Quarterly retail performance report

January – March 2025

Q3 2024–25

June 2025

AUSTRALIAN ENERGY REGULATOR

Australian Government

Overview of AER's retail performance report

Report purpose

- This report aims to:
  - help stakeholders understand how energy retailers are delivering outcomes under the National Energy Customer Framework that are in the long-term interest of energy consumers
  - assist policymakers, consumer advocates, market participants and other key parties to deliver stronger consumer outcomes in response to emerging opportunities and risks.

Report focus

- This report focuses on key outcomes and trends affecting energy consumers and energy retail markets.
- Our report includes:
  - energy prices
  - customers facing payment difficulty, including debt, payment plans and hardship programs
  - disconnection of customers for non-payment of energy bills
  - customer complaints
  - market share.

Regions covered

- Jurisdictions covered by the National Energy Retail Law and the Retail Rules:
  - NSW
  - Queensland
  - South Australia
  - Tasmania
  - ACT.

Timeframe

- This report presents analysis for **Q3 2024–25, January to March 2025.** Comparisons are made based on the same quarter in the previous year and for the last 4 quarters.
- Corresponding schedules (data tables) are published alongside this report and available in Excel.
- Previous annual and quarterly report schedules are also available.

Retail market at a glance

January to March 2025 (as at 31 March 2025)

Residential customer numbers

Electricity
6,967,701

Gas
2,351,853

Residential customer debt (includes hardship customers)

3.09%
of customers in debt

Up 10 bps
on Jan–Mar 2024

$1,415
average energy debt

Up $309
on Jan–Mar 2024

Residential payment plans

Electricity
102,906
1.48%
of customers
Down 12,262
on Jan–Mar 2024

Gas
26,592
1.13%
of customers
Up 1,570
on Jan–Mar 2024

Residential disconnections

Electricity
4,235
0.06%
of customers
Up 598
on Jan–Mar 2024

Gas
1,351
0.06%
of customers
Up 409
on Jan–Mar 2024

Residential credit collection

Electricity
31,304
0.45%
of customers
Down 6,828
on Jan–Mar 2024

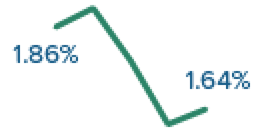
Gas
10,447
0.44%
of customers
Down 427
on Jan–Mar 2024

bps basis points

Residential hardship

Electricity

1.64% of customers on hardship programs



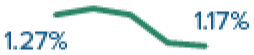
Down 21 bps on Jan–Mar 2024

$1,984 average hardship debt

Up $302 on Jan–Mar 2024

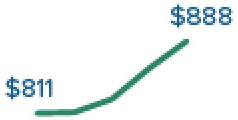
Gas

1.17% of customers on hardship programs



Down 10 bps on Jan–Mar 2024

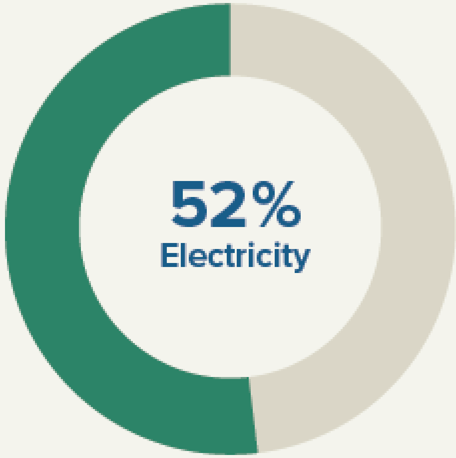
$888 average hardship debt



Up $78 on Jan–Mar 2024

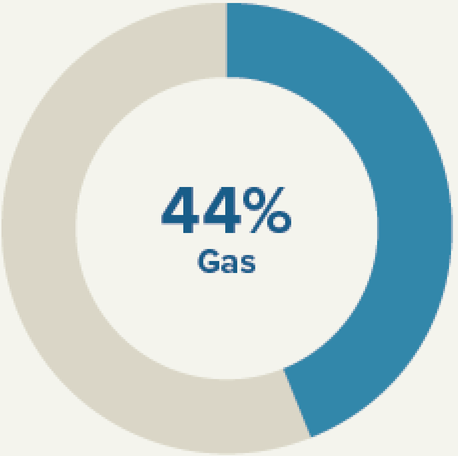
Hardship customers not meeting usage costs

Electricity



Up from 40% on Jan–Mar 2024

Gas



Up from 32% on Jan–Mar 2024

Key insights – January to March 2025

1. **Energy debt remains a concern**

   Q3 results show that energy debt and hardship remain persistent problems despite regulatory protections, government investment in concessions and rebates, and support offered by retailers. While the number of customers on hardship programs declined slightly over the past year, average debt of customers entering and on these programs has increased.

   Debt levels among customers with energy debt that has been outstanding for more than 90 calendar days (this cohort excludes customers on hardship programs) was also higher than it was 12 months ago.

