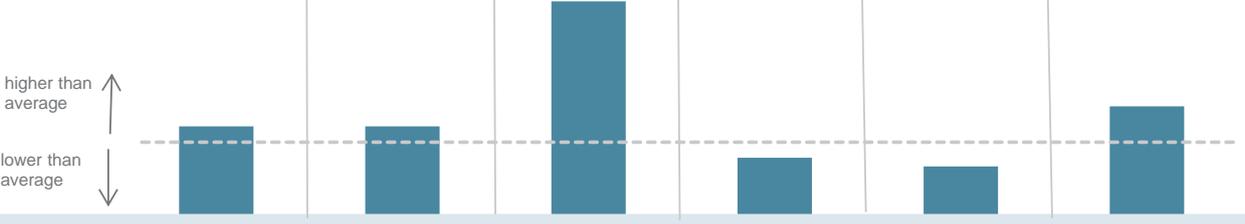
<b>Energy Australia :</b>	lost 11,909 residential customers	gained 655 small business customers	2 complaints per 100 residential electricity customers	0.8 complaints per 100 residential gas customers	116 seconds wait before being forwarded to an operator
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#### Support to customers in payment difficulty

Victorian averages :

\$1,436      \$1,377      17%      11.6 entrants      6.6 exclusions      14.6 %

higher than average  
lower than average



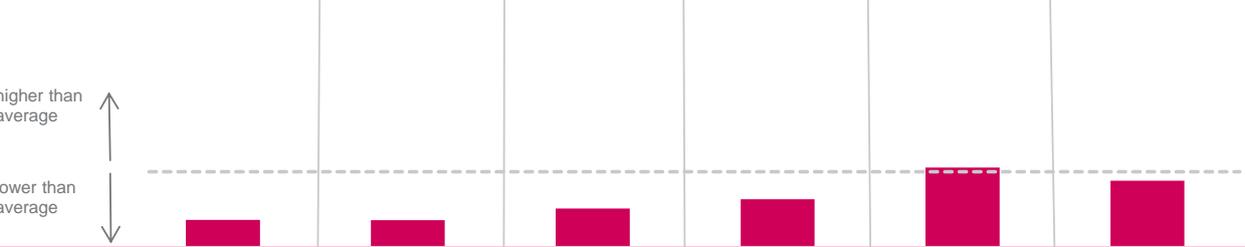
<b>Energy Australia :</b>	average participant debt of \$1740	average new entrant debt of \$1669	50% of hardship customers have < 6 months to pay >\$1,000 on payment plans	9.1 monthly new entrants into hardship programs per 100 participants	4.5 customers excluded yearly from hardship programs per 100 participants	21.6% of new entrants have at least \$2,500 in energy debt
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#### Disconnection of customers

Victorian averages :

1.3 disconnections (electricity)      1.1 disconnections (gas)      26.8 % of disconnections (elec)      17.5 % of disconnections (gas)      53%      0.01 disconnections

higher than average  
lower than average



<b>Energy Australia:</b>	0.5 disconnections per 100 residential electricity customers	0.4 disconnections per 100 residential gas customers	14% of disconnections were multiple disconnections (elec)	11% of disconnections were multiple disconnections (gas)	55% of disconnections were not reconnected by the same retailer	0.009 wrongful disconnections per 100 customers
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# GloBird Energy



## GloBird Energy is a small retailer

(2017-18 average)

GloBird was granted an electricity retail licence in May 2015 and commenced operations in July 2015. It predominantly serves the residential sector.

**12,795**

residential electricity customers

GloBird is an Australian based company and currently only operates in Victoria. It was also granted a gas retail licence in June 2017.

**1,018**

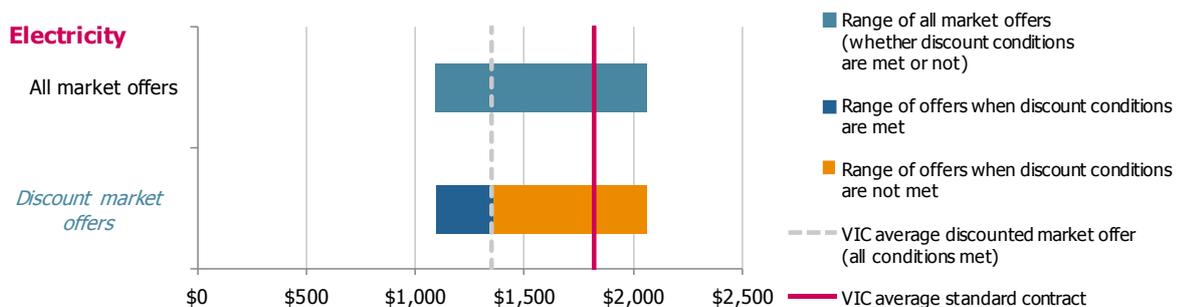
small business energy customers

## What were the prices of GloBird's energy offers on 30 June 2018?

On average, GloBird Energy had offers that were in the average range of prices for residential electricity offers in Victoria.

As shown below, its lowest offer was \$256 less than the lowest offer in Victoria.

If customers do not meet all its discount conditions, customers might end up paying \$697 more than customers had anticipated.





### How did Globird Energy perform in Victoria in 2017-18?

#### Market and service performance

Victorian averages :

gained 3608 customers      lost 25 customers      2.9 complaints (electricity)      2.2 complaints (gas)      88 seconds wait time

better than average ↑  
worse than average ↓

**GloBird :**

gained 5,046 residential customers      gained 188 small business customers      0.6 complaints per 100 residential electricity customers      no gas customers      49 seconds wait before being forwarded to an operator

#### Support to customers in payment difficulty

Victorian averages :

\$1,436      \$1,377      17%      11.6 entrants      6.6 exclusions      14.6 %

higher than average ↑  
lower than average ↓

**GloBird :**

average participant debt of \$958      average new entrant debt of \$816      28% of hardship customers have < 6 months to pay >\$1,000 on payment plans      18.9 monthly new entrants into hardship programs per 100 participants      12.4 customers excluded yearly from hardship programs per 100 participants      6.3% of new entrants have at least \$2,500 in energy debt

#### Disconnection of customers

Victorian averages :

1.3 disconnections (electricity)      1.1 disconnections (gas)      26.8 % of disconnections (elec)      17.5 % of disconnections (gas)      53%      0.01 disconnections

higher than average ↑  
lower than average ↓

**GloBird :**

0.4 disconnections per 100 residential electricity customers      no gas customers      12% of disconnections were multiple disconnections (elec)      no gas customers      63% of disconnections were not reconnected by the same retailer      no wrongful disconnections reported



# Lumo Energy



## Lumo Energy is a large retailer

(2017-18 average)

Lumo was granted an electricity retail licence in August 2002 and a gas retail licence in December 2004. It also has energy retail operations in Queensland, New South Wales and South Australia. Lumo was sold to Snowy Hydro in 2014. Snowy Hydro is jointly held by the NSW, Victorian and Australian Government, and has significant generating capacity in hydro and gas as well as a retail energy business in Red Energy.

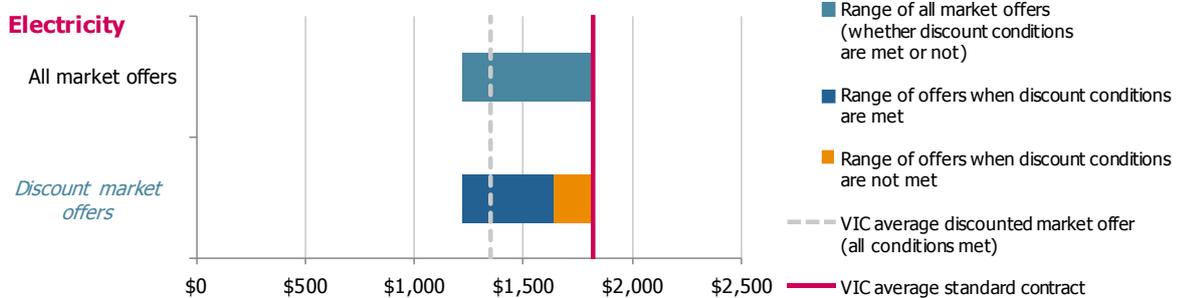
**167,353**  
residential electricity customers

**143,921**  
residential gas customers

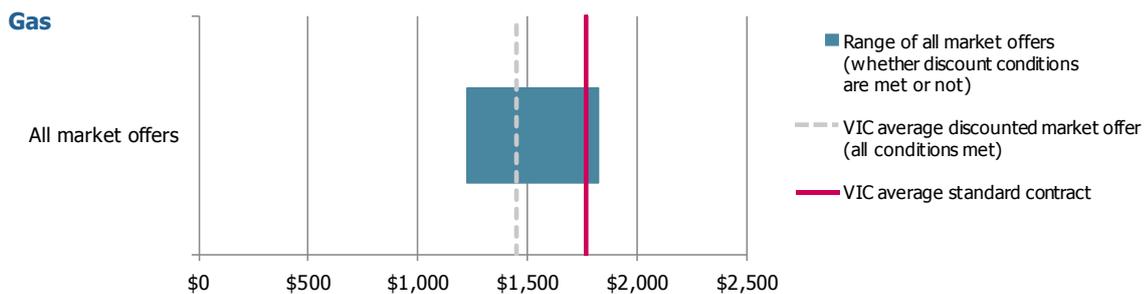
**17,753**  
small business energy customers

## What were the prices of Lumo Energy's energy offers on 30 June 2018?

Lumo Energy was within the lower-to-average range of prices for residential electricity offers in Victoria. Its lowest offer was \$132 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$182 more than customers had anticipated.



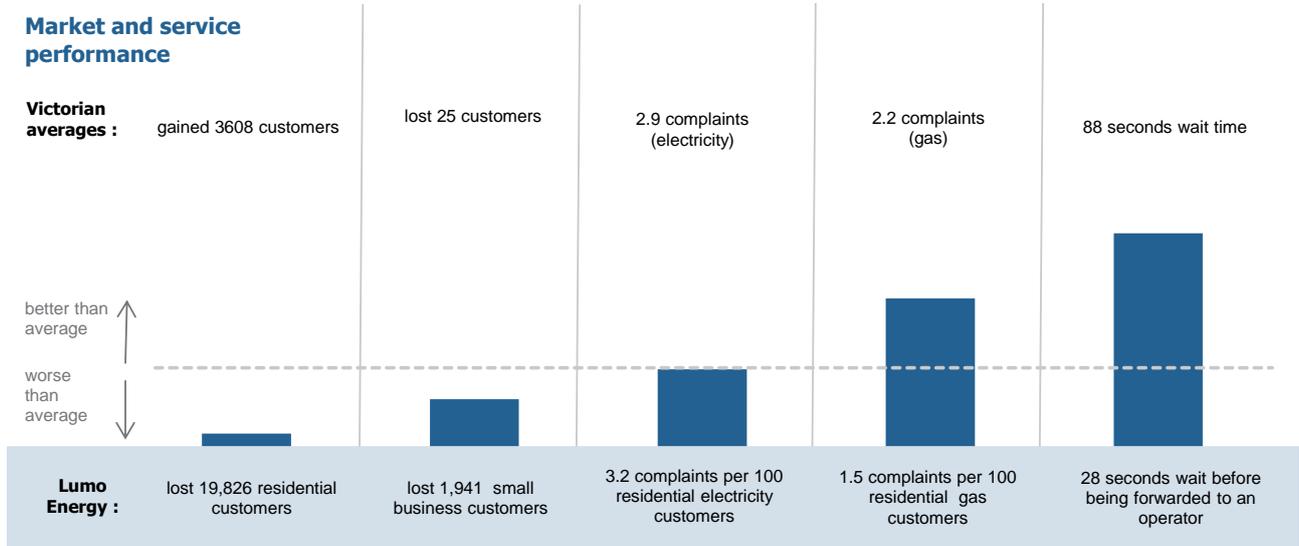
Lumo Energy was in the lower range of average Victorian prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$224 less than the average discounted offer in Victoria (with all its conditions met).



