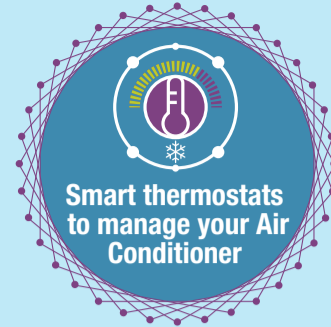
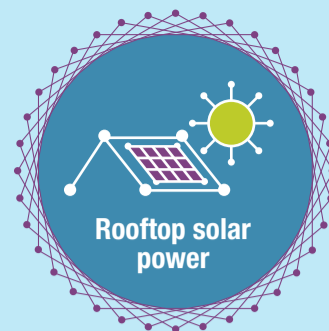


AUSTRALIA ENERGY MARKET COMMISSION ANNUAL RETAIL COMPETITION REVIEW

STATE OF COMPETITION FINDINGS: 30 JUNE 2016

The energy market is changing. Competition is growing and technological advances are introducing new energy services. This is allowing consumers to shop around and choose how their energy is sourced and used.



Key retail market competition indicators have improved or remained steady.

Consumer access to market choices

A coordinated approach to build awareness of energy use options and costs would make energy shopping easier

Benefits of shopping around regularly have increased as the range of energy products and services grows. But 50% of customers have not switched electricity retailer or plan in the last five years.

Most consumers don't know about government-run comparison websites like the Australian Energy Regulator's EnergyMadeEasy and Victoria's Energy Compare. When shown these websites consumers found them easy to use and trusted them as a source of information.

Regular energy shoppers save more

Benefits of shopping around have increased

Savings up to **30%** available to consumers who switch to a better deal

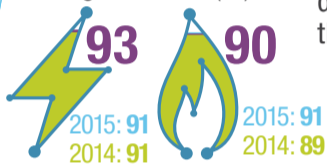
Increasing competition and new retailers entering

Market share of big three retailers falling

New retailers entered in South East Queensland, Victoria, New South Wales and South Australia

Customers are shopping around

Awareness of ability to choose energy company remains high in 2016 (%)



30% investigated their options during the year

19% of electricity and **17%** of gas customers changed retailer in 2015

Residential customers are more satisfied (%)



Energy shopping behaviours



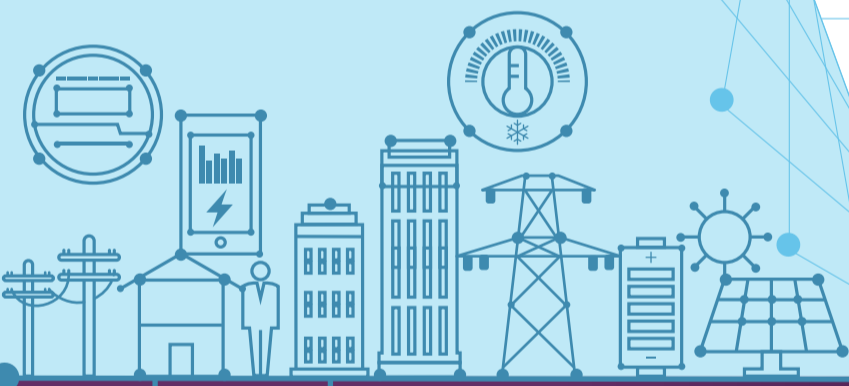
Preferred way to access energy plan information



Preference for calling retailers (up from 8% in 2014)



10% of consumers aware of government comparison website energymadeeasy



Overall, retail competition remains effective for electricity markets in South East Queensland, New South Wales, Victoria, and South Australia.

Electricity and gas retail competition is less effective in the Australian Capital Territory and effective competition is yet to emerge in Tasmania and regional Queensland.

There is effective competition in retail gas markets in New South Wales, Victoria and South Australia.

Recommendations to the COAG Energy Council Jurisdictions

Empowerment for energy shoppers



Remove energy price regulation where competition is effective so consumers can benefit more from shopping around



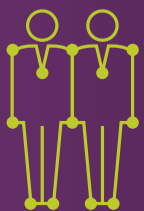
Develop a market-wide awareness and engagement strategy to make energy-shopping easier and improve customer confidence



Keep harmonising regulation to reduce red tape for energy businesses or retailers competing across jurisdictions



Review concession policies and target them better; and harmonise the structure of concession policies across the market where substantive differences exist.



The AEMC and Energy Consumers Australia to work alongside the COAG Energy Council to determine how the energy protections framework needs to evolve