   In May 2025, the AER published our findings from the Review of payment difficulty protections in the National Energy Customer Framework. Our report provides evidence that the current protections for customers experiencing payment difficulty are not fit for purpose and there are opportunities to improve the framework by strengthening protections for customers, simplifying regulatory compliance for retailers, increasing consistency across jurisdictions and reducing the burden of debt in the energy system.

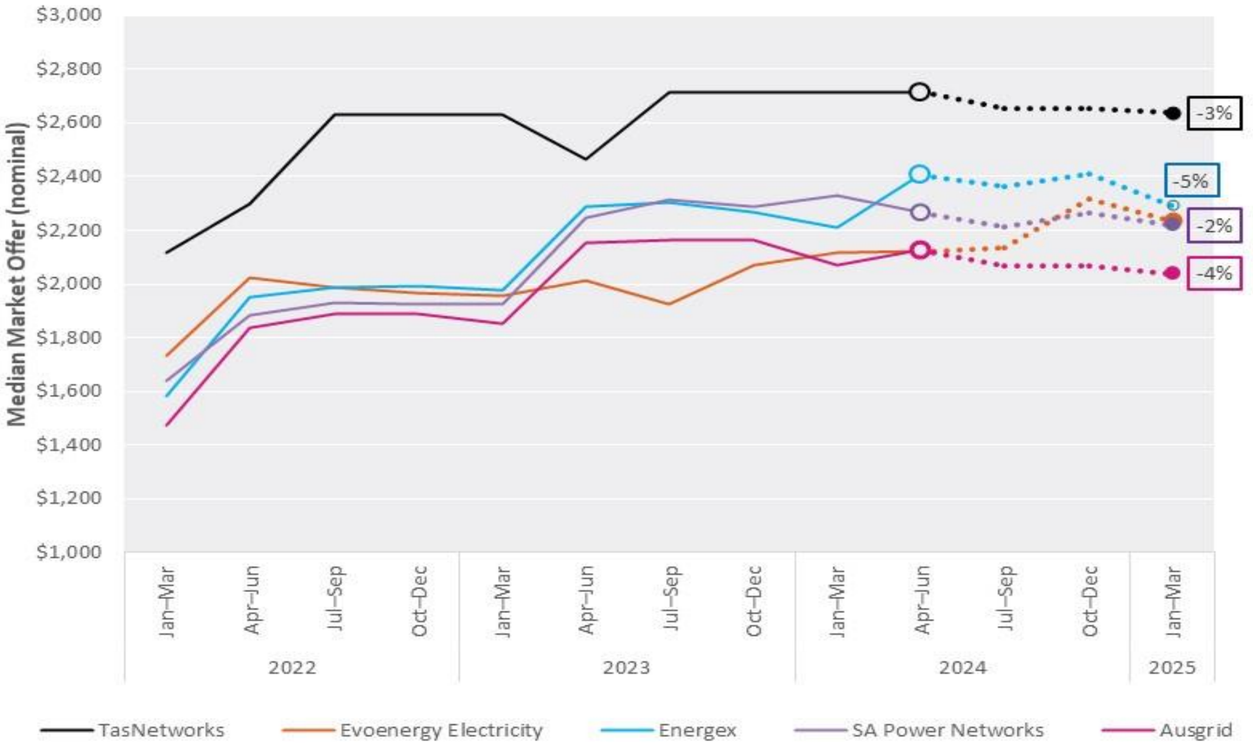
2. **Key metrics illustrate the influence of extreme weather events on consumers**

   Energy debt levels have also been impacted by flooding that occurred in Queensland and NSW over the quarter. Retailers reported an increase in the number of customers repaying energy debt and seeking support through payment plans due to this flooding.

Median market offers for electricity have declined since July 2024

- From the beginning of July 2024, when DMO 6 came into effect, median market offers for electricity have declined between 1% and 5% across the regions (denoted by dotted lines in Figure 1).
- For non-DMO regions in the same period, Evoenergy was up 5% while TasNetworks' regulated prices fell 3%.

