Australian Government

AUSTRALIAN ENERGY REGULATOR

Quarterly retail performance update

January to March 2026

June 2026

Introduction

This report provides a summary of information reported by energy retailers in regions that have adopted the National Energy Customer Framework (NECF) – New South Wales, Queensland, South Australia, Tasmania and the Australian Capital Territory – in accordance with the AER (Retail Law) Performance Reporting Procedures and Guidelines.

Data in the report is for the January to March 2026 period or at 31 March 2026.

We present our analysis in 3 sections:

1. Market overview, including pricing, tariffs and meters.
2. Affordability metrics, including debt, payment plans, hardship and disconnections.
3. Customer service, including call centre performance and complaints.

Key insights – January to March 2026 (Q3 2025–26)

Energy affordability remains a significant concern, with more customers in debt, using support programs and at risk of disconnection

Recent retail performance indicators show that energy affordability pressures are worsening. More small electricity and gas customers are carrying debt, entering hardship programs and using payment plans, while disconnections and credit collection activity have also increased. Together, these trends suggest more customers are finding it difficult to keep up with their energy bills and that retailer supports remain an important area of focus.

Some key insights from our affordability metrics include:

- **More customers are falling behind on their energy bills** – the number of customers with energy debt outstanding for 90 days or more has increased over the past quarter, particularly for electricity. While average debt per customer with 90+ day debt has decreased, the overall increase in the number of customers with short-, medium- and longer-term debt indicates that payment difficulty is continuing to become more widespread.
- **Use of payment plans and hardship programs has grown** – more customers are relying on support from their retailer to manage debt and ongoing energy costs. However, outcomes suggest these supports are not meeting customer needs. Debt levels among hardship customers remain high, and many customers are unable to meet repayment arrangements, leading to exclusion from support programs. Together, this indicates that support is often not reaching customers early enough or considering customers' capacity to pay.
- **Disconnections and credit actions have increased** – electricity disconnections have risen strongly over the past year with the average debt at disconnection increasing. Referrals to credit collection and credit defaults have also increased. This suggests that more customers are progressing from payment difficulty to more serious outcomes.

Shopping around and switching to a better offer can save on energy bills. Our analysis shows that residential electricity customers on the median market offer could save between $260 and $466 (12% to 23%) by switching to the most competitive offer in the market. Residential gas customers on the median market offer could save between $111 and $232 (13% to 27%) by switching to the most competitive offer in the market.

Market overview

(January to March 2026)

Residential customer numbers

7,060,625
Electricity
1.3% year-on-year increase

2,359,988
Gas
0.3% year-on-year increase

Number of customers by segment – new metrics from 1 July 2025

227,809
Embedded networks
3.2% of residential electricity customers

237,802
Life support
3.4% of residential electricity customers

48,622
Family violence
0.5% of residential electricity + gas customers

Small electricity customers, by meter type

62% Smart meter

34% Accumulation meter

4% Other advanced meter

Small electricity customers, by tariff type

66% Flat tariff

25% Time of use tariff

9% Other tariff types

Market concentration remains high, with incremental gains by smaller retailers

- The residential retail electricity market structure remains concentrated, with the largest 3 retailers – AGL, EnergyAustralia and Origin – accounting for around 60% of the market. However, over the past year some of the smaller and mid-sized retailers, such as Amber Electric and Red Energy, have grown significantly in customer numbers.

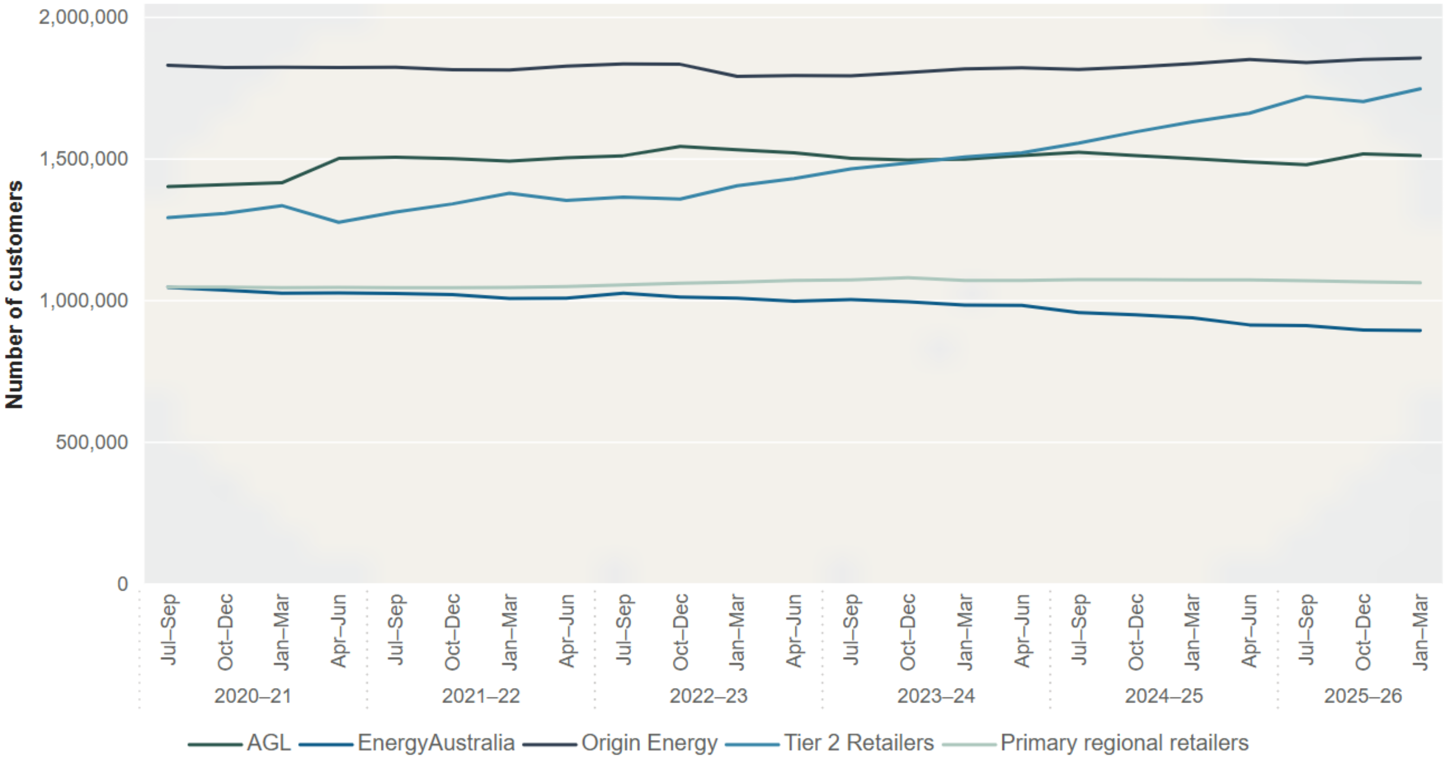
- New data provided by retailers from 1 July 2025 continues to improve our understanding of the representation of different customer cohorts:

  – The proportion of residential electricity customers on embedded networks increased by 0.2 percentage points to 3.2% (to 227,809 customers).

  – The proportion of electricity customers requiring life support equipment increased by 0.1 percentage points to 3.4% (to 237,802 customers).

  – The proportion of customers affected by family violence decreased by 0.1 percentage points to 0.5% (to 48,622 customers).

