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Look out for power cut

Changes to electricity prices mean you could save hundreds without lifting a finger, writes **Sophie Elsworth**

ELECTRICITY customers stuck on expensive deals are set to enjoy some serious price relief by being automatically switched to cheaper offers from July 1.

Regulators have been forced to crack down on retailers gouging complacent consumers who have been left paying inflated prices.

Under new changes recommended by the competition watchdog, the Australian Competition and

Consumer Commission, retailers must implement a default market offer.

Currently, millions of customers who fail to shop around are stuck on standing offers – or artificially high rates set by companies.

Those who do look for cheaper deals usually end up on market offers, often with lower rates. Standing offers will be abolished from July 1 and anyone on these deals will be automatically switched over.

Consumers on market offers are also being encouraged to make sure they are not paying more than the default offer.

Default pricing will be set by energy regulators, and not energy companies, in a bid to bring prices down.

For people living in Tasmania, Western Australia and the Northern Territory – where there is little or no choice of a retailer – energy comparison website Canstar Blue's spokesman, Simon

Downes, said customers should still make sure they were on a competitive tariff.

This includes discounts, for instance, on the particular time of day they use energy.

In other states, price

differences between the cheapest and most expensive deals will drop significantly.

"That gap is going to narrow because the default offers will make power cheaper," Mr Downes said.

"The difference between the cheapest and most expensive deals after the changes happen might be just \$500, instead of up to \$2000 in some areas."

Alinta Energy's executive director of retail markets, Jim Galvin, said changes would

make pricing clearer and "will be a real winner for customers".

"It'll become much easier to compare deals between retailers," he said.

"We'll start to see deals compared in annual dollar terms, so you'll see deal one is \$1200 a year and deal two is \$1100

a year.

"Also from July 1, in most cases, new government price caps will lower what a retailer can charge customers who don't have an active deal."

Mr Downes urged customers to look for additional value from their retailer. This included rewards programs, discounts at retail outlets or cheaper movie tickets.

Origin head of retail Jon Briskin welcomed the changes and said it would make energy comparison easier.

"From 1 July, it will be much easier for customers to compare prices between retailers because all offers need to be promoted against the same reference price," he said.

"This will take the work out of comparing prices and make it easier for customers to shop around."

Compare energy prices at energymadeeasy.gov.au