Figure 1 Median market offers by region, as at 31 March 2025



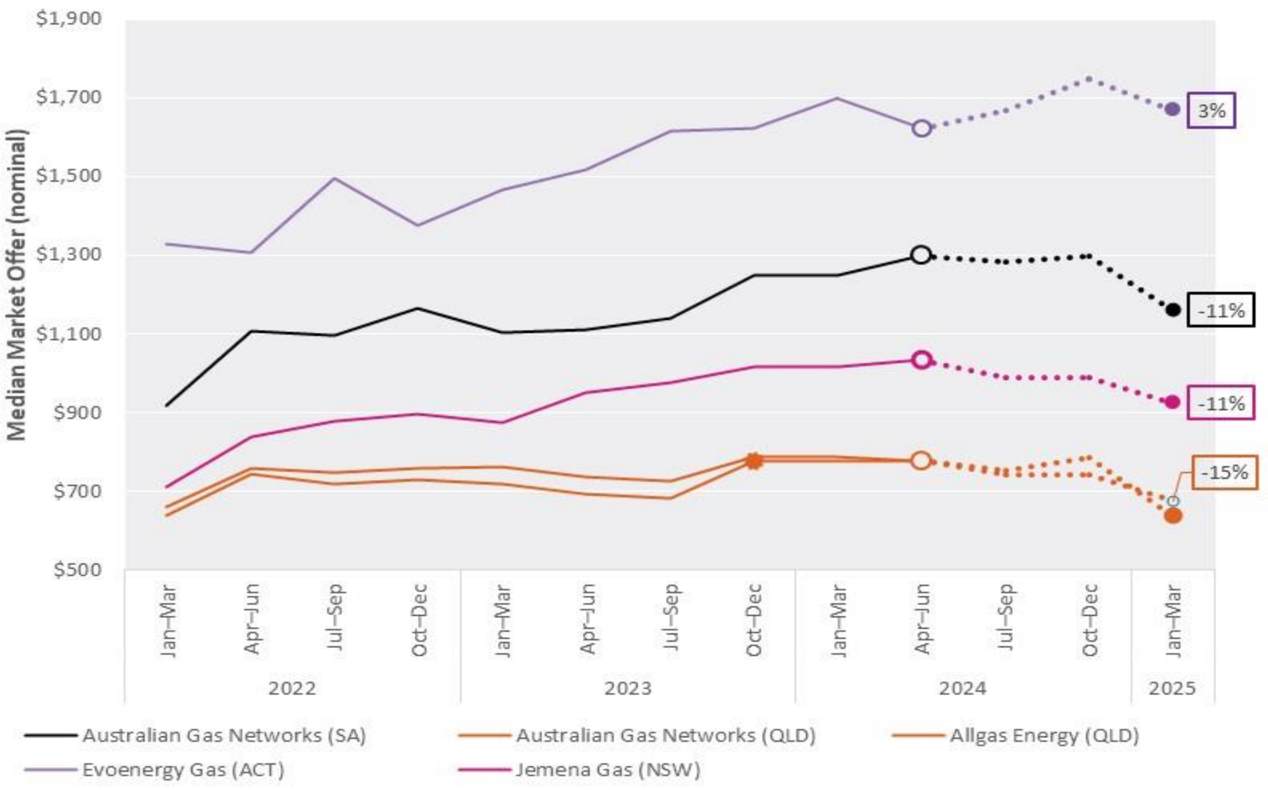
Note: Pricing data is based on prices as at 31 March 2025. The dotted line denotes the time from early July 2024 to 31 March 2025. Ausgrid in NSW and Energex in Queensland have been used as a representative distributor for those jurisdictions. This analysis does not include Victorian offers.

Source: AER analysis using offer data from Energy Made Easy.

Since July 2024, gas median market offers dropped in most jurisdictions

- Median market offers for gas were between 11% and 15% lower in the Queensland, SA and NSW distribution zones (denoted by dotted lines in Figure 2).
- ACT was the only distribution zone to record a slight increase – up 3% compared with the same period last year.

Figure 2 Median market offers by region, as at 31 March 2025



Note: Pricing data is based on prices as at 31 March 2025. The dotted line denotes the time from early July 2024 to 31 March 2025. This analysis does not include Victorian offers.

Source: AER analysis using offer data from Energy Made Easy.

Residential customers with energy debt is similar to last year, average debt is higher

- Customers with energy debt are those who have amounts that they have owed retailers for more than 90 calendar days. It excludes customers on hardship programs and non-active debts that retailers may still have on record.
- Across all jurisdictions, and despite government rebates, the proportion of customers with energy debt remained similar to the same time last year.
- However, over the past 12 months the average amount of energy debt among this cohort has increased – up by $502 in Queensland, $396 in South Australia, $275 in NSW and $124 in the ACT.