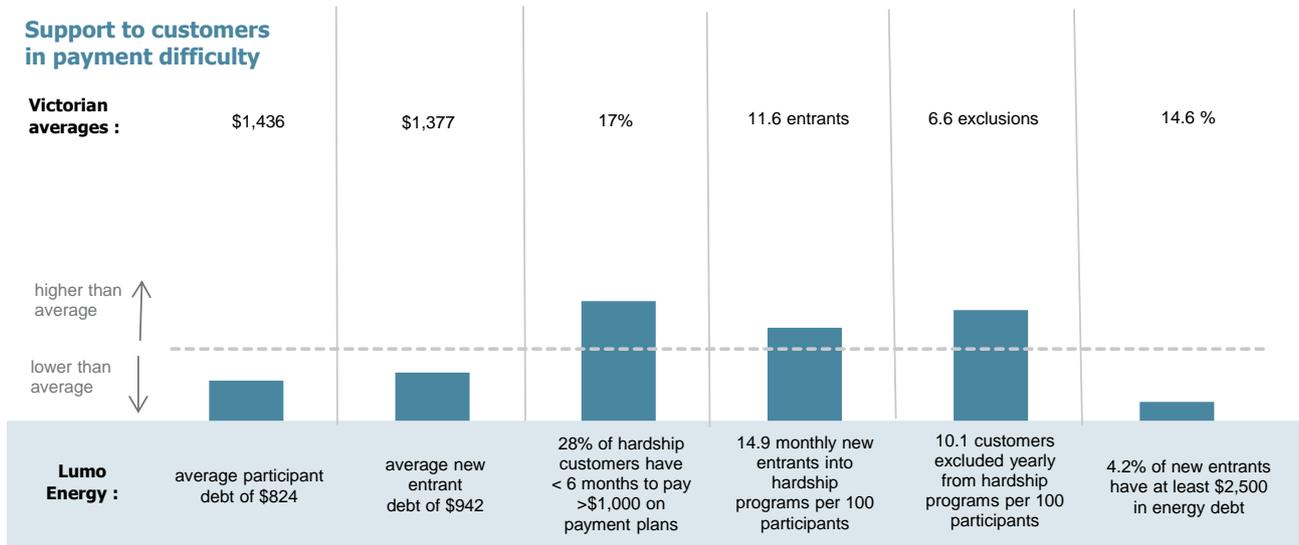


### How did Lumo Energy perform in Victoria in 2017-18?

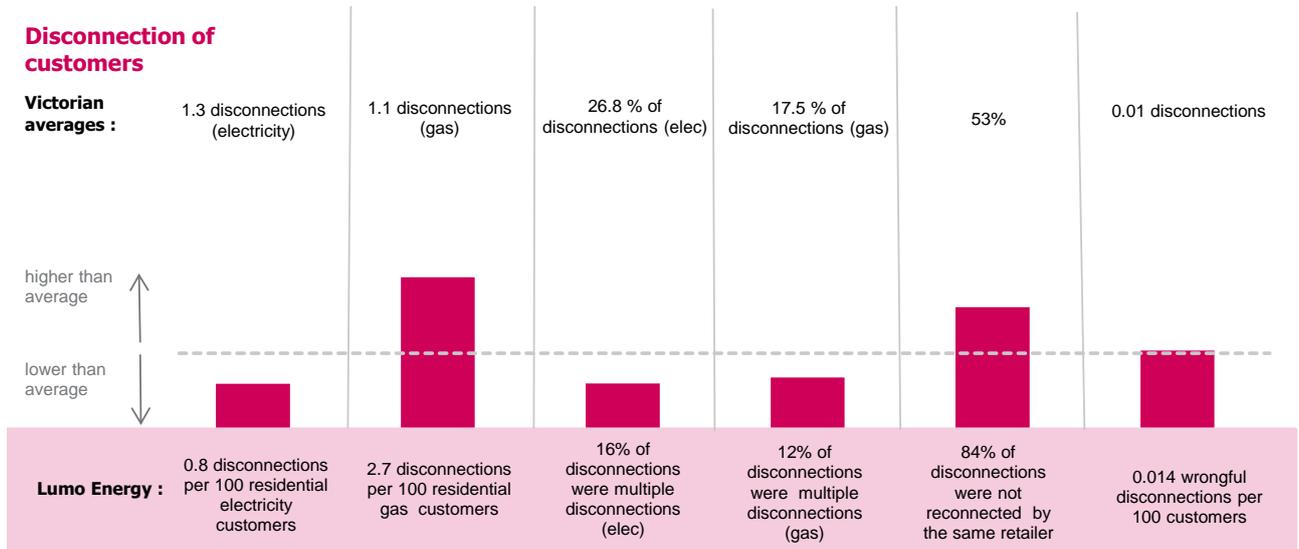
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# Dodo and Commander (M2 Energy)



## Dodo is a medium sized retailer

(2017-18 average)

M2 Energy trades as Dodo Power & Gas, and also as Commander. M2 Energy was granted electricity and gas retail licences in September 2007. It also operates in New South Wales, Queensland and South Australia. M2 Energy merged with Vocus Communications Ltd in early 2016. Vocus is an ASX listed company with interests in telecommunications.

**46,832**

residential electricity customers

**39,065**

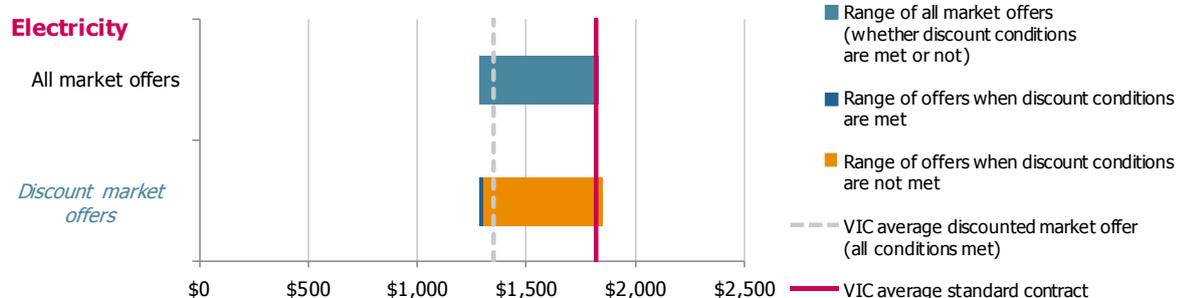
residential gas customers

**1,880**

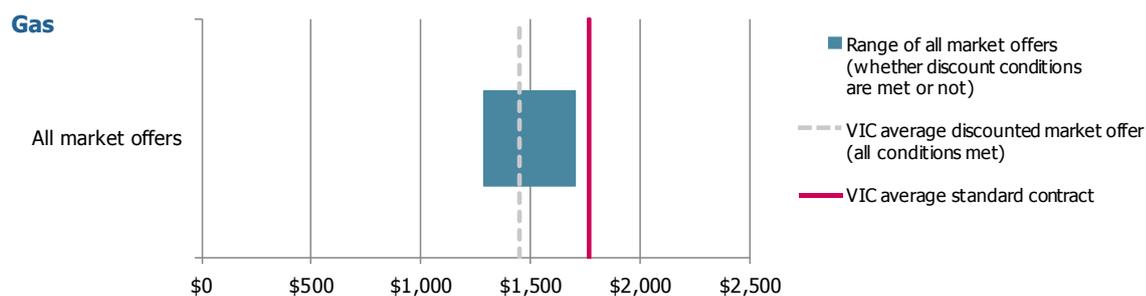
small business energy customers

## What were the prices of its Dodo's energy offers on 30 June 2018?

On average, Dodo was within the average range of prices for residential electricity offers in Victoria. Its lowest offer was \$69 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$551 more than customers had anticipated.



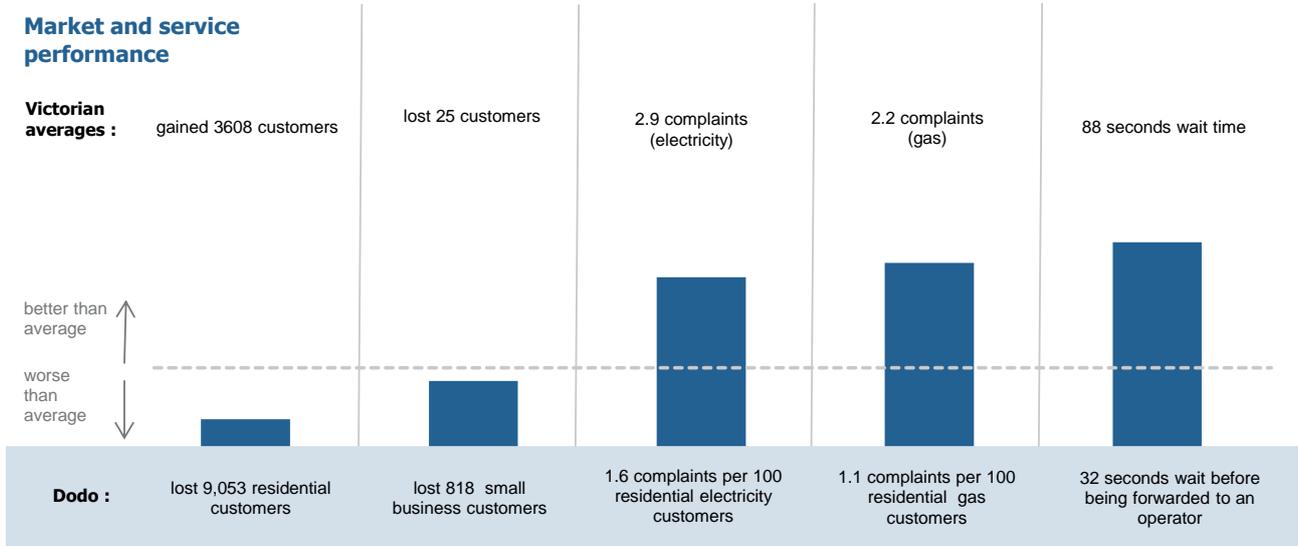
Dodo was in the lower range of Victorian prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$162 less than the average discounted offer in Victoria (with all its conditions met).