Market share of residential electricity customers, by retailer group

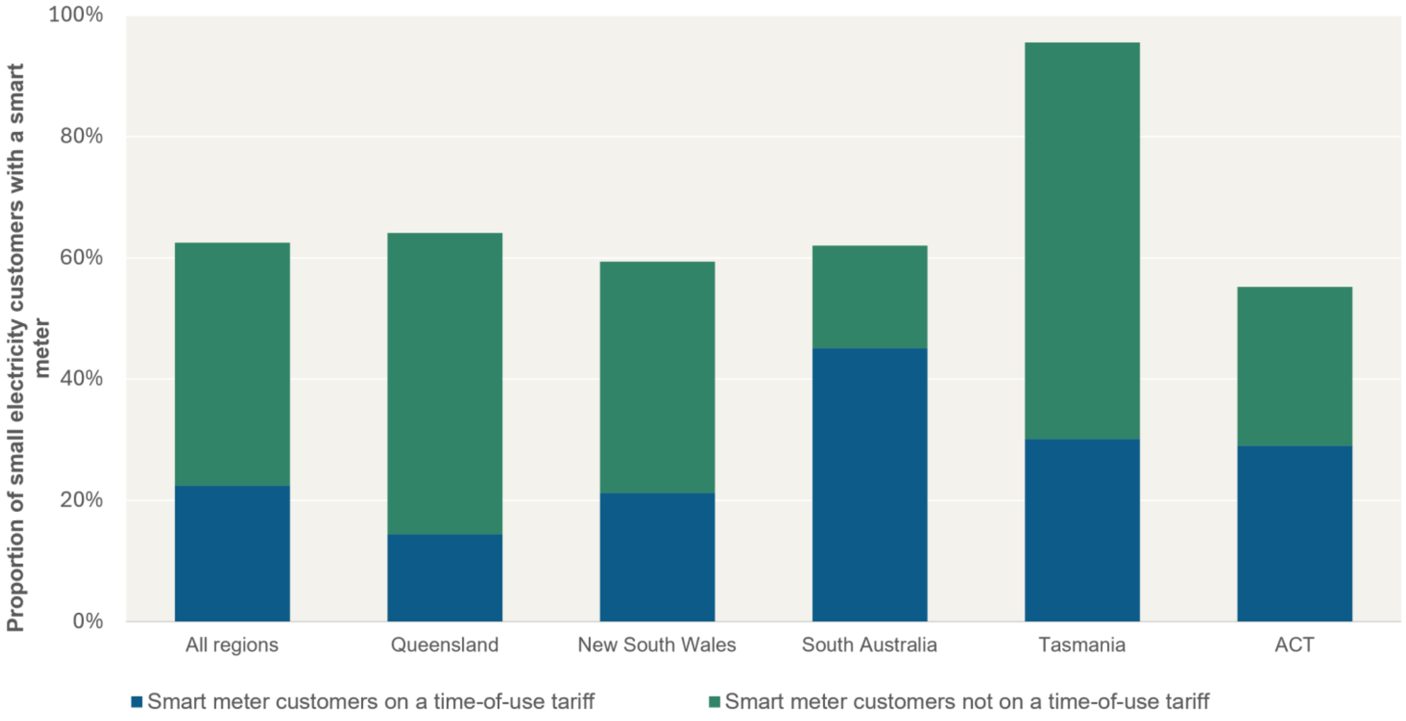


Source: AER, Schedule 2 – Retail Performance Data Q3 2025–26. Results are at 31 March 2026.

Smart meter penetration is rising but adoption of time-of-use tariffs remains low

- Across the NECF, 62% of customers have a smart meter, up from 60% at 31 December 2025.
- Despite this, overall, only about one-third of smart meter customers are on retail time-of-use tariffs, with the majority on retail flat tariffs.
- Tasmania has the highest smart meter penetration at 96%, yet only 32% of these customers are on retail time-of-use tariffs.
- Tier 2 retailers have proportionally more customers on retail time-of-use tariffs than either Tier 1 or primary regional retailers.
- Time-of-use tariffs require clear communication of both prices and time periods but current plans often provide pricing without clearly specifying when those rates apply.

Smart meter penetration and adoption of time-of-use tariffs among small electricity customers

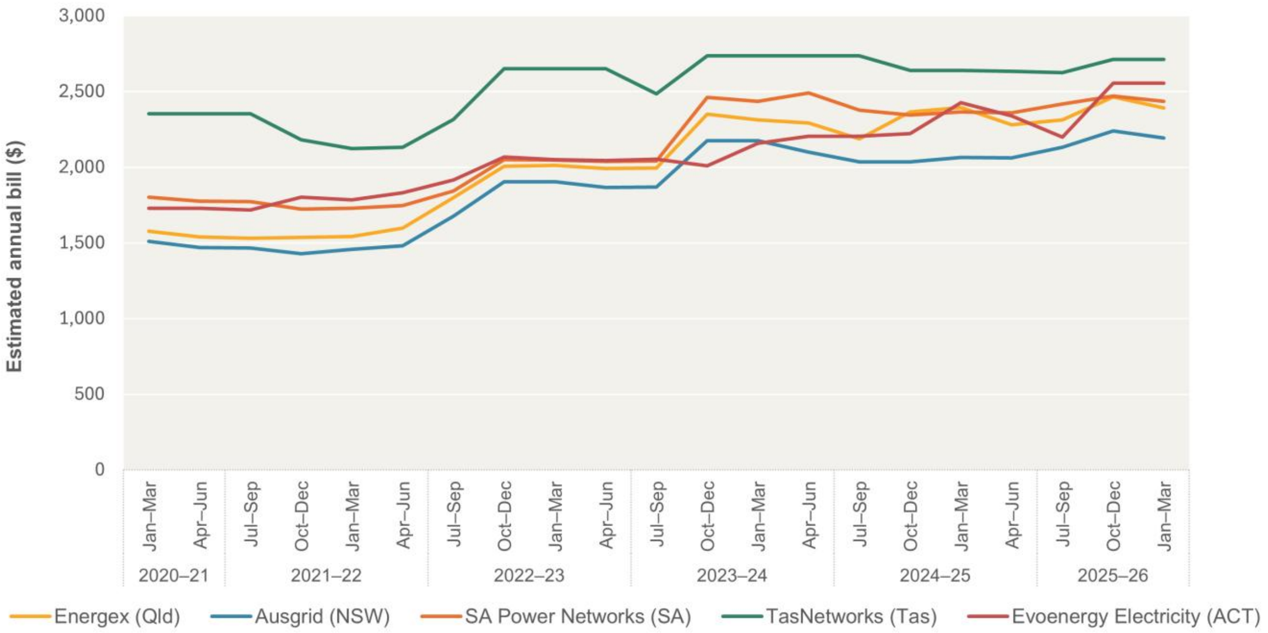


Source: AER, Schedule 2 – Retail Performance Data Q3 2025–26. Results are at 31 March 2026.

Median electricity offers have increased over the past year, but switching still offers savings

- Median residential offers increased across all distribution regions over the past 12 months, with the size of the increase varying across regions – from 1% in Tasmania to 8% in the ACT.
- Despite these increases, customers who switch from median offers to the lowest available market offer can still achieve material savings of $260 to $466 a year, or around 12% to 23%, depending on the region.
- Savings are greatest in default market offer (DMO) regions, where moving from the DMO to the lowest available market offer can save those customers $431 to $624 (based on DMO usage assumptions).

Residential median market electricity offers, by distribution network



Note: Pricing data is based on generally available, residential flat rate electricity market offer prices published at 31 March 2026.

Source: AER analysis using offer data from Energy Made Easy and applying annual consumption rate (kWh) based on analysis collected under AER Regulatory Information Notices (RIN) from distribution network businesses.

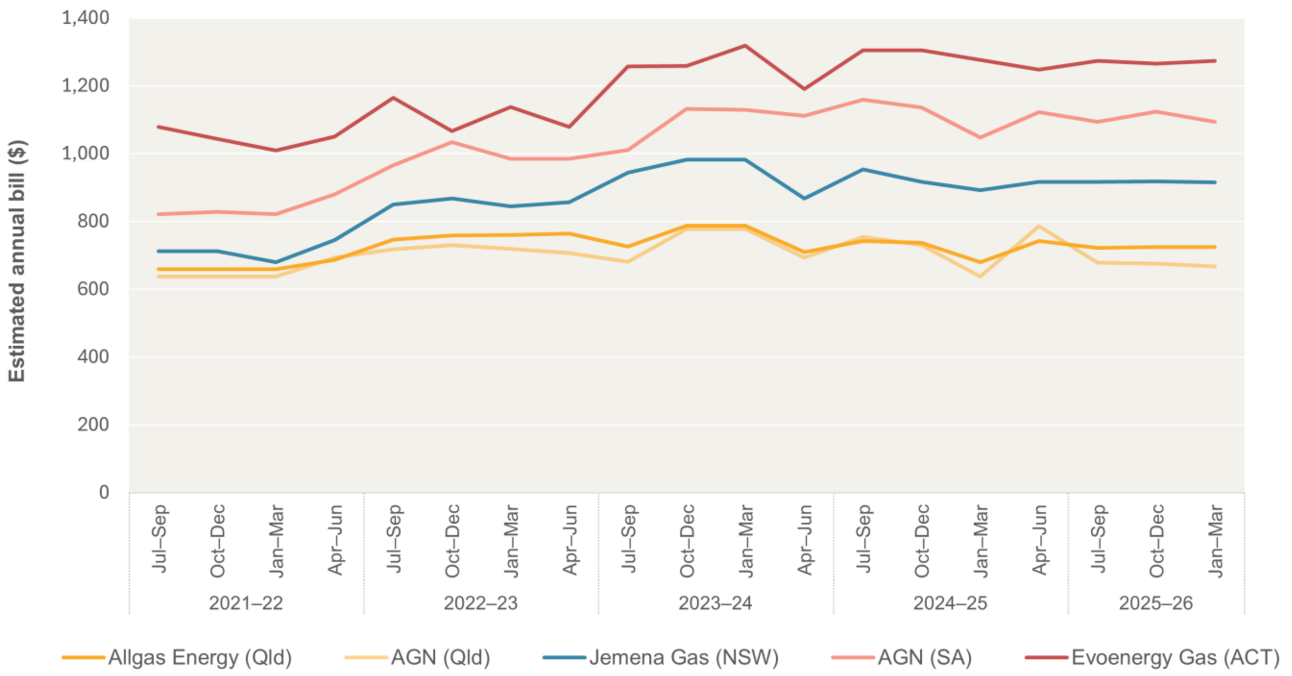
Switching to a median gas market offer from a default offer can deliver substantial savings

- Median market gas offers changed variably over the year to 31 March 2026, ranging from a 0.2% decrease in the ACT to a 7% increase in Queensland.

