

## Electricity and Gas debt

This fact sheet is for information only, and only applies in NSW. You should get professional advice about your personal situation.

### Main ideas

- If you are in financial hardship, negotiate a repayment plan with the electricity/gas retailer.
- EAPA vouchers can help people in short-term financial hardship, crisis or emergency with energy debt.
- Free financial counsellors can help you figure out what you can afford and can help you negotiate a payment plan.

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## You may be able to get help with electricity and gas debts

Don't get a loan to pay an electricity or gas debt. You will end up paying interest and fees, and it will just make your situation worse.

Energy Accounts Payment Assistance (EAPA) vouchers can help you pay the debt, if you are eligible.

Each EAPA voucher is worth \$50. The vouchers are provided by the NSW Government to

people having a short-term financial crisis or emergency who cannot afford to pay their electricity debt. EAPA vouchers are available through providers listed on the [Ask Izzy website](#) or directly from [Service NSW](#).

## **Prevent electricity and gas debts building up**

[Energy NSW](#) has information about rebates and offers to reduce your electricity use.

Ask your retailer if you can pay a regular amount fortnightly. That way, when a quarterly bill comes in, it won't be so large. You might be able to pay it immediately.

If you get Centrelink payments, Centrepay is a good way to make sure your electricity bills are paid. Centrepay is a free direct bill-paying service. You pay bills by having an amount taken out of your Centrelink payment each fortnight. When the bill comes in, most of it should be already paid. [Check the Services Australia website to find out how to set up Centrepay online.](#)

If you are worried you have power-hungry appliances at home, ask if your company partners with any community agencies that do free house calls to help you work out your usage.

## **Check you owe the debt**

- If you don't agree you owe the debt, get advice from the National Debt Helpline (NDH) on 1800 007 007.
- Complain to your electricity retailer, explaining why you think the debt is wrong. Give evidence.
- [If the electricity retailer doesn't fix the problem, contact the Energy and Water Ombudsman NSW \(EWON\)](#) or call: 1800 246 545). EWON is a free and independent complaints service. Time limits apply, so don't delay.

## **Ask for a payment plan**

### **Work out what you can afford to pay**

Work out what you can afford to pay each fortnight/month to the debt. A free financial counsellor can help you figure out what you can afford. [Find a free financial counsellor through the National Debt Helpline website](#) or phone 1800 007 007.

Start paying what you can afford now. This lowers the debt and may help avoid disconnection.

### **Ask for a financial hardship arrangement**

Contact the electricity/gas supplier (a free financial counsellor can help if you need it) and

ask to talk to their hardship team. Electricity and gas suppliers must work with you when you are in financial hardship.

- You can ask for a payment plan, or for a short pause on payments. Consider making small payments each pay period, to reduce bill shock each quarter. Or averaging out yearly usage into regular payments.
- Ask them not to disconnect you while you are keeping to payments.
- Ask them to check that you are on the best plan for your usage.
- Ask if they offer 'payment matching'. This is where the provider offers to reduce your debt by, say, \$20 for each \$10 payment you make.
- If you are on life-preserving equipment, make sure the supplier knows.

Keep a note of the details of the phone conversation. Get any agreement in writing and keep a copy of the letter.

Make the agreed repayments. If your situation changes again, talk to the company again and renegotiate.

## **If the company will not agree, contact EWON**

The EWON will investigate your situation and contact your electricity/gas retailer. [You can contact EWON through their website](#) or call 1800 246 545. They can investigate a wide range of complaints such as:

- your supplier unfairly refusing a payment plan
- incorrect billing
- misleading or other poor sales practices
- poor debt collection practices
- whether the supplier has followed the right processes before disconnecting services.

## **If you get a disconnection notice**

Always take a threat to disconnect seriously. Immediately:

- Phone the electricity/gas supplier. Tell them you are in financial hardship.
- Ask them not to disconnect you. Ask them to confirm in writing you won't be disconnected now that you have called and are negotiating a repayment arrangement.
- Keep making payments.
- Ask about how to apply for an EAPA voucher and tell the electricity company you intend to apply (if you qualify). You cannot be disconnected while you are applying for an EAPA voucher.

[If they still threaten disconnection, contact EWON immediately through their website](#) or by calling 1800 246 545.

## **Switching to another energy company**

It might seem like a good idea to switch to a cheaper plan with another company – but be careful. Switching may not work out better for you– especially if your bill is already large.

Some electricity companies are more generous with the help they offer existing customers than former customers (where the debt may be transferred to debt collection instead). You may end up having to deal with both your old provider and your new provider if you fall behind again.

If you stay with your current energy company, they may be able to help you more because they can look at options like payment matching or smoothing over a longer time frame.

Talk to your energy company and see a financial counsellor for advice first about your best option moving forward.

## **Need more help?**

[Visit our Useful Links page for contact details of other organisations.](#)

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