Figure 3 Proportion of residential customers in energy debt by jurisdiction

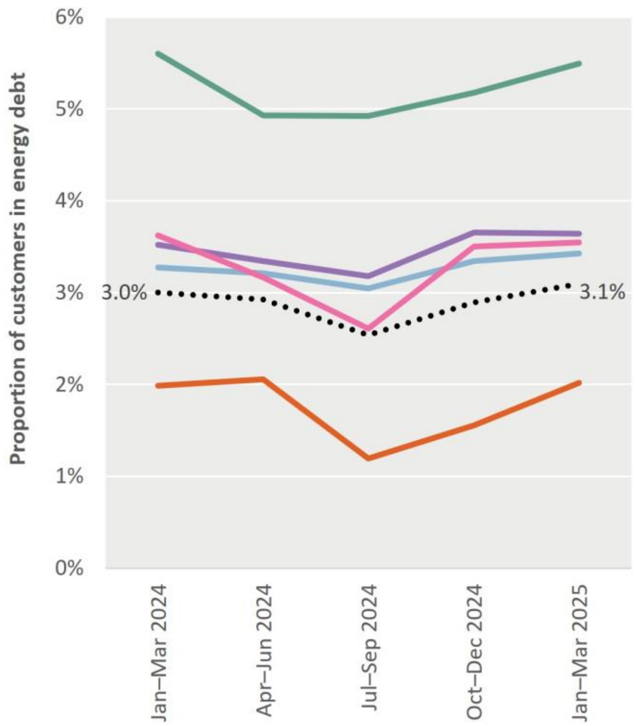
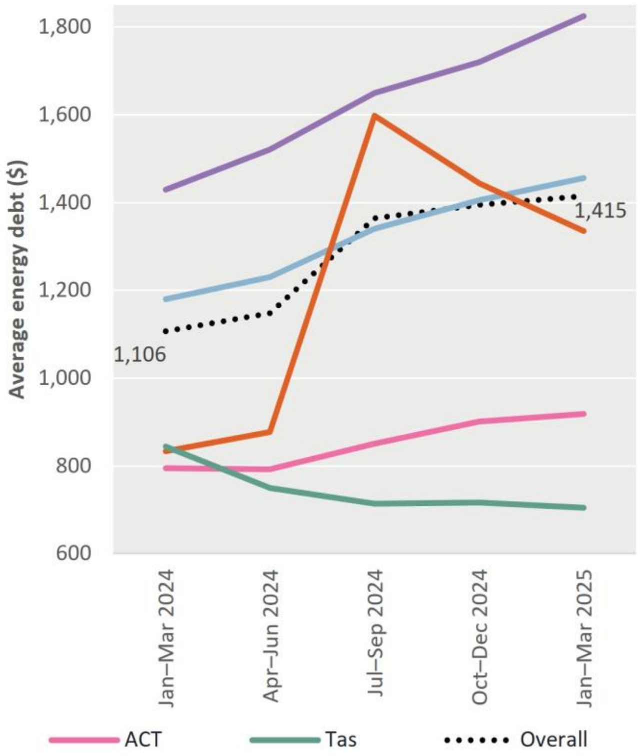


Figure 4 Average energy debt by jurisdiction



Source: AER, Schedule 3 – Retail Performance Data Q3 2024–25.

Residential customers with payment plans declined slightly for electricity and remained steady for gas

- Since the same quarter in 2024, the proportion of residential customers with an electricity payment plan declined – down to 1.5% from 1.7%.
- The proportion of customers on a gas payment plan remained steady at 1.1%.
- Government rebates in Q1 2024–25 contributed to the decrease in the number of customers on payment plans due to the rebate bringing account balances to zero and retiring the payment plan.

Figure 5 Proportion of residential electricity customers on payment plans

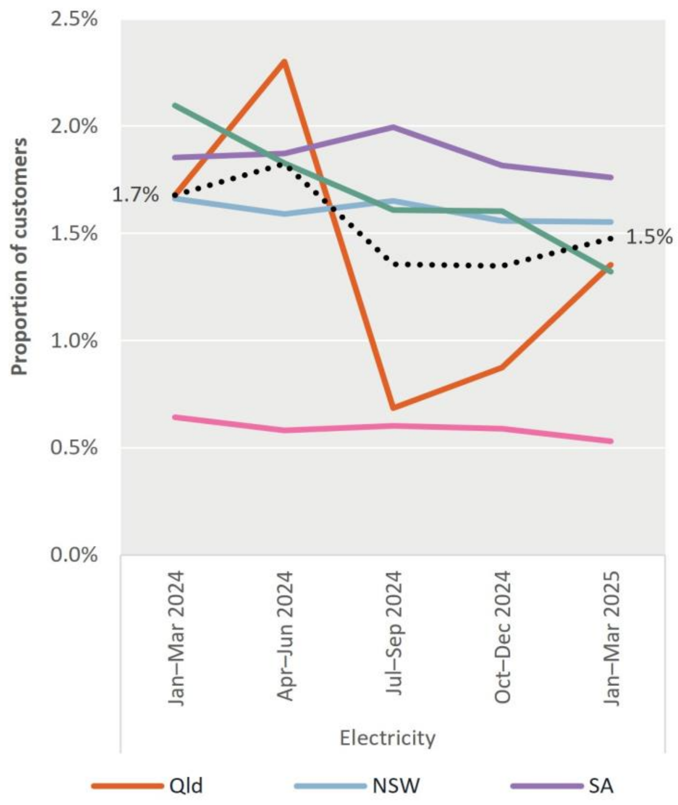
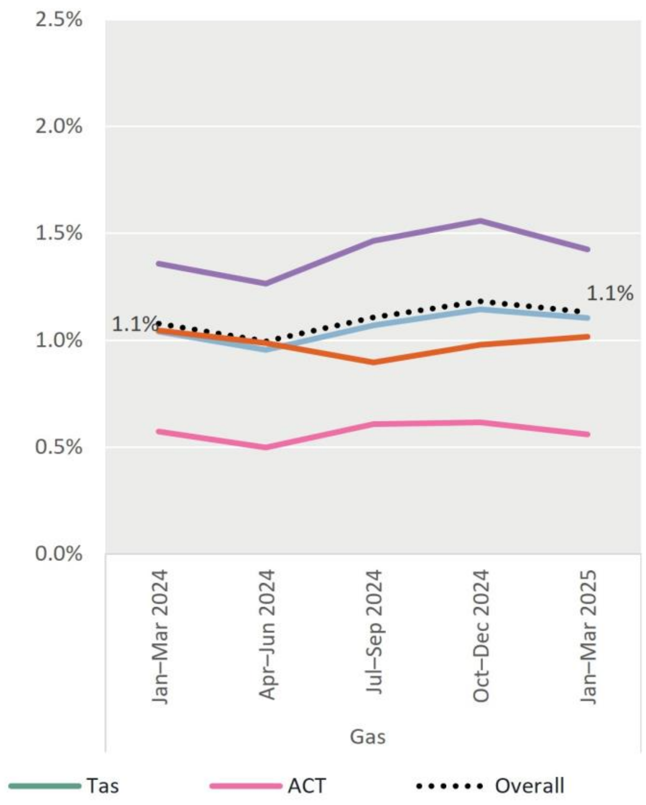