- Even so, customers can still pay less by moving to more competitive offers.

- Switching from the median market offer to the lowest market offer can save $111 to $232 (13% to 27%) per year, while moving from the standing offer to the median market offer can save $191 to $272 (19% to 23%) per year.

Residential median market gas offers, by distribution network



Note: Pricing data is based on generally available, residential flat rate gas market offer prices published at 31 March 2026.

Source: AER analysis using offer data from Energy Made Easy and applying annual consumption rate (MJ) based on analysis collected under Regulatory Information Notices (RIN) from network distribution businesses.

Affordability

(January to March 2026)

Residential customers with debt 90 days or more (does not include hardship customers)

Electricity
164,748
2.3% of customers
Average debt $1,764

Gas
64,816
2.7% of customers
Average debt $768

Residential customers on payment plans

Electricity
120,653
1.7% of customers

Gas
27,659
1.2% of customers

Residential disconnections

Electricity
8,724
0.12% of customers

Gas
1,753
0.07% of customers

Residential customers on a hardship program

Electricity
150,486
2.1% of customers
Average hardship debt $2,438

Gas
34,814
1.5% of customers
Average hardship debt $1,032

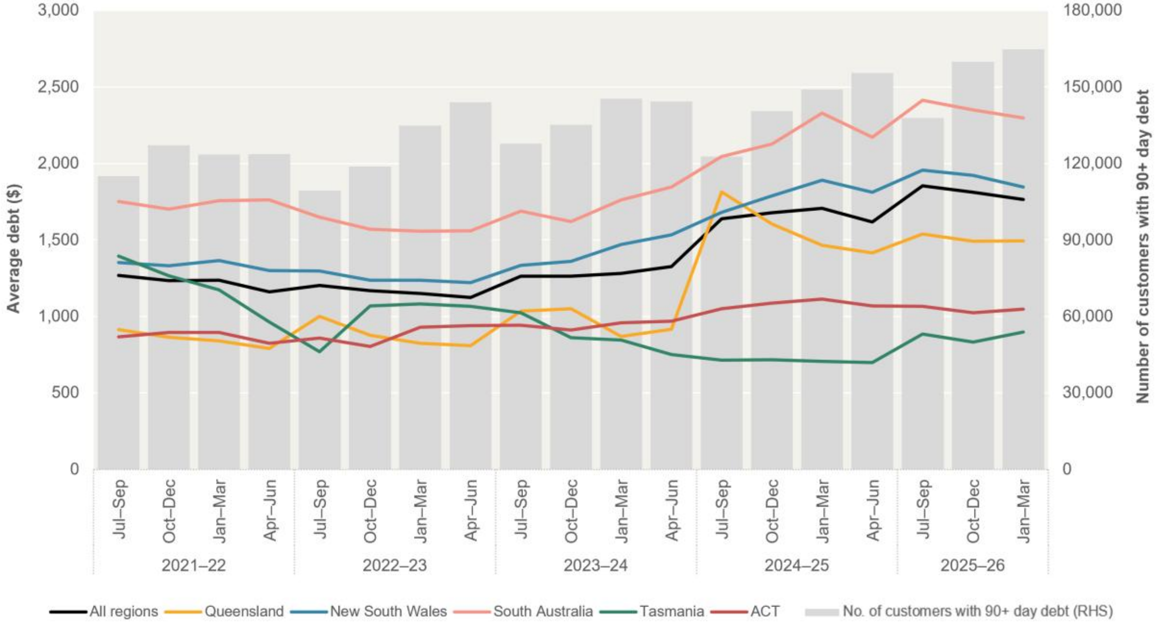
Customers who have successfully completed a hardship program

Electricity
11,461
23% of customers exiting hardship program

Gas
3,045
23% of customers exiting hardship program

More customers have 90+ day debt, and average debt for both electricity and gas continues to increase

Number of electricity customers with 90 days debt or greater and average debt

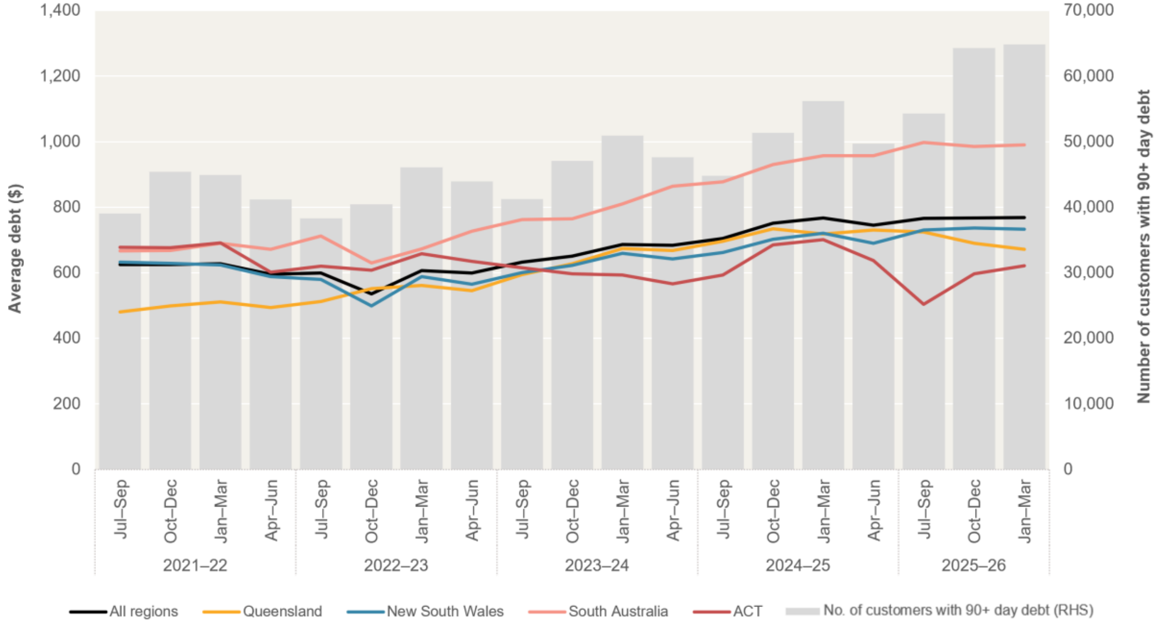


Note: Data collected voluntarily from retailers will be published separate to the schedules.

Source: For data from 1 July 2026: AER, Schedule 3 – Retail Performance Data Q3 2025–26. For data prior to 1 July 2026 – AER analysis using data from AER, Schedule 3 – Retail Performance Data Q3 2025–26 and data collected voluntarily from retailers.

- The number of electricity customers with 90 days debt or greater has reached its highest level over the past 5 years.
- Average debt of those electricity customers increased from $1,679 to $1,764 over the past 12 months.