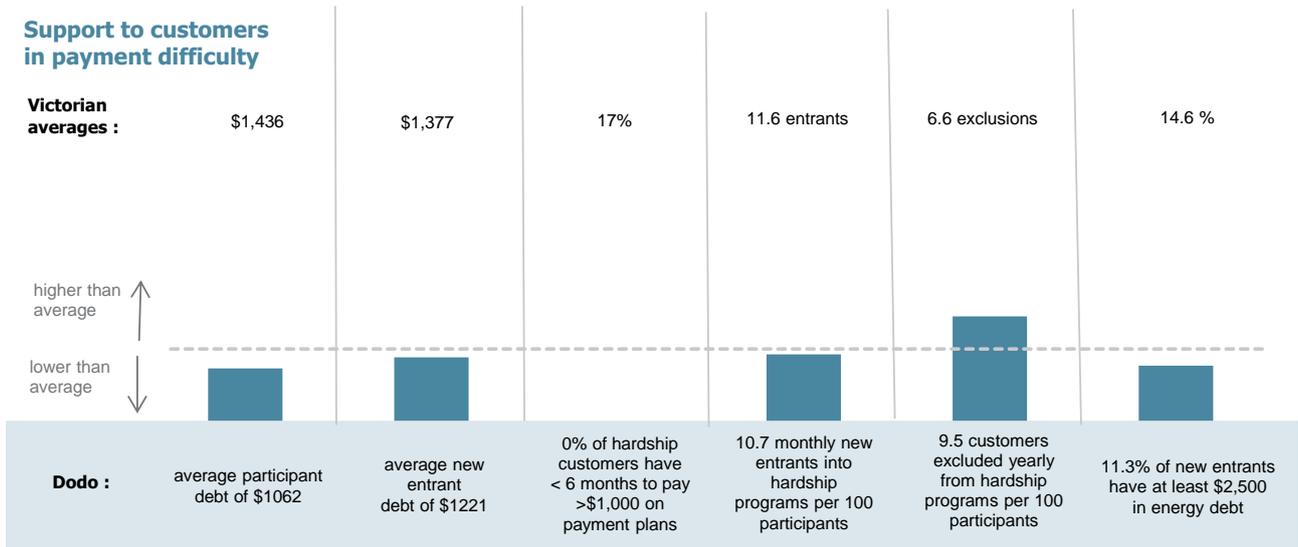


### How did Dodo perform in Victoria in 2017-18?

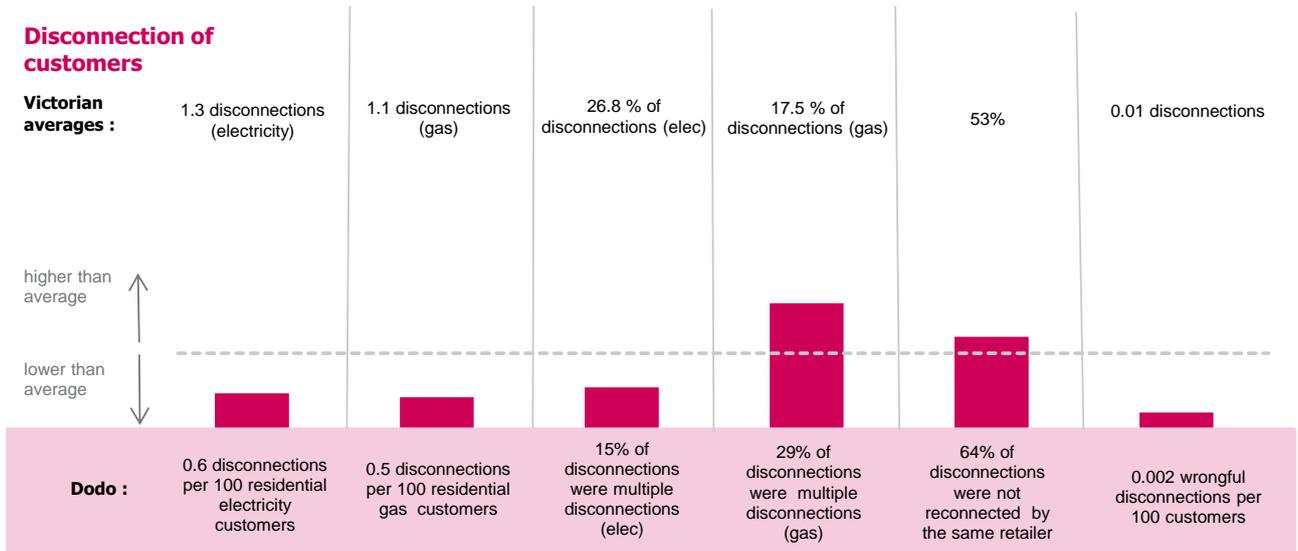
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# Momentum Energy



## Momentum Energy is a medium sized retailer

(2017-18 average)

Momentum was granted an electricity retail licence in January 2005 and a gas retail licence in October 2007. Momentum commenced operations in January 2005. Momentum has energy retail operations in Victoria, ACT, New South Wales, Queensland and South Australia.

Momentum is owned by Hydro Tasmania, which is owned by the Tasmanian Government. Hydro Tasmania holds significant generating capacity in hydro, gas and wind in several states.

**79,464**

residential electricity customers

**54,324**

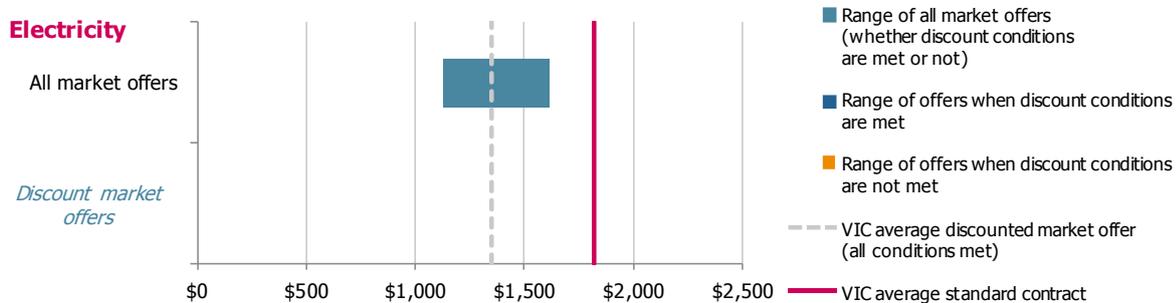
residential gas customers

**33,230**

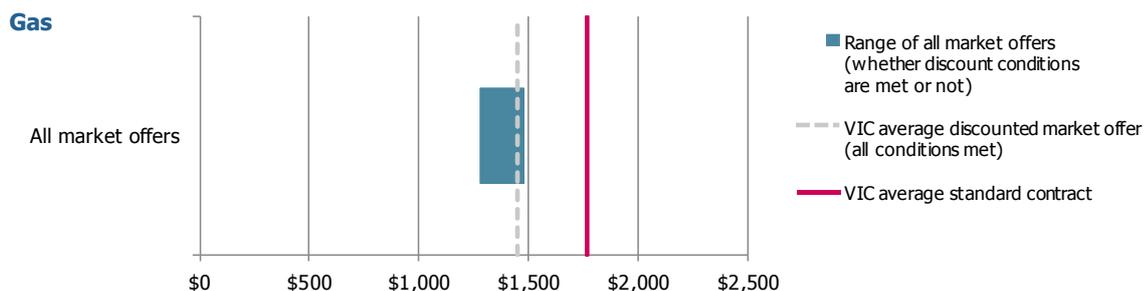
small business energy customers

## What were the prices of Momentum Energy's energy offers on 30 June 2018?

Momentum was within the lowest range of prices for residential electricity offers in Victoria. As shown below, its lowest offer, which was an undiscounted offer, was \$223 less than the average discounted offer in Victoria (with all its conditions met). Momentum did not have any discounted offers at the time.



Momentum was within the average range of prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer, which was an undiscounted offer, was \$170 less than the average discounted offer in Victoria (with all its conditions met). They did not have any discounted offers.





### How did Momentum Energy perform in Victoria in 2017-18?

#### Market and service performance

Victorian averages :

gained 3608 customers      lost 25 customers      2.9 complaints (electricity)      2.2 complaints (gas)      88 seconds wait time

better than average  
worse than average

<b>Momentum Energy :</b>	gained 23,836 residential customers	lost 10 small business customers	1.2 complaints per 100 residential electricity customers	1.1 complaints per 100 residential gas customers	17 seconds wait before being forwarded to an operator
--------------------------	-------------------------------------	----------------------------------	--	--	---

#### Support to customers in payment difficulty

Victorian averages :

\$1,436      \$1,377      17%      11.6 entrants      6.6 exclusions      14.6 %

higher than average  
lower than average

<b>Momentum Energy :</b>	average participant debt of \$852	average new entrant debt of \$766	3% of hardship customers have < 6 months to pay >\$1,000 on payment plans	14.3 monthly new entrants into hardship programs per 100 participants	8.9 customers excluded yearly from hardship programs per 100 participants	11.2% of new entrants have at least \$2,500 in energy debt
--------------------------	-----------------------------------	-----------------------------------	---	---	---	--

#### Disconnection of customers

Victorian averages :

1.3 disconnections (electricity)      1.1 disconnections (gas)      26.8 % of disconnections (elec)      17.5 % of disconnections (gas)      53%      0.01 disconnections

higher than average  
lower than average

<b>Momentum Energy :</b>	1.2 disconnections per 100 residential electricity customers	0.8 disconnections per 100 residential gas customers	16% of disconnections were multiple disconnections (elec)	16% of disconnections were multiple disconnections (gas)	67% of disconnections were not reconnected by the same retailer	0.016 wrongful disconnections per 100 customers
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# Origin Energy



## Origin Energy is one of the largest energy retailers in Victoria

(2017-18 average)

Origin was granted an electricity retail licence in November 1995 and a gas retail licence in December 1997. Origin also has energy retail operations in ACT, Queensland, New South Wales and South Australia. Origin is an ASX listed company and has significant interests in gas exploration and power generation, as well as thermal coal, solar, wind, geothermal and hydro.

**456,467**

residential electricity customers

**351,975**

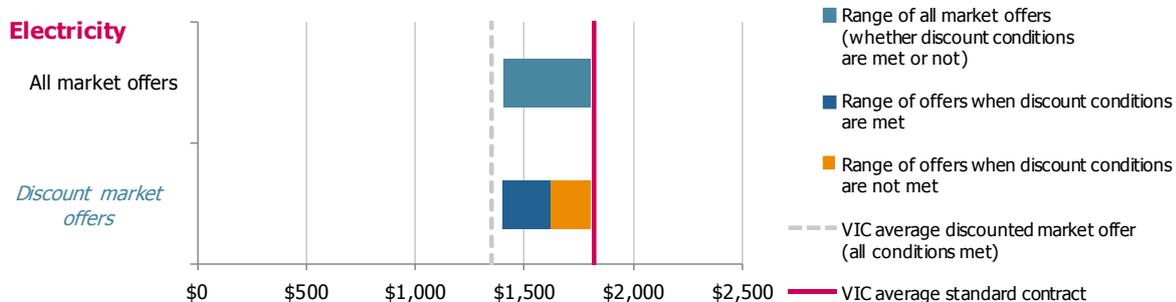
residential gas customers

**91,671**

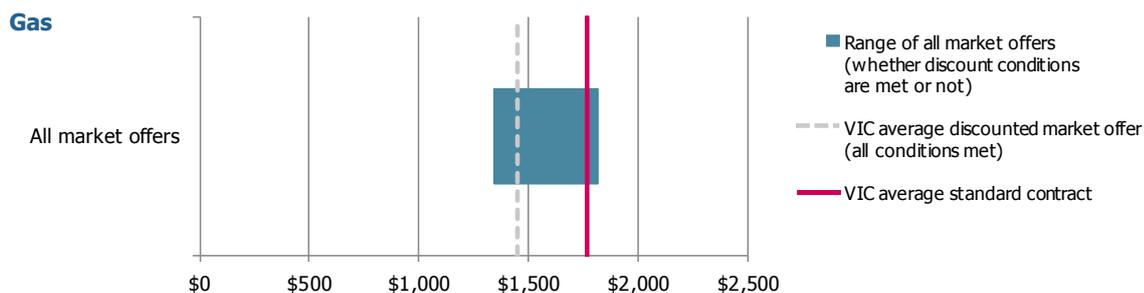
small business energy customers

## What were the prices of Origin Energy's energy offers on 30 June 2018?

Origin Energy was within the lower-to-average range of prices for residential electricity offers in Victoria. Its lowest offer was \$50 more than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$180 more than customers had anticipated.



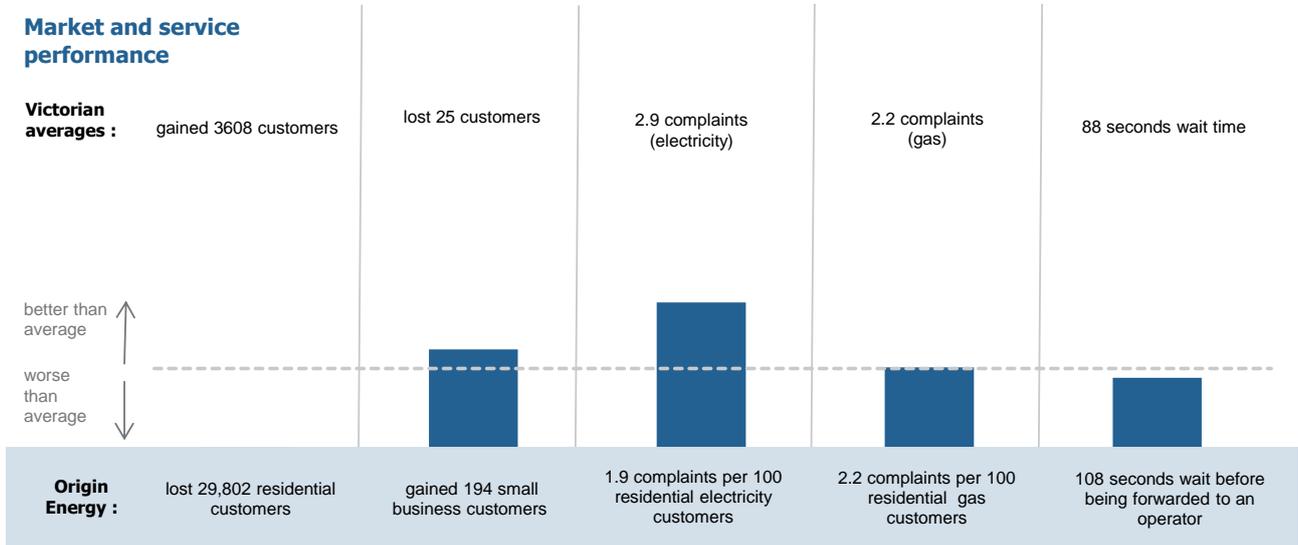
Origin Energy was in the average range of prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$108 less than the average discounted offer in Victoria (with all its conditions met).



