



Case Study 1—Making energy choices easier

Antonio and Francesca are self-funded retirees living at Southport in South East Queensland.

Normally, they shop around for the best electricity deal, but for the past year it hasn't been a priority and whatever discount they had from their retailer has now lapsed.

From talking to his friends, Antonio knows that he could probably get a better deal if he shopped around but he just hasn't had the time.

When Antonio goes online to look for a new electricity plan, he's surprised to find no advertised plans match the size of the discount he previously received. Antonio is also confused as to why all plans talk about a reference price.

A concerned Antonio calls his retailer to find out if he can sign up to a new plan with the same large discount he previously enjoyed. The retailer explains a recent change by the government means all new plans must be advertised against a new benchmark, known as the reference price. And this may be the reason why he's unable to find a new plan that matches his previous discount.

Antonio is told the reduction in advertised discounts is due to the requirement to calculate all discounts against the reference price. When Antonio says that he just wants to get the cheapest deal available, the retailer advises him that the plans with the biggest discounts against the reference price will likely be the cheapest plans.



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Case Study 2—Addressing business energy costs

Mary and Fiona are partners in a café in Adelaide. Business is generally ok, but their power bills have always been a concern since going into business four years ago. They are on a standard contract with their retailer and have not signed up for a new plan since starting their business.

Currently, the café uses around 20,000 kWh of electricity every year on a flat rate tariff and their annual bill last year topped \$9500*.

While watching the news, Mary hears about changes to the electricity industry beginning on 1 July. After going online, Mary finds energymadeeasy.gov.au, an independent comparison website that helps find the best electricity plans.

It turns out the changes discussed on the news are about a new maximum price her retailer can charge. This means if her café continues to use the same amount of electricity as previous years, Mary and Fiona will only be charged \$9120*, saving them nearly \$400 a year even if they don't do anything.

Mary puts all her business consumption information into energymadeeasy.gov.au, wondering if she can get an even better deal for her café. The website shows they could save almost \$1000 if the café signs up to a better deal with another retailer. Mary sends Fiona a quick email to ask if she's happy to change energy providers and spells out the savings they can make.

*REFERENCE: AER Final Determination DMO, p8. Small business flat tariff example for 20,000 kWh per year.



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Case Study 3—Shopping around for a better deal

Tama and Natalie and their three children live in Liverpool in Sydney’s west. Their power bill is one of their biggest expenses beyond the mortgage on their home.

Natalie recently received a letter from her electricity retailer informing her the discounts currently applied to her bill are about to expire, convincing Natalie to look for a new electricity plan. After going online, Natalie is confused as to why all new plans talk about a reference price.

A puzzled Natalie calls her retailer to find out what is going on. The retailer explains a new benchmark price set by the independent regulator came into force on 1 July, and from now on all electricity plans are required to be advertised against the reference price.

The retailer explains to Natalie the reference price is a change in advertising electricity plans that allows Natalie to compare the value of each plan, as all plans must now be advertised against a common reference price. This means when Natalie compares two electricity plans, even plans from different retailers, she will be able to identify the cheapest deal.

Natalie and her husband are still unsure, so the next day she goes online to energymadeeasy.gov.au, a free, government-run price comparison website to find out more information about the reference price and to compare different electricity plans.



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Case Study 4—Protecting consumers in the market

Eli is in his third year of studying to be a teacher at the University of New England and lives in a share house with three other university students near Armidale in the north east of New South Wales.

When they moved in, they stayed with the electricity retailer that was already supplying the house and have never changed their electricity plan.

In Armidale, it's freezing during winter and Eli and his flat mates all have heaters going in the bedrooms of the old house they live in, as well as a reverse-cycle air conditioner in the main living area. This makes their electricity bill for winter expensive—around \$1400* for the quarter.

Eli and his flat mates haven't considered getting a better deal, because none of them know how long they will stay in the house and feel signing up to a new electricity plan will tie them down.

On Facebook, Eli reads a post about recent changes that will reduce electricity prices. It says the government has introduced a compulsory price cap to protect customers who aren't on a special discounted deal, stopping retailers charging unjustifiably high prices on their electricity bills.

He learns that if you are being charged something higher than the price cap your electricity company has to reduce your rate, otherwise they will be breaching the law. Eli understands he doesn't need to do anything for this change to take effect. When their next bill arrives, it's \$100 cheaper than the previous bill.

*REFERENCE: AER Final Determination DMO, p8



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