Number of gas customers with 90 days debt or greater and average debt



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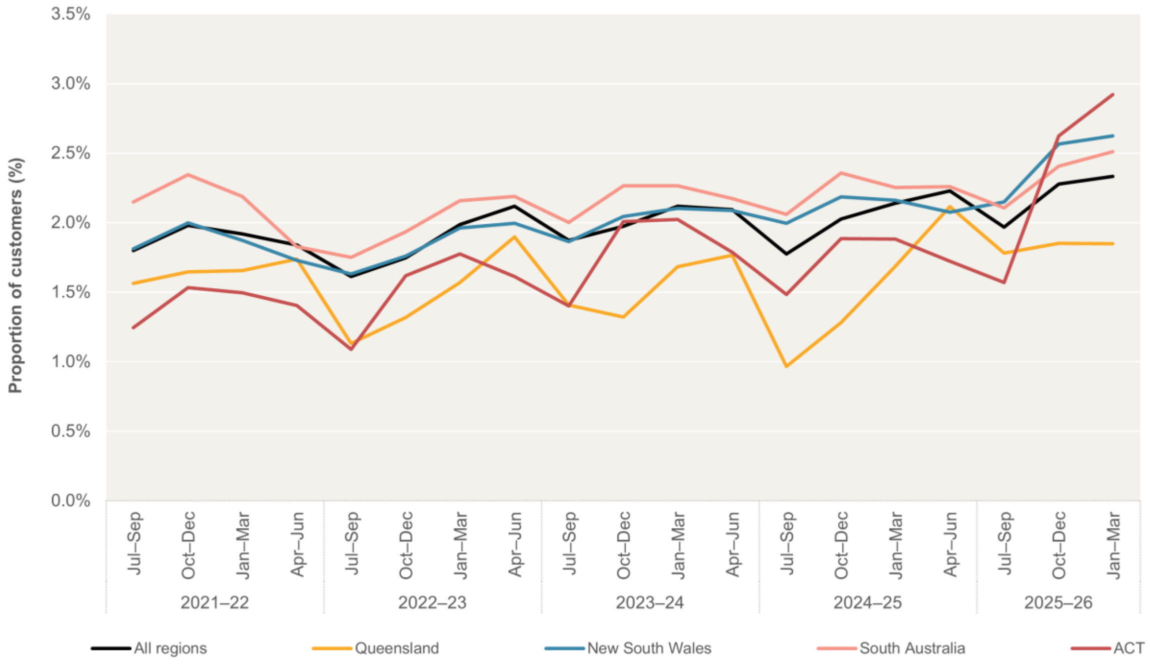
Source: For data from 1 July 2026: AER, Schedule 3 – Retail Performance Data Q3 2025–26. For data prior to 1 July 2026 – AER analysis using data from AER, Schedule 3 – Retail Performance Data Q3 2025–26 and data collected voluntarily from retailers.

- The number of gas customers with 90 days debt or greater has increased significantly since Jul–Sep 2025.
- Average debt of those gas customers decreased marginally from $776 to $768 over the past 12 months.

Proportion of customers with 90+ day debt has increased since 2021–22

Proportion of electricity customers with 90 days debt or greater



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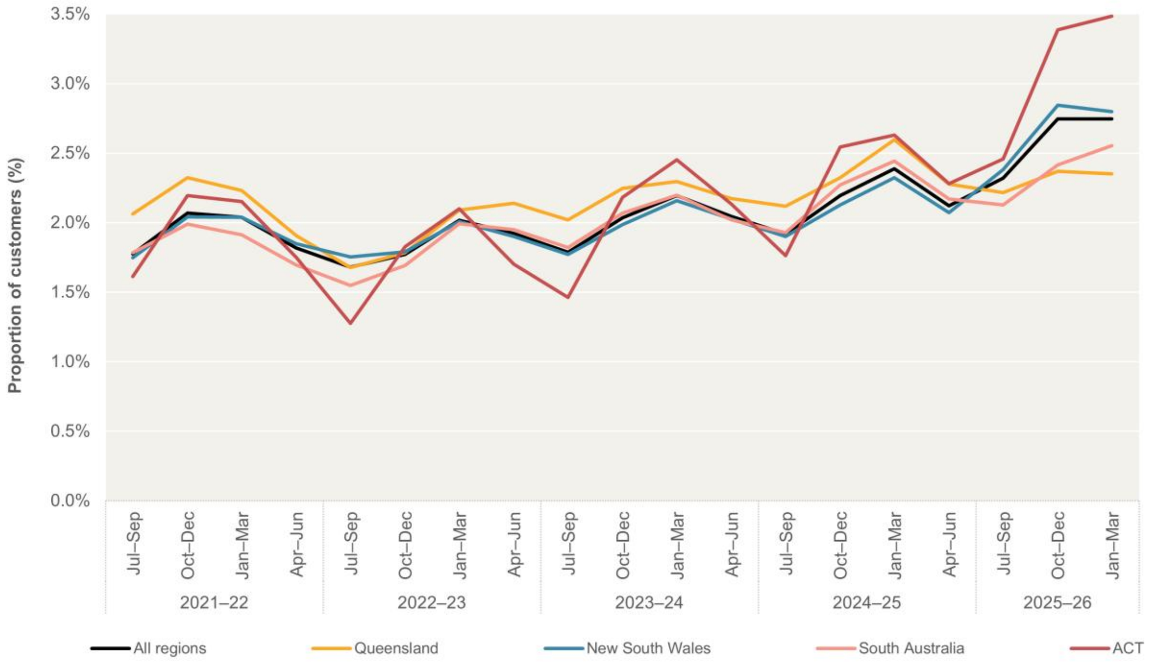
Source: For data from 1 July 2026: AER, Schedule 3 – Retail Performance Data Q3 2025–26. For data prior to 1 July 2026 – AER analysis using data from AER, Schedule 3 – Retail Performance Data Q3 2025–26 and data collected voluntarily from retailers.

- The proportion of electricity customers with 90 days or greater energy debt increased from 1.8% in Jul–Sep 2021 to 2.3% in Jan–Mar 2026 for residential electricity customers in the NECF.

Proportion of gas customers with 90 days debt or greater



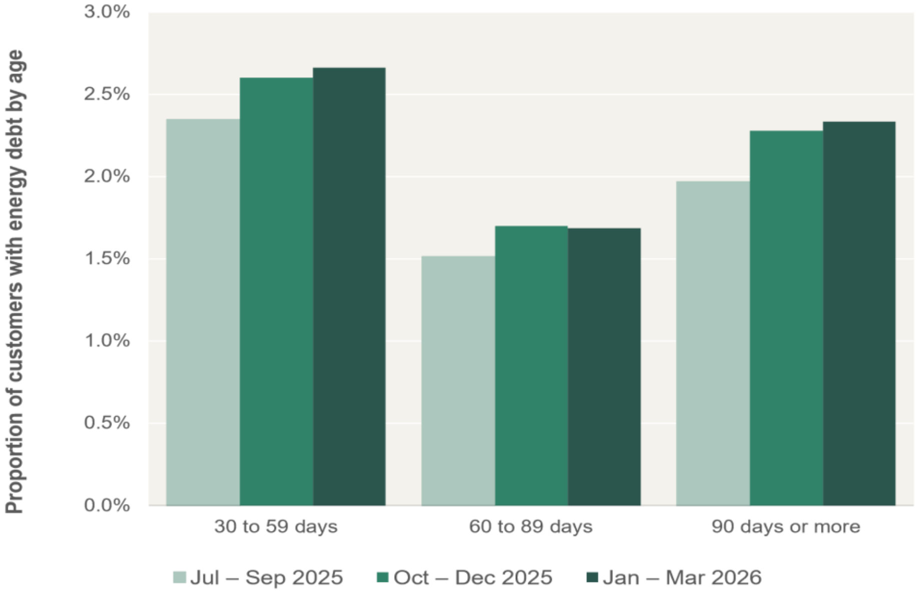
Note: Data collected voluntarily from retailers will be published separate to the schedules.

Source: For data from 1 July 2026: AER, Schedule 3 – Retail Performance Data Q3 2025–26. For data prior to 1 July 2026 – AER analysis using data from AER, Schedule 3 – Retail Performance Data Q3 2025–26 and data collected voluntarily from retailers.

- The proportion of gas customers with 90 days or greater energy debt increased from 1.8% in Jul–Sep 2021 to 2.7% in Jan–Mar 2026 for residential gas customers in the NECF. Over the past 12 months, the increase has been from 2.4% to 2.7%.

While average 90+ days electricity debt has decreased over the past three quarters, the proportion of customers with debt has increased

Proportion of residential electricity customers with debt, by age of debt



Source: AER, Schedule 3 – Retail Performance Data Q3 2025–26.