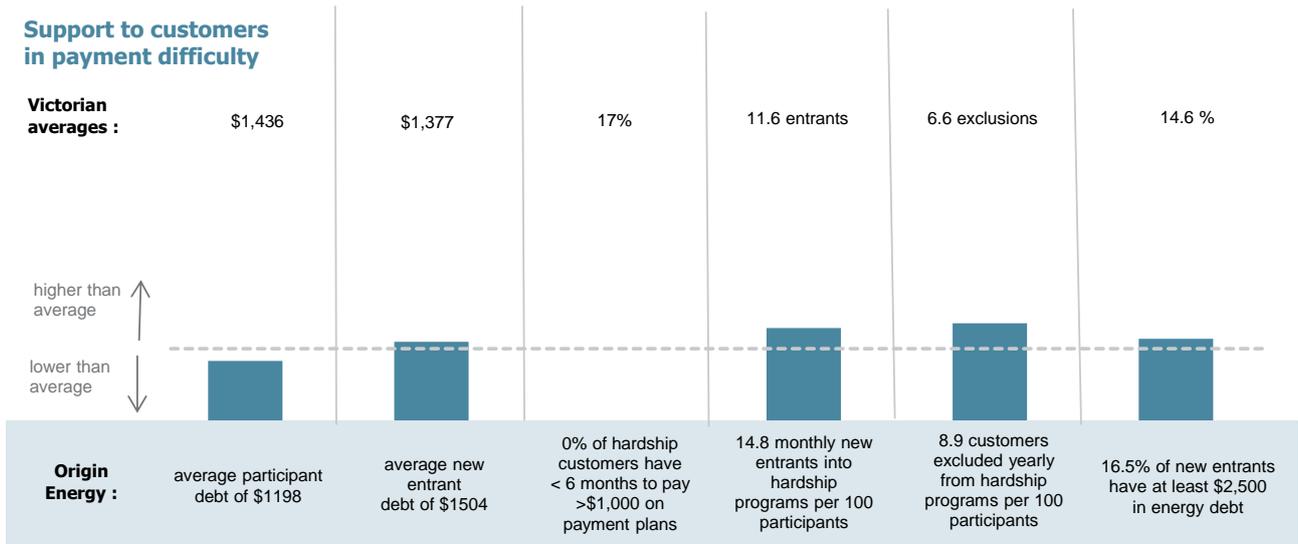


### How did Origin Energy perform in Victoria in 2017-18?

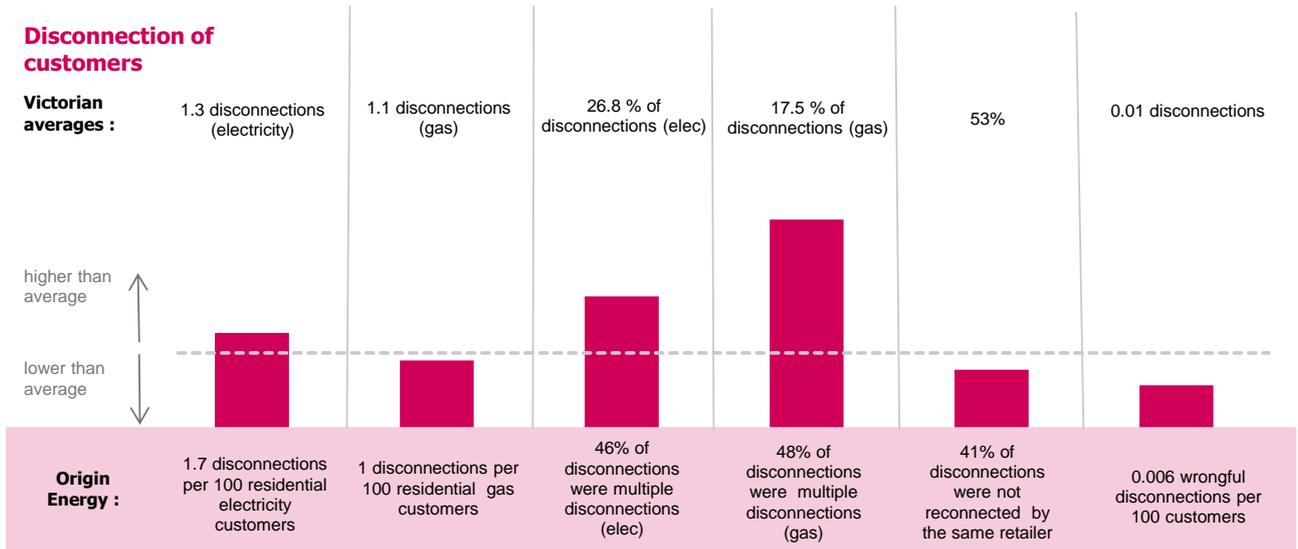
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# People Energy



## People Energy is a small energy retailer

(2017-18 average)

People Energy predominantly serves the residential sector. People Energy was granted an electricity retail licence in November 2012 and commenced operations in March 2013.

People Energy currently only operates in Victoria.

**9,158**

residential electricity customers

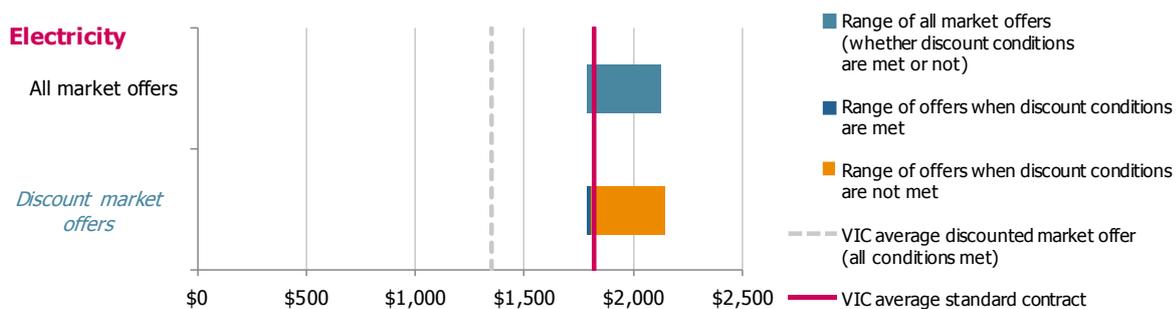
**388**

small business energy customers

## What were the prices of People Energy's energy offers on 30 June 2018?

On average, People Energy was within the average-to-higher range of prices for residential electricity offers in Victoria.

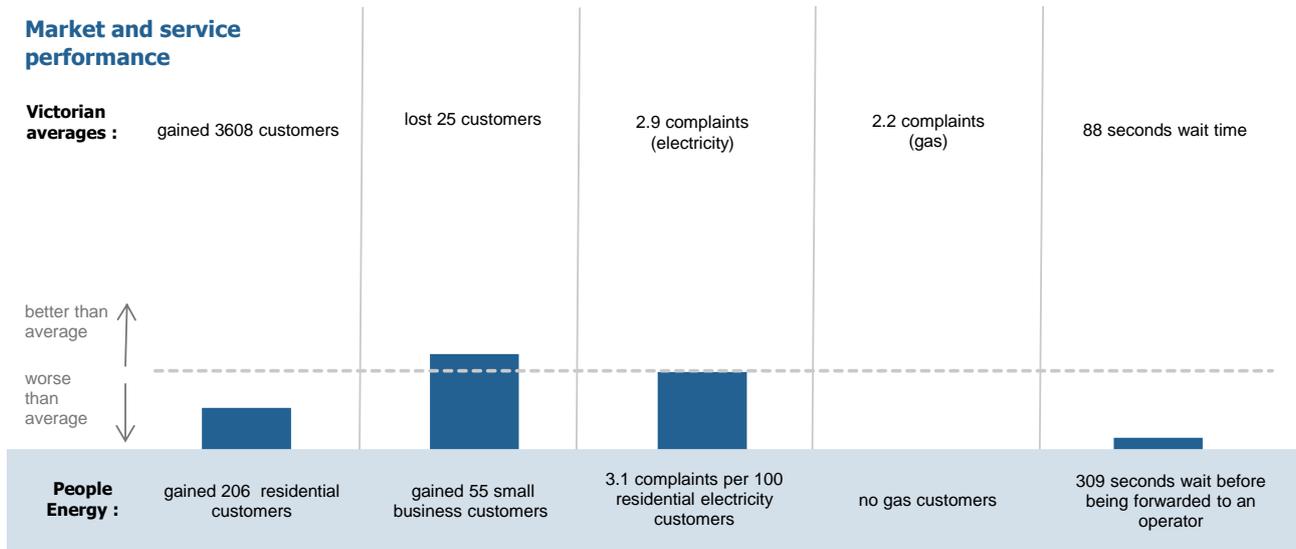
As shown below, its lowest offer was \$440 more than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$334 more than customers had anticipated.



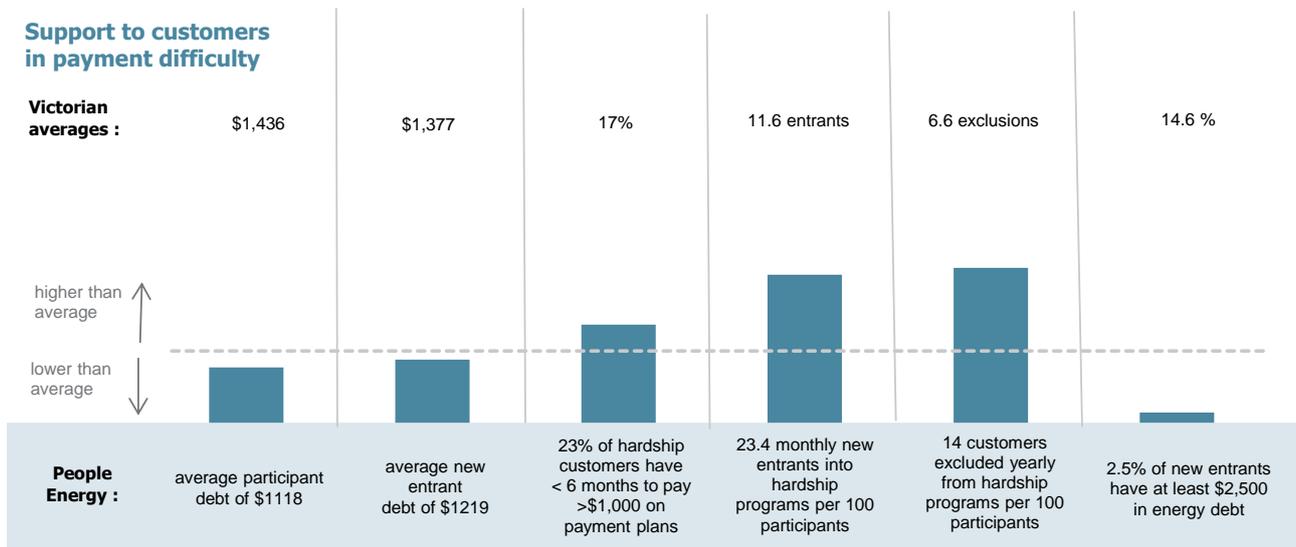


### How did People Energy perform in Victoria in 2017-18?

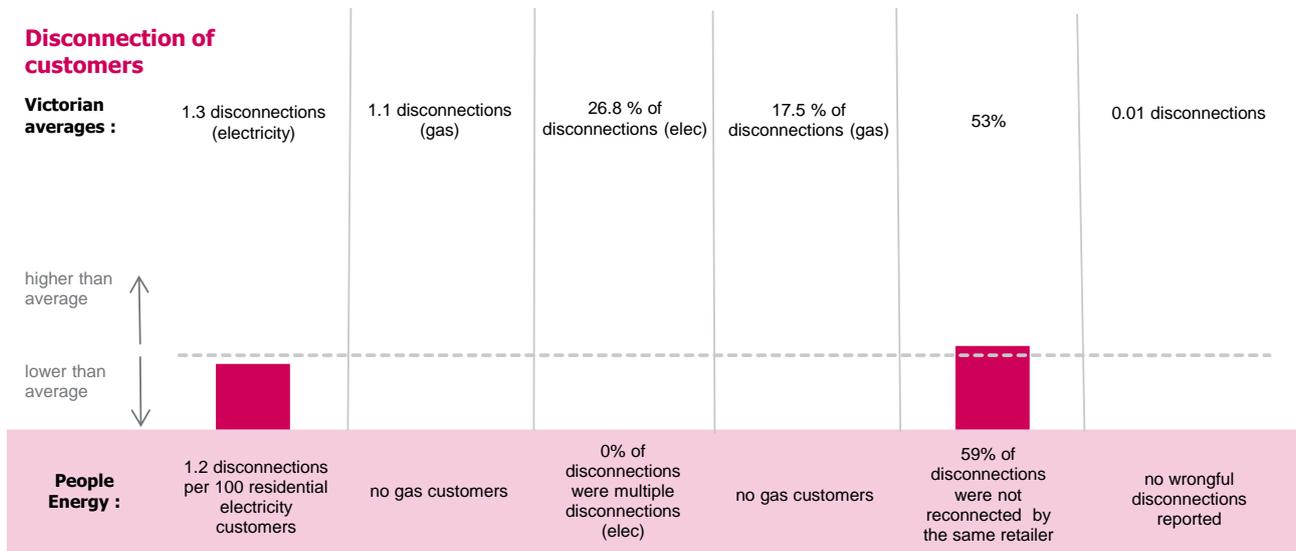
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# Powerdirect



## Powerdirect is a medium sized retailer

(2017-18 average)

Powerdirect was granted an electricity retail licence in January 2004 and commenced operations in that year. Powerdirect also has energy retail operations in ACT, New South Wales, Queensland and South Australia.

