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Energy—shopping around and switching contracts

Although you will still receive the same supply of gas or electricity, energy retailers compete for your business by offering you different energy contracts. These contracts can have different prices, discounts and may be for a fixed term or duration. Shopping around to get an energy offer which better meets your household's needs is one way you can save money on your gas or electricity bill.

Energy contracts

When you purchase gas and electricity from an energy retailer, you are entering a contract. Even if you move into a new property and start using electricity and gas without contacting any retailer, you will automatically have a 'deemed' contract. A deemed retailer is the retailer responsible for supplying energy to your property. If you are in this situation, you must contact a retailer and enter into a new contract as soon as possible.

Types of energy contracts

When you contact an energy retailer they may offer you a:

Standard retail contract—these have set terms and conditions and can't be changed by the retailer.

You are most likely to be on this type of contract if you haven't ever changed retailers or contacted a retailer about an energy contract.

Under some standard retail contracts, the price you pay for your energy is set by your state or territory government.

Market retail contract—these have a minimum set of terms and conditions, but other terms and conditions can vary from contract to contract.

You might not be eligible for all market retail contracts offered by retailers but you can shop around to see what offers are available to you.

Market contracts may cost less, offer renewable energy or discounts, and often have fixed term durations where exit fees are charged if you leave early.

Market contracts differ between retailers and it is advisable when choosing a market contract to shop around for one that is going to work best for you.

Comparing energy contracts

As well as varying in price and duration, energy contracts may have different payment options, fees and can include other incentives such as movie tickets and magazine subscriptions.

If you are thinking of switching contracts it is important that you take some time to compare the different offers available to you.

Shopping around

Before starting out it is a good idea to look at your last couple of energy bills to work out your energy use and how much you are paying. This will help you compare different offers to your current offer.

It is also worth checking if you could get a better deal from your current retailer. Ask if you are eligible for any special offers or extras such as rebates or concessions.

Quick tip

A good way to shop around to see what other retailers offer is to use a price comparison website. Visit the Australian Energy Regulator's energy price comparison website, Energy Made Easy.

www.energymadeeasy.gov.au

Price comparison websites allow you to compare a range of offers and see which offers have discounts or special incentives and the terms and conditions that apply. Energy Made Easy also lets you search for offers with particular features, such as Green Power options or solar feed-in tariffs.

There are also commercial switching services and websites offered by private businesses available. You should be aware that these websites often take commissions from retailers, may promote some offers over others, and may not include all retailers and contracts offered in your area.

Is the offer right for me?

Before you decide to switch retailers you should:

- check the facts and consider the details of the offer including the length of the contract, price, early termination fees, billing and payment arrangements and any incentives or discounts
- ask yourself questions, like: “Is this the right deal for me based on my household’s energy use?” and “Do I have enough information to decide?”
- discuss it with someone else (family, friends etc.) before deciding
- find out if you need to pay a security deposit and how much it is
- if signing a dual fuel contract for electricity and gas, check whether you will receive one bill covering both fuels or two separate bills
- check what methods of payment are accepted (direct debit, Centrepay, electronic transfer and post offices)
- ask if there are any extra fees and charges for these different payment methods.



Tips when switching contracts

The following are key points to remember when switching retailers:

- check with your current retailer before you sign a new contract if early exit or termination charges apply
- your existing contract is automatically cancelled and you will be sent a final bill from your old retailer
- it may take a few months to switch retailers as it occurs on the date of your next meter reading
- if you want a meter reading before your next scheduled meter read date you can ask your retailer. This special or extra meter reading may be charged to you
- check your first bill from your new retailer to ensure it reflects what you and your retailer agreed
- after you agree to switch to a new offer, the retailer must send you a copy of the contract. This will include all the terms and conditions of the contract. Ensure the terms and conditions match what you agreed with the retailer.

More information

Australian Energy Regulator

AER Infoline 1300 585 165

AER website www.aer.gov.au

Energy Made Easy www.energymadeeasy.gov.au

Other contacts

Indigenous Infoline 1300 303 143

For information in languages other than English call 13 1450 and ask for 1300 585 165

Speak and Listen users phone 1300 555 727 and ask for 1300 585 165

TTY users phone 13 3677 and ask for 1300 585 165

Internet relay users connect to the National Relay Service (www.relayservice.com.au) and ask for 1300 585 165

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