



Emergency Electricity Payment Scheme (EEPS) Review

Background

The Emergency Electricity Payment Scheme (EEPS) provides assistance to households in a financial crisis who are unable to pay their electricity debt. Currently, the assistance is a \$400 payment, once every three years – on application from a financial counsellor. To be eligible, customers must be the energy account holder, must not have an energy debt greater than \$2,000, and must be disconnected or at risk of disconnection. These eligibility criteria exclude customers of embedded networks (e.g. in caravan parks, apartment blocks), most customers with long-term energy debt (around 76 per cent of customers in debt for more than 24 months have debt over \$2500¹), and customers on payment plans or hardship programs (who are not, in theory, ‘at risk of disconnection’).

Last financial year South Australia had the highest disconnection rate of any NEM jurisdiction in Australia (.49%, nearly double the national average of .26%)², and fewer customers were receiving supports from their retailer than in previous years. Only 1.6% of customers in SA were on payment plans in 2020/21 (down from pre-pandemic levels of 2.2%), and 1.68% of customers were on hardship programs, down from 2.05% in 2018/19. This is in circumstances where energy debt levels are burgeoning. In 2020/21, South Australia had the second highest (after Tasmania) average debt for non-hardship customers in the NEM of \$1,277 (nearly \$300 higher than the national average), the second highest average hardship debt on entry into hardship programs of \$2,084 (up \$1000 since 2015-16),³ and the highest average hardship customer debt of \$2,438.⁴

On this basis, customers with average debt levels entering hardship programs and existing hardship customers with average or even below average debt levels would exceed the EEPS \$2000 debt limit, and would currently be excluded from accessing the Scheme. This raises real concerns about whether EEPS, in its current form, can achieve its purpose of helping households in a financial crisis.

¹ Australian Energy Regulator, [Annual Retail Markets Report 2020-21](#), November 2021, p.60

² Australian Energy Regulator, [Annual Retail Markets Report 2020-21](#), November 2021

³ Australian Energy Regulator, [Annual Retail Markets Report 2020-21](#), November 2021 (see also [AER Annual Retail Markets Report 2020-21 – Charts and Tables](#))

⁴ Australian Energy Regulator, [Annual Retail Markets Report 2020-21](#), November 2021 (see also [AER Annual Retail Markets Report 2020-21 – Charts and Tables](#))

In 2020/21 only 540 customers in SA accessed EEPS⁵ (down from 797 in 2019/20),⁶ and as at 30 June 2021 South Australia had 27,644 non-hardship energy and gas customers repaying debt, 13,425 hardship customers and 13,149 residential customers on payment plans. The 540 customers assisted by EEPS to maintain their connection to an energy supply, represents a fraction of the South Australian customers experiencing difficulty in paying their energy bills.

In addition, embedded network customers are excluded from accessing EEPS because they are not billed directly – as they are not the account holder. The bill goes to the caravan park owner, who often bundles all charges (rent, energy, water, sewerage) and then bills the customers. This then excludes a very vulnerable cohort of customers from emergency payment support.

Policy Response

The EEPS eligibility criteria need to be changed to remove these barriers to access.

Specifically, SACOSS is seeking that:

- the \$2000 debt limit is removed
- the requirement that the customer be disconnected or at risk of disconnection is removed
- the payment is increased from \$400
- the payment is made more frequently than once every three years
- customers of embedded networks are expressly included in the Scheme.

The Victorian Utility Relief Grants Scheme provides a good benchmark with much broader eligibility criteria and greater support: \$650 for each utility (water, electricity, gas) every two years, or \$1300 if customer only has one form of energy (e.g. electricity) every two years.⁷ Customers can apply to their retailer for the Utility Relief Grants Scheme (URGS) themselves (as opposed to requiring a financial counsellor apply on the customer's behalf). Victoria also has a Utility Relief Grants Scheme (non-mains) which covers embedded network customers, providing help to pay a non-mains energy or water bill that is overdue due to a temporary financial crisis.

SACOSS Proposal

1. Change the eligibility criteria for EEPS to abolish the debt cap and ensure those on payment plans and hardship programs, as well as embedded network customers are not prevented from eligibility or referral.

⁵ Government of South Australia, Department of Human Services, [Annual Report 2020-21](#), Administered Financial Statements, Emergency Electricity Payments, p.13

⁶ Australian Energy Regulator, [Annual Retail Markets Report 2019-20](#), November 2020, p. 91 and [Schedule 3, Q4 2019-20 Retail Performance Data](#)

⁷ Victoria State Government, Department of Health and Human Services website, Concessions and benefits, [Utility Relief Grant Scheme](#) and [Utility Relief Grant Scheme \(non mains\)](#)