Average residential electricity debt, by age of debt

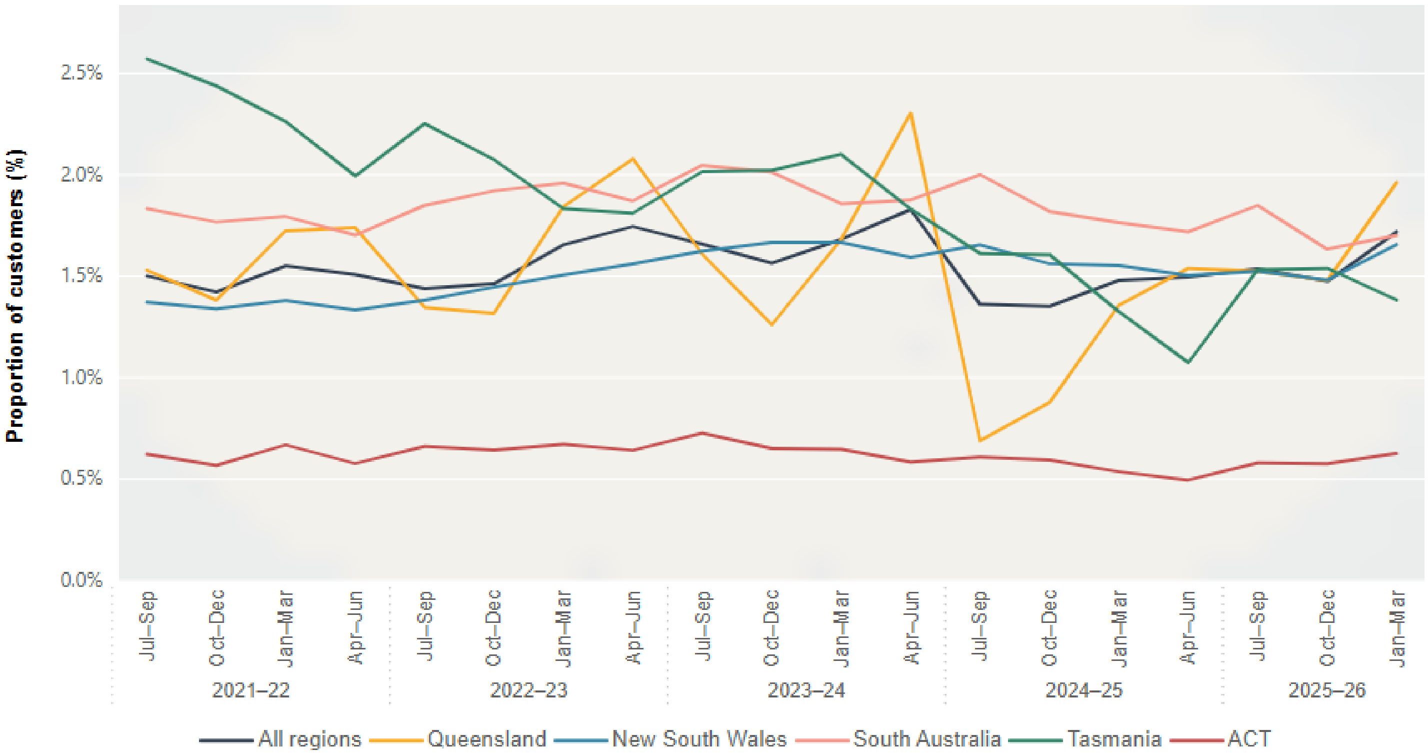
Source: AER, Schedule 3 – Retail Performance Data Q3 2025–26.

- At 31 March 2026, 2.3% of residential electricity customers had a debt of 90 days or more and 4.3% had a debt of 30 to 89 days.
- More customers had debt in both the 30–59 day and 90+ day categories compared with the previous quarters, which may indicate ongoing financial challenges for more customers.
- Long-outstanding debt remains the clearest indicator of customer stress – residential electricity customers with balances of 90 days or more owed an average of $1,764 in March 2026, down slightly from $1,812 in the previous quarter.
- Embedded network customers show a different profile, with a similar proportion with 90+ day debt (2.0%), but with a lower average balance of $674.

Participation in payment plans has increased, but completion rates remain poor

- Reliance on payment plans continued to grow, with the proportion of residential electricity customers on a plan increasing from 1.5% to 1.7% over the 12 months to 31 March 2026 – around 18,000 additional plans.
- However, outcomes for customers on plans remain weak – around 60% of payment plans were cancelled, indicating many customers are unable to meet their repayment obligations.
- The average fortnightly payment of $166 indicates an affordability burden for households already experiencing financial difficulty.
- Payment plan use is comparatively high among customers experiencing family violence (4.2%).

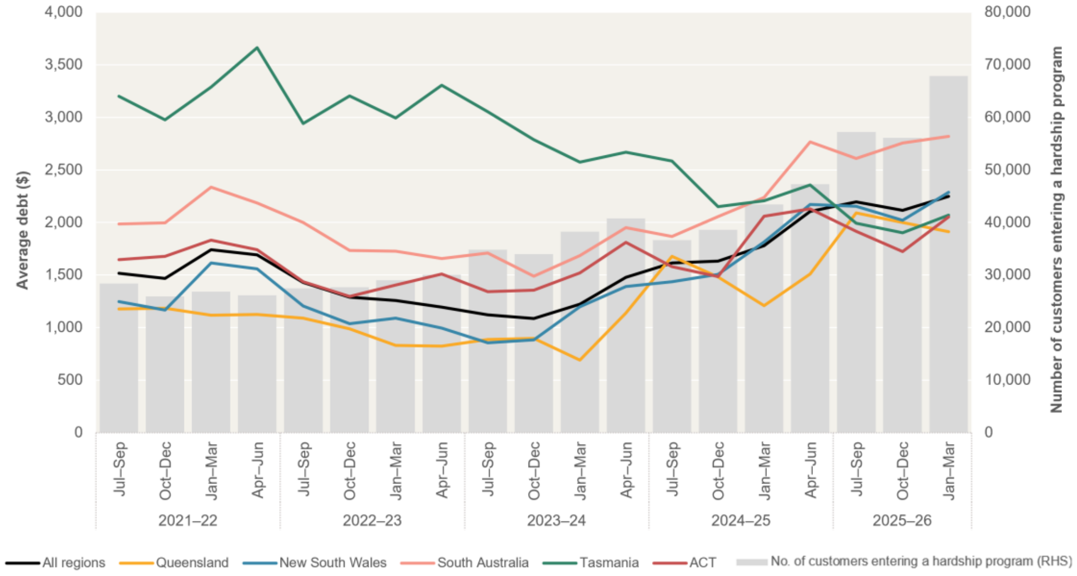
Proportion of residential electricity customers on a payment plan



Source: AER, Schedule 3 – Retail Performance Data Q3 2025–26. Results at 31 March 2026.

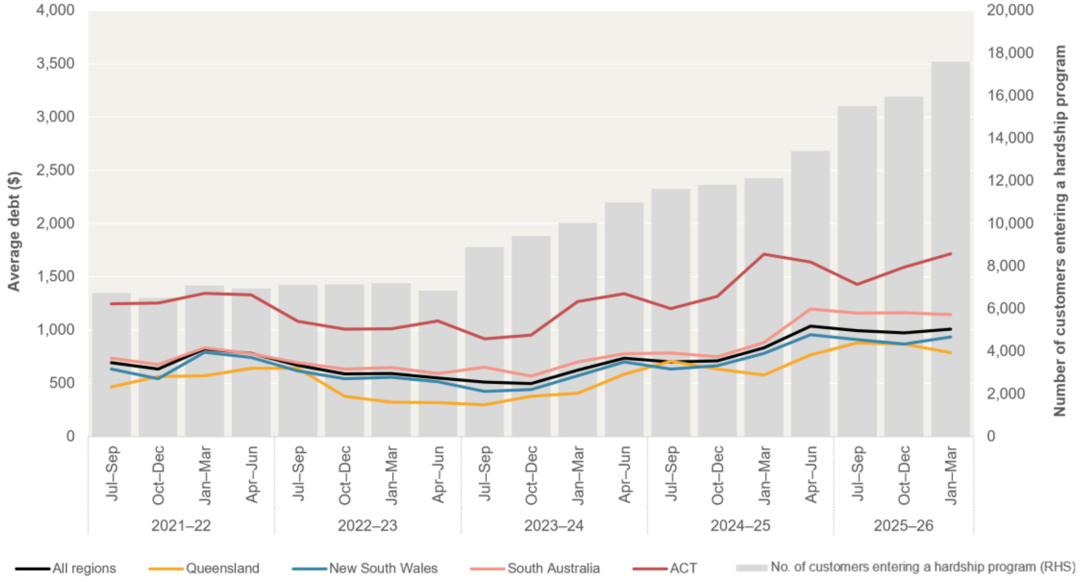
More new customers are entering hardship programs and with higher debt

Number of electricity customers entering hardship programs and average debt at time of entry



Source: AER, Schedule 4 – Retail Performance Data Q3 2025–26. Results are at 31 March 2026.