Figure 6 Proportion of residential gas customers on payment plans



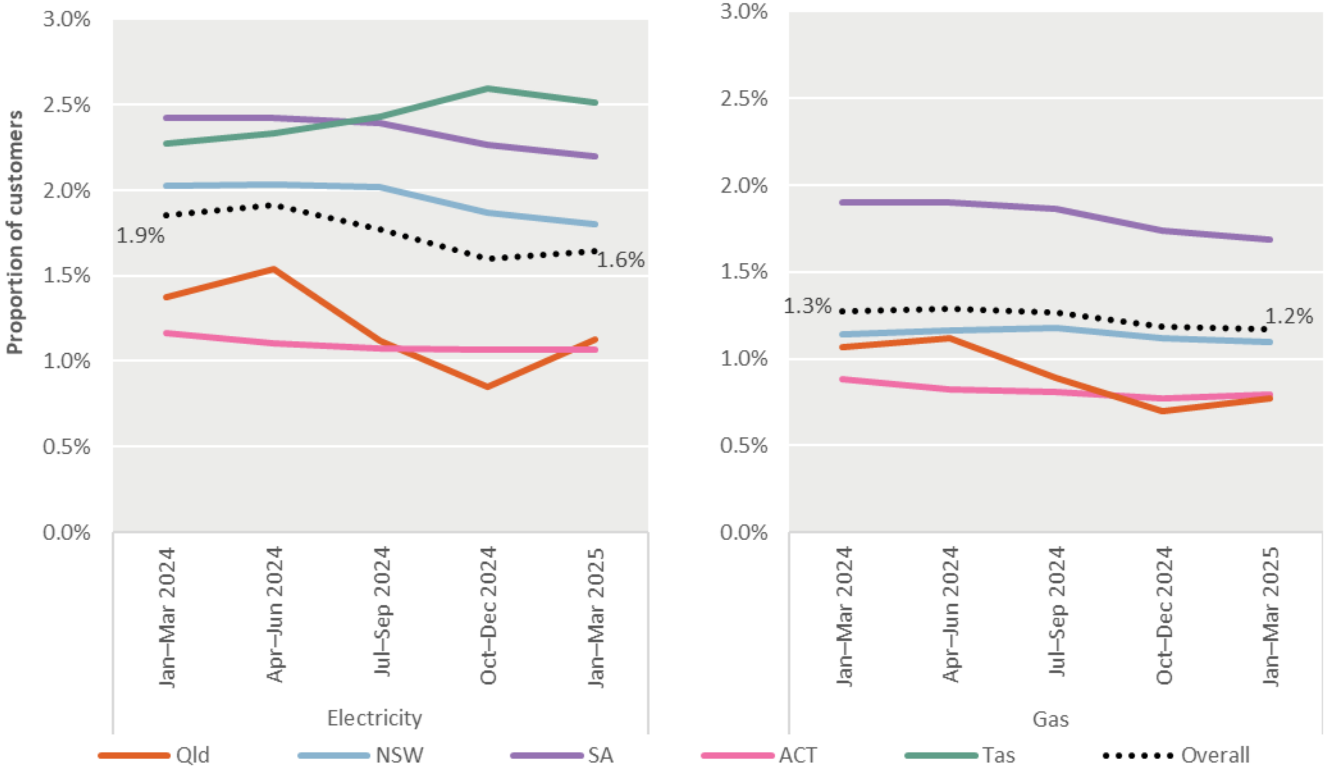
Source: AER, Schedule 3 – Retail Performance Data Q3 2024–25.

Overall, the number of customers accessing hardship programs has decreased over the past year

- The proportion of residential electricity customers accessing hardship programs was 1.6% in Q3 2024–2025, down from 1.9% in the same period last year.
- This decrease was predominantly driven by a decline in the number of Tier 1 customers in a hardship program over the past year.
- Tasmania was the only jurisdiction that recorded an increase in electricity hardship customers.