Powerdirect was purchased by AGL Energy in 2007 and is a wholly owned subsidiary. AGL Energy is an ASX listed company.

**32,588**

residential electricity customers

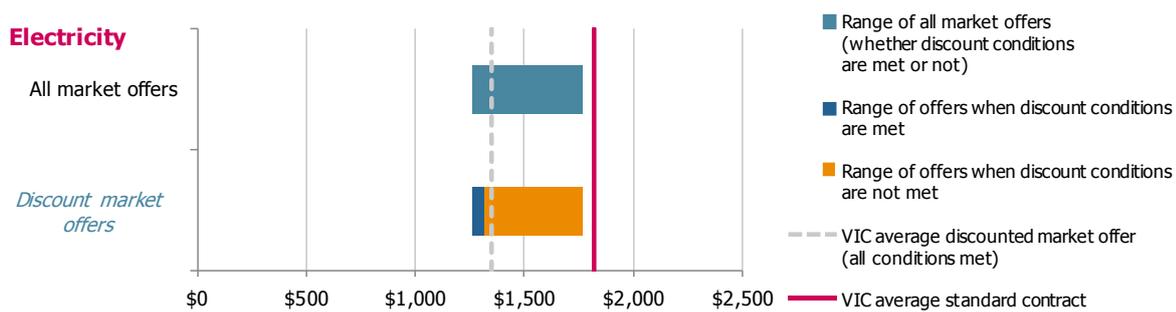
**10,654**

small business energy customers

## What were the prices of Powerdirect's energy offers on 30 June 2018?

On average, Powerdirect was within the average range of prices for residential electricity offers in Victoria.

As shown below, its lowest offer was \$87 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$450 more than customers had anticipated.





### How did Powerdirect perform in Victoria in 2017-18?

#### Market and service performance

**Victorian averages :**

gained 3608 customers      lost 25 customers      2.9 complaints (electricity)      2.2 complaints (gas)      88 seconds wait time

better than average ↑  
worse than average ↓

**Powerdirect :**

lost 4,055 residential customers      lost 1,454 small business customers      2.8 complaints per 100 residential electricity customers      no gas customers      25 seconds wait before being forwarded to an operator

#### Support to customers in payment difficulty

**Victorian averages :**

\$1,436      \$1,377      17%      11.6 entrants      6.6 exclusions      14.6 %

higher than average ↑  
lower than average ↓

**Powerdirect :**

average participant debt of \$2347      average new entrant debt of \$1950      24% of hardship customers have < 6 months to pay >\$1,000 on payment plans      3.8 monthly new entrants into hardship programs per 100 participants      4.7 customers excluded yearly from hardship programs per 100 participants      32.1% of new entrants have at least \$2,500 in energy debt

#### Disconnection of customers

**Victorian averages :**

1.3 disconnections (electricity)      1.1 disconnections (gas)      26.8 % of disconnections (elec)      17.5 % of disconnections (gas)      53%      0.01 disconnections

higher than average ↑  
lower than average ↓

**Powerdirect :**

1.6 disconnections per 100 residential electricity customers      no gas customers      35% of disconnections were multiple disconnections (elec)      no gas customers      30% of disconnections were not reconnected by the same retailer      0.009 wrongful disconnections per 100 customers



# Powershop



## Powershop is a medium sized retailer

(2017-18 average)

Powershop was granted an electricity retail licence in April 2012 and commenced operations in July 2012. It was also granted a gas retail licence in February 2017.

**57,471**

residential electricity customers

**48**

residential gas customers

**3,690**

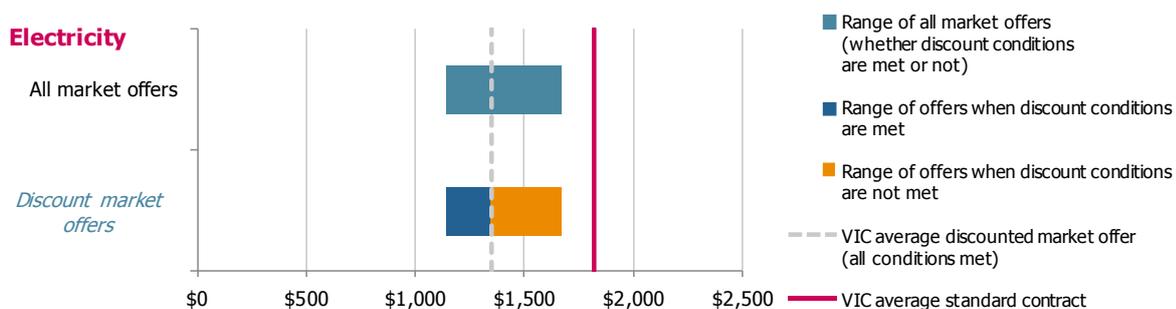
small business energy customers

Powershop has energy retail operations in Victoria, New South Wales and South East Queensland. Powershop Australia is owned by Meridian Energy which is an ASX listed company. Meridian Energy holds assets in solar, hydro and wind generation.

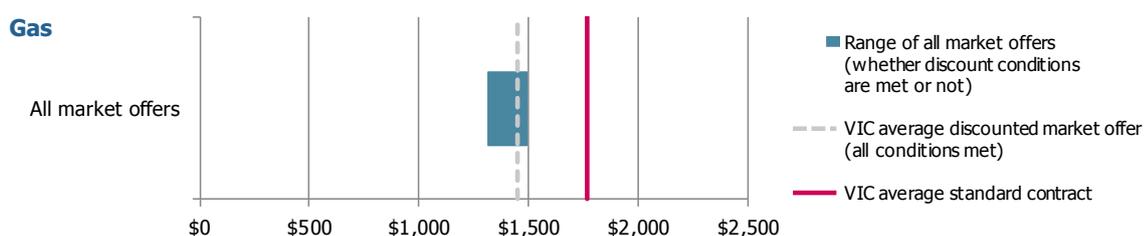
## What were the prices of Powershop's energy offers on 30 June 2018?

On average, Powershop was within the average range of prices for residential electricity offers in Victoria.

As shown below, its lowest offer was \$210 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$326 more than customers had anticipated.



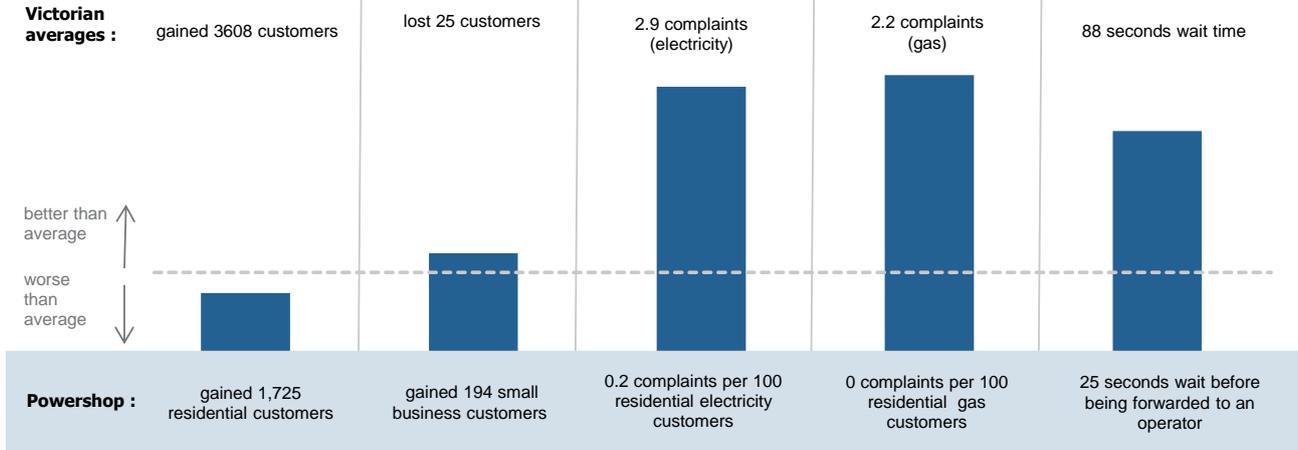
Powershop Energy was in the lower range of prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$135 less than the average discounted offer in Victoria (with all its conditions met).



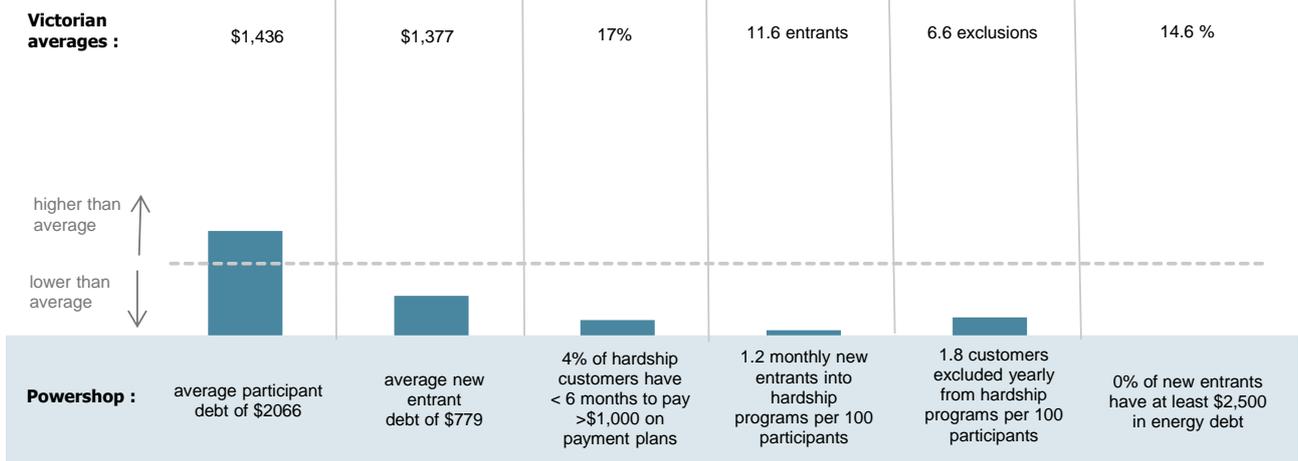


### How did Powershop perform in Victoria in 2017-18?

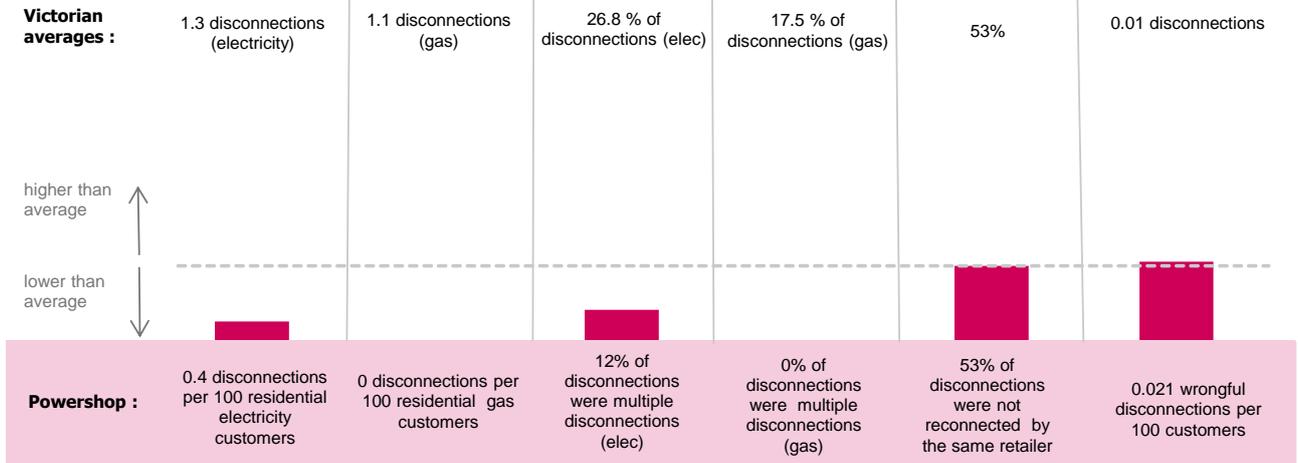
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# QEnergy



## QEnergy is a small retailer

(2017-18 average)

QEnergy predominantly serves the small business sector. QEnergy was granted an electricity retail licence in June 2013 and commenced operations in September 2013.