Number of gas customers entering hardship programs and average debt at time of entry



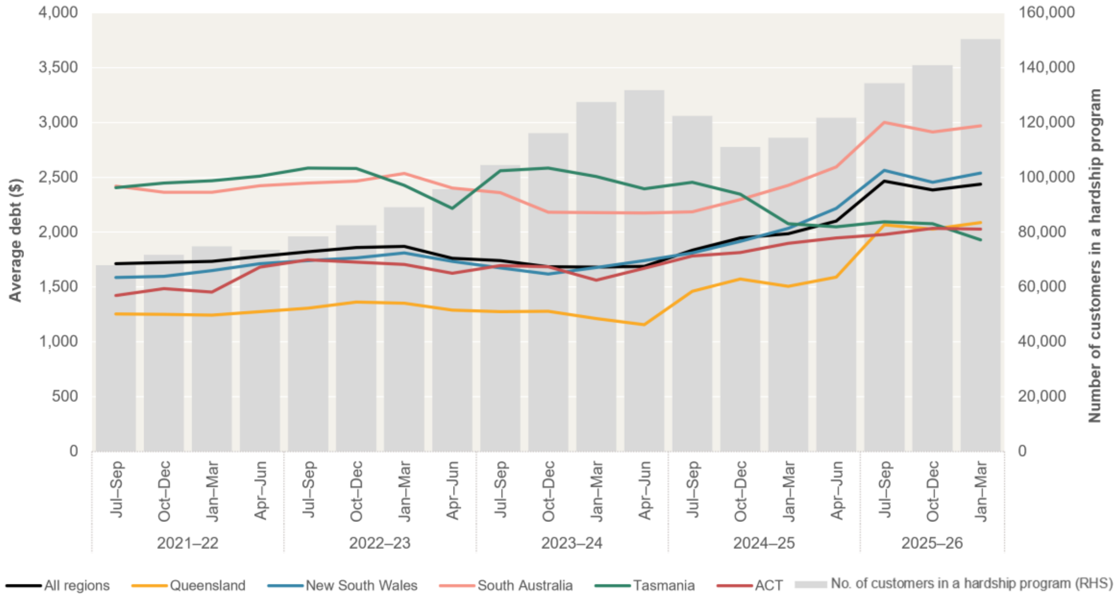
Source: AER, Schedule 4– Retail Performance Data Q3 2025–26. Results are at 31 March 2026.

- The number of customers entering hardship programs increased, as did debt on entry, indicating customers are reaching support with more advanced payment difficulty.
- For electricity, the number of customers entering hardship in January to March 2026 was the highest in the past 5 years, while average debt on entry increased from $1,777 to $2,247 over the year.
- South Australia had the highest average electricity debt on entry to a hardship program at $2,818.

- For gas, the number of customers in hardship programs and debt on entry also increased over the past year, with average debt up from $833 to $1,008.
- The ACT recorded the highest average debt on entry to gas hardship programs at $1,717 and Queensland recorded the lowest at $788.

All customers within hardship programs are holding higher average debt

Number of electricity customers and the average debt within a hardship program per jurisdiction

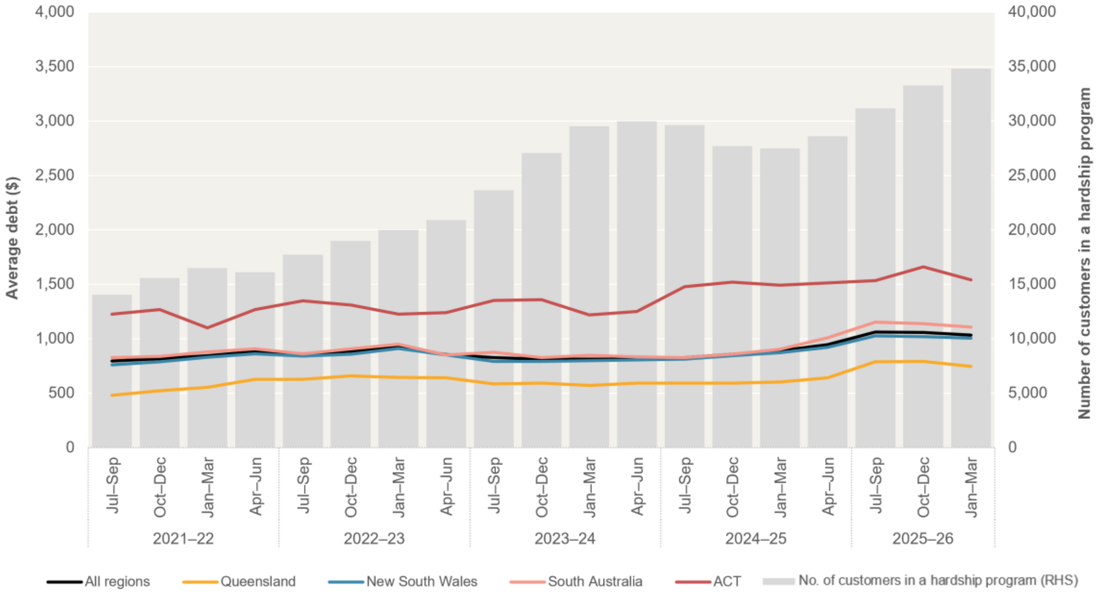


Source: AER, Schedule 4 – Retail Performance Data Q3 2025–26. Results are at 31 March 2026.

- The number of electricity customers being supported by a hardship program has increased over the past 12 months from 114,433 to 150,486.

- Average debt within a hardship program for electricity customers increased from $1,985 to $2,438 over the past 12 months.

Number of gas customers and the average debt within a hardship program per jurisdiction



Source: AER, Schedule 4 – Retail Performance Data Q3 2025–26. Results are at 31 March 2026.

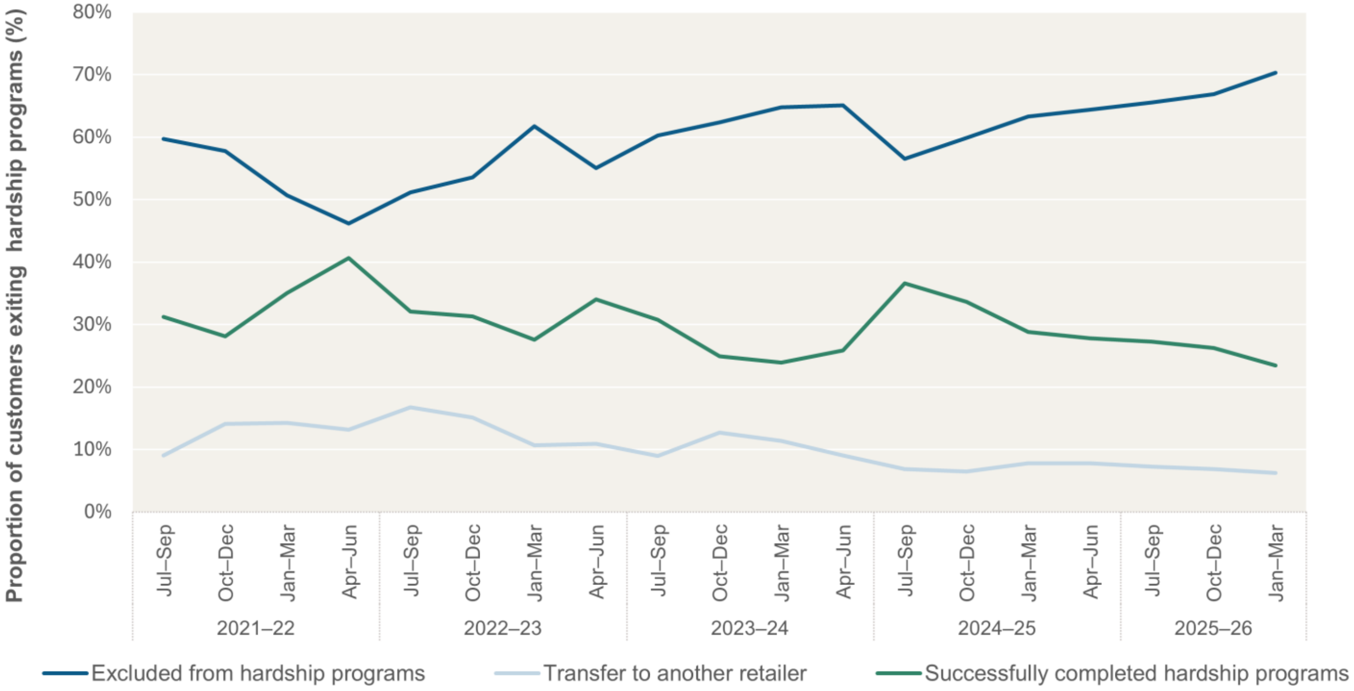
- The number of gas customers being supported by a hardship program has also increased over the past 12 months from 27,481 to 34,814.

- Average debt within a hardship program for gas customers increased from $888 to $1,032 over the past 12 months.

Customers are increasingly leaving hardship programs through exclusion, not completion

- Exits from hardship programs have increased over the past 2 years, but most customers do not leave because they have completed the program successfully.
- In January to March 2026, only 25% of customers completed their hardship program, while 68% were excluded for non-compliance and 7% transferred to another retailer.
- Exclusions were driven mainly by non-payment (60%) and non-engagement (30%), indicating many customers are unable to meet their payment obligations in the program.
- Feedback from retailers suggests that when a customer is excluded from a hardship program, retailers will attempt to re-engage them. Retailers also claimed that customers cycling in and out of hardship programs is common.