Figure 7 Proportion of residential electricity customers on hardship programs

Figure 8 Proportion of residential gas customers on hardship programs

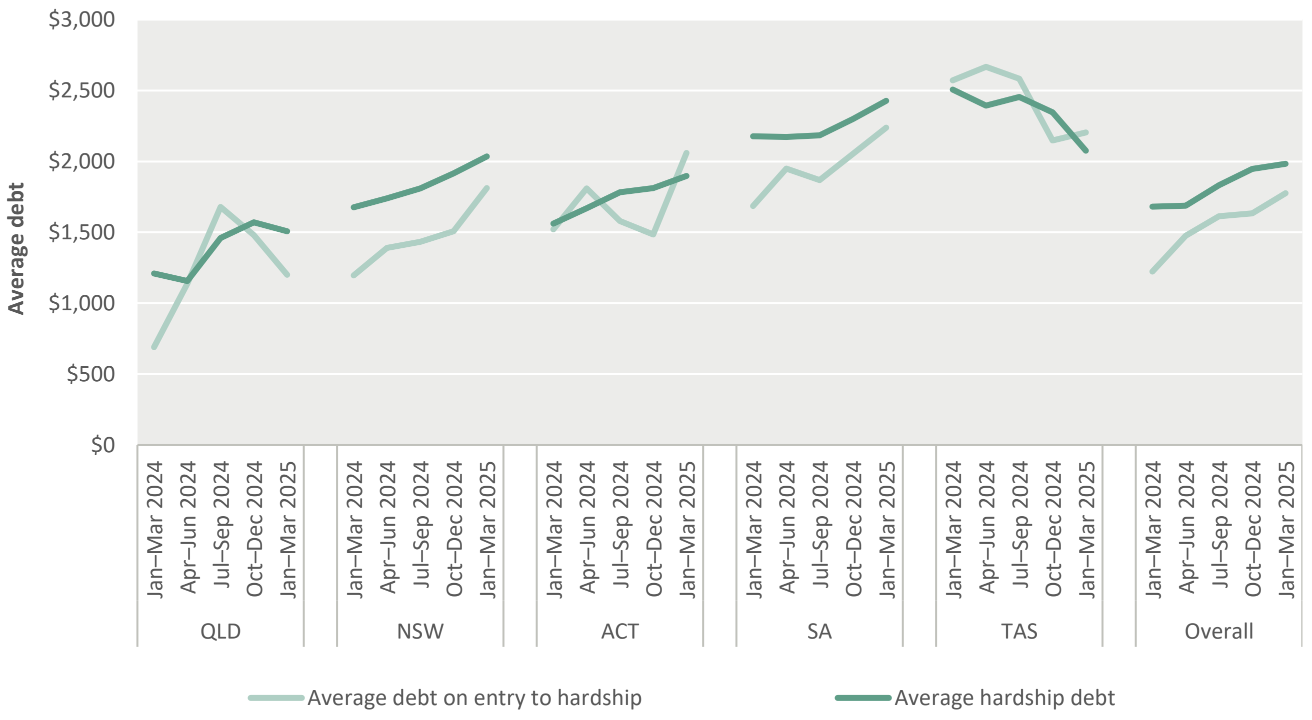


Source: AER, Schedule 4 – Retail Performance Data Q3 2024–25.

Average debt for customers entering and within a hardship program both increased over the past year

- Overall, average hardship debt on entry and average hardship debt both increased in the past 12 months – up to $1,755 and $1,984, respectively.
- Retailers attribute higher levels of hardship debt to the impact of government rebates, which have cleared smaller debts.
- Broader consumer cost-of-living pressures are likely to have contributed to greater overall debt accumulation.

Figure 9 Average electricity hardship debt and average electricity debt at time of entry to hardship programs