QEnergy has energy retail operations in Victoria, New South Wales, Queensland and South Australia.

QEnergy is a privately owned company.

**857**

residential electricity customers

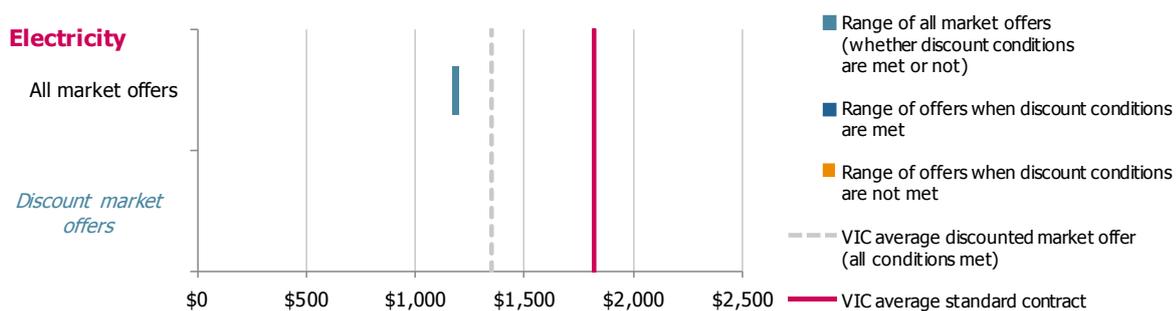
**1,974**

small business energy customers

## What were the prices of QEnergy's energy offers on 30 June 2018?

On average, QEnergy was within the lowest range of prices for residential electricity offers in Victoria.

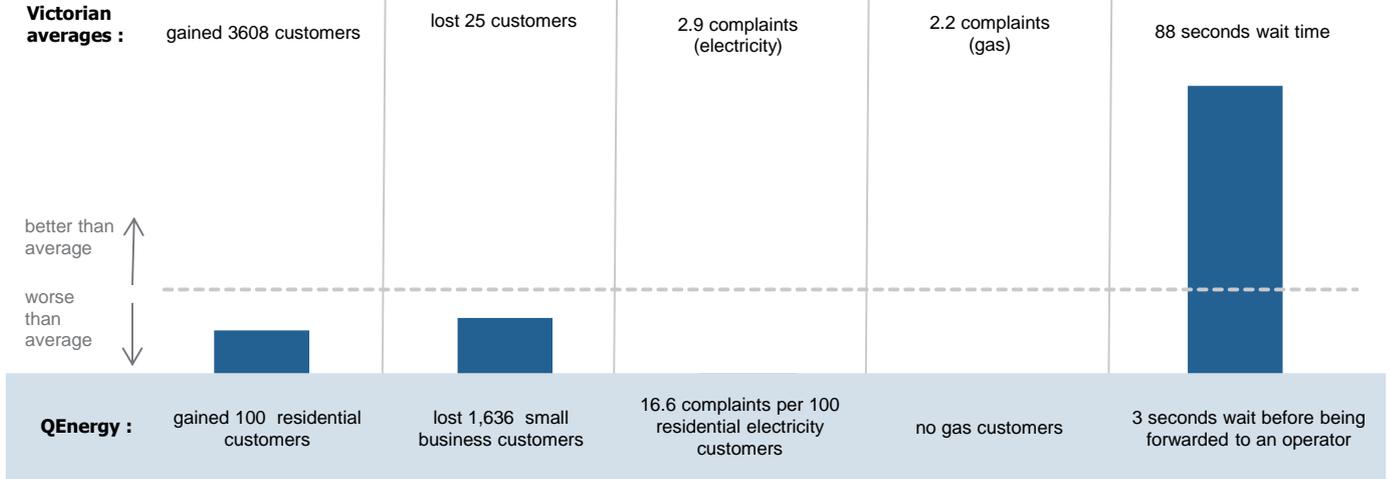
As shown below, its lowest offer, which was an undiscounted offer, was \$180 more than the average discounted offer in Victoria (with all its conditions met). QEnergy did not have any discounted offers at the time.



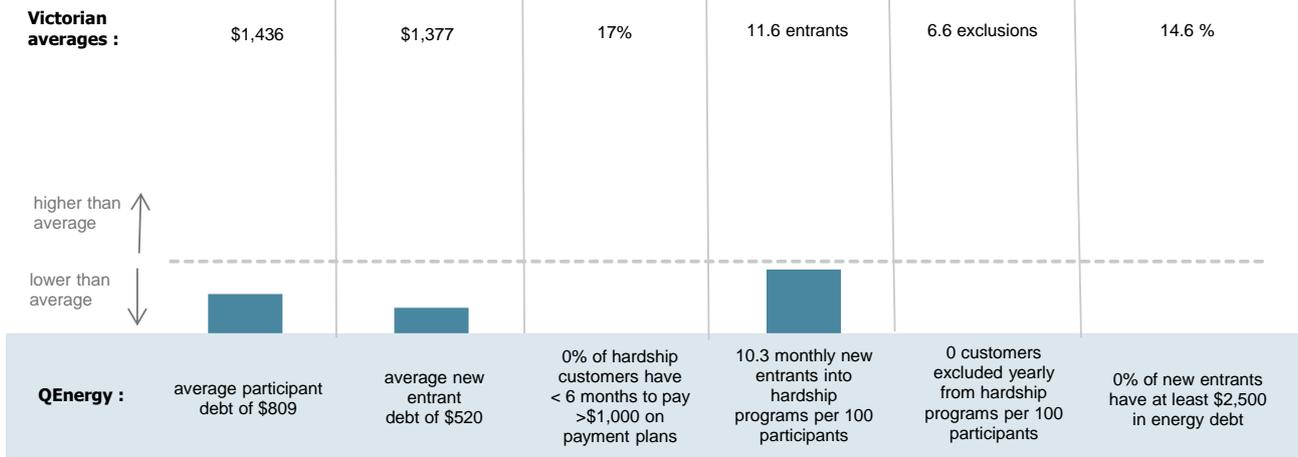


### How did QEnergy perform in Victoria in 2017-18?

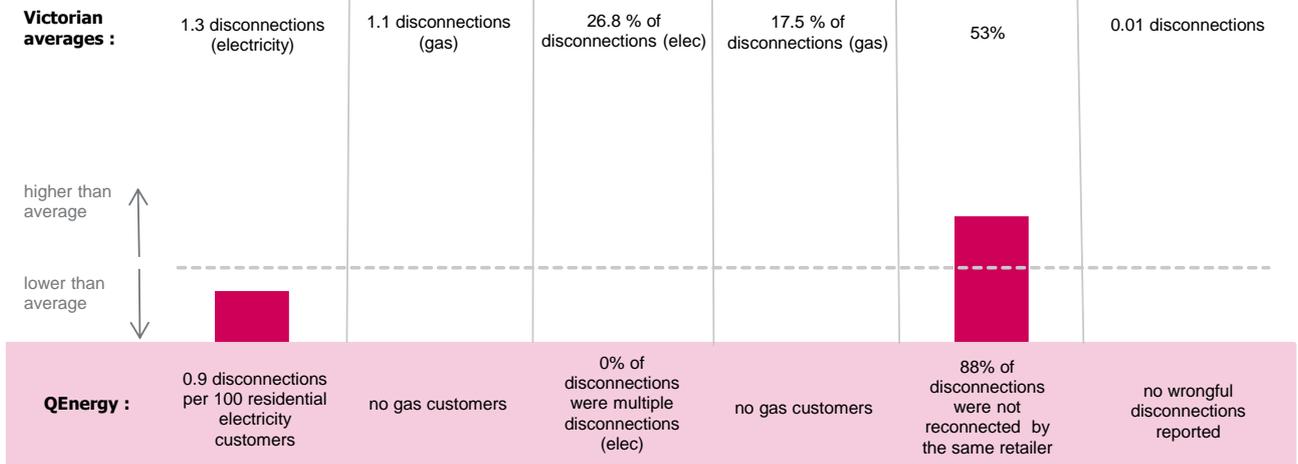
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# Red Energy



## Red Energy is a large energy retailer

Red Energy was granted an electricity retail licence in 2004 and a gas retail licence in 2006. Red Energy also operates in ACT, New South Wales, Queensland and South Australia.

Red Energy is owned by Snowy Hydro which is jointly held by the NSW, Victorian and Australian Government. Snowy Hydro has significant generating capacity in hydroelectricity and gas as well as owning a second retailer – Lumo Energy.

(2017-18 average)

**232,396**

residential electricity customers

**160,092**

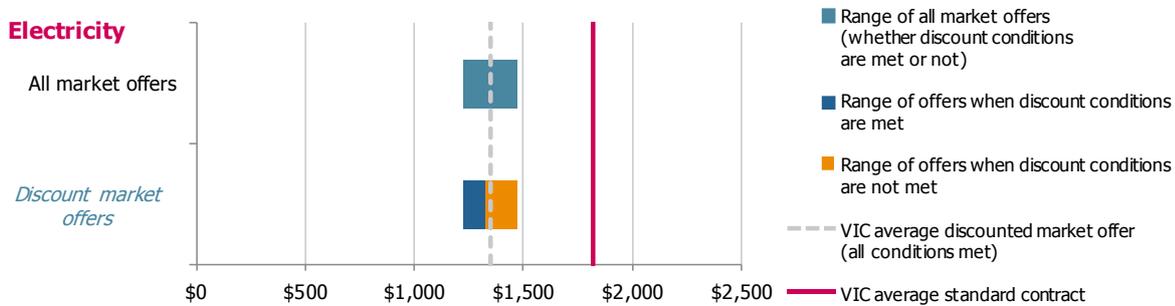
residential gas customers

**10,320**

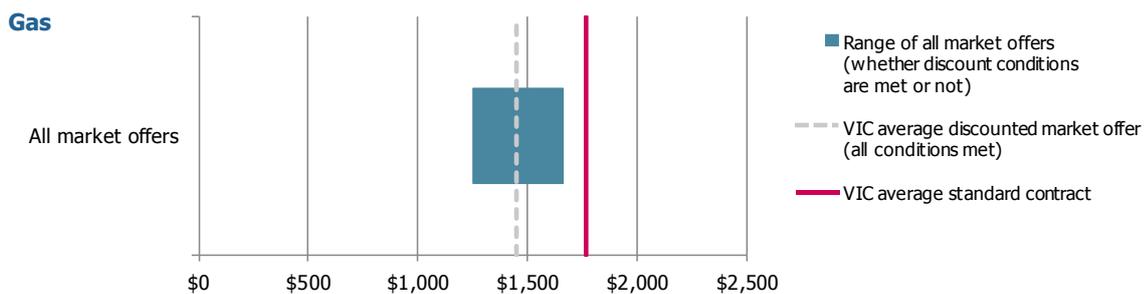
small business energy customers

## What were the prices of Red Energy’s energy offers on 30 June 2018?

Red Energy was within the lower-to-average range of prices for residential electricity offers in Victoria. Its lowest offer was \$123 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$147 more than customers had anticipated.



