

AUSTRALIAN ENERGY MARKET COMMISSION – ANNUAL ENERGY RETAIL COMPETITION REVIEW 30 JUNE 2015

COMPETITION IS PROVIDING CUSTOMERS WITH CHOICE AND OPPORTUNITIES TO SAVE

Consumers want deals that suit them best

More retailers are in the market meeting customer needs

The market is less concentrated. Second-tier retailers are growing their share of customers

Up to 21*
electricity
retailers competing

Up to 10*
gas
retailers competing

* Number varies across jurisdictions

They're active energy shoppers

People who use comparator websites are more confident shoppers

Aware they can switch

Investigating switching

Switched this year

In jurisdictions with effective competition around 10-30% of households are still on standing offers that generally cost more

They're mainly satisfied

Most customers were satisfied with their level of customer service and value for money

Satisfied with their retailer Dissatisfied Neutral

Satisfied with switching decision Dissatisfied Neutral

Consumer choices are driving the transformation of the energy market

Consumer choices are changing the energy landscape and driving competition in new directions. Technological innovation is delivering a growing range of energy services which can manage usage and help reduce energy costs

Recommendations to promote more competition . . .

Raise awareness of government-run price comparison websites

Make switching even faster and easier as proposed by the AEMC review of electricity customer switching

Keep harmonising regulation to minimise costs

Remove energy retail price regulation where competition is effective

Give people better information so they can benefit from increasing competition

Some retailers could improve their customer relationships and service

The state of competition

Electricity retail competition is effective in Victoria, New South Wales, South Australia and South East Queensland; less effective in the Australian Capital Territory and yet to emerge in Tasmania and regional Queensland.

Gas retail competition is more tempered, but effective in most of Victoria, South Australia and New South Wales; limited in South East Queensland and yet to emerge in the ACT, Tasmania and regional Queensland.

Energy markets are evolving over time

	Market not fully contestable, regulated prices					Full retail contestability, regulated prices					Full retail contestability, deregulated prices				
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
QLD															
VIC															
NSW															
ACT															
SA															
TAS						No gas market until 2007									