

Media Release

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Governments can do more to ease electricity price pain

Significant increases in electricity prices from 1 July 2023 – announced in the draft decisions for the Default Market Offer and the Victorian Default Offer (VDO) – underline the urgency of helping consumers manage their energy costs.

The DMO sets the maximum price that consumers in New South Wales, South-East Queensland and South Australia will pay if they do not opt for another “market” offer put forward by a retailer. It also acts as a reference price against which these other offers are often benchmarked. In Victoria, the VDO plays a similar role.

Energy Consumers Australia CEO Lynne Gallagher said these increases, on top of double digit increases the previous year, are another blow for consumers already struggling with cost-of-living pressures.

“These electricity price increases will hurt, heaping more pressure on household budgets and on small businesses,” she said. “There are things governments and retailers can do now and we’re calling on them to explore every possible option.

“We need to shield the most vulnerable consumers from bill shock in the coming months and the energy price relief announced by governments in December needs to be adequate and available to those who need it.

“We know that as many as half of households could be missing out on assistance that they are eligible for, often because of red tape. These are extraordinary times, and so we ask that retailers take action above and beyond to support their customers.

“Retailers know when customers are not on the best deal and we’d like them to be more proactive in reaching out to offer them the best possible option.

“Retailers are also legally obliged to help households that are unable to pay their bills by offering repayment plans and hardship assistance.”

Ms Gallagher said for most consumers, the biggest impact we can have in the short term is to empower them to do all that they can to take control of their electricity and gas use.

“High electricity prices underline the importance of helping consumers control their energy use to put downward pressure on bills,” Ms Gallagher said. “There are simple things that households and small businesses can do to make sure we keep their energy use as low as possible, but they need support and we need to get information to them proactively.

Advice about the best and most cost-effective ways to save power are available at energyconsumersaustralia.com.au/consumer-advice.

Ms Gallagher said Energy Ministers had made important progress on reforms to lower costs in the medium to longer term, but these would take time to have an effect.

“The benefits of the reforms that ensure an orderly transition to renewable energy and to ensure gas is available in the domestic market at reasonable prices will take some time to show up on people’s bills.

“That is why we need to do everything possible to insulate households and small businesses from these imminent further electricity and price rises.”

About Energy Consumers Australia

Energy Consumers Australia is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.

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