Red Energy was in the lower range of prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$198 less than the average discounted offer in Victoria (with all its conditions met).





### How did Red Energy perform in Victoria in 2017-18?

#### Market and service performance

Victorian averages :

gained 3608 customers      lost 25 customers      2.9 complaints (electricity)      2.2 complaints (gas)      88 seconds wait time

better than average ↑  
worse than average ↓

Red Energy :

gained 23,034 residential customers      gained 44 small business customers      3.9 complaints per 100 residential electricity customers      2.3 complaints per 100 residential gas customers      129 seconds wait before being forwarded to an operator

#### Support to customers in payment difficulty

Victorian averages :

\$1,436      \$1,377      17%      11.6 entrants      6.6 exclusions      14.6 %

higher than average ↑  
lower than average ↓

Red Energy :

average participant debt of \$544      average new entrant debt of \$759      0% of hardship customers have < 6 months to pay >\$1,000 on payment plans      15 monthly new entrants into hardship programs per 100 participants      8.9 customers excluded yearly from hardship programs per 100 participants      3% of new entrants have at least \$2,500 in energy debt

#### Disconnection of customers

Victorian averages :

1.3 disconnections (electricity)      1.1 disconnections (gas)      26.8 % of disconnections (elec)      17.5 % of disconnections (gas)      53%      0.01 disconnections

higher than average ↑  
lower than average ↓

Red Energy :

0.9 disconnections per 100 residential electricity customers      0.7 disconnections per 100 residential gas customers      16% of disconnections were multiple disconnections (elec)      17% of disconnections were multiple disconnections (gas)      50% of disconnections were not reconnected by the same retailer      0.009 wrongful disconnections per 100 customers



# Simply Energy



## Simply Energy is a large energy retailer

Simply Energy has been retailing electricity in Victoria since 2004. It has retail operations in New South Wales, Queensland and South Australia.

Simply Energy is a subsidiary of an incorporated joint venture co-owned by ENGIE and Mitsui & Co., Ltd. Mitsui and ENGIE have global interests in energy.

(2017-18 average)

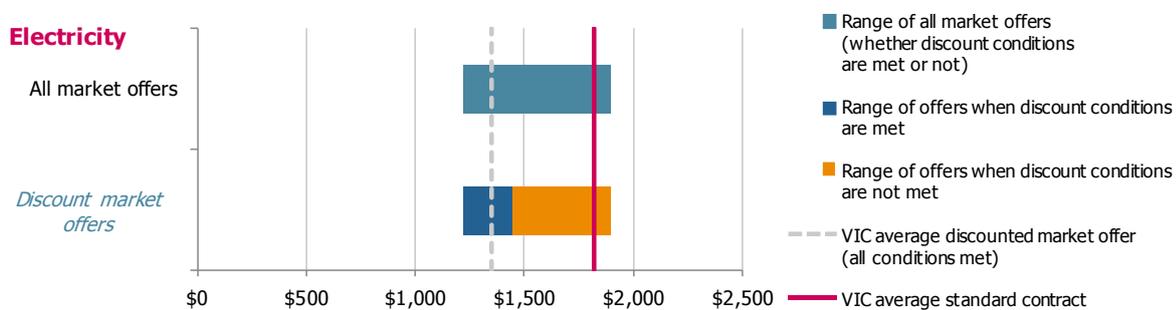
**240,087**  
residential electricity customers

**197,770**  
residential gas customers

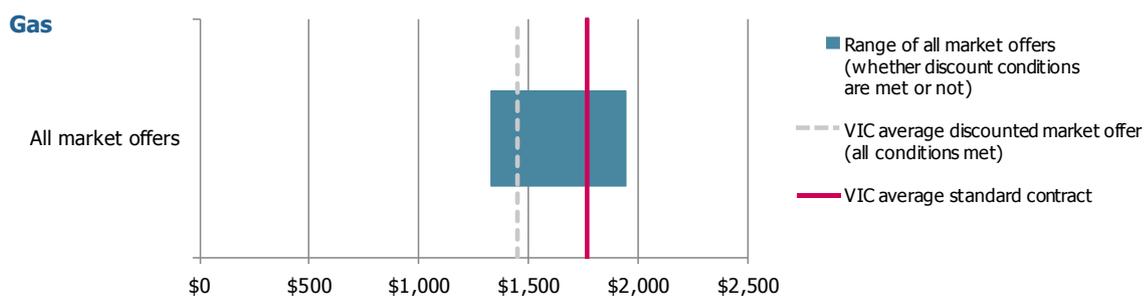
**28,854**  
small business energy customers

## What were the prices of Simply Energy's energy offers on 30 June 2018?

Simply was within the lower-to-average range of prices for residential electricity offers in Victoria. Its lowest offer was \$130 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$446 more than customers had anticipated.



Simply Energy was in the lower range of prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$121 less than the average discounted offer in Victoria (with all its conditions met).



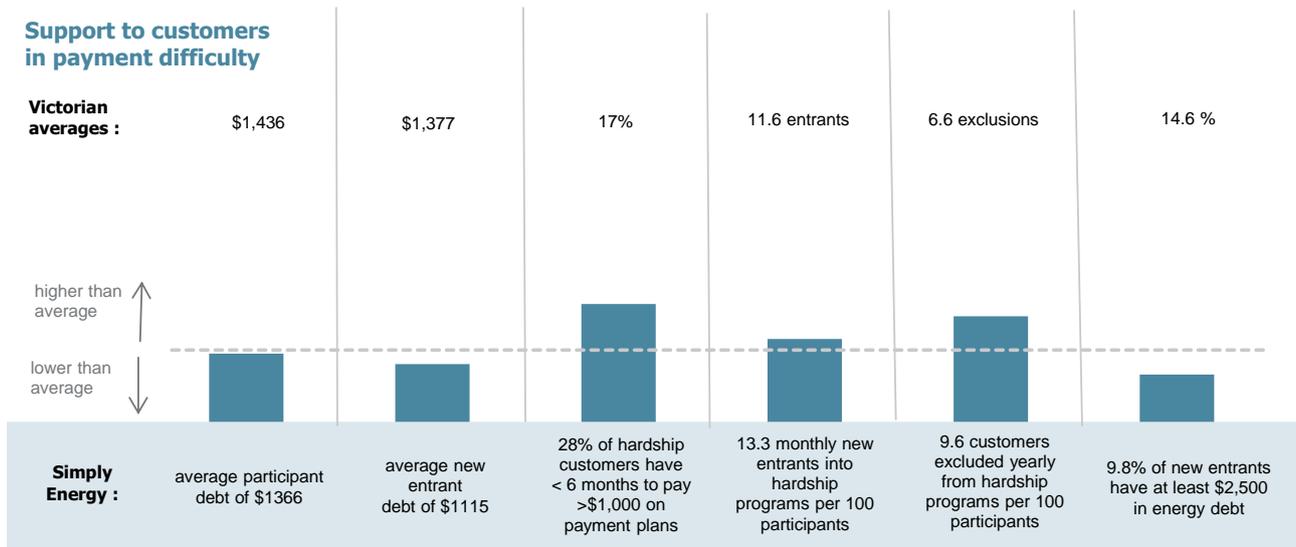


### How did Simply Energy perform in Victoria in 2017-18?

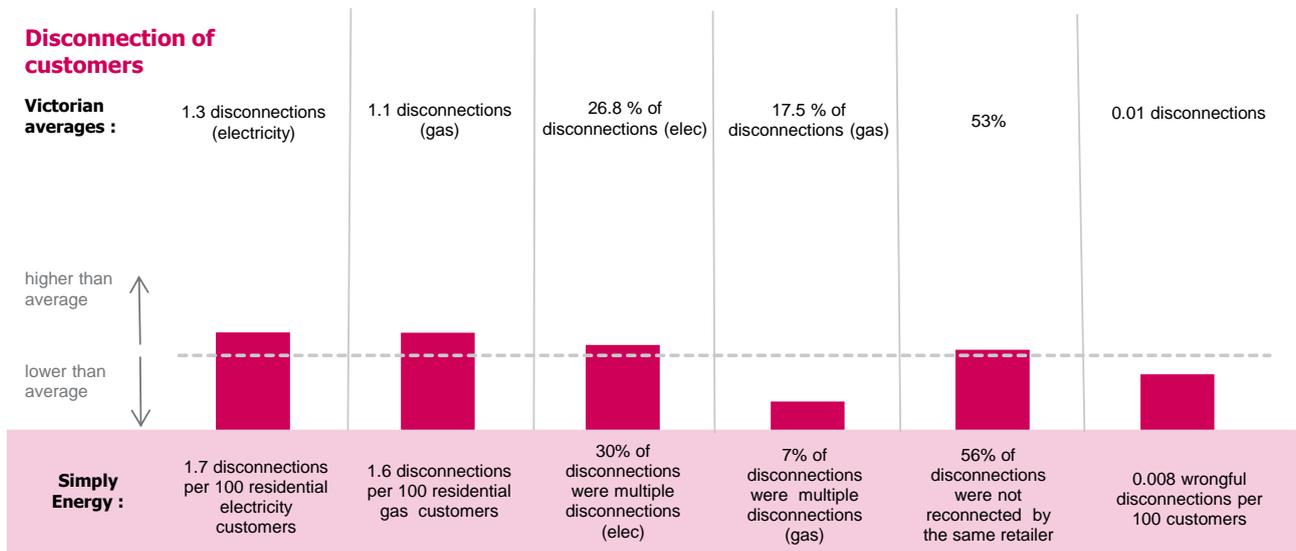
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





# Sumo



## Sumo Power is a small retailer

(2017-18 average)

Sumo Power is a small sized electricity retailer, predominantly serving the residential sector.

**27,721**

residential electricity customers

Sumo Power was granted an electricity retail licence in November 2014 and commenced operations in March 2015. Sumo Power currently only operates in Victoria. It was also granted a gas retail licence in February 2017

**5,039**

residential gas customers

**2,263**

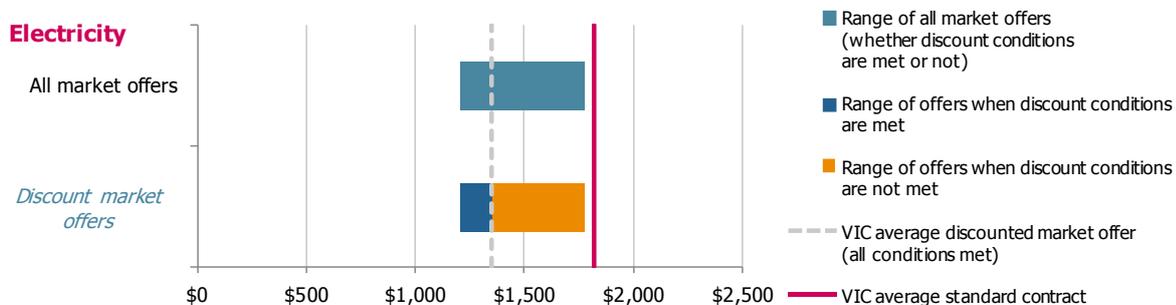
small business energy customers

Sumo Power is a privately owned company.

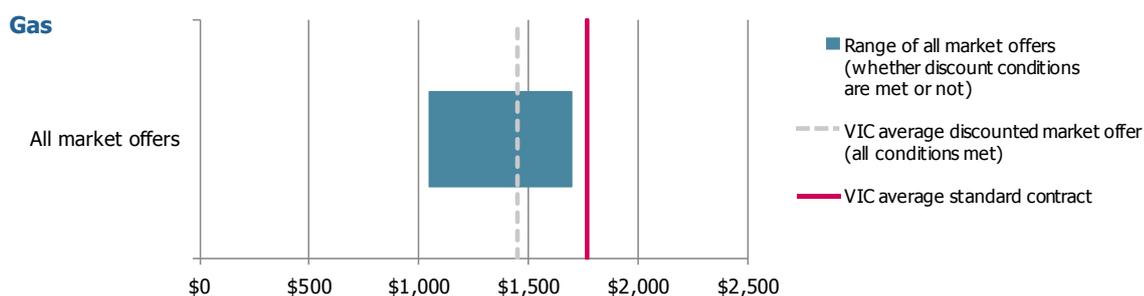
## What were the prices of Sumo's energy offers on 30 June 2018?

