



Changes to the on-supply (on-selling) of electricity and gas

With effect from 23 December 2016, new rules and responsibilities apply to the on-selling of electricity and gas in Western Australia and small business landlords, property managers and commercial and retail tenants should familiarise themselves with these changes.

What is on-supply (on-selling)?

The on-supply of electricity and gas (often referred to as 'on-selling') is common practice in multi-tenanted commercial premises such as shopping centres and industrial units.

Within an on-selling arrangement, the tenant does not have a direct billing relationship with the licensed utility provider. In most cases the on-seller, as the owner, landlord or manager of the property, receives an invoice from a licensed utility provider such as Alinta Gas or Synergy for the total supply of electricity or gas to the whole property. The on-seller then calculates the cost of the electricity or gas consumed by each tenant, and issues individual invoices for that usage. Sometimes, these invoices have an additional charge included, payable by the tenant to the on-seller, for the preparation of the individual invoice. This is no longer the case. New rules also apply to the information an on-seller must provide to the tenant with each invoice.

What are the new rules for on-selling electricity or gas?

Under the changes effective from 23 December 2016, all tenants in electricity or gas on-selling arrangements are entitled to an itemised bill from their on-seller. The bill must include, as a minimum:

- the quantity (volume) of electricity or gas supplied to the tenant;
- in relation to the supply of gas, the volumetric charge for the gas payable by the tenant (ie. cents per unit); and
- the fees and charges payable by the tenant for the supply of electricity or gas.

In some buildings, each tenancy will have its own sub-meter which is read by the on-seller for the purposes of issuing a bill for electricity and/or gas usage. If there are no sub-meters, the amount payable is usually calculated by the on-seller using an average consumption for each location on the site, or on the basis of the floor space of each unit or tenancy.





How much can an on-seller charge for electricity or gas?

An electricity or gas tariff or pricing arrangement is typically divided into two parts: consumption, and daily supply charge. Consumption applies to the amount of electricity or gas consumed during the billing period, while the daily supply charge covers electrical or gas ‘services’ that are part of supplying the utilities to the tenant. This can include the costs associated with reading meters, preparing bills and maintaining the equipment that carries the electricity or gas to the tenancy.

Note that the ‘daily supply charge’ is intended to cover the on-seller’s costs of providing the electrical or gas services, including the issuing of individual bills to tenants. On-sellers are now not allowed to charge separately for these items.



If you’re a landlord - make sure you are familiar with the new rules that apply to on-selling electricity and gas to commercial and retail tenants.



On-sellers cannot impose a separate charge for reading the meter or preparing your bill.

Where to go if there's a dispute

In the first instance, a tenant should attempt to resolve the complaint or dispute directly with the on-seller.

If this is unsuccessful, the Small Business Development Corporation offers free general advice and guidance on how to resolve the dispute or facilitate discussions with the other party, as well as providing access to a low-cost mediation service.

Need to know more?

The Public Utilities Office (PUO) is responsible for overseeing the onselling of gas and electricity in Western Australia. It can provide information on licence exemptions and the regulatory framework that exempt persons operate within.

For further information, refer to the PUO’s factsheets in regards to on-selling **gas** and **electricity**.

For more information visit
smallbusiness.wa.gov.au or call 13 12 49

NOTE: THIS INFORMATION IS NOT A SUBSTITUTE FOR LEGAL ADVICE