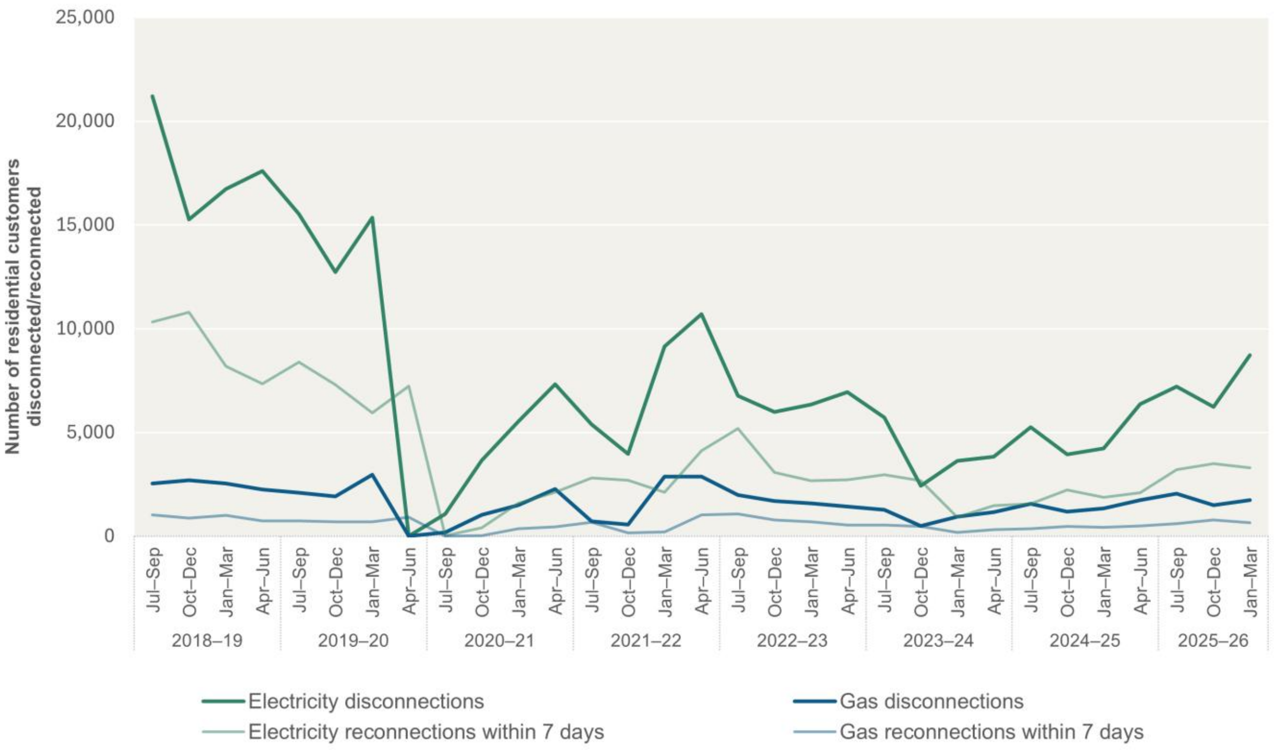
Residential electricity customers exiting hardship programs, by reason for exit



Source: AER, Schedule 4 – Retail Performance Data Q3 2025–26. Results are at 31 March 2026.

More customers are being disconnected and average debt at disconnection remains high despite a quarterly decline

Residential electricity and gas customers disconnected and reconnected within 7 days

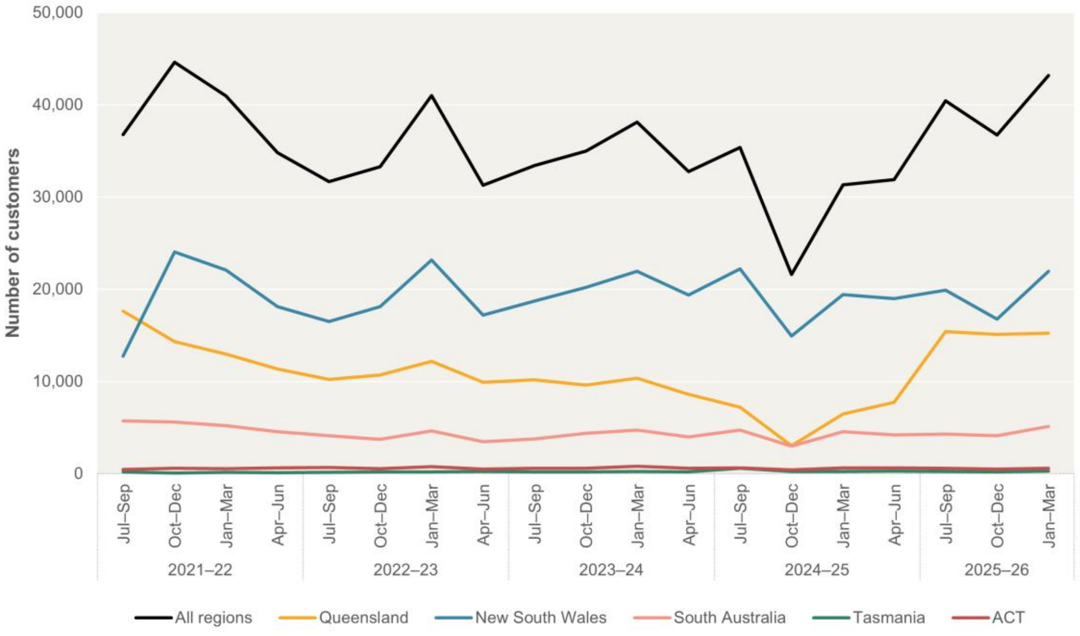


Source: AER, Schedule 3 – Retail Performance Data Q3 2025–26.

- Residential electricity and gas disconnections have risen steadily over the past 24 months, indicating a worsening trend in customer payment difficulty.
- Customers are also being disconnected with substantial debt balances:
  - At 31 March 2026, average debt at disconnection for residential electricity customers was $2,509 (a decrease from $2,687 at 30 September 2025).
  - For residential gas customers this was $1,270 (a decrease from $1,570 at 30 September 2025).

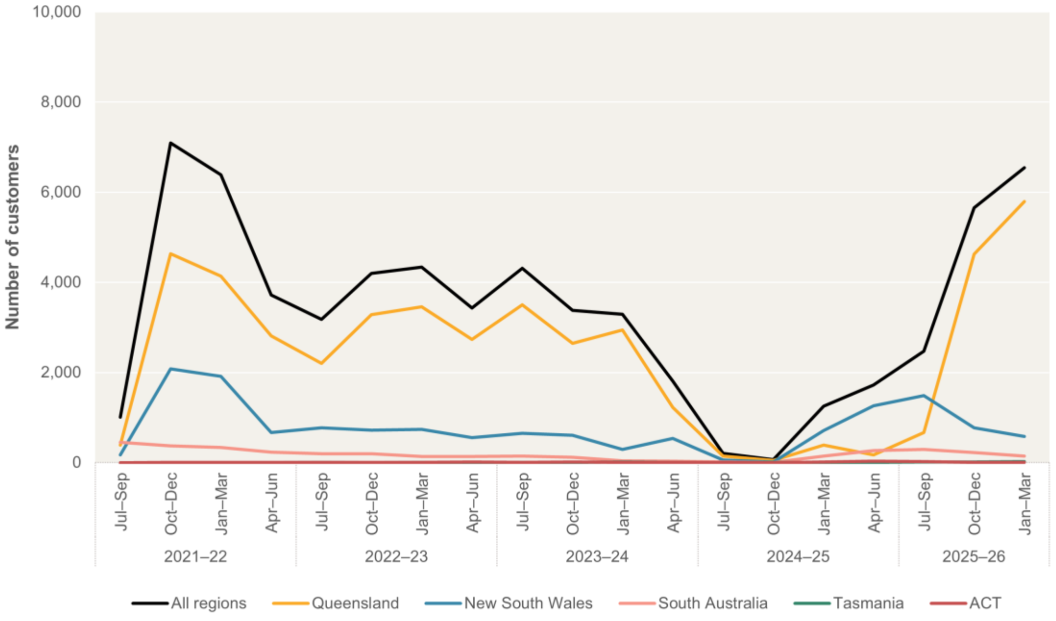
Debt escalation is worsening, with more electricity customers referred to credit collection and listed in default

Residential electricity customers referred to credit collection, by region



Source: AER, Schedule 3 – Retail Performance Data Q3 2025–26.