On average, Sumo Power was within the average-to-higher range of prices for residential electricity offers in Victoria.

As shown below, its lowest offer was \$146 less than the average discounted offer in Victoria (with all its conditions met). If customers do not meet all its discount conditions, customers might end up paying \$424 more than customers had anticipated.



Sumo Energy was in the lower range of prices for residential gas offers in Victoria, although prices vary greatly depending on where a customer lives. Its lowest offer was \$403 less than the average discounted offer in Victoria (with all its conditions met).





### How did Sumo Power perform in Victoria in 2017-18?

#### Market and service performance

Victorian averages :

gained 3608 customers      lost 25 customers      2.9 complaints (electricity)      2.2 complaints (gas)      88 seconds wait time

better than average  
worse than average

Sumo :

gained 16,997 residential customers      gained 908 small business customers      3.5 complaints per 100 residential electricity customers      3.7 complaints per 100 residential gas customers      561 seconds wait before being forwarded to an operator

#### Support to customers in payment difficulty

Victorian averages :

\$1,436      \$1,377      17%      11.6 entrants      6.6 exclusions      14.6 %

higher than average  
lower than average

Sumo :

average participant debt of \$1879      average new entrant debt of \$1857      2% of hardship customers have < 6 months to pay >\$1,000 on payment plans      16.1 monthly new entrants into hardship programs per 100 participants      1.8 customers excluded yearly from hardship programs per 100 participants      22.6% of new entrants have at least \$2,500 in energy debt

#### Disconnection of customers

Victorian averages :

1.3 disconnections (electricity)      1.1 disconnections (gas)      26.8 % of disconnections (elec)      17.5 % of disconnections (gas)      53%      0.01 disconnections

higher than average  
lower than average

Sumo :

0.6 disconnections per 100 residential electricity customers      0 disconnections per 100 residential gas customers      4% of disconnections were multiple disconnections (elec)      0% of disconnections were multiple disconnections (gas)      61% of disconnections were not reconnected by the same retailer      no wrongful disconnections reported



# Tango



## Tango is a small energy retailer

(2017-18 average)

Tango (formerly known as Pacific Hydro) was granted an electricity retail licence in August 2012. Tango also has energy retail operations in South Australia.

**11,547**

residential electricity customers

**1,891**

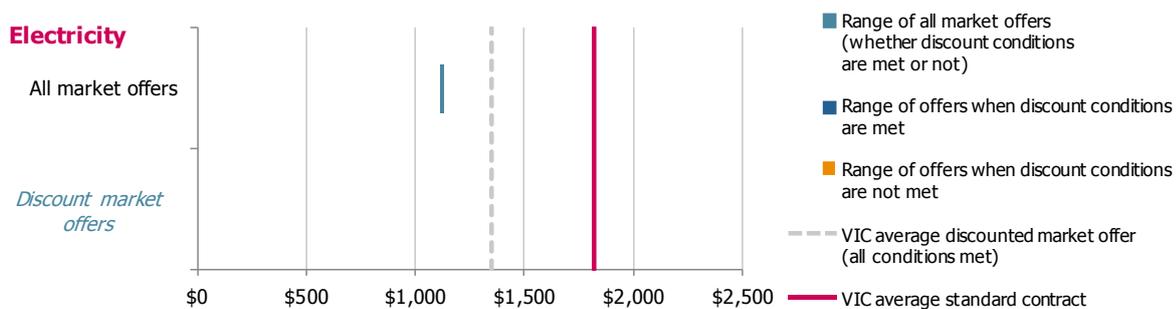
small business energy customers

Tango holds wind and hydro generating capacity in Australia as well as internationally. Previously owned by IFM Investors, Tango was acquired by China's State Power Investment Corporation in January 2016.

## What were the prices of Tango's energy offers on 30 June 2018?

On average, Tango was within the lowest range of prices for residential electricity offers in Victoria.

As shown below, its lowest offer, which was an undiscounted offer, was \$240 less than the average discounted offer in Victoria (with all its conditions met). Tango did not have any discounted offers at the time.





### How did Tango perform in Victoria in 2017-18?

#### Market and service performance

Victorian averages :

gained 3608 customers      lost 25 customers      2.9 complaints (electricity)      2.2 complaints (gas)      88 seconds wait time

better than average ↑  
worse than average ↓

Tango :

gained 10,041 residential customers      gained 1,452 small business customers      2.3 complaints per 100 residential electricity customers      no gas customers      11 seconds wait before being forwarded to an operator

#### Support to customers in payment difficulty

Victorian averages :

\$1,436      \$1,377      17%      11.6 entrants      6.6 exclusions      14.6 %

higher than average ↑  
lower than average ↓

Tango :

average participant debt of \$941      average new entrant debt of \$743      15% of hardship customers have < 6 months to pay >\$1,000 on payment plans      22.4 monthly new entrants into hardship programs per 100 participants      0 customers excluded yearly from hardship programs per 100 participants      0% of new entrants have at least \$2,500 in energy debt

#### Disconnection of customers

Victorian averages :

1.3 disconnections (electricity)      1.1 disconnections (gas)      26.8 % of disconnections (elec)      17.5 % of disconnections (gas)      53%      0.01 disconnections

higher than average ↑  
lower than average ↓

Tango :

0 disconnections per 100 residential electricity customers      no gas customers      no disconnections reported      no gas customers      0% of disconnections were not reconnected by the same retailer      0.087 wrongful disconnections per 100 customers



# Tas Gas



## Tas Gas is a small retailer

Tas Gas is a small sized gas retailer and was granted a licence in December 2016. Tas Gas can only retail gas to specific postcodes in Victoria.

Tas Gas also operates in Tasmania and is owned by Enwave Australia.

(2017-18 average)

**89**

residential gas customers

**1**

small business energy customers

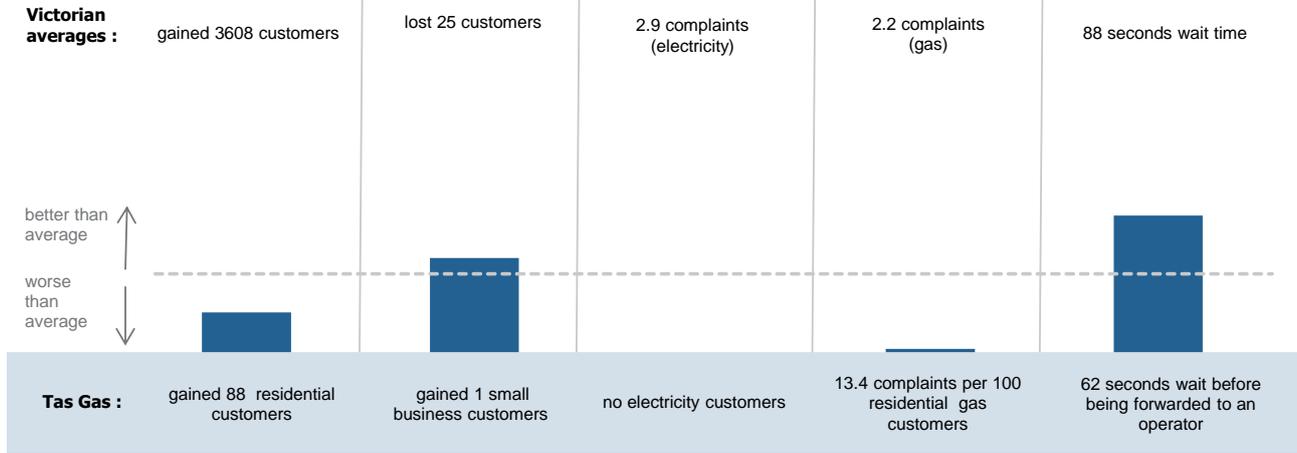
## What were the prices of Tas Gas's energy offers on 30 June 2018?

Tas Gas was only had one standard contract offer which was \$1,655.

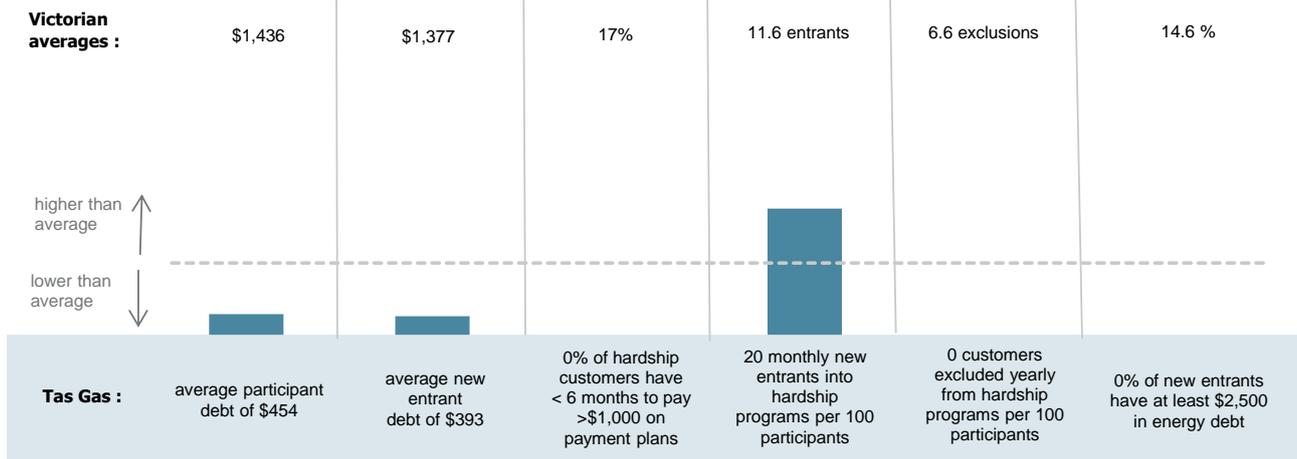


### How did Tas Gas perform in Victoria in 2017-18?

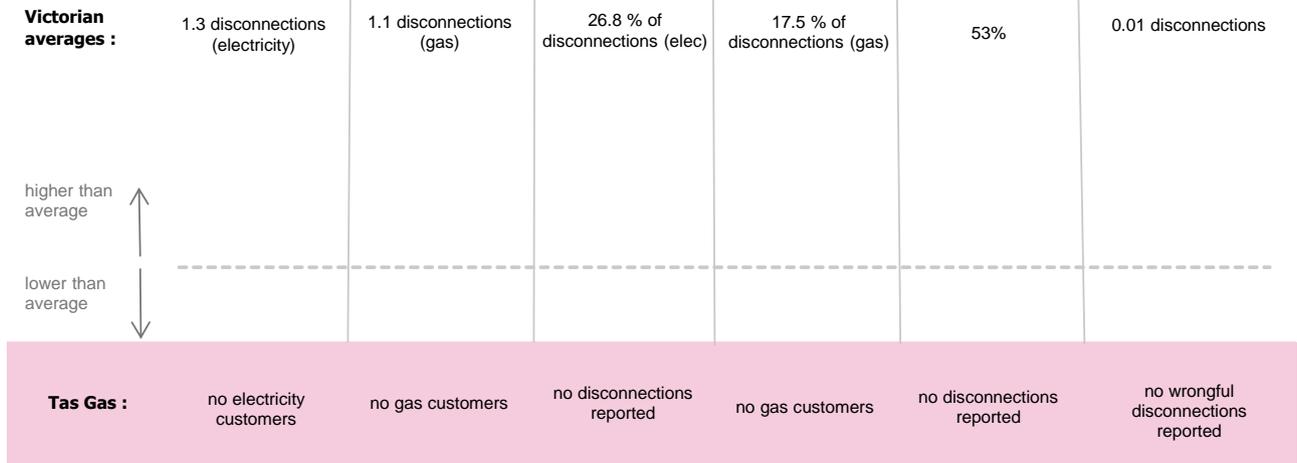
#### Market and service performance



#### Support to customers in payment difficulty



#### Disconnection of customers





## Essential Services Commission

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**T:** 61 3 9032 1300 or 1300 664 969

**E:** [reception@esc.vic.gov.au](mailto:reception@esc.vic.gov.au)

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