

DRAFT REPORT ON COMPETITION IN THE RETAIL ELECTRICITY MARKET

20 September 2016

The Independent Pricing and Regulatory Tribunal (IPART) today released its Draft Report on the performance and competitiveness of the NSW retail electricity market in 2015-16.

IPART Chair, Dr Peter Boxall said the draft finding is that competition for residential and small business customers in the NSW retail electricity market is working well following the removal of retail electricity price regulation from 1 July 2014.

“In the two years since electricity prices were deregulated in NSW there has been a substantial increase in market-led product and service innovation providing benefits to customers. These include offers that allow customers to have greater control over their usage and bills,” Dr Boxall said.

The *Review of the Performance and Competitiveness of the Retail Electricity Market in NSW* is IPART’s second annual report on the state of competition.

The Draft Report finds no substantial barriers for smaller retailers entering the NSW market, with six new retailers coming in to the market to compete for customers in the past year.

Typical residential customers can save between \$250 and \$445 per annum and typical small business customers can save between \$460 and \$850 per annum by switching from their retailer’s standing offer to their best market offer,” Dr Boxall said.

Dr Boxall said IPART also found that residential price increases of around 7% to 15% announced by retailers from July 2016 reflect changes in the efficient costs of supplying small customers, and are consistent with a competitive market. The main driver was wholesale electricity prices increasing from historically low levels to prices more representative of the longer term.

While IPART found the market has been performing well, some customers are not taking advantage of the price discounts and other benefits on offer. “The market is changing quickly so we recommend customers regularly shop around for a better deal. The Australian Government’s EnergyMadeEasy website is a good place to start,” Dr Boxall said.

Submissions to the Draft Report are due by 27 October 2016. IPART will consider these submissions in preparing its Final Report to the Minister for Industry, Resources and Energy by the end of November 2016.

A copy of the Draft Report and information about how to make submissions can be found on IPART’s website.

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