Media Release

2 October 2018

Energy prices are stable

NSW electricity and gas prices have stabilised over the past year and retailers are facing increasing competition.

In its annual review of the performance of energy retail markets in NSW, IPART has found that the average electricity bill for residential customers in NSW in July 2018 was $1,832 pa, a 0.2% increase since June 2018. Average gas bills for residential customers in the Jemena region increased by 0.2% to $861 pa. These average prices reflect the underlying costs of supplying customers.

Releasing a draft report today, IPART Chair Dr Peter Boxall said, "Since electricity prices were deregulated in 2014, the average electricity bill has increased by around 9% in the Greater Sydney, Wollongong and Newcastle area. This means that bills have reduced by around 1% (in real terms) when inflation is taken into account. In regional NSW, the average bill has fallen by around 5%, or 13% when inflation is taken into account, due to substantial reductions in network costs."

However customers who had not engaged in the electricity market could be paying around 20% more than those who had shopped around for a better deal.

Dr Boxall said the tools and initiatives to help customers compare offers to find a better deal had improved in 2017/18, with retailers now required to assist lower income customers to access better prices and advise customers when their discount will end. Customers can also use the Energy Made Easy website to find a offer that best meets their circumstances.

IPART is recommending that these initiatives should be monitored and evaluated before consideration is given to price re-regulation, as competition continues to develop and average NSW electricity retail prices have fallen slightly in real terms since price regulation was removed in 2014. The largest increases in retail electricity prices in NSW occurred between 2007 and 2013 when prices were regulated.

"The most effective way to help reduce electricity bills for those remaining on higher tariffs is to assist them to access lower-priced options," Dr Boxall said.

IPART has also recommended reforms to overcome delays in the installation of smart meters across NSW.

Meters requested in December 2017 took on average 60 to 72 business days to be installed. Dr Boxall said that while the delays had been reduced to an average of 16 to 19 business days by June 2018, IPART is recommending changes to simplify the process of installing meters and complement a recent draft rule released by the Australian Energy Market Commission (AEMC) that would require meters to be installed within six business days for a new connection or 15 business days for a simple meter exchange.

IPART's draft recommendations are to streamline the installation service and provide customers with independent information about the process of applying for a new meter.

The draft reports are available on IPART's website. Submissions on the draft findings and recommendations will be received until 2 November 2017. IPART will provide a final report to the NSW Minister for Resources, Energy and Utilities by 30 November 2018.