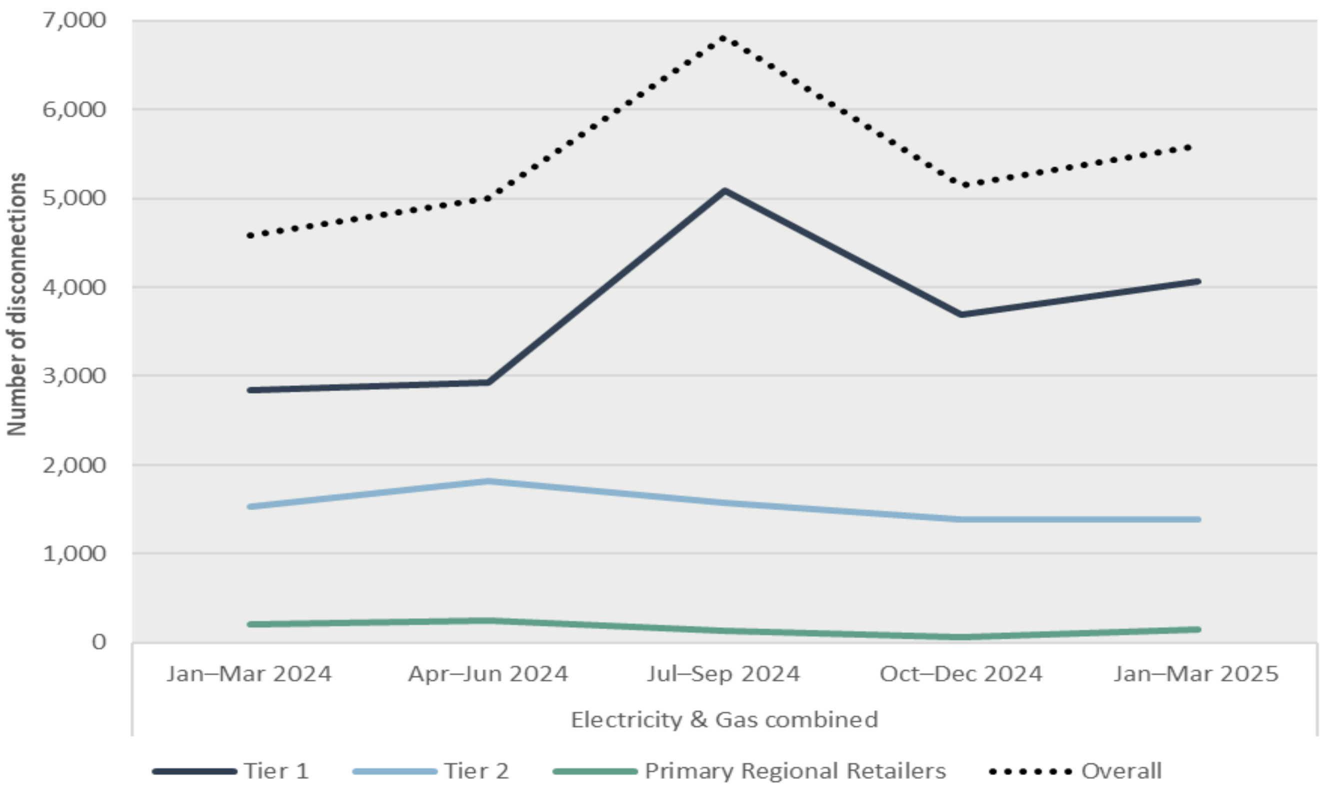


Source: AER, Schedule 4 – Retail Performance Data Q3 2024–25.

Electricity disconnection rates were lower than the mid-2024 peak, though higher than the previous quarter

- Tier 1 retailers reported a higher number of disconnections this quarter, as several have moved back to normal operations after pausing their disconnections activity in response to business requirements.
- Retailers contend they use disconnection notices as a last resort and have sought to engage with vulnerable and hardship customers throughout the quarter.

Figure 10 Number of residential electricity customers disconnected

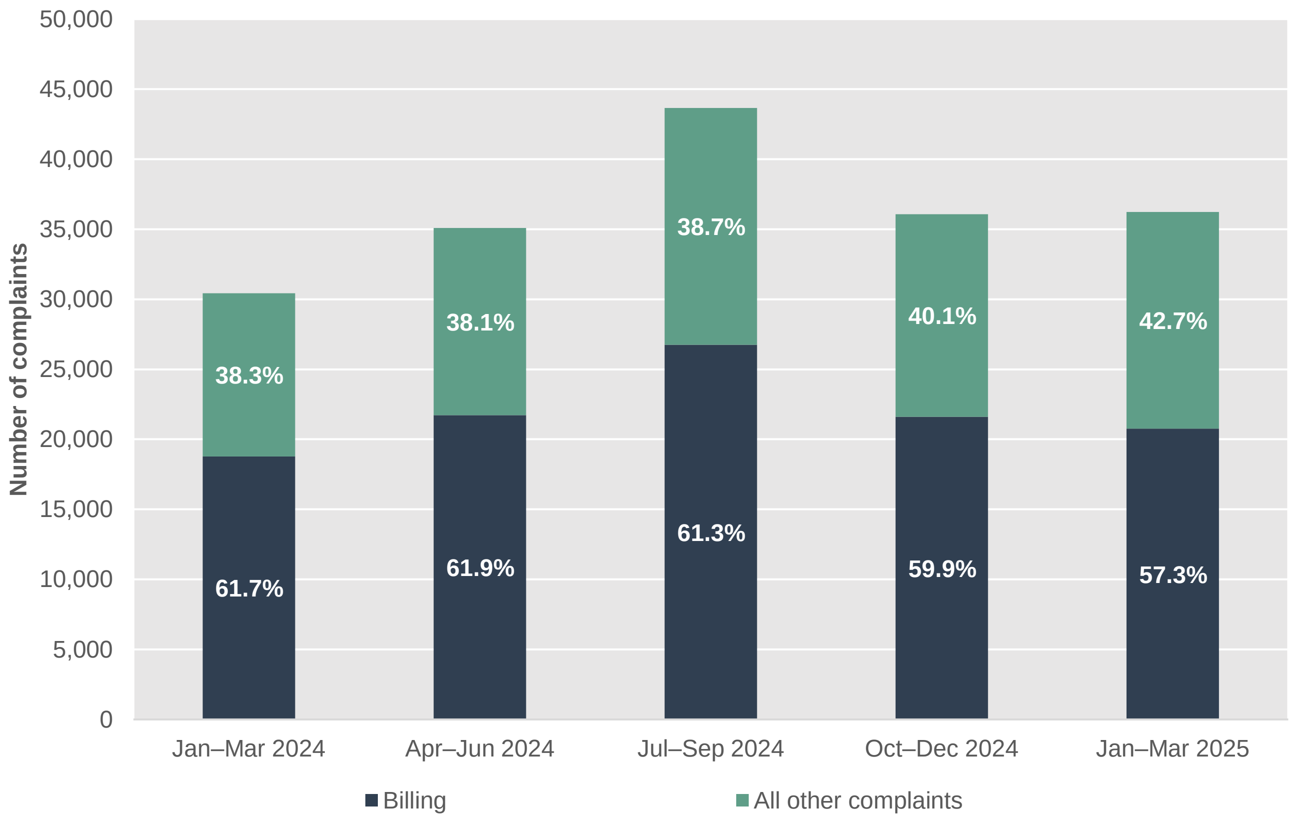


Source: AER, Schedule 3 – Retail Performance Data Q3 2024–25.