Residential electricity customer credit defaults, by region



Source: AER, Schedule 3 – Retail Performance Data Q3 2025–26.

- Residential electricity debt has increasingly escalated beyond normal collections, with more customers being referred to external credit collection agencies and more being listed in default. Referrals to external collection agencies increased significantly over the past year, indicating that more customers are leaving retailers with unpaid balances. Average debt at referral was $1,643 at 31 March 2026.

- Credit default listings also increased, driven largely by Queensland, showing that a growing share of these debts are progressing to more serious outcomes. This matters because credit default listings can restrict access to loans, credit cards and mortgages, and may continue to affect credit standing for up to 5 years, even after the debt is repaid.

Customer service

(January to March 2026)

Retailer call centre responsiveness

Number of calls received	Calls taken within 30 seconds	Average wait time	Calls abandoned before answer
2,308,495	47%	5.3min	14%

Small customer complaints to retailers

37,191
Number of complaints
0.5% of customers

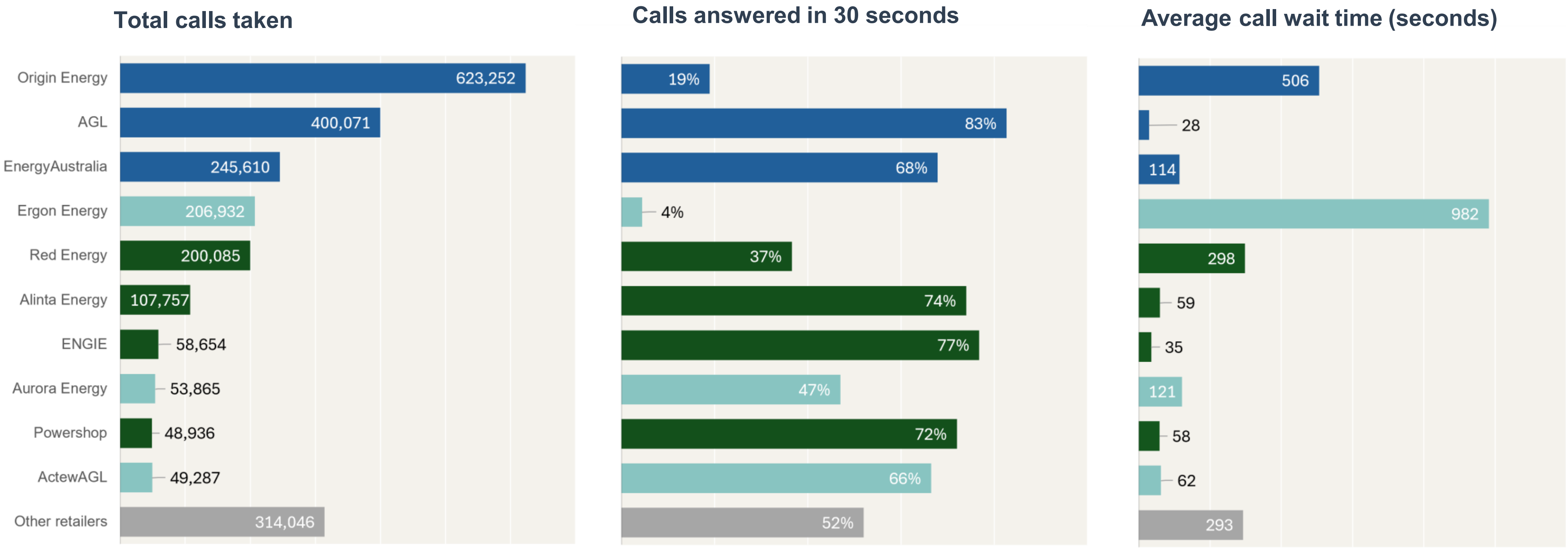
Billing	Smart meters	Customer transfer	Marketing	Other
60%	6%	4%	4%	26%

Small customer complaints to ombudsmen

9,025
Number of complaints
0.1% of customers

Billing	Smart meters	Customer transfer	Marketing	Other
76%	4%	2%	2%	16%

Higher call volumes have coincided with materially poorer call centre performance



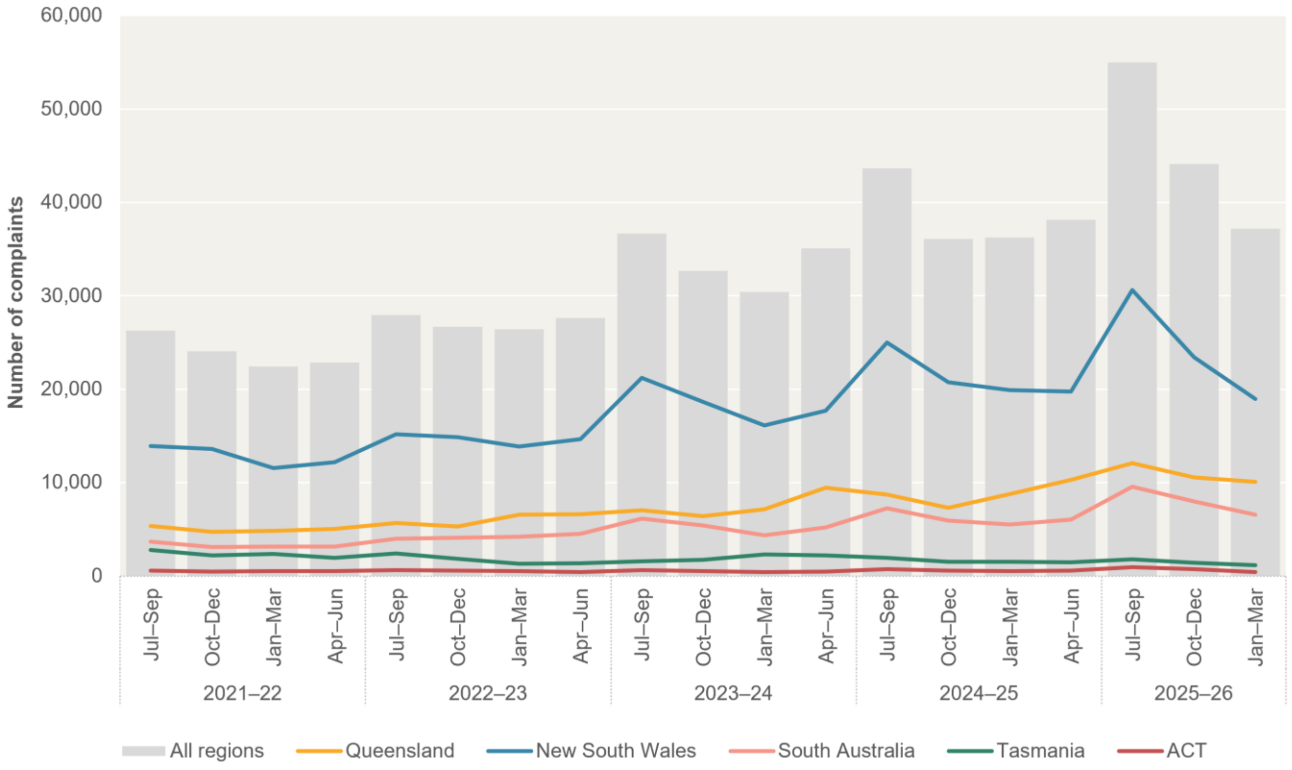
Source: AER, Schedule 3 – Retail Performance Data Q3 2025–26.

- Retailers received more customer contact over the past 12 months, with total calls taken increasing by 14% to 2.31 million.
- Call centre responsiveness deteriorated materially over the same period, with the proportion of calls answered within 30 seconds falling from 63% to 47%. Consequently, customer wait times also worsened sharply, with the average time to answer across all retailers rising from 104 to 329 seconds, indicating that higher demand is being met with slower service.

Complaints have decreased over the past 6 months

- While complaints have decreased for the second quarter in a row, the decrease is largely due to a correction in Origin Energy’s recording and reporting of complaints. We are working to understand the full impact of this correction and implications for the complaint data series.
- Ombudsman complaint volumes rose by almost 50% in 2023–24 and have remained elevated, averaging around 9,000 per quarter. In January to March 2026, 9,025 ombudsmen complaints were recorded, broadly in line with this trend.
- From 1 July 2025, we collected more detailed complaint data. Under billing-related complaints, ‘bill prices’ (30%) and ‘bill errors’ (24%) were the most common complaint sub-categories.

Number of small customer complaints, by region



Note: Customer complaints combine complaints from small customers across both electricity and gas.

Source: AER, Schedule 3 – Retail Performance Data Q3 2025–26. Results are at 31 March 2026.

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

For inquiries about this publication, email aerinquiry@aer.gov.au.

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