



Anthony Roberts
Minister for Industry, Resources and Energy

MEDIA RELEASE

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MORE DOWNWARD PRESSURE ON ENERGY PRICES

Minister for Industry, Resources and Energy, Anthony Roberts, today introduced legislation into State Parliament to put greater downward pressure on energy prices.

The *Energy Legislation Amendment (Electricity and Gas Pricing) Bill 2015* is the next step in the deregulation of retail energy prices.

Mr Roberts said the legislation would provide certainty for customers and the market by enshrining the Government's reforms around electricity price deregulation and would update current safeguards for electricity and gas customers.

"The deregulation of the retail electricity market has put downward pressure on prices, which has benefited customers," Mr Roberts said.

"Since we deregulated the retail electricity market on 1 July 2014, more than 418,000 customers have switched to a better deal, leaving fewer than 21 per cent of customers on the former regulated tariff.

"Deregulation forces greater competition and allows a customer greater freedom of choice to change their retailer if they are unhappy with prices or the level of service.

"We are now working on increasing competition in the retail gas market to drive efficiencies and reduce costs."

Under the proposed legislation, gas prices will be deregulated from 1 July 2017, on the condition that there is a considerable increase in the level of competitive offers available to customers in regional NSW.

St Vincent de Paul's *New South Wales Energy Prices July 2015* report found 'customers switching from the worst electricity standing offer to the best market offer can save up to \$550 to \$1,050 per annum'.

The Independent Pricing and Regulatory Tribunal (IPART) also found families are now saving on average between \$290 and \$390 a year and average small business customers between \$360 and \$610, simply by switching to competitive market offers.

About 20 per cent of the State's 3.3 million electricity customers remain on the transitional tariff that replaced the former regulated price, 20 retail brands are active in NSW with four new retailers having entered the NSW electricity market since July 2014.

The Australian Energy Market Commission's (AEMC) 2015 Competition Review found competition in the retail gas market to be effective, with six brands competing for the State's 1.3 million customers.

NSW is the only National Electricity Market State or Territory that still regulates retail gas prices.

However, in some regional areas such as Wagga Wagga, the AEMC's 2015 Competition Review found significantly less independent rivalry and product differentiation in the regional gas market.

The Government will make the final decision to proceed with full gas deregulation in 2017 if it is satisfied that retailers have sufficiently increased the level of competition in regional areas.

For a free and independent price comparison of retail electricity offers in your area visit the independent Australian Energy Regulator's (AER) website:

www.energymadeeasy.gov.au