

Standard gas contract prices in 2017–18

Pricing update

21 December 2017



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Standard contract prices from 1 January 2018

If you have not changed your energy contract since 2002, you will be on a **standard contract** with an energy retailer. You could also be placed on a standard contract by default, for example, if you do not choose an energy retailer when you move house.

12 retailers increased their standard contract gas prices

By 15 December 2017, 12 energy retailers published gas prices of their standard contracts.¹ These retailers had a total of 165,488 residential gas customers on standard contracts on average in 2016-17.

Because standard contracts often act as a signal for the market, we expect these retailers' market contracts to follow similar price increases in due course.² We will continue monitoring and reporting on prices offered by retailers to Victorians in our energy market report updates throughout the year.

As shown in figure 1, gas standard contract offers available from January 2018 range from \$1,391 to \$2,060. In the 18 months between June 2016 and January 2018, the estimated increase in bills for customers in standard retail contracts will have increased between 11 and 50 per cent.³ While most retailers will increase their rates from 1 January next year, one retailer announced a reduction in their standard contract rates.

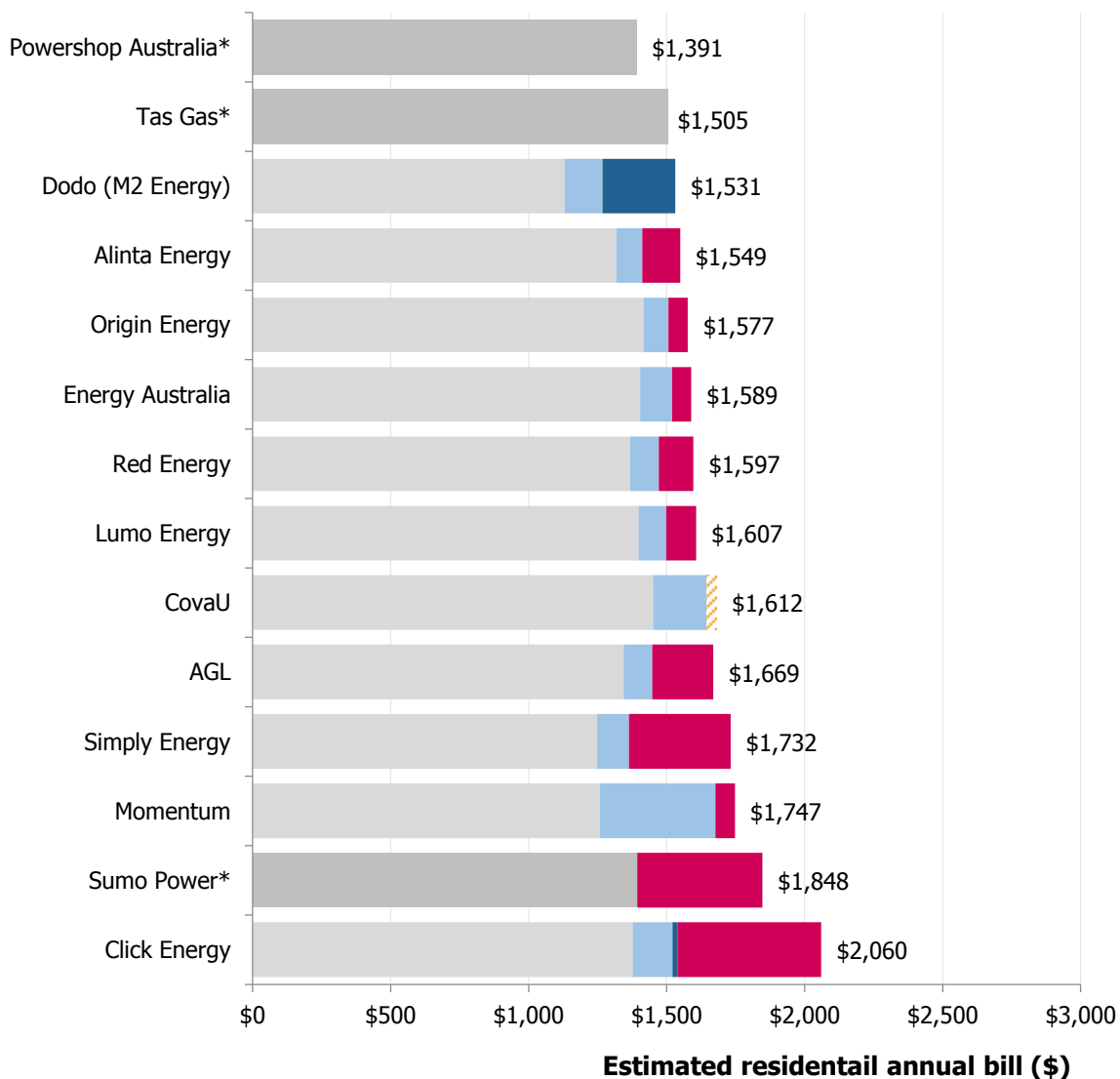
In June 2017, two gas retailers and ten electricity retailers also announced increases to their standard contract energy prices.

¹ Retailers can only change their standard contract prices on dates set by the government. These dates are 8 December 2017 and 1 June 2018 for electricity, and 8 and 15 December 2017 and 1 June 2018 for gas. AGL and EnergyAustralia announced changes to gas prices of their standard contracts on 8 December 2017, with the remaining retailers announcing changes on 15 December 2017.

² A market contract has its terms, conditions and prices set by the retailer.

³ We have chosen an 18 month reporting period to more clearly demonstrate how retailers have responded to the recent increases in wholesale gas prices.

Figure 1 Estimated annual gas bills from standard contracts by retailers since June 2016 (ranked from highest to lowest offer from January 2018)



- Average bill for a standing offer June 2016 (approx.)
- Increase in standing offers 1 Jan 2017
- Increase in standing offers 1 July 2017
- Increase in standing offers 1 Jan 2018
- ▨ Decrease in standing offers 1 Jan 2018

Based on a typical residential customer usage of 54.4 GJ p.a. Analysis is based on the average of flat and multi-flat offers across all distribution areas. Values exclude GST. Note that Click Energy Pty Ltd trades as both Click Energy and amaysim Energy. M2 Energy Pty Ltd trades also as both Dodo Power & Gas and Commander Power & Gas.

* Having been granted gas retail licences, Sumo Power and Powershop published their residential standard contract gas tariffs for the first time between July and December 2017. Tas Gas Retail published their residential standard contract gas tariffs for the first time on 15 December 2017.

Figure 2 Estimated percentage increases to gas annual bills from standard contracts by retailers since June 2016