Complaints were higher than the same quarter last year

- The total number of complaints was almost 20% higher compared with Q3 2023–24.
- The proportion of complaints relating to billing decreased – down to 57.3% from 61.7% in the same period in 2024. Billing complaints include price queries, billing errors, payment arrangements and debt recovery practices.
- Retailers reported the increase in complaints was driven by a confluence of external economic pressures, system changes and adjustments in complaint handling.

Figure 11 Number and type of electricity customer complaints

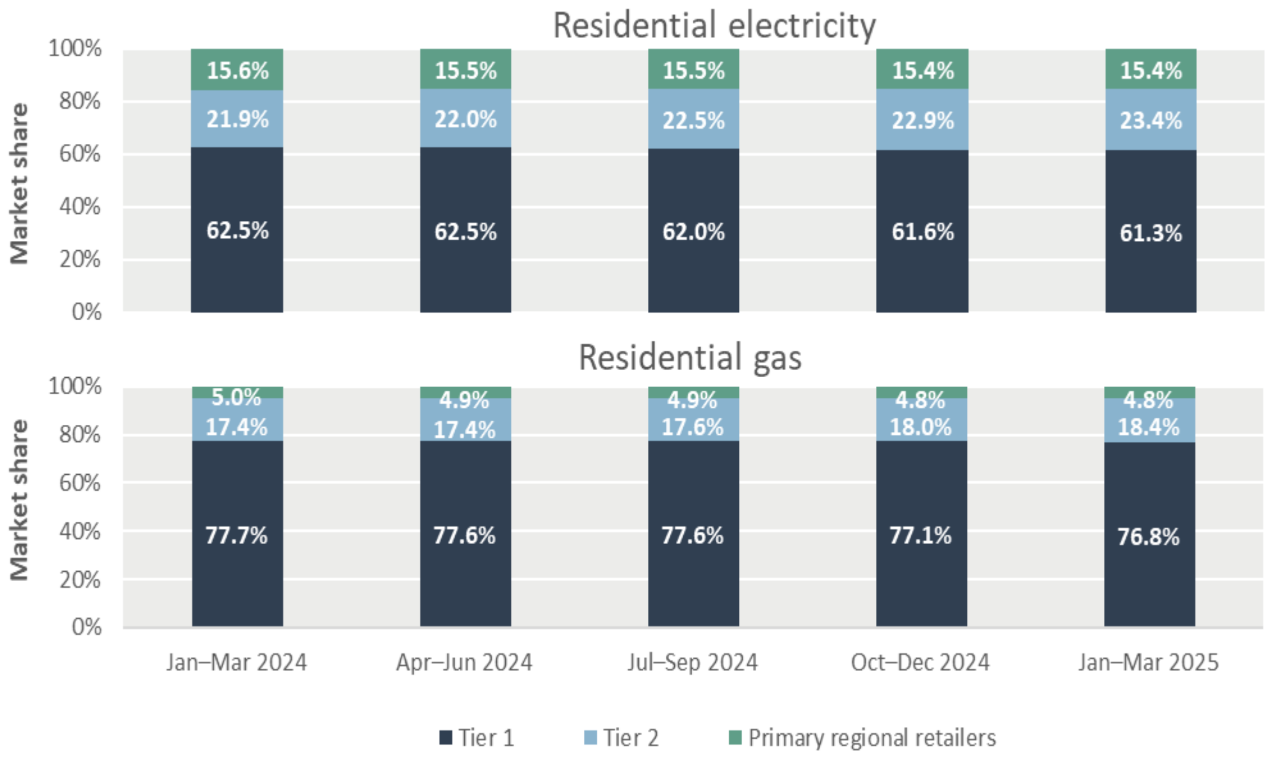


Source: AER, Schedule 3 – Retail Performance Data Q3 2024–25.

Tier 2 retailers' customer numbers and market share are continuing to grow

- Tier 2 retailers have increased their customer numbers by almost 125,000 in the residential electricity market since last year. Conversely, Tier 1 retailers' electricity customer numbers decreased by 25,000 over the past 12 months.
- A similar pattern is occurring in the residential gas market.

Figure 12 Market share of residential electricity customers by category



Source: AER, Schedule 2 – Retail Performance Data Q3 2024–25.

Comprehensive retail performance data contained in the Schedules is available on our website: https://www.aer.gov.au/industry/retail/performance-reporting